-M-
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F2854A2
BEACONFIELD CORP
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2

TERMINATED
Date 8-17-87
Accounting 8-18-88 RB
Legal
Exploration
Execution

TERMINATED 04-01464-9 - 311.00 ACRES
Date
Accounting 04-02294-3 - 20.00 ACRES
Legal 04-01464-9
Exploration ~~Unit acreage lies in LOVING 20 in WARD~~
Execution 04-02294-3

Unit 146 ACRES IS IN LOVING COUNTY 04-01464-9

~~Unit 331 Acres~~

4

STATE LEASE M-88352 151+238

COUNTY:	Loving and Ward
TRACT :	Sur. 76, Blk. 33, H&TC RY CO
PART :	SW/pt. and SW/146 ac. of NE/pt.
ACRES :	~~331~~ 146 Unit Only
LESSEE :	Beaconfield Corporation
DATE :	October 5, 1982
TERM :	3 years
BONUS :	$53,291.00
RENTAL:	$5.00 #1655.00
FILE :	142527

Legal
Accounting RW
Mineral Acc
Mineral Mgt

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Scanned sm 6/29/16

GLO-S-08-(1-82)

Cert. of Fact
10-04-83
Cotton, Bledsoe, Tighe & Dawson
Midland, Texas

Contents of Mineral File Number: 088352

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scanned PY 5-17-2017

88352

MINERAL LEASE APPLICATION
(Oil and Gas Lease)
(Bid Form)

RECEIVED IN THE GENERAL LAND OFFICE ON OR BEFORE 10 A.M. OCT 5 - 1982

To the Commissioner of the General Land Office
and the School Land Board
Austin, Texas

By virtue of Article 5421c, Vernon's Civil Statutes, and other applicable laws, providing for the leasing of river beds and channels, unsold surveyed school lands, and areas within tidewater limits including islands, lakes, salt water lakes, bays, inlets, marshes, reefs, the bed of the sea, and that portion of the Gulf of Mexico within the jurisdiction of the State of Texas, I herewith tender my application for the following area:

Mgl No.	Survey	Tract	Blk	Tsp	Original Grantee	Acres	Designated Area	County
75	H & TC RY CO	76	33	--		331	SW/pt. and SW/146 AC. of NE/pt	Loving and Ward

(Only one tract may be included in this application, and it must be described the same as in the advertised list).

I accept and agree to the terms and requirements of said statutes, and I agree to pay to the State of Texas at the General Land Office, Austin, Texas, ONE QUARTER of the gross production of oil and/or gas, or the value of same that may be produced thereon.

And beginning with the second year of the lease, I agree to pay delay rental in the sum of FIVE DOLLARS per acre, which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively during the primary term of my lease.

If production in commercial quantities should be secured within the three-year primary term, or any extension thereof, my lease shall continue as long thereafter as oil or gas is produced therefrom in commercial quantities.

IN ADDITION TO THE ABOVE, I HEREBY BID AND ENCLOSE HEREWITH AS A CASH BONUS THE SUM OF FIFTY THREE THOUSAND TWO HUNDRED NINETY ONE AND NO/100 ($53,291.00) ---------- DOLLARS. 12180

There is also attached remittance in the amount of FIVE HUNDRED THIRTY TWO & 91/100---------- Dollars, being 1% of the cash bonus offered as a special sale fee as provided in Article 5382d-1, Vernon's Civil Statutes. 12181

PLEASE COMPLETE (ONE DIGIT PER SPACE)

MARGINAL NO. 7 5

APPLICANT: B E A C O N F I E L D
C O R P O R A T I O N

ROYALTY: . 2 5 0 0 0

BONUS: $, 5 3, 2 9 1. 0 0

October 1, 1982
(Date)

BEACONFIELD CORPORATION

BY: F. T. Muller
(Applicant) F. T. MULLER, VICE PRES.

P. O. BOX 8438
(Address)

NORTHFIELD, ILLINOIS 60093
(Post Office)

GLO-ED-16-(1-82)

CERTIFICATE

I, _____, Secretary of the School Land Board, do hereby certify that at a regular meeting of said Board held in the General Land Office, Austin, Texas, on the _____ day of _____, A. D., 19____, the above application No. _____ was _____, all of which is shown in Vol. _____, Page _____, of the Minutes of said Board.

Given under my hand this the _____ day of _____, A. D., 19_____, at Austin, Texas.

_____
Secretary of the School Land Board

APPLICATION NO. 73663

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board, do hereby certify that at a regular meeting of said Board held in the General Land Office, Austin, Texas, the said application number was accepted, all of which is shown in the minutes of said Board.

GIVEN UNDER MY HAND this is the 15th day of November, A.D., 1982, at Austin, Texas.

Linda K. Fisher
Secretary of the School Land Board

①
M-88352
Bid
10-5-82

Revised
Lease Form 9-81

The State of Texas
General Land Office

Austin, Texas

OIL AND GAS LEASE
No. 88352

WHEREAS, pursuant to Chapter 32 and Subchapters A-E, G and H of Chapter 52 of the Natural Resources Code (hereinafter called N.R.C.), and subject to all rules and regulations promulgated by the Commissioner of the General Land Office and/or the School Land Board pursuant thereto, and all other applicable statutes and amendments to said N.R.C., the following area, to-wit:

SW/pt. and SW/146 Ac. of NE/pt. of H&TC RY. CO. Survey No. 76, Block 33, Loving and Ward Counties, Texas, containing 331 acres, as shown on the official map of Loving and Ward Counties, Texas, now on file in the General Land Office in Austin, Texas, and as further shown on the plat attached hereto and made a part hereof,

was, after being duly advertised, offered for lease on the 5th day of October, 19 82, at 10:00 o'clock A.M., by the Commissioner of the General Land Office of the State of Texas and the School Land Board of the State of Texas, for the sole and only purpose of prospecting and drilling for, and producing oil and/or gas that may be found and produced from the above described area; and

WHEREAS, after all bids and remittances which were received up to said time have been duly considered by the Commissioner of the General Land Office and the School Land Board at a regular meeting thereof in the General Land Office, on the 5th day of October, 19 82, and it was found and determined that BEACONFIELD CORPORATION whose address is P. O. Box 8438, Northfield, Illinois 60093, had offered the highest and best bid for a lease of the area above described and is, therefore, entitled to receive a lease thereon:

NOW, THEREFORE, I, BOB ARMSTRONG, Commissioner of the General Land Office of the State of Texas, hereinafter sometimes referred to as "Lessor", whose address is Austin, Texas, by virtue of the authority vested in me and in consideration of the payment by the hereinafter designated Lessee, the sum of Fifty-three Thousand Two Hundred Ninety-one & No/100 Dollars ($53,291.00), receipt of which is hereby acknowledged and of the royalties, covenants, stipulations and conditions contained and hereby agreed to be paid, observed and performed by Lessee, do hereby demise, grant, lease and let unto Beaconfield Corporation the exclusive right to prospect for, produce and take oil and/or gas from the aforesaid area upon the following terms and conditions, to-wit:

1. TERM: Subject to the other provisions hereof, this lease shall be for a term of THREE (3) years from this date (herein called "primary term") and as long thereafter as oil or gas is produced in paying quantities from said area.

2. DELAY RENTALS: If no well be commenced on the land hereby leased on or before the 5th day of October, 19 83, this lease shall terminate as to both parties unless the Lessee on or before said date shall pay or tender to the Commissioner of the General Land Office of the State of Texas at Austin, Texas, the sum of FIVE AND NO/100 Dollars ($5.00), per acre, which shall operate as rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner, and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively during the primary term hereof.

3. PRODUCTION ROYALTIES: When production of oil and/or gas is secured, the Lessee agrees to pay or cause to be paid to the Commissioner of the General Land Office in Austin, Texas, for the use and benefit of the State of Texas, during the term hereof:

(A) OIL: As a royalty on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, ONE-FOURTH (1/4) part of the gross production or the market value thereof, at the option of the Lessor, such value to be determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity in the general area where produced and when run, or 2) the highest market price thereof offered or paid in the general area where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before any gas produced from the land hereby leased is sold, used or processed

in a plant, it will be run free of cost to Lessor through an adequate oil and gas separator of conventional type or other equipment at least as efficient to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered. Upon written consent of Lessor, the requirement that such gas be run through such a separator or other equipment may be waived upon such terms and conditions as prescribed by Lessor.

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

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

(D) OTHER PRODUCTS: As a royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead", "dry" or any other gas, by fractionating, burning or any other processing, ONE-FOURTH (1/4) part of the gross production of such products, or the market value thereof, at the option of Lessor, such market value to be determined as follows:

(1) On the basis of the highest market price of each product, during the same month in which such product is produced, or
(2) On the basis of the average gross sale price for each of the products for the same month in which such products are produced; whichever is the greater.

(E) NO DEDUCTIONS: Lessee agrees that all royalties accruing to Lessor under this lease shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

(F) ROYALTY IN KIND: Notwithstanding anything contained herein to the contrary, Lessor may, at its option, upon not less than 60 days notice to Lessee, require at any time or from time to time that payment of all or any royalties accruing to Lessor under this lease 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.

(G) PLANT FUEL AND RECYCLED GAS: No royalty shall be payable on any gas as may represent this lease's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding anything contained herein to the contrary, and subject to the consent in writing of the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises or for injection into any oil or gas producing formation underlying the leased premises after the liquid hydrocarbons contained in the gas have been removed and no royalties shall be payable on the gas so recycled until such time as the same may thereafter be produced and sold or used by Lessee in such manner as to entitle Lessor to a royalty thereon under the royalty provisions of this lease.

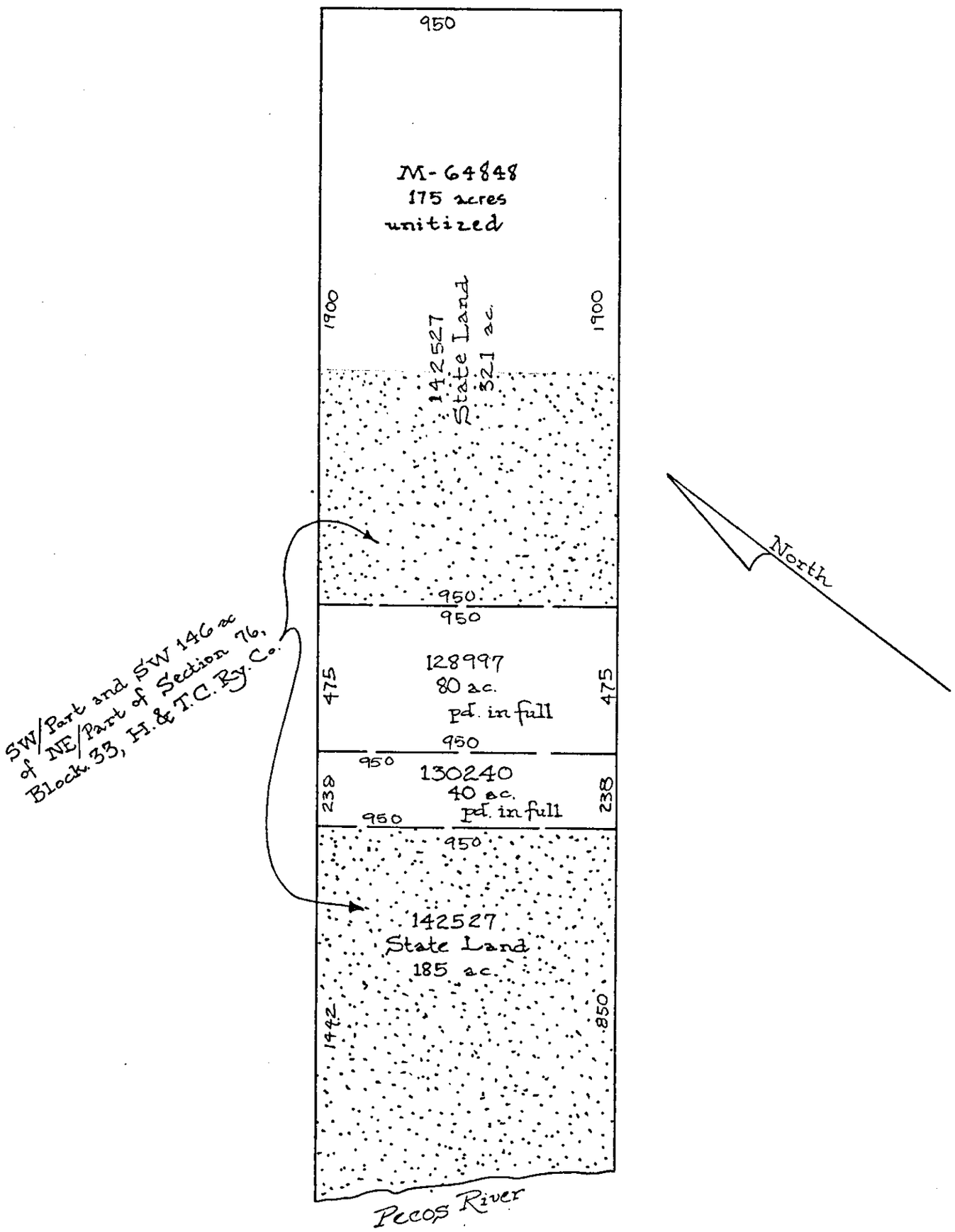
(H) MINIMUM ROYALTY: During any year after the expiration of the primary term of this lease, if this lease is maintained by production, the royalties paid to Lessor in no event shall be less than an amount equal to the total annual delay rental herein provided; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of this lease a sum equal to the total annual rental less the amount of royalties paid during the preceding year.

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

Royalty on oil is due and must be received in the General Land Office on or before the 5th day of the second month succeeding the month of production, and royalty on gas is due and must be received in the General Land Office on or before the 15th day of the second month succeeding the month of production, accompanied by the affidavit of the owner, manager or other authorized agent, completed in the form and manner prescribed by the General Land Office and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas, together with a copy of all documents, records or reports confirming the gross production, disposition and market value including gas meter readings, pipeline receipts, gas line receipts, and other checks or memoranda of amount produced and put into pipelines, tanks, or pools and gas lines or gas storage, and any other reports or records which the General Land Office may require to verify the gross production, disposition and market value. In all cases the authority of a manager or agent to act for the Lessee herein must be filed in the General Land Office. Each royalty payment shall be accompanied by a check stub, schedule, summary or other remittance advice showing by the assigned General Land Office lease number the amount of royalty being paid on each lease. Any royalty not paid or affidavits and supporting documents not filed when due shall become delinquent and shall have added to the sum owing a delinquency penalty of one percent (1%) of such sum for each thirty (30) day period of delinquency or a fractional period thereof; provided, however, that each such penalty shall never be less than Five Dollars ($5). The lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

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

(B) DRILLING RECORDS: Written notice of all operations on a State of Texas lease shall be submitted to the Commissioner of the General Land Office by Lessee or operator within five (5) days of spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill, well tests,



Section 76, Blk. 33, H. & T.C. Ry. Co., Loving County

completion reports and plugging records. Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall have an electrical and/or radioactivity survey made on the bore-hole section, from the base of the surface casing to the total depth of well, of all wells drilled on the above described premises and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.

6. DEVELOPMENT: Notwithstanding any provision of this lease to the contrary, after a well producing or capable of producing oil or gas has been completed on the leased premises, Lessee shall exercise the diligence of a reasonably prudent operator in drilling such additional well or wel's as may be reasonably necessary for the proper development of the leased premises and in marketing the production thereon.

7. OFFSET WELLS: If oil and/or gas should be produced in commercial quantities in a well on land privately owned or on State land leased at a lesser royalty, which well is within one thousand (1,000) feet of the area included herein, the Lessee shall, within sixty (60) days after such initial production on such land, begin in good faith and prosecute diligently the drilling of an offset well on this area, and such offset well shall be drilled to such depth as may be necessary to prevent the undue drainage of this area, and the Lessee, manager or driller shall use all means necessary in a good faith effort to make such offset well produce oil and/or gas in commercial quantities.

8. DRY HOLE CLAUSE: If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if after discovery and production of oil or gas the production thereof should cease from any cause, this lease shall not terminate if on or before the rental paying date next ensuing after the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or commences or resumes the payment of annual delay rental in the same manner as provided in Paragraph Number 2 of this lease. If a dry hole be completed and abandoned during the last year of the primary term, Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in oil or gas well within the primary term hereof, Lessee shall resume payment of annual rental in the same manner as provided in Paragraph Number 2 in this lease on or before the rental paying date next ensuing after sixty (60) days from the date of completion of such shut-in oil or gas well and the failure to make such annual rental payment shall subject the lease to forfeiture under the provisions of Paragraph Number 17 hereof. If at the expiration of the primary term or at any time thereafter a shut-in oil or gas well is located on the leased premises payments shall be made in accordance with the provisions of Paragraph Number 10 hereof.

9. CESSATION, DRILLING, AND REWORKING: In the event production of oil or gas on the leased premises after once obtained shall cease from any cause at the expiration of the primary term hereof or at any time or times thereafter, this lease shall not terminate if Lessee commences additional drilling or reworking operations within sixty (60) days thereafter, and the lease shall remain in full force and effect so long as such operations continue in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days during any one such operation; and if such drilling or reworking operations result in the production of oil or gas, the lease shall remain in full force and effect so long as oil or gas is produced therefrom in paying quantities or payment of shut-in oil or gas well royalties or compensatory royalties is made as hereinafter provided or as provided elsewhere in the statutes of the State of Texas. Lessee shall give written notice to the General Land Office within five (5) days of any cessation of production.

10. SHUT-IN ROYALTIES: If at the expiration of the primary term or at any time after the expiration of the primary term a well or wells capable of producing oil or gas in paying quantities are located on the leased premises but oil or gas is not being produced for lack of suitable production facilities or a suitable market and the lease is not being maintained in force and effect, before the expiration of the primary term or if the primary term has expired, within sixty (60) days after Lessee ceases to produce oil or gas from the well, Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease but not less than $1,200 a year for each well capable of producing oil or gas in paying quantities; if the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term or from the first day of the month next succeeding the month in which production ceased and after that if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four additional and successive periods of one year by paying the same amount each year on or before the expiration of the extended term; if, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within 1,000 feet of the leased premises and completed in the same producing reservoir or in any case in which drainage is occurring, the right to continue the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid and for an additional period of not more than five years from the expiration of the primary term by Lessee paying compensatory royalty at the royalty rate provided in the lease of the value at the well of production from the well which is causing the drainage or which is completed in the same producing reservoir and within 1,000 feet of the leased premises; the compensatory royalty is to be paid monthly to the commissioner beginning on or before the last day of the month next succeeding the month in which the oil or gas is sold and delivered from the well located within 1,000 feet of or draining the leased premises and completed in the same reservoir; if the compensatory royalty paid in any 12-month period is in an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within 30 days from the end of the 12-month period; and none of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in Section 52.034 of the N.R.C.

11. EXTENSIONS: If, at the expiration of the primary term of this lease, production of oil or gas has not been obtained on the leased premises but drilling operations are being conducted thereon in good faith and in a good and workmanlike manner, Lessee may, on or before the expiration of the primary term, file in the General Land Office written application to the Commissioner of the General Land Office for a thirty (30) day extension of this lease, accompanied by payment of Three Thousand Dollars ($3,000.00) if this lease covers six hundred forty (640) acres or less and Six Thousand Dollars ($6,000.00) if this lease covers more than six hundred forty (640) acres and the Commissioner shall, in writing, extend this lease for a thirty (30) day period from and after the expiration of the primary term and so long thereafter as oil or gas is produced in paying quantities; provided further, that Lessee may, so long as such drilling operations are being conducted make like application and payment during any thirty (30) day extended period for an additional extension of thirty (30) days and, upon receipt of such application and payment, the Commissioner shall, in writing, again extend this lease so that same shall remain in force for such additional (30) day period and so long thereafter as oil or gas is produced in paying quantities; provided, however, that this lease shall not be extended for more than a total of three hundred ninety (390) days from and after the expiration of the primary term unless production in paying quantities has been obtained.

12. USE OF WATER; SURFACE: Lessee shall have the right to use water produced on said land necessary for operations hereunder and solely upon the leased premises; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for water flood operations without the prior written consent of Lessor. Lessee shall have the right to use so much of the surface of the land that may be reasonably necessary for drilling and operating wells and transporting and marketing the production therefrom, such use to be conducted under conditions of least injury to the surface of the land.

13. POLLUTION: In developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties. Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level off all slush pits and cellars and completely clean up the drilling site of all rubbish thereon.

14. IDENTIFICATION MARKERS: Lessee shall erect, at a distance not to exceed 25 feet from each well on the premises covered by this lease, a legible sign on which shall be stated the name of the operator, the lease designation and the well number. Where two or more wells on the same lease or where wells on two or more leases are connected to the same tank battery, whether by individual flow line connections direct to the tank or tanks or by use of a multiple header system, each line between each well and such tank or header shall be legibly identified at all times, either by a firmly attached tag or plate or an identification properly painted on such line at a distance not to exceed three (3) feet from such tank or header connection. Said signs, tags, plates or other identification markers shall be maintained in a legible condition throughout the term of this lease.

15. ASSIGNMENTS: The lease may be transferred at any time. All transfers must be recorded in the county where the area is located, and the recorded transfer or a copy certified to by the County Clerk of the county where the transfer is recorded must be filed in the General Land Office within ninety (90) days of the execution date, as provided by Section 52.026, N.R.C., accompained by a filing fee of Ten Dollars ($10.00).

16. RELEASES: Lessee may relinquish the rights granted hereunder to the State at any time by recording the relinquishment in the county where

this area is situated and filing the recorded relinquishment or certified copy of same in the General Land Office within ninety (90) days after its execution accompanied by a filing fee of Ten Dollars ($10.00). Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

17. FORFEITURE: (A) If Lessee shall fail or refuse to make the payment of any sum within thirty days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office or the School Land Board, or refuse the proper authority access to the records pertaining to operations, or Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if Lessee shall knowingly violate any of the material provisions of this lease, or if this lease is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquired under this lease shall be subject to forfeiture by the Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease to the highest bidder, under the same regulations controlling the original sale of leases. However, nothing herein shall be construed as waiving the automatic termination of this lease by operation of law or by reason of any special limitation arising hereunder.

(B) Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative thereto.

18. RIVERBED TRACTS: In the event this lease covers a riverbed, Lessee is hereby specifically granted the right of eminent domain and condemnation as provided for in Sections 52.092-52.093, N.R.C., as a part of the consideration moving to Lessor for the covenants herein made by Lessee.

19. DRILLING RESTRICTIONS: In the event this lease covers land leased under the provisions of Subchapter B, Chapter 52, N.R.C., no surface location on this area may be closer than six hundred sixty (660) feet from the center of any navigable ship channel, and special permission from the Commissioner of the General Land Office will be necessary to make any surface location between six hundred sixty (660) feet and two thousand one hundred sixty (2,160) feet from the center of any such navigable ship channel. Also in such event this lease shall be subject to all rules and regulations promulgated by the Commissioner of the General Land Office, and amendments thereto, governing drilling and producing operations on permanent free school lands.

20. REMOVAL OF EQUIPMENT: Upon the termination of this lease for any cause, Lessee shall not, in any event, be permitted to remove the casing or any part of the equipment from any producing, dry, or abandoned well or wells without the written consent of the Commissioner of the General Land Office or his authorized representative; nor shall Lessee, without the written consent of said Commissioner or his authorized representative remove from the leased premises the casing or any other equipment, material, machinery, appliances or property owned by Lessee and used by Lessee in the development and production of oil or gas therefrom until all dry or abandoned wells have been plugged and until all slush or refuse pits have been properly filled and all broken or discarded lumber, machinery, or debris shall have been removed from the premises to the satisfaction of the said Commisioner or his authorized representative.

21. FORCE MAJEURE: Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling operations thereon, or from producing oil and/or gas therefrom, after effort made in good faith, by reason of war, rebellion, riots, strikes, acts of God or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended upon proper and satisfactory proof presented to the Commissioner of the General Land Office in support of Lessee's contention and Lessee shall not be liable for damages for failure to comply therewith (except in the event of lease operations suspended as provided in the rules and regulations adopted by the School Land Board); and this lease shall be extended while and so long as Lessee is prevented, by any such cause, from drilling, reworking operations or producing oil and/or gas from the leased premises; provided, however, that nothing herein shall be construed to suspend the payment of rentals during the primary or extended term, nor to abridge Lessee's right to a suspension under any applicable statute of this state.

22. RAILROAD COMMISSION HEARINGS ON GAS: No natural gas or casinghead gas, including both associated and nonassociated gas, produced from the mineral estate subject to this lease may be sold or contracted for sale to any person for ultimate use outside the State of Texas unless the Railroad Commission of Texas, after notice and hearing as provided in Title 3 of the N.R.C., finds that:

(a) the person, agency, or entity that executed the lease in question does not require the natural gas or casinghead gas to meet its own existing needs for fuel;
(b) no private or public hospital, nursing home, or other similar health-care facility in this state requires the natural gas or casinghead gas to meet its existing needs for fuel;
(c) no public or private school in this state that provides elementary, secondary, or higher education requires the natural gas or casinghead gas to meet its existing needs for fuel;
(d) no facility of the state or of any county, municipality, or other political subdivision in this state requires the natural gas or casinghead gas to meet its existing needs for fuel;
(e) no producer of food and fiber requires the natural gas or casinghead gas necessary to meet the existing needs of irrigation pumps and other machinery directly related to this production; and
(f) no person who resides in this state and who relies on natural gas or casinghead gas to provide in whole or part his existing needs for fuel or raw material requires the natural gas or casinghead gas to meet those needs;
provided, however, the Railroad Commission of Texas may grant exceptions to these provisions as set forth in Section 52.296 of the N.R.C.

23. SUCCESSORS AND ASSIGNS: The covenants, conditions and agreements contained herein shall extend to and be binding upon the heirs, executors, administrators, successors or assigns of Lessee herein.

IN TESTIMONY WHEREOF, Witness the signature of the Commissioner of the General Land Office, under the seal of the General Land Office, this 5th day of October, 19 82.

Bob Armstrong
COMMISSIONER OF THE GENERAL LAND OFFICE

ORIGINAL SIGNED

Approved
Audit
Legal
Engineering
Geology
Execution

OIL AND GAS LEASE NO. 88352 (2)
DATE 10-5-82 BY

Revised
Lease Form 9-81

The State of Texas
General Land Office

Austin, Texas

OIL AND GAS LEASE
No. 88352

WHEREAS, pursuant to Chapter 32 and Subchapters A-E, G and H of Chapter 52 of the Natural Resources Code (hereinafter called N.R.C.), and subject to all rules and regulations promulgated by the Commissioner of the General Land Office and/or the School Land Board pursuant thereto, and all other applicable statutes and amendments to said N.R.C., the following area, to-wit:

SW/pt. and SW/146 Ac. of NE/pt. of H&TC RY. CO. Survey No. 76, Block 33, Loving and Ward Counties, Texas, containing 331 acres, as shown on the official map of Loving and Ward Counties, Texas, now on file in the General Land Office in Austin, Texas, and as further shown on the plat attached hereto and made a part hereof,

was, after being duly advertised, offered for lease on the 5th day of October, 19 82, at 10:00 o'clock A.M., by the Commissioner of the General Land Office of the State of Texas and the School Land Board of the State of Texas, for the sole and only purpose of prospecting and drilling for, and producing oil and/or gas that may be found and produced from the above described area; and

WHEREAS, after all bids and remittances which were received up to said time have been duly considered by the Commissioner of the General Land Office and the School Land Board at a regular meeting thereof in the General Land Office, on the 5th day of October, 19 82, and it was found and determined that BEACONFIELD CORPORATION whose address is P. O. Box 8438, Northfield, Illinois 60093, had offered the highest and best bid for a lease of the area above described and is, therefore, entitled to receive a lease thereon:

NOW, THEREFORE, I, BOB ARMSTRONG, Commissioner of the General Land Office of the State of Texas, hereinafter sometimes referred to as "Lessor", whose address is Austin, Texas, by virtue of the authority vested in me and in consideration of the payment by the hereinafter designated Lessee, the sum of Fifty-three Thousand Two Hundred Ninety-one & No/100 Dollars ($ 53,291.00), receipt of which is hereby acknowledged and of the royalties, covenants, stipulations and conditions contained and hereby agreed to be paid, observed and performed by Lessee, do hereby demise, grant, lease and let unto Beaconfield Corporation the exclusive right to prospect for, produce and take oil and/or gas from the aforesaid area upon the following terms and conditions, to-wit:

1. TERM: Subject to the other provisions hereof, this lease shall be for a term of THREE (3) years from this date (herein called "primary term") and as long thereafter as oil or gas is produced in paying quantities from said area.

2. DELAY RENTALS: If no well be commenced on the land hereby leased on or before the 5th day of October, 19 83, this lease shall terminate as to both parties unless the Lessee on or before said date shall pay or tender to the Commissioner of the General Land Office of the State of Texas at Austin, Texas, the sum of FIVE AND NO/100 Dollars ($ 5.00), per acre, which shall operate as rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner, and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively during the primary term hereof.

3. PRODUCTION ROYALTIES: When production of oil and/or gas is secured, the Lessee agrees to pay or cause to be paid to the Commissioner of the General Land Office in Austin, Texas, for the use and benefit of the State of Texas, during the term hereof:

(A) OIL: As a royalty on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, ONE-FOURTH (1/4) part of the gross production or the market value thereof, at the option of the Lessor, such value to be determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity in the general area where produced and when run, or 2) the highest market price thereof offered or paid in the general area where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before any gas produced from the land hereby leased is sold, used or processed

in a plant, it will be run free of cost to Lessor through an adequate oil and gas separator of conventional type or other equipment at least as efficient to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered. Upon written consent of Lessor, the requirement that such gas be run through such a separator or other equipment may be waived upon such terms and conditions as prescribed by Lessor.

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

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

(D) OTHER PRODUCTS: As a royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead", "dry" or any other gas, by fractionating, burning or any other processing, ONE-FOURTH (1/4) part of the gross production of such products, or the market value thereof, at the option of Lessor, such market value to be determined as follows:

(1) On the basis of the highest market price of each product, during the same month in which such product is produced, or
(2) On the basis of the average gross sale price for each of the products for the same month in which such products are produced; whichever is the greater.

(E) NO DEDUCTIONS: Lessee agrees that all royalties accruing to Lessor under this lease shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

(F) ROYALTY IN KIND: Notwithstanding anything contained herein to the contrary, Lessor may, at its option, upon not less than 60 days notice to Lessee, require at any time or from time to time that payment of all or any royalties accruing to Lessor under this lease 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.

(G) PLANT FUEL AND RECYCLED GAS: No royalty shall be payable on any gas as may represent this lease's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding anything contained herein to the contrary, and subject to the consent in writing of the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises or for injection into any oil or gas producing formation underlying the leased premises after the liquid hydrocarbons contained in the gas have been removed and no royalties shall be payable on the gas so recycled until such time as the same may thereafter be produced and sold or used by Lessee in such manner as to entitle Lessor to a royalty thereon under the royalty provisions of this lease.

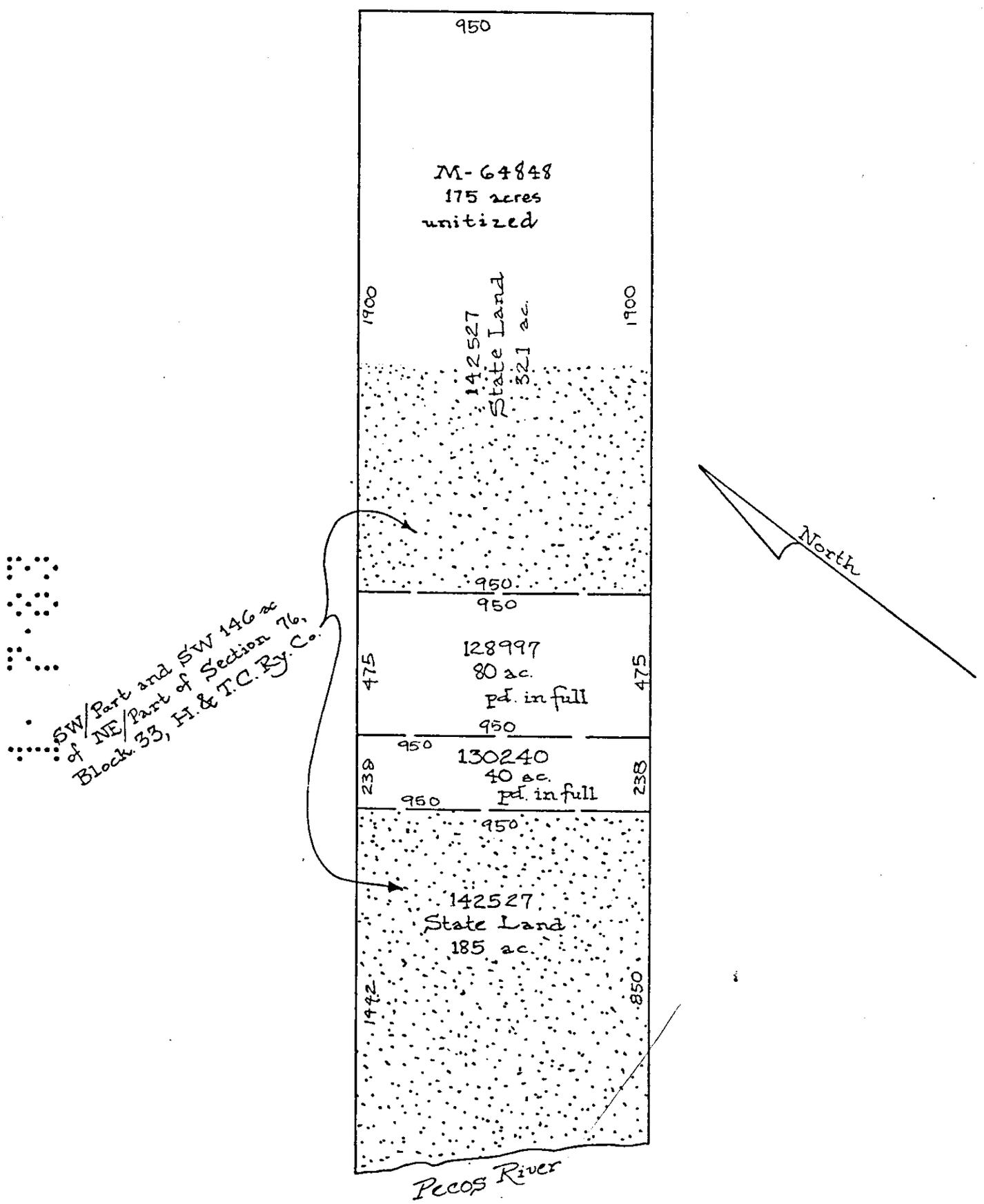
(H) MINIMUM ROYALTY: During any year after the expiration of the primary term of this lease, if this lease is maintained by production, the royalties paid to Lessor in no event shall be less than an amount equal to the total annual delay rental herein provided; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of this lease a sum equal to the total annual rental less the amount of royalties paid during the preceding year.

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

Royalty on oil is due and must be received in the General Land Office on or before the 5th day of the second month succeeding the month of production, and royalty on gas is due and must be received in the General Land Office on or before the 15th day of the second month succeeding the month of production, accompanied by the affidavit of the owner, manager or other authorized agent, completed in the form and manner prescribed by the General Land Office and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas, together with a copy of all documents, records or reports confirming the gross production, disposition and market value including gas meter readings, pipeline receipts, gas line receipts, and other checks or memoranda of amount produced and put into pipelines, tanks, or pools and gas lines or gas storage, and any other reports or records which the General Land Office may require to verify the gross production, disposition and market value. In all cases the authority of a manager or agent to act for the Lessee herein must be filed in the General Land Office. Each royalty payment shall be accompanied by a check stub, schedule, summary or other remittance advice showing by the assigned General Land Office lease number the amount of royalty being paid on each lease. Any royalty not paid or affidavits and supporting documents not filed when due shall become delinquent and shall have added to the sum owing a delinquency penalty of one percent (1%) of such sum for each thirty (30) day period of delinquency or a fractional period thereof; provided, however, that each such penalty shall never be less than Five Dollars ($5). The lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

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

(B) DRILLING RECORDS: Written notice of all operations on a State of Texas lease shall be submitted to the Commissioner of the General Land Office by Lessee or operator within five (5) days of spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill, well tests,



Section 76, Blk. 33, H. & T.C. Ry. Co., Loving County

completion reports and plugging records. Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall have an electrical and/or radioactivity survey made on the bore-hole section, from the base of the surface casing to the total depth of well, of all wells drilled on the above described premises and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.

6. DEVELOPMENT: Notwithstanding any provision of this lease to the contrary, after a well producing or capable of producing oil or gas has been completed on the leased premises, Lessee shall exercise the diligence of a reasonably prudent operator in drilling such additional well or wel's as may be reasonably necessary for the proper development of the leased premises and in marketing the production thereon.

7. OFFSET WELLS: If oil and/or gas should be produced in commercial quantities in a well on land privately owned or on State land leased at a lesser royalty, which well is within one thousand (1,000) feet of the area included herein, the Lessee shall, within sixty (60) days after such initial production on such land, begin in good faith and prosecute diligently the drilling of an offset well on this area, and such offset well shall be drilled to such depth as may be necessary to prevent the undue drainage of this area, and the Lessee, manager or driller shall use all means necessary in a good faith effort to make such offset well produce oil and/or gas in commercial quantities.

8. DRY HOLE CLAUSE: If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if after discovery and production of oil or gas the production thereof should cease from any cause, this lease shall not terminate if on or before the rental paying date next ensuing after the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or commences or resumes the payment of annual delay rental in the same manner as provided in Paragraph Number 2 of this lease. If a dry hole be completed and abandoned during the last year of the primary term, Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in oil or gas well within the primary term hereof, Lessee shall resume payment of annual rental in the same manner as provided in Paragraph Number 2 in this lease on or before the rental paying date next ensuing after sixty (60) days from the date of completion of such shut-in oil or gas well and the failure to make such annual rental payment shall subject the lease to forfeiture under the provisions of Paragraph Number 17 hereof. If at the expiration of the primary term or at any time thereafter a shut-in oil or gas well is located on the leased premises payments shall be made in accordance with the provisions of Paragraph Number 10 hereof.

9. CESSATION, DRILLING, AND REWORKING: In the event production of oil or gas on the leased premises after once obtained shall cease from any cause at the expiration of the primary term hereof or at any time or times thereafter, this lease shall not terminate if Lessee commences additional drilling or reworking operations within sixty (60) days thereafter, and the lease shall remain in full force and effect so long as such operations continue in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days during any one such operation; and if such drilling or reworking operations result in the production of oil or gas, the lease shall remain in full force and effect so long as oil or gas is produced therefrom in paying quantities or payment of shut-in oil or gas well royalties or compensatory royalties is made as hereinafter provided or as provided elsewhere in the statutes of the State of Texas. Lessee shall give written notice to the General Land Office within five (5) days of any cessation of production.

10. SHUT-IN ROYALTIES: If at the expiration of the primary term or at any time after the expiration of the primary term a well or wells capable of producing oil or gas in paying quantities are located on the leased premises but oil or gas is not being produced for lack of suitable production facilities or a suitable market and the lease is not being maintained in force and effect, before the expiration of the primary term or if the primary term has expired, within sixty (60) days after Lessee ceases to produce oil or gas from the well, Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease but not less than $1,200 a year for each well capable of producing oil or gas in paying quantities; if the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term or from the first day of the month next succeeding the month in which production ceased and after that if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four additional and successive periods of one year by paying the same amount each year on or before the expiration of the extended term; if, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within 1,000 feet of the leased premises and completed in the same producing reservoir or in any case in which drainage is occurring, the right to continue to extend the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid and for an additional period of not more than five years from the expiration of the primary term by Lessee paying compensatory royalty at the royalty rate provided in the lease of the value at the well of production from the well which is causing the drainage or which is completed in the same producing reservoir and within 1,000 feet of the leased premises; the compensatory royalty is to be paid monthly to the commissioner beginning on or before the last day of the month next succeeding the month in which the oil or gas is sold and delivered from the well located within 1,000 feet of or draining the leased premises and completed in the same reservoir; if the compensatory royalty paid in any 12-month period is in an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within 30 days from the end of the 12-month period; and none of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in Section 52.034 of the N.R.C.

11. EXTENSIONS: If, at the expiration of the primary term of this lease, production of oil or gas has not been obtained on the leased premises but drilling operations are being conducted thereon in good faith and in a good and workmanlike manner, Lessee may, on or before the expiration of the primary term, file in the General Land Office written application to the Commissioner of the General Land Office for a thirty (30) day extension of this lease, accompanied by payment of Three Thousand Dollars ($3,000.00) if this lease covers six hundred forty (640) acres or less and Six Thousand Dollars ($6,000.00) if this lease covers more than six hundred forty (640) acres and the Commissioner shall, in writing, extend this lease for a thirty (30) day period from and after the expiration of the primary term and so long thereafter as oil or gas is produced in paying quantities; provided further, that Lessee may, so long as such drilling operations are being conducted make like application and payment during any thirty (30) day extended period for an additional extension of thirty (30) days and, upon receipt of such application and payment, the Commissioner shall, in writing, again extend this lease so that same shall remain in force for such additional (30) day period and so long thereafter as oil or gas is produced in paying quantities; provided, however, that this lease shall not be extended for more than a total of three hundred ninety (390) days from and after the expiration of the primary term unless production in paying quantities has been obtained.

12. USE OF WATER; SURFACE: Lessee shall have the right to use water produced on said land necessary for operations hereunder and solely upon the leased premises; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for water flood operations without the prior written consent of Lessor. Lessee shall have the right to use so much of the surface of the land that may be reasonably necessary for drilling and operating wells and transporting and marketing the production therefrom, such use to be conducted under conditions of least injury to the surface of the land.

13. POLLUTION: In developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties. Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level off all slush pits and cellars and completely clean up the drilling site of all rubbish thereon.

14. IDENTIFICATION MARKERS: Lessee shall erect, at a distance not to exceed 25 feet from each well on the premises covered by this lease, a legible sign on which shall be stated the name of the operator, the lease designation and the well number. Where two or more wells on the same lease or where wells on two or more leases are connected to the same tank battery, whether by individual flow line connections direct to the tank or tanks or by use of a multiple header system, each line between each well and such tank or header shall be legibly identified at all times, either by a firmly attached tag or plate or an identification properly painted on such line at a distance not to exceed three (3) feet from such tank or header connection. Said signs, tags, plates or other identification markers shall be maintained in a legible condition throughout the term of this lease.

15. ASSIGNMENTS: The lease may be transferred at any time. All transfers must be recorded in the county where the area is located, and the recorded transfer or a copy certified to by the County Clerk of the county where the transfer is recorded must be filed in the General Land Office within ninety (90) days of the execution date, as provided by Section 52.026, N.R.C., accompained by a filing fee of Ten Dollars ($10.00).

16. RELEASES: Lessee may relinquish the rights granted hereunder to the State at any time by recording the relinquishment in the county where

this area is situated and filing the recorded relinquishment or certified copy of same in the General Land Office within ninety (90) days after its execution accompanied by a filing fee of Ten Dollars ($10.00). Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

17. FORFEITURE: (A) If Lessee shall fail or refuse to make the payment of any sum within thirty days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office or the School Land Board, or refuse the proper authority access to the records pertaining to operations, or Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if Lessee shall knowingly violate any of the material provisions of this lease, or if this lease is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquired under this lease shall be subject to forfeiture by the Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease to the highest bidder, under the same regulations controlling the original sale of leases. However, nothing herein shall be construed as waiving the automatic termination of this lease by operation of law or by reason of any special limitation arising hereunder.

(B) Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative thereto.

18. RIVERBED TRACTS: In the event this lease covers a riverbed, Lessee is hereby specifically granted the right of eminent domain and condemnation as provided for in Sections 52.092-52.093, N.R.C., as a part of the consideration moving to Lessor for the covenants herein made by Lessee.

19. DRILLING RESTRICTIONS: In the event this lease covers land leased under the provisions of Subchapter B, Chapter 52, N.R.C., no surface location on this area may be closer than six hundred sixty (660) feet from the center of any navigable ship channel, and special permission from the Commissioner of the General Land Office will be necessary to make any surface location between six hundred sixty (660) feet and two thousand one hundred sixty (2,160) feet from the center of any such navigable ship channel. Also in such event this lease shall be subject to all rules and regulations promulgated by the Commissioner of the General Land Office, and amendments thereto, governing drilling and producing operations on permanent free school lands.

20. REMOVAL OF EQUIPMENT: Upon the termination of this lease for any cause, Lessee shall not, in any event, be permitted to remove the casing or any part of the equipment from any producing, dry, or abandoned well or wells without the written consent of the Commissioner of the General Land Office or his authorized representative; nor shall Lessee, without the written consent of said Commissioner or his authorized representative remove from the leased premises the casing or any other equipment, material, machinery, appliances or property owned by Lessee and used by Lessee in the development and production of oil or gas therefrom until all dry or abandoned wells have been plugged and until all slush or refuse pits have been properly filled and all broken or discarded lumber, machinery, or debris shall have been removed from the premises to the satisfaction of the said Commisioner or his authorized representative.

21. FORCE MAJEURE: Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling operations thereon, or from producing oil and/or gas therefrom, after effort made in good faith, by reason of war, rebellion, riots, strikes, acts of God or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended upon proper and satisfactory proof presented to the Commissioner of the General Land Office in support of Lessee's contention and Lessee shall not be liable for damages for failure to comply therewith (except in the event of lease operations suspended as provided in the rules and regulations adopted by the School Land Board); and this lease shall be extended while and so long as Lessee is prevented, by any such cause, from drilling, reworking operations or producing oil and/or gas from the leased premises; provided, however, that nothing herein shall be construed to suspend the payment of rentals during the primary or extended term, nor to abridge Lessee's right to a suspension under any applicable statute of this state.

22. RAILROAD COMMISSION HEARINGS ON GAS: No natural gas or casinghead gas, including both associated and nonassociated gas, produced from the mineral estate subject to this lease may be sold or contracted for sale to any person for ultimate use outside the State of Texas unless the Railroad Commission of Texas, after notice and hearing as provided in Title 3 of the N.R.C., finds that:

(a) the person, agency, or entity that executed the lease in question does not require the natural gas or casinghead gas to meet its own existing needs for fuel;

(b) no private or public hospital, nursing home, or other similar health-care facility in this state requires the natural gas or casinghead gas to meet its existing needs for fuel;

(c) no public or private school in this state that provides elementary, secondary, or higher education requires the natural gas or casinghead gas to meet its existing needs for fuel;

(d) no facility of the state or of any county, municipality, or other political subdivision in this state requires the natural gas or casinghead gas to meet its existing needs for fuel;

(e) no producer of food and fiber requires the natural gas or casinghead gas necessary to meet the existing needs of irrigation pumps and other machinery directly related to this production; and

(f) no person who resides in this state and who relies on natural gas or casinghead gas to provide in whole or part his existing needs for fuel or raw material requires the natural gas or casinghead gas to meet those needs;

provided, however, the Railroad Commission of Texas may grant exceptions to these provisions as set forth in Section 52.296 of the N.R.C.

23. SUCCESSORS AND ASSIGNS: The covenants, conditions and agreements contained herein shall extend to and be binding upon the heirs, executors, administrators, successors or assigns of Lessee herein.

IN TESTIMONY WHEREOF, Witness the signature of the Commissioner of the General Land Office, under the seal of the General Land Office, this 5th day of October, 19 82

Bob Armstrong

COMMISSIONER OF THE GENERAL LAND OFFICE

Approved

Audit

Legal

Engineering

Geology

Execution

FILE NO. 1789

BOB ARMSTRONG, COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS

TO

BEACONFIELD CORPORATION

FILING AND RECORDING CERTIFICATE

THE STATE OF TEXAS)
COUNTY OF LOVING)

I, Edna Dewees, Clerk of the County Court in and for said County, do hereby certify that the within instrument in writing, dated the 5th day of October, 1982, with its certification of authentication, was filed for record in my office this 20th day of December, 1982 at 10:00 o'clock a. m. and recorded the 29th day of December, 1982 at 3:00 o'clock p. m. in the OIL AND GAS LEASE Records of said County in Volume 66, Page 214.

WITNESS my Hand and Seal of said Court, at office in Mentone, Texas, on date and year last above written.

COUNTY COURT SEAL LOVING COUNTY TEXAS

Edna Dewees
County Clerk, Loving County, Texas

Indexed:
Direct
Reverse

Fee: $ 13.00

FOR SALE BY STAFFORD-LOWDON CO. FORT WORTH 94633

E 503—CERTIFICATE OF TRUE COPY OF PAPERS RECORDED—Class 1. (Arts. 6600-6625-6634, R. S. 1925) Texas Standard Form

THE STATE OF TEXAS

County of LOVING }

I, Edna Dewees, Clerk of the County Court of Loving County, Texas, do hereby certify that the foregoing is a true and correct copy of the original OIL AND GAS LEASE from BOB ARMSTRONG, COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS to BEACONFIELD CORPORATION, dated October 5, 1982, filed for record December 20, 1982, File #1789. as the same appears of record in my office in book 66 page 214, OIL & GAS LEASE RECORDS.

Given under my Hand and Seal of said Court, at office in Mentone, Texas

this 30th day of December 19 82.

Edna Dewees Clerk,

By ..... Deputy.

(3)

M 88352

Cert. Copy of Lease (7IPO)

File Dated 1-7-83

Bob Armstrong, Commissioner dd

I-5-83

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.

4695

BEACONFIELD CORPORATION

DELUXE - FORM WVTO-3 V-RP1423

INVOICE DATE	INVOICE NO.	DESCRIPTION		NET AMOUNT
09/02/83		Lease No. 88352 - Delay Rental Payment due 10/5/83		$1,655.00

03226

Beaconfield Corporation
P. O. Box 8438
Northfield, Illinois 60093

Gentlemen:

Timely receipt is hereby acknowledged of delay rental payment, check number 4695 dated September 2, 1983, due for the 12 month period beginning October 5, 1983 under Oil and Gas Lease dated October 5, 1982 and recorded in Vol. 66, Page 214 of the Register of Deeds, Loving and Ward Counties, Texas.

Described as follows: LEASE NO. 88352

Sw/pt. and SW/146 AC of NE/pt. of H&TC Ry. Co. Survey No. 76, Block 33, Loving and Ward Counties, Texas, containing 331 acres, as shown on the official map of Loving and Ward Counties, Texas, and as further shown on the plat attached hereto and made a part hereto. (see oil and gas lease for plat)

_____

COMMISSIONER OF THE GENERAL LAND OFFICE
OF THE STATE OF TEXAS

_____

Date _____

Please sign, date and return one copy of this receipt to the above address. Thank you.

(4) M-88352

RENTAL PAYMENT

9-10-83

3-10-83

Garry Mauro
Commissioner
General Land Office

43,80

October 11, 1983

BTA Oil Producers
104 South Pecos
Midland, Texas 79701-9988

Attention: Mr. Win J. Farquhar

Re: BTA 8210 JV-P Vermejo, Tract I
Parts of Sections 75 and 76,
Block 33, H&TC Ry. Co. Survey,
Loving and Ward Counties, Texas

Gentlemen:

The captioned was received in this office on October 3, 1983, and a hearing with the Pooling Committee will be scheduled at your convenience.

This Committee meets each Wednesday at 2:00 P.M. and will expect a submittal of the following:

1) Well location plat - Form W-1 if available
2) Unit Plat, with State Lease identification
3) Subsurface interpretation
4) Discussion of development in the immediate area.

This hearing will be necessary before presentation to the School Land Board and please advise if we may be of assistance.

Sincerely,

Garry Mauro

By

Jack M. Howard, Director
Exploration & Development Division
Phone: (512) 475-3064

JMH:gs

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

5.

M-88352
Ltr to
BJA Oil Producers
dated 10-11-83

Garry Mauro
Commissioner
General Land Office

October 21, 1983

Mr. Flip Whitworth
12th Floor
First City Bank Bldg.
Austin, Texas 78701

Re: Gas pooling application
BTA Oil Producers
State Lease M-88352
8210 Vermejo
Loving & Ward Counties

Dear Flip:

The gas pooling application was approved by the School Land Board, October 18, 1983 with the condition that the pooling be from 7,000' to 21,500' or the base of the Ellenburger.

The pooling agreement which was submitted will be circulated for approval and forwarded to you upon completion.

If you have any questions, please give me a call.

Sincerely,

Garry Mauro

By

Linda K. Fisher, Secretary
School Land Board

Phone 512 475-4307

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

(6)

M-88352
Ltr to
Flip Whitaker
dated 10-21-83

Unit # 1811

DO NOT DESTROY

-MEMO-

Operator STA Oil Producers

Unit Name 8210 Vermejo

County Loving & Ward

Effective Date 11-15-83

Unitized for: Oil ___ Gas ✓ Oil & Gas ___

1. M.F. No. 88352

Area _____ Tr. _____

Sec. ____ Blk. ____ Survey _____

146/643 = .227061 x .25 .056765 2 %

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 ___ Entered Unit Book _____

Unit # 1811

83.80

POOLING COMMITTEE REPORT

11-15-83

Rev. S.L.B. 10-18-83

TO: SCHOOL LAND BOARD

DATE: October 12, 1983

OPERATOR: BTA Oil Producers COUNTY Loving & Ward

UNIT NAME: 8210 Vermejo FIELD Vermejo

FILE NUMBER	TOTAL ACRES	ACRES IN UNIT
M-88352	331	146

Unitized for:

Oil
Gas X (See Remarks)
Oil and Gas

Kind of land:

State Owned X
Relinquishment Act
Free Royalty

Size of Unit 643 Acres
State owned 146 Acres
Privately owned 497 Acres

Well location:
State land
Private land X

Participation:

Basis Surface Acreage
Royalty 1/4

Railroad Commission Field Rules:

Spacing 640 + 10%
Well factor
Acreage factor 100%

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 plans to drill a 22,000' well to test deep formations which are gas productive in this Field.

Gas pooling is requested to all depths down to 21,500' or the base of the Ellenburger Formation, save and except those rights from the surface down to the base of the Delaware or 7000'.

State Lease M-88352 was acquired 10-5-82 with a 3-year term and 1/4 royalty.

APPROVAL: Recommended X Not Recommended

Jose Manuel Rangel

Cynthia Marshall Sullivan

Jack M. Howard

Murphy E. Hawkins

RW
1-16-84

GLO-ED-13-(1-82)

POOLING AGREEMENT

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, and BTA Oil Producers, Lessee, and the owners of the soil, if any, under the Texas Relinquishment Act, and such other interested parties as may join in the execution hereof, in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follows:

PURPOSES: 1.

This agreement is made for the purposes of conservation and utilization of the pooled mineral, to prevent waste, to facilitate orderly development and to preserve correlative rights. To such ends, it is the purpose of this agreement to effect equitable participation within the unit formed hereby. This agreement is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of the pooled mineral and in its interpretation and application shall, in all things, be subject thereto.

UNIT DESCRIPTION: 2.

The pooled unit shall consist of all of the lands described in Exhibit "A" attached hereto and made a part hereof. The oil and gas leases, which are included within the pooled unit, are listed on the attached Exhibit "B", to which leases and the records thereof reference is here made for all pertinent purposes. A plat showing the configuration of the pooled unit is attached hereto as Exhibit "C" and made a part hereof for all pertinent purposes.

MINERAL POOLED: 3.

The mineral pooled and unitized hereby shall be all hydrocarbons produced from a gas well as such well is recognized and designated by the Railroad Commission of Texas, and shall extend to all depths from the surface down to 21,500 feet below the surface, or the base of the Ellenburger formation, whichever is deeper, SAVE AND EXCEPT depths from the surface down to the base of the Delaware Mountain Group, or 7,000 feet below the surface, whichever is deeper, underlying the surface boundaries of the pooled unit.

POOLING AND EFFECT: 4.

The parties hereto commit all of their interests which are within the unit to the extent and as above described into said unit and unitize and pool hereunder the separate tracts described on the attached Exhibit "A", for and during the term hereof, so that such pooling or unitization shall have the following effect:

(a) The unit, to the extent as above described, 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.

(e) A shut-in gas well located upon any lease included within said unit shall be considered as a shut-in gas well located upon each lease included within said unit; provided, however, that shut-in gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners or otherwise diminished by reason of this agreement.

(f) Notwithstanding any other provisions hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area shown in Exhibit "A" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit gas well, shall serve to hold any State lease in force as to any area outside the unitized area, regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.

(g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt field rules providing for oil and/or gas proration units of less than 640 acres, 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.

(h) This agreement shall not relieve Lessee from the duty of protecting the above described leases from drainage from any well situated on privately owned land, but subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.

(i) There shall be no obligation to drill internal offsets to any other well on separate tracts within the unit, nor to develop the tracts separately, as to the pooled mineral except as provided herein.

(j) Should this agreement terminate for any cause, in whole or in part, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this agreement.

ALLOCATION OF PRODUCTION: 5.

For the purpose of computing the share of production of the pooled mineral to which each interest owner shall be entitled from the pooled unit, there shall be allocated to each tract committed to said unit that pro rata portion of the pooled mineral produced from the pooled unit which the number of surface acres covered by each such tract and included in the unit bears to the total number of surface acres included in said unit, and the share of production to which each interest owner is entitled shall be computed on the basis of such owner's interest in the production so allocated to each tract.

TAKING ROYALTY IN KIND: 6.

Nothwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this pooling or unitization agreement 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.

FULL MARKET VALUE: 7.

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 value to be determined as follows:

(a) As to royalty on oil by (1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) the gross proceeds of the sale thereof, whichever is the greater;

(b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) 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.)

EFFECTIVE DATE: 8.

This agreement shall become effective when signed by the Commissioner of the General Land Office of the State of Texas, or from the date production of the pooled mineral is first obtained, whichever date is sooner.

TERM: 9.

This agreement shall remain in effect as long as the pooled mineral is being produced from said unit, or so long as drilling or reworking operations are being prosecuted thereon with no more than sixty (60) days between cessation of either production or such operations and the beginning or resumption of either of them, as the case may be, from time to time therafter, or so long as all existing leases covering the pooled mineral are maintained in force insofar as they are included in the pooled unit by payment or tender of shut-in gas well royalties, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof which are contained in any State lease included in this agreement.

STATE LAND: 10.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code, having been duly considered, made and obtained.

DISSOLUTION: 11.

The unit covered by this agreement may be dissolved by Lessee, his heirs, successors or assigns, by an instrument filed for record in Loving and Ward Counties, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production.

NON-STATE LAND: 12.

In the event any of the leases described in Exhibit "B" hereof contains a pooling provision which requires the filing of a designation or declaration instrument in order to effectuate pooling, the filing of this instrument in the appropriate records of the county in which the leased land is located shall constitute the designation or declaration provided for in such lease.

13.

This agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, and each of the undersigned hereby authorizes BTA Oil Producers to assemble the signature and acknowledgement pages of such counterparts in order to compile a single original document for presenation to the General Land Office of the State of Texas and for recording in Loving and Ward Counties, Texas.

STATE OF TEXAS

DATE EXECUTED: 11-15-83

By: Garry Mauro
Commissioner of the General Land Office

Approved
Audit
Legal
Engineering
Geology MH
Execution

GULF OIL CORPORATION

DATE EXECUTED: _____

By: _____

ATTEST:

_____

BRAVO OIL COMPANY

DATE EXECUTED: _____

By: _____

ATTEST:

_____

TXO PRODUCTION CORP.

DATE EXECUTED: _____

By: _____

ATTEST:

_____

APCOT-FINADEL JOINT VENTURE, A General Partnership comprised of American Petrofina Company of Texas, and Finadel Incorporated

DATE EXECUTED: _____

By: _____

ATTEST:

_____

STATE LAND: 10.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code, having been duly considered, made and obtained.

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STATE OF TEXAS

DATE EXECUTED:_____ By:_____
Commissioner of the General Land Office

GULF OIL CORPORATION

DATE EXECUTED: 11-15-83 By: L. A. Turner
Attorney-in-Fact

~~ATTEST:~~

_____

BRAVO OIL COMPANY

DATE EXECUTED:_____ By:_____

ATTEST:

_____

TXO PRODUCTION CORP.

DATE, EXECUTED:_____ By:_____

ATTEST:

_____

APCOT-FINADEL JOINT VENTURE, A General Partnership comprised of American Petrofina Company of Texas, and Finadel Incorporated

DATE EXECUTED:_____ By:_____

ATTEST:

_____

STATE LAND: 10.

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STATE OF TEXAS

DATE EXECUTED:_____ By:_____
Commissioner of the General Land Office

GULF OIL CORPORATION

DATE EXECUTED:_____ By:_____

ATTEST:

_____

BRAVO OIL COMPANY

DATE EXECUTED: 10/24/83 By: L M Brown

L. M. Brown, Jr.
Asst. Gen. Mgr.

ATTEST:

_____

TXO PRODUCTION CORP.

DATE EXECUTED:_____ By:_____

ATTEST:

_____

APCOT-FINADEL JOINT VENTURE, A General Partnership comprised of American Petrofina Company of Texas, and Finadel Incorporated

DATE EXECUTED:_____ By:_____

ATTEST:

_____

DATE EXECUTED: 10-4-83

Dalton Cobb
DALTON COBB

DATE EXECUTED: _____

_____
LARRY R. WOLLSCHLAGER

DATE EXECUTED: _____

_____
KENNETH H. GRIFFIN

DATE EXECUTED: _____

_____
GARY G. BURNETT

BTA OIL PRODUCERS

DATE EXECUTED: 9/29/83

By: _____
BARRY BEAL, Partner

~~ATTEST:~~

_____

DATE EXECUTED: _____

_____
CURTIS POOL

BEACONFIELD CORPORATION

DATE EXECUTED: _____

By: _____

ATTEST:

_____

AMERICAN TRADING AND PRODUCTION CORPORATION

DATE EXECUTED: _____

By: _____

ATTEST:

_____

SUN EXPLORATION AND PRODUCTION COMPANY

DATE EXECUTED: _____

By: _____

ATTEST:

_____

DATE EXECUTED: _____

_____
BARBARA T. FASKEN, Individually and as Independent Executrix of the Estate of David Fasken, Dec'd

DATE EXECUTED: _____

_____
RICHARD BROOKS

DATE EXECUTED: _____

_____
BEN J. FORTSON

DATE EXECUTED: _____

DALTON COBB

DATE EXECUTED: 10/3/83

Larry R Wollschlager

LARRY R. WOLLSCHLAGER

DATE EXECUTED: _____

KENNETH H. GRIFFIN

DATE EXECUTED: _____

GARY G. BURNETT

BTA OIL PRODUCERS

DATE EXECUTED: 9/29/83

By: _____

BARRY BEAL, Partner

[redacted]

_____

DATE EXECUTED: _____

CURTIS POOL

BEACONFIELD CORPORATION

DATE EXECUTED: _____

By: _____

ATTEST:

_____

AMERICAN TRADING AND PRODUCTION CORPORATION

DATE EXECUTED: _____

By: _____

ATTEST:

_____

SUN EXPLORATION AND PRODUCTION COMPANY

DATE EXECUTED: _____

By: _____

ATTEST:

_____

DATE EXECUTED: _____

BARBARA T. FASKEN, Individually and as Independent Executrix of the Estate of David Fasken, Dec'd

DATE EXECUTED: _____

RICHARD BROOKS

DATE EXECUTED: _____

BEN J. FORTSON

DATE EXECUTED: _____

DALTON COBB

DATE EXECUTED: _____

LARRY R. WOLLSCHLAGER

DATE EXECUTED: 9/30/83

KENNETH H. GRIFFIN

DATE EXECUTED: 10/3/83

GARY G. BURNETT

BTA OIL PRODUCERS

DATE EXECUTED: 9/29/83

By: _____
BARRY BEAL, Partner

ATTEST:

_____

DATE EXECUTED: _____

CURTIS POOL

BEACONFIELD CORPORATION

DATE EXECUTED: _____

By: _____

ATTEST:

_____

AMERICAN TRADING AND PRODUCTION CORPORATION

DATE EXECUTED: _____

By: _____

ATTEST:

_____

SUN EXPLORATION AND PRODUCTION COMPANY

DATE EXECUTED: _____

By: _____

ATTEST:

_____

DATE EXECUTED: _____

BARBARA T. FASKEN, Individually and as Independent Executrix of the Estate of David Fasken, Dec'd

DATE EXECUTED: _____

RICHARD BROOKS

DATE EXECUTED: _____

BEN J. FORTSON

DATE EXECUTED: _____

DALTON COBB

DATE EXECUTED: _____

LARRY R. WOLLSCHLAGER

DATE EXECUTED: _____

KENNETH H. GRIFFIN

DATE EXECUTED: _____

GARY G. BURNETT

BTA OIL PRODUCERS

DATE EXECUTED: 9/29/83

By: _____
BARRY BEAL, Partner

[redacted]

_____

DATE EXECUTED: _____

CURTIS POOL

BEACONFIELD CORPORATION

DATE EXECUTED: _____

By: _____

ATTEST:

_____

AMERICAN TRADING AND PRODUCTION CORPORATION

DATE EXECUTED: _____

By: _____

ATTEST:

_____

SUN EXPLORATION AND PRODUCTION COMPANY

DATE EXECUTED: _____

By: _____

ATTEST:

_____

DATE EXECUTED: _____

BARBARA T. FASKEN, Individually and as Independent Executrix of the Estate of David Fasken, Dec'd

DATE EXECUTED: _____

RICHARD BROOKS

DATE EXECUTED: _____

BEN J. FORTSON

DATE EXECUTED: _____

_____
DALTON COBB

DATE EXECUTED: _____

_____
LARRY R. WOLLSCHLAGER

DATE EXECUTED: _____

_____
KENNETH H. GRIFFIN

DATE EXECUTED: _____

_____
GARY G. BURNETT

BTA OIL PRODUCERS

DATE EXECUTED: 9/29/83

By: _____
BARRY BEAL, Partner

[redacted]

_____

DATE EXECUTED: 10/3/83

_____
CURTIS POOL

BEACONFIELD CORPORATION

DATE EXECUTED: _____

By: _____

ATTEST:

_____

AMERICAN TRADING AND PRODUCTION CORPORATION

DATE EXECUTED: _____

By: _____

ATTEST:

_____

SUN EXPLORATION AND PRODUCTION COMPANY

DATE EXECUTED: _____

By: _____

ATTEST:

_____

DATE EXECUTED: _____

_____
BARBARA T. FASKEN, Individually and as Independent Executrix of the Estate of David Fasken, Dec'd

DATE EXECUTED: _____

_____
RICHARD BROOKS

DATE EXECUTED: _____

_____
BEN J. FORTSON

DATE EXECUTED: _____

DALTON COBB

DATE EXECUTED: _____

LARRY R. WOLLSCHLAGER

DATE EXECUTED: _____

KENNETH H. GRIFFIN

DATE EXECUTED: _____

GARY G. BURNETT

BTA OIL PRODUCERS

DATE EXECUTED: 9/29/83

By: _____
BARRY BEAL, Partner

[redacted]

_____

DATE EXECUTED: _____

CURTIS POOL

BEACONFIELD CORPORATION

DATE EXECUTED: 10/04/83

By: _____
President

ATTEST:

_____
Secretary

AMERICAN TRADING AND PRODUCTION CORPORATION

DATE EXECUTED: _____

By: _____

ATTEST:

_____

SUN EXPLORATION AND PRODUCTION COMPANY

DATE EXECUTED: _____

By: _____

ATTEST:

_____

DATE EXECUTED: _____

BARBARA T. FASKEN, Individually and as Independent Executrix of the Estate of David Fasken, Dec'd

DATE EXECUTED: _____

RICHARD BROOKS

DATE EXECUTED: _____

BEN J. FORTSON

DATE EXECUTED: _____

DALTON COBB

DATE EXECUTED: _____

LARRY R. WOLLSCHLAGER

DATE EXECUTED: _____

KENNETH H. GRIFFIN

DATE EXECUTED: _____

GARY G. BURNETT

BTA OIL PRODUCERS

DATE EXECUTED: 9/29/83

By: _____
BARRY BEAL, Partner

[redacted]

_____

DATE EXECUTED: _____

CURTIS POOL

BEACONFIELD CORPORATION

DATE EXECUTED: _____

By: _____

ATTEST:

_____

AMERICAN TRADING AND PRODUCTION CORPORATION

DATE EXECUTED: 10-5-83

By: _____
E. R. Kemp, Vice President
Oil and Gas Division

ATTEST: _____
Assistant Secretary

SUN EXPLORATION AND PRODUCTION COMPANY

DATE EXECUTED: _____

By: _____

ATTEST:

_____

DATE EXECUTED: _____

BARBARA T. FASKEN, Individually and as Independent Executrix of the Estate of David Fasken, Dec'd

DATE EXECUTED: _____

RICHARD BROOKS

DATE EXECUTED: _____

BEN J. FORTSON

DATE EXECUTED: _____

DALTON COBB

DATE EXECUTED: _____

LARRY R. WOLLSCHLAGER

DATE EXECUTED: _____

KENNETH H. GRIFFIN

DATE EXECUTED: _____

GARY G. BURNETT

BTA OIL PRODUCERS

DATE EXECUTED: 9/29/83

By: _____
BARRY BEAL, Partner

~~ATTEST:~~

_____

DATE EXECUTED: _____

CURTIS POOL

BEACONFIELD CORPORATION

DATE EXECUTED: _____

By: _____

ATTEST:

_____

AMERICAN TRADING AND PRODUCTION CORPORATION

DATE EXECUTED: _____

By: _____

ATTEST:

_____

SUN EXPLORATION AND PRODUCTION COMPANY

DATE EXECUTED: 10-26-83

By: _____
Attorney-in-Fact

APPROVED	
Legal	
C&LA	
Land	
J.O.	
Unit	

~~ATTEST:~~

_____

DATE EXECUTED: _____

BARBARA T. FASKEN, Individually and as Independent Executrix of the Estate of David Fasken, Dec'd

DATE EXECUTED: _____

RICHARD BROOKS

DATE EXECUTED: _____

BEN J. FORTSON

DATE EXECUTED: _____

_____
DALTON COBB

DATE EXECUTED: _____

_____
LARRY R. WOLLSCHLAGER

DATE EXECUTED: _____

_____
KENNETH H. GRIFFIN

DATE EXECUTED: _____

_____
GARY G. BURNETT

BTA OIL PRODUCERS

DATE EXECUTED: 9/29/83

By: _____
BARRY BEAL, Partner

ATTEST:

_____

DATE EXECUTED: _____

_____
CURTIS POOL

BEACONFIELD CORPORATION

DATE EXECUTED: _____

By: _____

ATTEST:

_____

AMERICAN TRADING AND PRODUCTION CORPORATION

DATE EXECUTED: _____

By: _____

ATTEST:

_____

SUN EXPLORATION AND PRODUCTION COMPANY

DATE EXECUTED: _____

By: _____

ATTEST:

_____

DATE EXECUTED: 11/2/83

Barbara T. Fasken
BARBARA T. FASKEN, Individually and as Independent Executrix of the Estate of David Fasken, Dec'd

DATE EXECUTED: 10-24-83

Richard Brooks
RICHARD BROOKS

DATE EXECUTED: _____

_____
BEN J. FORTSON

DATE EXECUTED: _____

DALTON COBB

DATE EXECUTED: _____

LARRY R. WOLLSCHLAGER

DATE EXECUTED: _____

KENNETH H. GRIFFIN

DATE EXECUTED: _____

GARY G. BURNETT

BTA OIL PRODUCERS

DATE EXECUTED: 9/29/83

By: _____

BARRY BEAL, Partner

[redacted]

_____

DATE EXECUTED: _____

CURTIS POOL

BEACONFIELD CORPORATION

DATE EXECUTED: _____

By: _____

ATTEST:

_____

AMERICAN TRADING AND PRODUCTION CORPORATION

DATE EXECUTED: _____

By: _____

ATTEST:

_____

SUN EXPLORATION AND PRODUCTION COMPANY

DATE EXECUTED: _____

By: _____

ATTEST:

_____

DATE EXECUTED: _____

BARBARA T. FASKEN, Individually and as Independent Executrix of the Estate of David Fasken, Dec'd

DATE EXECUTED: _____

RICHARD BROOKS

DATE EXECUTED: 10-12-83

BEN J. FORTSON

TIPPERARY OIL AND GAS CORPORATION

DATE EXECUTED: 10/04/83

By: Mark S. Martin
Mark S. Martin
Vice President, Land

ATTEST:

Emily M. Digby
Assistant Corporate Secretary

AMQUEST CORPORATION

DATE EXECUTED: _____

By: _____

ATTEST:

_____

AMPECO 1979-2 DRILLING PROGRAM, A Limited Partnership of which AmQuest Corporation is General Partner

DATED EXECUTED: _____

By: _____

ATTEST:

_____

DATE EXECUTED: _____

_____
WILLIAM K. YOUNG

DATE EXECUTED: _____

_____
FRANK G. YOUNG

MARSHALL R. YOUNG OIL COMPANY

DATE EXECUTED: _____

By: _____

ATTEST:

_____

TIPPERARY OIL AND GAS CORPORATION

DATE EXECUTED: _____ By: _____

ATTEST:

_____

AMQUEST CORPORATION

DATE EXECUTED: 10/6/83 By: Paul R Jackson
Paul R. Jackson
President

ATTEST:
Beverly Edes
Beverly Edes
Assistant Secretary

APPROVED
AMPECO

AMPECO 1979-2 DRILLING PROGRAM, LTD.
Limited Partnership of which
AmQuest Corporation is General
Partner

DATED EXECUTED: 10/6/83 By: Paul R Jackson
Paul R. Jackson
President

ATTEST:
Beverly Edes
Beverly Edes
Assistant Secretary

DATE EXECUTED: _____ _____
WILLIAM K. YOUNG

DATE EXECUTED: _____ _____
FRANK G. YOUNG

MARSHALL R. YOUNG OIL COMPANY

DATE EXECUTED: _____ By: _____

ATTEST:

_____

TIPPERARY OIL AND GAS CORPORATION

DATE EXECUTED:_____ By:_____

ATTEST:

_____

AMQUEST CORPORATION

DATE EXECUTED:_____ By:_____

ATTEST:

_____

AMPECO 1979-2 DRILLING PROGRAM, A Limited Partnership of which AmQuest Corporation is General Partner

DATED EXECUTED:_____ By:_____

ATTEST:

_____

DATE EXECUTED: OCT 17 1983

WILLIAM K. YOUNG

DATE EXECUTED: OCT 17 1983

FRANK G. YOUNG

MARSHALL R. YOUNG OIL CO

DATE EXECUTED: OCT 17 1983 By:_____

W. J. HOPPER, Vice President

ATTEST:

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the _____ day of _____, 1983, by _____, _____ OF AMQUEST CORPORATION, a _____, corporation, on behalf of said corporation.

_____
Notary Public in and for _____ County, _____

My Commission Expires:
_____

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the _____ day of _____, 1983, by _____, _____ of AMPECO 1979-2 DRILLING PROGRAM, a Limited Partnership of which Amquest Corporation is General Partner, on behalf of said limited partnership.

_____
Notary Public in and for _____ County, _____

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF TARRANT X

This instrument was acknowledged before me this the 17th day of October, 1983, by WILLIAM K. YOUNG.

NOTARY PUBLIC STATE OF TEXAS

Linda P. Langeloh
Notary Public in and for Tarrant County, Texas

My Commission Expires:
_____

LINDA P. LANGELOH
Commission Expires 11-30-84

STATE OF TEXAS X
X
COUNTY OF TARRANT X

This instrument was acknowledged before me this the 17th day of October, 1983, by FRANK G. YOUNG.

NOTARY PUBLIC STATE OF TEXAS

Linda P. Langeloh
Notary Public in and for Tarrant County, Texas

My Commission Expires:
_____

LINDA P. LANGELOH
Commission Expires 11-30-84

STATE OF TEXAS X
X
COUNTY OF TARRANT X

This instrument was acknowledged before me this the 17th day of October, 1983, by W. J. Hopper, Vice President of MARSHALL R. YOUNG OIL CO a Delaware corporation, on behalf of said corporation.

Linda P. Langeloh
Notary Public in and for
Tarrant County, Texas

My Commission Expires:
11/30/84

LINDA P. LANGELOH
Comm. STATE OF TEXAS

STATE OF TEXAS X
X
COUNTY OF TRAVIS X

This instrument was acknowledged before me this the _____ day of _____, 1983, by GARRY MAURO as Commissioner of the General Land Office of the STATE OF TEXAS.

_____
Notary Public in and for the
State of Texas

My Commission Expires:

_____

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the _____ day of _____, 1983, by _____, _____ MARSHALL R. YOUNG OIL COMPANY, a _____ corporation, on behalf of said corporation.

_____
Notary Public in and for
_____ County, _____

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF TRAVIS X

This instrument was acknowledged before me this the 15th day of November, 1983, by GARRY MAURO as Commissioner of the General Land Office of the STATE OF TEXAS.

Linda K. Fisher
Notary Public in and for the
State of Texas

My Commission Expires:
9-30-84

LINDA K. FISHER
GENERAL NOTARY
COMMISSION EXPIRES 9-30-84

NOTARY PUBLIC · TRAVIS COUNTY · TEXAS

STATE OF Texas X
X
COUNTY OF Midland X

This instrument was acknowledged before me this the 15th day of November, 1983, by L. A. Turner, Attorney-In-Fact OF GULF OIL CORPORATION, a Pennsylvania corporation, on behalf of said corporation.

Glenda Bates
Notary Public in and for
Midland County, Texas

My Commission Expires:
11-17-84

STATE OF TEXAS X
X
COUNTY OF HARRIS X

This instrument was acknowledged before me this the _____ day of _____, 1983, by _____, _____ of BRAVO OIL COMPANY, a _____ corporation, on behalf of said corporation.

_____
Notary Public in and for the
State of Texas

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the ____ day of _____, 1983, by _____, _____ of TXO PRODUCTION CORP., a _____ corporation, on behalf of said corporation.

_____
Notary Public in and for
the State of Texas

My Commission Expires:
_____

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the _____ day of _____, 1983, by _____, _____ of APCOT-FINADEL JOINT VENTURE, a General Partnership comprised of American Petrofina Company of Texas, and Finadel Incorporated, on behalf of said General Partnership.

_____
Notary Public in and for
_____ County, _____

My Commission Expires:
_____

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the ____ day of _____, 1983, by _____, _____ OF GULF OIL CORPORATION, a _____ corporation, on behalf of said corporation.

_____
Notary Public in and for
_____ County, _____

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF HARRIS X

This instrument was acknowledged before me this the 24th day of October, 1983, by L. M. BROWN, JR., Asst. Gen. Mgr. of BRAVO OIL COMPANY, a Texas corporation, on behalf of said corporation.

Kathleen L James
Notary Public in and for the
State of Texas

KATHLEEN L. JAMES
Notary Public for the State of Texas
My Commission Expires 11-4-84

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the ____ day of _____, 1983, by _____, _____ of TXO PRODUCTION CORP., a _____ corporation, on behalf of said corporation.

_____
Notary Public in and for
the State of Texas

My Commission Expires:
_____

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the _____ day of _____, 1983, by _____, _____ of APCOT-FINADEL JOINT VENTURE, a General Partnership comprised of American Petrofina Company of Texas, and Finadel Incorporated, on behalf of said General Partnership.

_____
Notary Public in and for
_____ County, _____

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the 4th day of October, 1983, by DALTON COBB.

Sharon Beaver
Notary Public in and for the
State of Texas

My Commission Expires:
7-17-84

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the _____ day of _____, 1983, by LARRY R. WOLLSCHLAGER.

Notary Public in and for the
State of Texas

My Commission Expires:

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the _____ day of _____, 1983, by KENNETH H. GRIFFIN.

Notary Public in and for the
State of Texas

My Commission Expires:

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the _____ day of _____, 1983, by GARY G. BURNETT.

Notary Public in and for the
State of Texas

My Commission Expires:

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the 29th day of September, 1983, by BARRY BEAL, a partner on behalf of BTA OIL PRODUCERS, a general partnership.

Janni S. Byrne
Notary Public in and for the
State of Texas

My Commission Expires:
September 22, 1984

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the _____ day of _____, 1983, by DALTON COBB.

_____
Notary Public in and for the
State of Texas

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the 3rd day of October, 1983, by LARRY R. WOLLSCHLAGER.

Robbie Goble
Notary Public in and for the
State of Texas

Robbie Goble
My commission expires _____

My Commission Expires:
5-15-84

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the _____ day of _____, 1983, by KENNETH H. GRIFFIN.

_____
Notary Public in and for the
State of Texas

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the _____ day of _____, 1983, by GARY G. BURNETT.

_____
Notary Public in and for the
State of Texas

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the 29th day of September, 1983, by BARRY BEAL, a partner on behalf of BTA OIL PRODUCERS, a general partnership.

Janni S. Byrne
Notary Public in and for the
State of Texas

My Commission Expires:
September 22, 1984

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the _____ day of _____, 1983, by DALTON COBB.

_____
Notary Public in and for the
State of Texas

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the _____ day of _____, 1983, by LARRY R. WOLLSCHLAGER.

_____
Notary Public in and for the
State of Texas

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the 30th day of September, 1983, by KENNETH H. GRIFFIN.

Debbie Hadaway
Notary Public in and for the
State of Texas

My Commission Expires:
1-5-85

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the 3rd day of October, 1983, by GARY G. BURNETT.

Debbie Hadaway
Notary Public in and for the
State of Texas

My Commission Expires:
1-5-85

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the 29th day of September, 1983, by BARRY BEAL, a partner on behalf of BTA OIL PRODUCERS, a general partnership.

Janni S. Byrne
Notary Public in and for the
State of Texas

My Commission Expires:
September 22, 1984

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the _____ day of _____, 1983, by DALTON COBB.

_____
Notary Public in and for the
State of Texas

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the _____ day of _____, 1983, by LARRY R. WOLLSCHLAGER.

_____
Notary Public in and for the
State of Texas

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the _____ day of _____, 1983, by KENNETH H. GRIFFIN.

_____
Notary Public in and for the
State of Texas

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the _____ day of _____, 1983, by GARY G. BURNETT.

_____
Notary Public in and for the
State of Texas

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the 29th day of September, 1983, by BARRY BEAL, a partner on behalf of BTA OIL PRODUCERS, a general partnership.

Janni S. Byrne
Notary Public in and for the
State of Texas

My Commission Expires:
September 22, 1984

STATE OF TEXAS X
X
COUNTY OF ECTOR X

This instrument was acknowledged before me this the 3rd day of October, 1983, by CURTIS POOL.

Patsy Bostwick PATSY BOSTWICK
Notary Public in and for the
State of Texas

My Commission Expires:
2-24-84

NOTARY PUBLIC STATE OF TEXAS COUNTY OF MIDLAND

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the ____ day of _____, 1983, by _____, _____ of BEACONFIELD CORPORATION, a _____ corporation, on behalf of said corporation.

Notary Public in and for
_____ County, _____

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the _____ day of _____, 1983, by _____, _____ of AMERICAN TRADING AND PRODUCTION CORPORATION, a _____ corporation, on behalf of said corporation.

Notary Public in and for the
State of Texas

My Commission Expires:
_____

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the _____ day of _____, 1983, by _____, _____ OF SUN EXPLORATION AND PRODUCTION COMPANY, a _____ corporation, on behalf of said corporation.

Notary Public in and for
_____ County _____

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF ECTOR X

This instrument was acknowledged before me this the ____ day of _____, 1983, by CURTIS POOL.

_____
Notary Public in and for the
State of Texas

My Commission Expires:

_____

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the 4th day of OCTOBER, 1983, by MARTIN C. CARROLL, PRESIDENT of BEACONFIELD CORPORATION, a DELAWARE corporation, on behalf of said corporation.

Adelaide C. McElroy
Notary Public in and for
Cook County, Illinois

ADELAIDE C. McELROY NOTARY PUBLIC COOK COUNTY

My Commission Expires:
December 1, 1987

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the _____ day of _____, 1983, by _____, _____ of AMERICAN TRADING AND PRODUCTION CORPORATION, a _____ corporation, on behalf of said corporation.

_____
Notary Public in and for the
State of Texas

My Commission Expires:

_____

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the _____ day of _____, 1983, by _____, _____ OF SUN EXPLORATION AND PRODUCTION COMPANY, a _____ corporation, on behalf of said corporation.

_____
Notary Public in and for
_____ County _____

My Commission Expires:

_____

STATE OF TEXAS X
X
COUNTY OF ECTOR X

This instrument was acknowledged before me this the ____ day of _____, 1983, by CURTIS POOL.

_____
Notary Public in and for the
State of Texas

My Commission Expires:
_____

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the ____ day of _____, 1983, by _____, _____ of BEACONFIELD CORPORATION, a _____ corporation, on behalf of said corporation.

_____
Notary Public in and for
_____ County, _____

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the 5th day of October, 1983, by E. R. Kemp, Vice President Oil & Gas Division of AMERICAN TRADING AND PRODUCTION CORPORATION, a Maryland corporation, on behalf of said corporation.

Patricia F Chambers
Notary Public in and for the
State of Texas

My Commission Expires:
July 31, 1984

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the _____ day of _____, 1983, by _____, _____ OF SUN EXPLORATION AND PRODUCTION COMPANY, a _____ corporation, on behalf of said corporation.

_____
Notary Public in and for
_____ County _____

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF ECTOR X

This instrument was acknowledged before me this the ____ day of _____, 1983, by CURTIS POOL.

_____
Notary Public in and for the
State of Texas

My Commission Expires:

_____

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the ____ day of _____, 1983, by _____, _____ of BEACONFIELD CORPORATION, a _____ corporation, on behalf of said corporation.

_____
Notary Public in and for
_____ County, _____

My Commission Expires:

_____

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the _____ day of _____, 1983, by _____, _____ of AMERICAN TRADING AND PRODUCTION CORPORATION, a _____ corporation, on behalf of said corporation.

_____
Notary Public in and for the
State of Texas

My Commission Expires:

_____

STATE OF Texas X
X
COUNTY OF Dallas. X

This instrument was acknowledged before me this the 26th day of October, 1983, by J. D. Wagoner, Attorney-in-Fact of M. Laurie OF SUN EXPLORATION AND PRODUCTION COMPANY, a corporation, on behalf of said corporation.

Barbara Stanley
Notary Public in and for
Dallas County Texas

My Commission Expires:
BARBARA STANLEY, Notary Public
in and for the State of Texas
My Commission Expires June 6, 1984

STATE OF CALIFORNIA X
CITY AND X
COUNTY OF SAN FRANCISCO X

This instrument was acknowledged before me this the 2nd day of NOVEMBER, 1983, by BARBARA T. FASKEN, Individually and as Independent Executrix of the Estate of David Fasken, deceased.

Elizabeth A Newcomb
Notary Public in and for
City and County of San Francisco
California

My Commission Expires:
MAR. 20, 1987

OFFICIAL SEAL
ELIZABETH A NEWCOMB
NOTARY PUBLIC - CALIFORNIA
SAN FRANCISCO COUNTY
My comm. expires MAR 20, 1987

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the 24th day of October, 1983. by RICHARD BROOKS.

PATSY J. ROYAL
My Commission Expires:
Nov. 8, 1986

Patsy J. Royal
Notary Public in and for the
State of Texas

My Commission Expires:
11-08-86

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the ____ day of _____, 1983, by BEN J. FORTSON.

Notary Public in and for
_____ County, _____

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the _____ day of _____, 1983, by _____, _____ of TIPPERARY OIL AND GAS CORPORATION, a _____ corporation, on behalf of said corporation.

Notary Public in and for the
State of Texas

My Commission Expires:
_____

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the ____ day of _____, 1983, by BARBARA T. FASKEN, Individually and as Independent Executrix of the Estate of David Fasken, deceased.

_____
Notary Public in and for
_____ County,_____

My Commission Expires:

_____

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the ____ day of _____, 1983. by RICHARD BROOKS.

_____
Notary Public in and for the
State of Texas

My Commission Expires:

_____

STATE OF Texas X
X
COUNTY OF Darrack X

This instrument was acknowledged before me this the 12 day of October, 1983, by BEN J. FORTSON.

Richard Drew
Notary Public in and for
State of ~~County,~~ Texas

My Commission Expires:

_____

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the _____ day of _____, 1983, by _____, _____ of TIPPERARY OIL AND GAS CORPORATION, a _____ corporation, on behalf of said corporation.

_____
Notary Public in and for the
State of Texas

My Commission Expires:

_____

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the ____ day of _____, 1983, by BARBARA T. FASKEN, Individually and as Independent Executrix of the Estate of David Fasken, deceased.

_____
Notary Public in and for
_____ County,_____

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the ____ day of _____, 1983. by RICHARD BROOKS.

_____
Notary Public in and for the
State of Texas

My Commission Expires:
_____

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the ____ day of _____, 1983, by BEN J. FORTSON.

_____
Notary Public in and for
_____ County, _____

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF MIDLAND X

This instrument was acknowledged before me this the 4th day of October, 1983, by Mark S. Martin, Vice President of TIPPERARY OIL AND GAS CORPORATION, a Texas corporation, on behalf of said corporation.

Sue Winkler
Notary Public in and for the
State of Texas

My Commission Expires:
8-24-85

NOTARY PUBLIC STATE OF TEXAS

STATE OF TEXAS X
X
COUNTY OF DALLAS X

This instrument was acknowledged before me this the 6th day of October, 1983, by Paul R. Jackson, President OF AMQUEST CORPORATION, a Delaware, corporation, on behalf of said corporation.

M. Joyce Degnan
Notary Public in and for Dallas County, Texas
M. Joyce Degnan

My Commission Expires:
8/31/84

STATE OF TEXAS X
X
COUNTY OF DALLAS X

This instrument was acknowledged before me this the 6th day of October, 1983, by Paul R. Jackson, President of AMPECO 1979-2 DRILLING PROGRAM, a Limited Partnership of which Amquest Corporation is General Partner, on behalf of said limited partnership.

M. Joyce Degnan
Notary Public in and for Dallas County, Texas
M. Joyce Degnan

My Commission Expires:
8/31/84

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the ____ day of _____, 1983, by WILLIAM K. YOUNG.

Notary Public in and for _____ County, _____

My Commission Expires:
_____

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the ____ day of _____, 1983, by FRANK G. YOUNG.

Notary Public in and for _____ County, _____

My Commission Expires:
_____

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the _____ day of _____, 1983, by _____, _____ OF AMQUEST CORPORATION, a _____, corporation, on behalf of said corporation.

_____
Notary Public in and for
_____ County, _____

My Commission Expires:
_____

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the _____ day of _____, 1983, by _____, _____ of AMPECO 1979-2 DRILLING PROGRAM, a Limited Partnership of which Amquest Corporation is General Partner, on behalf of said limited partnership.

_____
Notary Public in and for
_____ County, _____

My Commission Expires:
_____

STATE OF TEXAS X
X
COUNTY OF TARRANT X

This instrument was acknowledged before me this the 17th day of October, 1983, by WILLIAM K. YOUNG.

Linda P. Langeloh
Notary Public in and for
Tarrant County, Texas

My Commission Expires:
_____

NOTARY PUBLIC STATE OF TEXAS
LINDA P. LANGELOH
Commission Expires 11-30-84

STATE OF TEXAS X
X
COUNTY OF TARRANT X

This instrument was acknowledged before me this the 17th day of October, 1983, by FRANK G. YOUNG.

Linda P. Langeloh
Notary Public in and for
Tarrant County, Texas

My Commission Expires:
_____

NOTARY PUBLIC STATE OF TEXAS
LINDA P. LANGELOH
Commission Expires 11-30-84

STATE OF TEXAS X
X
COUNTY OF TARRANT X

This instrument was acknowledged before me this the 17th day of October, 1983, by W. J. Hopper, Vice President of MARSHALL R. YOUNG OIL CO a Delaware corporation, on behalf of said corporation.

NOTARY PUBLIC STATE OF TEXAS

Linda P. Langeloh
Notary Public in and for
Tarrant County, Texas

My Commission Expires:
11/30/84

LINDA P. LANGELOH
Commission Expires 11/30/84

STATE OF TEXAS X
X
COUNTY OF TRAVIS X

This instrument was acknowledged before me this the _____ day of _____, 1983, by GARRY MAURO as Commissioner of the General Land Office of the STATE OF TEXAS.

_____
Notary Public in and for the
State of Texas

My Commission Expires:

_____

STATE OF X
X
COUNTY OF X

This instrument was acknowledged before me this the _____ day of _____, 1983, by _____, _____ MARSHALL R. YOUNG OIL COMPANY, a _____ corporation, on behalf of said corporation.

_____
Notary Public in and for
_____ County, _____

My Commission Expires:

_____

STATE OF TEXAS X
X
COUNTY OF TRAVIS X

This instrument was acknowledged before me this the 15th day of November, 1983, by GARRY MAURO as Commissioner of the General Land Office of the STATE OF TEXAS.

Linda K. Fisher
Notary Public in and for the
State of Texas

My Commission Expires:
9-30-84

LINDA K. FISHER
GENERAL NOTARY
COMMISSION EXPIRES 9-30-84

NOTARY PUBLIC · STATE OF TEXAS · COUNTY OF TRAVIS

EXHIBIT "A"

Attached to and made a part of Pooling Agreement by and between the Commissioner of the General Land Office, on behalf of the State of Texas, and BTA Oil Producers, et al.

LAND DESCRIPTION OF UNIT AREA, ALL LANDS BEING LOCATED IN BLOCK 33, H&TC RY CO. SURVEY, LOVING COUNTY, TEXAS:

Tract 1: The Southwest 57 acres of NE/2 NE/2 of Section 75, also described as the Southwest 57 acres of Lots 3 and 4 of Section 75, according to the Subdivision Plat recorded at Volume 2, Page 126, Deed Records of Loving County, Texas.

Tract 2: Lot 5 of Section 75, according to the Subdivision Plat recorded at Volume 2, Page 126, Deed Records of Loving County, Texas, containing 40 acres, more or less.

Tract 3: Lot 6 of Section 75, according to the Subdivision Plat recorded at Volume 2, Page 126, Deed Records of Loving County, Texas, containing 40 acres, more or less.

Tract 4: The N/4 of Lot 7 of Section 75, according to the Subdivision Plat recorded at Volume 2, Page 126, Deed Records of Loving County, Texas, containing 10 acres, more or less.

Tract 5: The W/4 of Lot 7 of Section 75, according to the Subdivision Plat recorded at Volume 2, Page 126, Deed Records of Loving County, Texas, containing 10 acres, more or less.

Tract 6: The SE/2 of Lot 7 of Section 75, according to the Subdivision Plat recorded at Volume 2, Page 126, Deed Records of Loving County, Texas, containing 20 acres, more or less.

Tract 7: Lot 8 of Section 75, according to the Subidivision Plat recorded at Volume 2, Page 126, Deed Records of Loving County, Texas, containing 40 acres, more or less.

Tract 8: NE/2 SW/2 Section 75, also described as Lots 9, 10, 11, and 12 of Section 75, according to the Subdivision Plat recorded at Volume 2, Page 126, Deed Records of Loving County, Texas, containing 160 acres, more or less.

Tract 9: The Southwest 146 acres of NE/2 Section 76.

Tract 10: All of Lots 9 and 10 and the NE/2 of Lots 11 and 12, of Section 76, according to the Subdivision Plat recorded at Volume 3, Page 618, Deed Records of Loving County, Texas, containing 120 acres, more or less.

Containing total Unit acres of 643, more or less.

EXHIBIT "B"

Attached to and made a part of Pooling Agreement by and between the Commissioner of the General Land Office, on behalf of the State of Texas, and BTA Oil Producers, et al.

The effective Oil and Gas Leases and mineral interests covering the pooled unit described on Exhibit "A" attached hereto are described as follows, all lands being located in Block 33, H&TC Ry Co. Survey, Loving County, Texas:

I. All mineral interest in Tract 1 is contributed by Gulf Oil Corporation ("Gulf") subject to an outstanding undivided 1/6 free nonparticipating royalty interest owned by Bravo Oil Company ("Bravo"), which royalty interest in Tract 1 is also contributed by Bravo. Reference is made to Mineral Deed dated July 26, 1965, recorded Volume 35, Page 407, Deed Records of Loving County, Texas, from The Midland National Bank, Midland, Texas, Trustee, as grantor, to Gulf Oil Corporation, as grantee, for a description of the mineral interest owned by Gulf and the royalty interest owned by Bravo in Tract 1.

II. Lease contributed by TXO Production Corp. ("TXO") as to an undivided 75% interest and by APCOT-FINADEL Joint Venture, a general partnership comprised of American Petrofina Company of Texas, a Delaware corporation, and Finadel Incorporated, a Delaware corporation ("APCOT-FINADEL") as to an undivided 25% interest, covering Tract 2:

Oil and Gas Lease dated February 26, 1979, recorded Volume 53, Page 603, Oil & Gas Lease Records of Loving County, Texas, from Mary Louise Kennedy, as lessor, to Texas Oil & Gas Corp., as lessee, covering Lot 5 of Section 75, containing 40 acres, more or less.

III. Leases contributed by Dalton Cobb as to an undivided 37.5%, by Larry R. Wollschlager as to an undivided 37.5%, by Kenneth H. Griffin as to an undivided 12.5% and by Gary G. Burnett as to an undivided 12.5% covering Tract 3, each of said leases being to Griffin & Burnett, Inc. as lessee and each lease covering all Lot 6 of Section 75, containing 40 acres, more or less:

(a) Oil and Gas Lease dated November 17, 1978, recorded Volume 53, Page 152, Oil & Gas Lease Records of Loving County, Texas, from James Buxton and wife, Deloris G. Buxton, as lessor; and

(b) Oil and Gas Lease dated November 17, 1978, recorded Volume 53, Page 156, Oil & Gas Lease Records of Loving County, Texas, from Patricia Buxton Mills and husband, Burdette B. Mills, as lessor; and

(c) Oil and Gas Lease dated November 17, 1978, recorded Volume 53, Page 160, Oil & Gas Lease Records of Loving County, Texas, from C. I. Buxton, II and wife Norma L. Buxton, as lessor.

IV. Lease contributed by BTA Oil Producers ("BTA") insofar only as the same covers Tract 4:

Oil and Gas Lease dated April 7, 1983, recorded Volume 69, Page 77, Oil & Gas Lease Records of Loving County, Texas, from Nautilus Exploration, Inc., Horseshoe Oil and Gas Corporation, and Elizabeth J. McCrea, a widow, as lessor, to BTA Oil Producers, as lessee, insofar only as said lease covers N/4 Lot 7 of Section 75, containing 10 acres, more or less.

V. (a) Leases contributed by BTA insofar only as the same cover Tract 5:

(1) Oil and Gas Lease dated April 7, 1983, recorded Volume 69, Page 77, Oil & Gas Lease Records of Loving County, Texas, from Nautilus Exploration, Inc., Horseshoe Oil and Gas Corporation and Elizabeth J. McCrea, a widow, as lessor, to BTA Oil Producers, as lessee, insofar only as said lease covers W/4 Lot 7 of Section 75, containing 10 acres, more or less.

(2) Oil and Gas Lease dated October 11, 1983, recorded Volume ____, Page ____, Oil & Gas Lease Records of Loving County, Texas, from Marguerite L. Kendall and Marjorie L. Hollingsworth, as joint tenants, as lessor, to BTA Oil Producers, as lessee, insofar only as said lease covers W/4 Lot 7 of Section 75, containing 10 acres, more or less.

(b) Lease contributed by Curtis Pool insofar only as said lease covers Tract 5:

Oil and Gas Lease dated January 21, 1980, recorded Volume 56, Page 532, Oil & Gas Lease Records of Loving County, Texas, from Joanne Jorgensen Deatrick, as lessor, to Curtis Pool, as lessee, insofar only as said lease covers W/4 Lot 7 of Section 75, containing 10 acres, more or less.

(c) An undivided 3/8 mineral interest in Tract 5 is contributed by Curtis Pool.

VI. Lease contributed by TXO as to an undivided 75% and by APCOT-FINADEL as to an undivided 25% covering Tract 6:

Oil and Gas Lease dated February 26, 1979, recorded Volume 53, Page 642, Oil & Gas Lease Records of Loving County, Texas, from Albert F. Cleys and wife, Grace Cleys, as lessor, to Texas Oil & Gas Corp., as lessee, covering SE/2 Lot 7 of Section 75, containing 20 acres, more or less.

VII. Lease contributed by TXO as to an undivided 75% and by APCOT-FINADEL as to an undivided 25%, covering Tract 7:

Oil and Gas Lease dated April 27, 1979, recorded Volume 54, Page 336, Oil & Gas Lease Records of Loving County, Texas, from Edwin N. Asmann, as lessor, to Texas Oil & Gas Corp., as lessee, covering Lot 8 of Section 75, containing 40 acres, more or less.

VIII. All of the mineral interest in Tract 8 is contributed by Gulf, subject to an outstanding undivided 1/6 free nonparticipating royalty interest owned by Bravo, which royalty interest is contributed by Bravo as to Tract 8. Reference is made to Mineral Deed dated July 26, 1965, recorded Volume 35, Page 407, Deed Records of Loving County, Texas, from the Midland National Bank, Midland, Texas, Trustee, as grantor, to Gulf Oil Corporation, as grantee, for a description of the mineral interest of Gulf and the royalty interest of Bravo in Tract 8.

IX. Lease contributed by Beaconfield Corporation insofar only as the same covers Tract 9:

Oil and Gas Lease No. 88352 dated October 5, 1982, from the State of Texas, as lessor, to Beaconfield Corporation, as lessee, insofar only as said lease covers the Southwest 146 acres of the NE part of Section 76, providing for royalty of 1/4, recorded at Vol. 66, Page 214, Oil & Gas Lease Records of Loving County, Texas, reference being hereby made to said lease and the record thereof for a complete description of said lands per the plat incorporated therein.

X. (a) Lease contributed by Curtis Pool insofar only as the same covers Tract 10:

Oil and Gas Lease dated November 1, 1983, recorded Volume 70, Page 416, Oil & Gas Lease Records of Loving County, Texas, from Hermon Pierce Hubbard, Individually, and Frances H. Kerr, Individually and as Independent Executrix of the Estate of William L. Kerr, deceased, as lessor, to Curtis Pool, as lessee, covering Lots 9 and 10 and the NE/2 of Lots 11 and 12, Section 76, according to the Subdivision Plat recorded at Volume 3, Page 618, Plat Records of Loving County, Texas, containing 120 acres, more or less.

(b) An undivided 1/24 mineral interest in Tract 10 is contributed by Curtis Pool.

(c) Leases contributed by the following leasehold owners in the following respective percentages:

American Trading and Production Corporation	24.5%
Sun Exploration and Production Company. .	25.0%
Barbara T. Fasken, individually and as Independent Executrix of the Estate of David Fasken, deceased, and Richard Brooks.	10.0%
Ben J. Fortson.	10.0%
Tipperary Oil and Gas Corporation	10.0%
AmQuest Corporation	70.28% of 8.0%
AMPECO 1979-2 Drilling Program, a limited partnership of which AmQuest Corporation is General Partner	29.72% of 8.0%
William K. Young.	4.1667%
Frank G. Young.	4.1667%
Marshall R. Young Oil Company . .	4.1666%

said leases covering Tract 10:

(1) Oil and Gas Lease dated February 19, 1979, recorded Volume 58, Page 630, Oil & Gas Lease Records of Loving County, Texas, from H. R. Beachum, Jr. and W. B. Beachum, individually and as Independent Executors of the Estate of W. R. Beachum, deceased, as lessor, to N. S. Marrow, as lessee; and

(2) Oil and Gas Lease dated March 1, 1979, recorded Volume 56, Page 109, Oil & Gas Lease Records of Loving County, Texas, from Felmont Oil Corporation, as lessor, to American Trading and Production Corporation, as lessee; as ratified by Ratification of Oil and Gas Lease dated November 9, 1983, executed by Felmont Oil Corporation, recorded Volume ____, Page ____, Oil and Gas Lease

Records of Loving County, Texas, and as amended by Amended Agreement dated November 9, 1983, executed by Felmont Oil Corporation and American Trading and Production Corporation, recorded Volume ____, Page ____, Oil & Gas Lease Records of Loving County, Texas;

said leases covering all of Lots 9 and 10 and the NE/2 of Lots 11 and 12, of Section 76, according to the Subdivision Plat recorded at Volume 3, Page 618, Plat Records of Loving County, Texas, containing 120 acres, more or less.

VOLUME 71, PAGE 338, DEED

EXHIBIT "C"

Attached to and made a part of Pooling Agreement
by and between the Commissioner of the General Land Office,
on behalf of the State of Texas, and BTA Oil Producers, et al.



VOLUME 71, PAGE 339, DEED

CERTIFICATE

I, Linda Fisher, 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 18th day of October, 1983, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, 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 15th day of November, 1983.

Linda K. Fisher
Secretary of the School Land Board

THE STATE OF TEXAS }
COUNTY OF WARD }

NO. 3636

I, Pat V. Finley, Clerk of the County Court in and for said County, do hereby certify that the within and foregoing instrument of writing with its Certificate of Authentication, was filed for record in my office on the 23 day of November A.D., 1983 at 11:00 o'clock A M., and duly recorded on the 28 day of November A.D., 1983 at 8:00 o'clock A M., in the Deed Records of said County in Book Number 498 Pages 657-699 inclusive.

WITNESS MY HAND AND SEAL OF THE COUNTY COURT OF WARD COUNTY AT OFFICE IN MONAHANS, TEXAS, The date last above written.

PAT V. FINLEY, Clerk of the County Court, Ward County, Texas

By Karan Gardner Deputy
Karan Gardner

FILE NO. 1806

STATE OF TEXAS

TO

BTA OIL PRODUCERS, ET AL

FILING AND RECORDING CERTIFICATE

THE STATE OF TEXAS)
COUNTY OF LOVING)

I, Edna Dewees, Clerk of the County Court in and for said County, do hereby certify that the within instrument in writing, dated the 15th day of November, 1983, with its certification of authentication, was filed for record in my office this 17th day of November, 1983 at 2:00 o'clock p. m. and recorded the 17th day of November 1983 at 3:00 o'clock p. m. in the DEED Records of said County in Volume 71, Page 297.

WITNESS my Hand and Seal of said Court, at office in Mentone, Texas, on date and year last above written.

COUNTY COURT SEAL TEXAS LOVING COUNTY

Edna Dewees
County Clerk, Loving County, Texas

Indexed:
Direct
Reverse

Fee: $ 91.50

(2)

M-8835-2
Pooling Agreement
8210 Vermejo Unit
Dated 11-15-83

Wallace H. Scott, Jr.
Frank Douglass*
Jesse P. Luton, Jr.
Frank P. Youngblood
H. Philip Whitworth, Jr.
Thomas W. Reavley
John G. Soule
John R. Hays, Jr.
John L. Yates
Steve McConnico**
Morgan L. Copeland
James N. Cowden
Richard P. Marshall, Jr.
Carroll G. Martin
Steve Selby
Elizabeth N. Miller
Kirk P. Watson
John W. Camp
John Pierce Griffin
Daniel W. Bishop II
Ray H. Langenberg

Law Offices
Scott, Douglass & Luton
Twelfth Floor
First City Bank Building
Austin, Texas 78701
AC 512 476-6337

*Board Certified-Civil Trial Law
**Board Certified-Personal Injury Trial Law
Texas Board of Legal Specialization

Houston Office:
43rd Floor
Republic Bank Building
700 Louisiana Street
Houston, Texas 77002
713/228-6337

Page Keeton
Guy T. Buell
of Counsel

February 9, 1984

In Re: BTA Oil Producers Unit Pooling Agreement and Designation, Vermejo Unit, Loving and Ward Counties, Texas

Mr. Virgil Morelle
General Land Office
Stephen F. Austin Building
1700 N. Congress Avenue
Austin, Texas 78701

Dear Mr. Morelle:

On behalf of BTA Oil Producers, we enclose two copies of the executed counterparts of the Pooling Agreement for the above-referenced unit. The enclosed counterparts have been recorded in the appropriate records of both Loving and Ward Counties, Texas.

You may recall that the state executed one of these counterparts in November of 1983 in order to enable the operator to record such agreement to save several non-drillsite leases that would otherwise expire. The subject pooled unit was approved by the School Land Board on October 18, 1983.

Please let us know if you have any questions concerning this matter.

Sincerely yours,

Phil Whitworth

Philip Whitworth
Attorney for BTA Oil Producers

PW/gs
Enclosure

7112 MF-88352
Ltr from BTA Oil Pro.
2-9-84

Form P-15
(5-5-71)

STATEMENT OF PRODUCTIVITY OF ACREAGE ASSIGNED TO PRORATION UNITS

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the LINCOLN ROCK CORPORATION (OPERATOR), L. R. UNIT (LEASE), No. 1 (WELL); that such well is completed in the WOLF (WOLFCAMP) Field, LOVING County, Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces 185 acres which can reasonably be considered to be productive of hydrocarbons.

– CERTIFICATE –

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, 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.

Date 5/2/84 Signature C. Teacle

Telephone 405 (AREA CODE) 223-1963 Title ENGINEER

(8)

M. F. 88352
WELL # 1 COMPLETION REPORT
GARRY MAURO, COMMISSIONER
FILED 6-29-84 BY

WITHIN STATE FEE M-88352

MU 7-23-84

Make a check or money order payable to the State Treasurer of Texas. Address to: Railroad Commission of Texas, Oil and Gas Division, Drilling Permits, P. O. Drawer 12967, Capitol Station, Austin, Texas 78711

▶ File a copy of W-1 and plat in RRC District Office

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Application for Permit to Drill, Deepen, Plug Back, or Re-Enter

▶ Read Instructions on Back

Form W-1
Rev. 9-1-83
483-060

Purpose of filing (mark appropriate boxes):
☐ Drill ☐ Deepen (below casing) ☐ Deepen (within casing) ☐ Plug Back ☒ Re-Enter
☐ Directional Well ☐ Sidetrack ☒ Amended Permit (enter permit no. at right & explain fully in Remarks)

Enter here, if assigned: API No. ▶ 42- 301-30051 Permit No. ▶ 223548 Rule 37 Case No. ▶

1. Operator's Name (exactly as shown on Form P-5, Organization Report)	3. RRC Operator No.	4. RRC District No.	5. County of Well Site
LINCOLN ROCK CORPORATION	500850	8	LOVING

2. Address (including city and zip code)	6. Lease Name (32 spaces maximum)	7. RRC Lease ID No.	8. Well No.	9. Total Depth
P. O. BOX 1934 ARDMORE, OK 73402	L. R. UNIT #1		1	17,000

992837

10. Location
• Section 76 Block 33 Survey H & TC RR SURVEY Abstract No. A-
• This well is to be located 4 miles in a SW direction from MENTONE, which is the nearest town in the county of the well site.

JUL 24 1984

11. Distance from proposed location to nearest lease or unit line: 750' SW 750' R.

12. Number of contiguous acres in lease, pooled unit, or unitized tract: 185 (OUTLINE ON PLAT.)

PERMIT AS REGULAR DLR 5-25-84

13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line.	14. Completion depth	15. Spacing pattern (ft.)	16. Density pattern (acres)	17. Number of acres in drilling unit for this well. OUTLINE ON PLAT.	18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks.	19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir. (ft.)	20. Oil, gas, or other type well (Specify)	21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir. OIL	GAS
WOLF (WOLFCAMP) 98560 500	17,000	467 - 1200	40	185	NO	N/A	GAS	--	1

12-13-83

RECEIVED R.R.C. OF TEXAS MAY 22 1984 AUSTIN, TEXAS

22. Perpendicular surface location from two nearest designated lines:
• Lease/Unit 10,080' F NEL 1000' FNWL
• Survey/Section 10,080' F NEL 1,000' FNWL

If a directional well, show also projected bottom-hole location:
• Lease/Unit
• Survey/Section

23. Is this a pooled unit? Yes ☐ ▶ (Attach Form P-12 and certified plat.) No ☒

24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes ☐ ▶ (Attach Form W-1A) No ☒

25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes ☐ No ☒ If subject to Rule 36, is Form H-9 filed? Yes ☐ No ☐ ▶ If not filed, explain in Remarks.

26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37. Yes ☒ No ☐

Remarks

This Amended Permit is being filed to correct Column 13, Field Name. The original showed the well to be a Wildcat; this is corrected to Wolf (Wolfcamp.

I certify that information stated in this application is true and complete, to the best of my knowledge.

C S Deacle ENGINEER
Signature Name and title of operator's representative

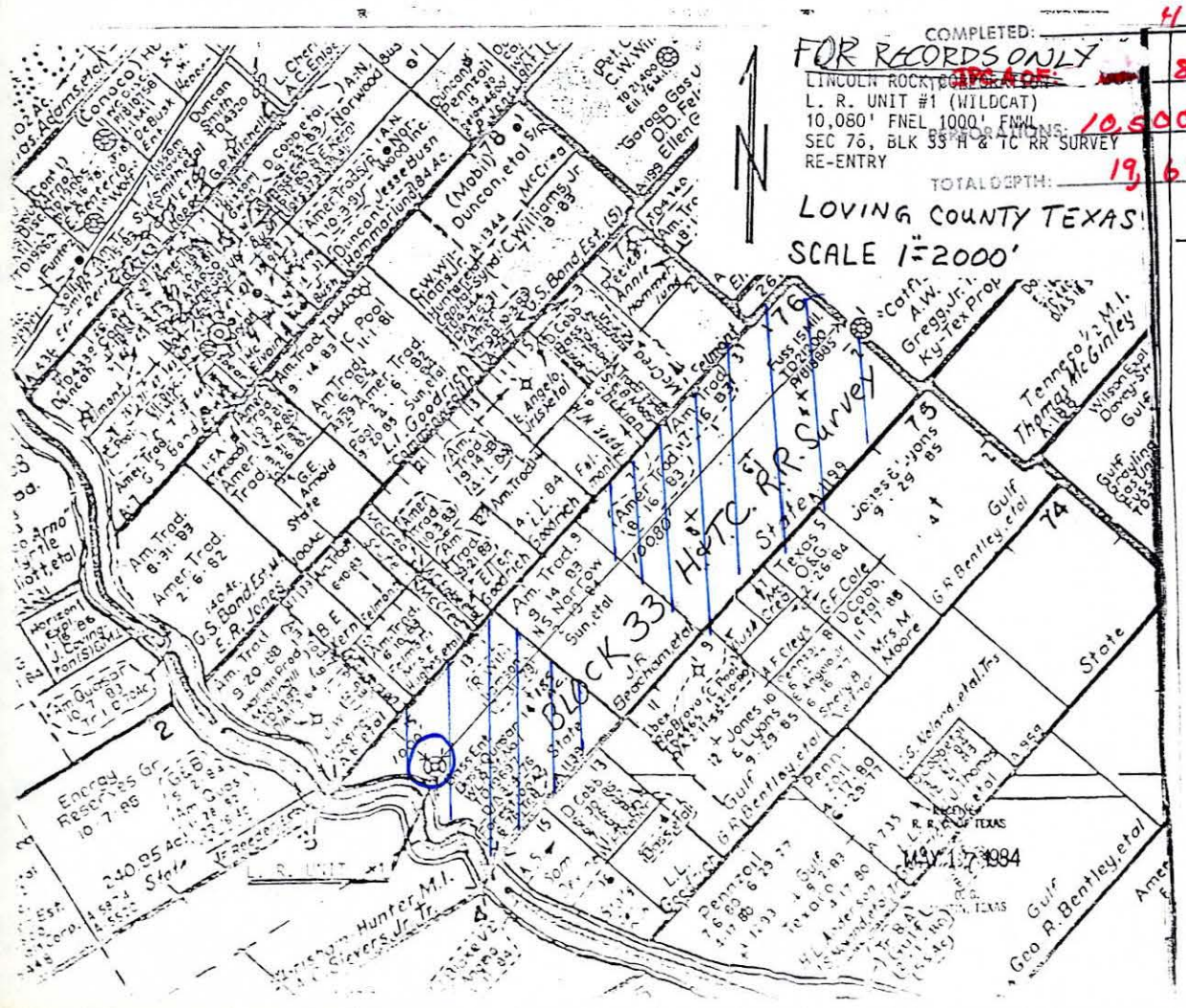
5 14 84 405 223-1963
Date: mo. day yr. Tel: Area Code Number

• RRC Use Only •

222270 MAY 17 84 242864

6-6-84

Statewide PLAT SERVICE



WITHIN STATE FEE

M-88352

RE-FILE TO CORRECT PLAT

NW. 4-18-84

▶ Return each W-1 with plat and $100.00 fee. Make a check or money order payable to the State Treasurer of Texas. Address to: Railroad Commission of Texas, Oil and Gas Division, Drilling Permits, P. O. Drawer 12967, Capitol Station, Austin, Texas 78711

▶ File a copy of W-1 and plat in RRC District Office

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Application for Permit to Drill, Deepen, Plug Back, or Re Enter

Form W-1
Rev. 9-1-83
483-080

▶ Read Instructions on Back

Purpose of filing (mark appropriate boxes)
- [X] Drill
- [ ] Deepen (below casing)
- [ ] Deepen (within casing)
- [ ] Plug Back
- [X] Re Enter
- [ ] Directional Well
- [ ] Sidetrack
- [ ] Amended Permit (enter permit no. at right & explain fully in Remarks)

Enter here, if assigned:
API No. ▶ 42- 301-30051
Permit No. ▶ 223548
Rule 37 Case No. ▶

1. Operator's Name (exactly as shown on Form P-5, Organization Report): LINCOLN ROCK CORPORATION
3. RRC Operator No.: 500850
4. RRC District No.: 8
5. County of Well Site: LOVING

2. Address (including city and zip code): P. O. BOX 1934, ARDMORE, OKLAHOMA 73402

6. Lease Name (32 spaces maximum): L. R. UNIT #1
7. RRC Lease/ID No.:
8. Well No.: 1
9. Total Depth: 17,000'

10. Location
- Section 76 Block 33 Survey H & TC RR SURVEY Abstract No. A-
- This well is to be located 4 miles in a SW direction from MENTONE, which is the nearest town in the county of the well site.

11. Distance from proposed location to nearest lease or unit line: 750 ft.

12. Number of contiguous acres in lease, pooled unit, or unitized tract: 185 (OUTLINE ON PLAT)

Pooled Unit Granted 12/13/83 - Amended Letter

13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line.	14. Completion depth	15. Spacing pattern (ft.)	16. Density pattern (acres)	17. Number of acres in drilling unit for this well. OUTLINE ON PLAT.	18. Is this acreage assigned to another well on this lease in this reservoir? If so, explain in Remarks.	19. Distance from proposed location to nearest lease or reservoir applied for, permitted, or completed well, this lease & reservoir. (ft.)	Oil, gas, or other type well (Specify)	21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir. OIL	GAS
00018 001 WILDCAT	17,000	467-1200	40	185	NO	N/A	GAS	--	1

DEC 1 [illegible]

22. Perpendicular surface location from two nearest designated lines:
- Lease/Unit: 10,080' FNEL 1000' FNWL
- Survey/Section: 10,080' FNEL 1,000' FNWL

If directional well, show also projected bottom-hole location:
- Lease/Unit:
- Survey/Section:

23. Is this a pooled unit?
Yes [ ] ▶ (Attach Form P-12 and certified plat.) No [X]

24. Is Item 17 less than Item 16 (substandard acreage [illegible])?
Yes [ ] ▶ (Attach Form W-1A) No [X]

25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes [ ] No [X]
If subject to Rule 36, is Form H-9 filed? Yes [ ] No [ ] ▶ If not filed, explain in Remarks.

26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37.
Yes [X] No [ ]

Remarks

I certify that information stated in this application is true and complete, to the best of my knowledge.

C. Steele ENGINEER
Signature — Name and title of operator's representative

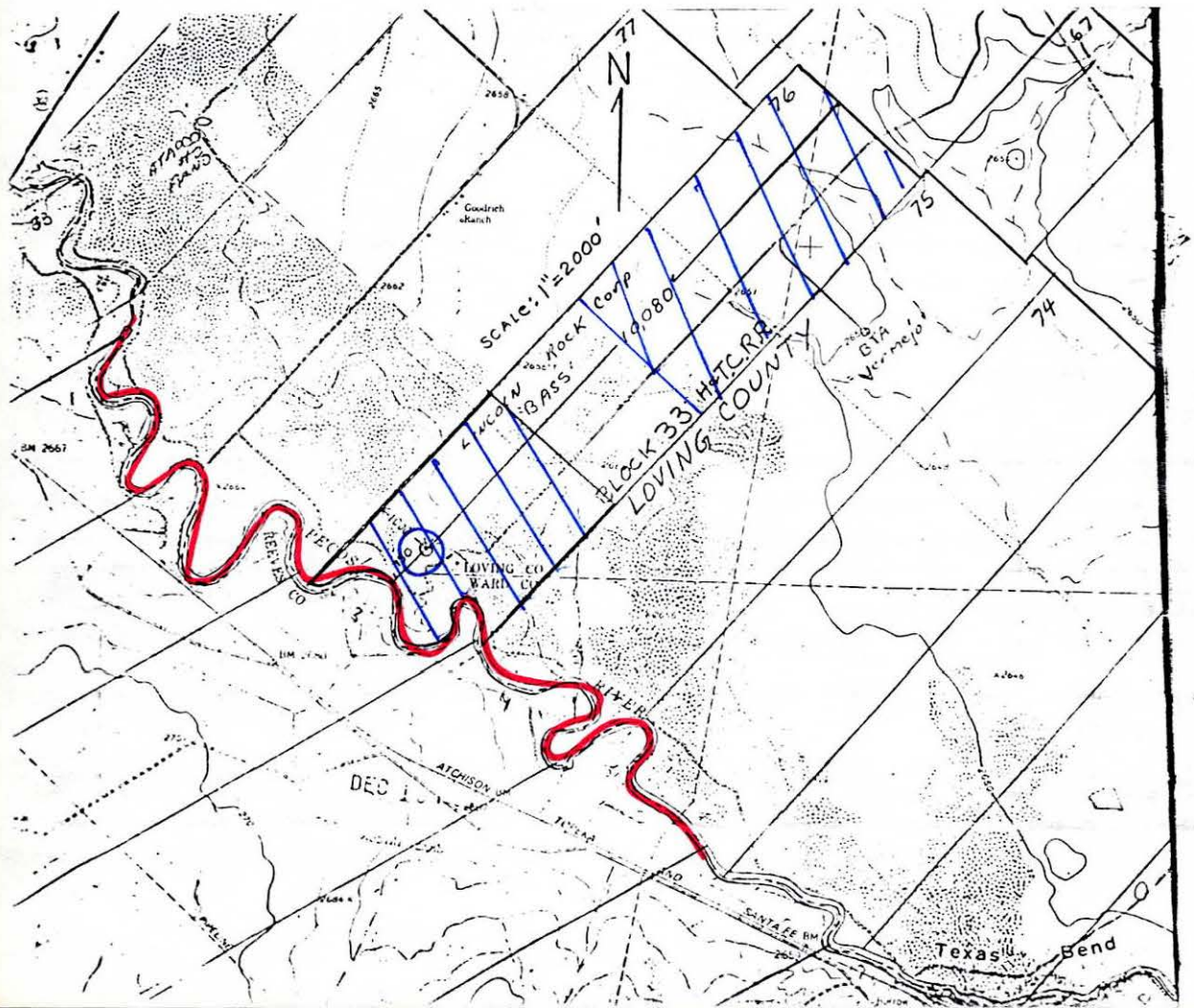
12 7 83 405 223-1963
Date: mo. day yr. — Tel: Area Code Number

• RRC Use Only •

206217 11/21/83 222426

12-27-83

Statewide PLAT SERVICE
P. O. DRAWER 1967, AUSTIN, TEXAS 78767





▶ Return each W-1 with plat and $100.00 fee.
Make a check or money order payable to the State Treasurer of Texas. Address to:
Railroad Commission of Texas
Oil and Gas Division, Drilling Permits
P. O. Drawer 12967, Capitol Station
Austin, Texas 78711
▶ File a copy of W-1 and plat in RRC District Office.

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Application for Permit to Drill, Deepen, Plug Back, or Re-Enter

RE-FILE TO CORRECT PLAT

▶ Read Instructions on Back

Form W-1
Rev. 9/1/83
483-060

M-8832

Purpose of filing (mark appropriate boxes):
[X] Drill [ ] Deepen (below casing) [ ] Deepen (within casing) [ ] Plug Back [X] Re-Enter
[ ] Directional Well [ ] Sidetrack [ ] Amended Permit (enter permit no. at right & explain fully in Remarks)

Enter here, if assigned: API No. ▶ 42- 301-30051 Permit No. ▶

1. Operator's Name (exactly as shown on Form P-5, Organization Report): LINCOLN ROCK CORPORATION
3. RRC Operator No.: 500850
4. RRC District No.: 8
5. County of Well Site: LOVING
Rule 37 Case No. ▶

2. Address (including city and zip code): P. O. BOX 1934, ARDMORE, OKLAHOMA 73402

6. Lease Name (32 spaces maximum): L. R. UNIT #1
7. RRC Lease/ID No.:
8. Well No.: 1
9. Total Depth: 17,000'

10. Location
• Section 76 Block 33 Survey H & TC RR SURVEY Abstract No. A-
• This well is to be located 4 miles in a SW direction from MENTONE
which is the nearest town in the county of the well site.

11. Distance from proposed location to nearest lease or unit line 750 ft.

12. Number of contiguous acres in lease, pooled unit, or unitized tract 185 (OUTLINE ON PLAT.)

Drlmt Cpr Winter 12/13 185

13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line. 08618 001	14. Completion depth	15. Spacing pattern (ft.)	16. Density pattern (acres)	17. Number of acres in drilling unit for this well. OUTLINE ON PLAT.	18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks.	19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir. (ft.)	20. Oil, gas, or other type well (Specify)	21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir. OIL	GAS
WILDCAT	17,000	467-1200	40	185	NO	N/A	GAS	--	1

22. Perpendicular surface location from two nearest designated lines:
• Lease/Unit 10,080' FNEL 1000' FNWL
• Survey/Section 10,080' FNEL 1,000' FNWL

If a directional well, show also projected bottom-hole location:
• Lease Unit
• Survey/Section

23. Is this a pooled unit?
Yes [ ] ▶ (Attach Form P-12 and certified plat.) No [X]

24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)?
Yes [ ] ▶ (Attach Form W-1A) No [X]

25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes [ ] No [X]
If subject to Rule 36, is Form H-9 filed? Yes [ ] No [ ] ▶ If not filed, explain in Remarks.

26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37. Yes [X] No [ ]

Remarks

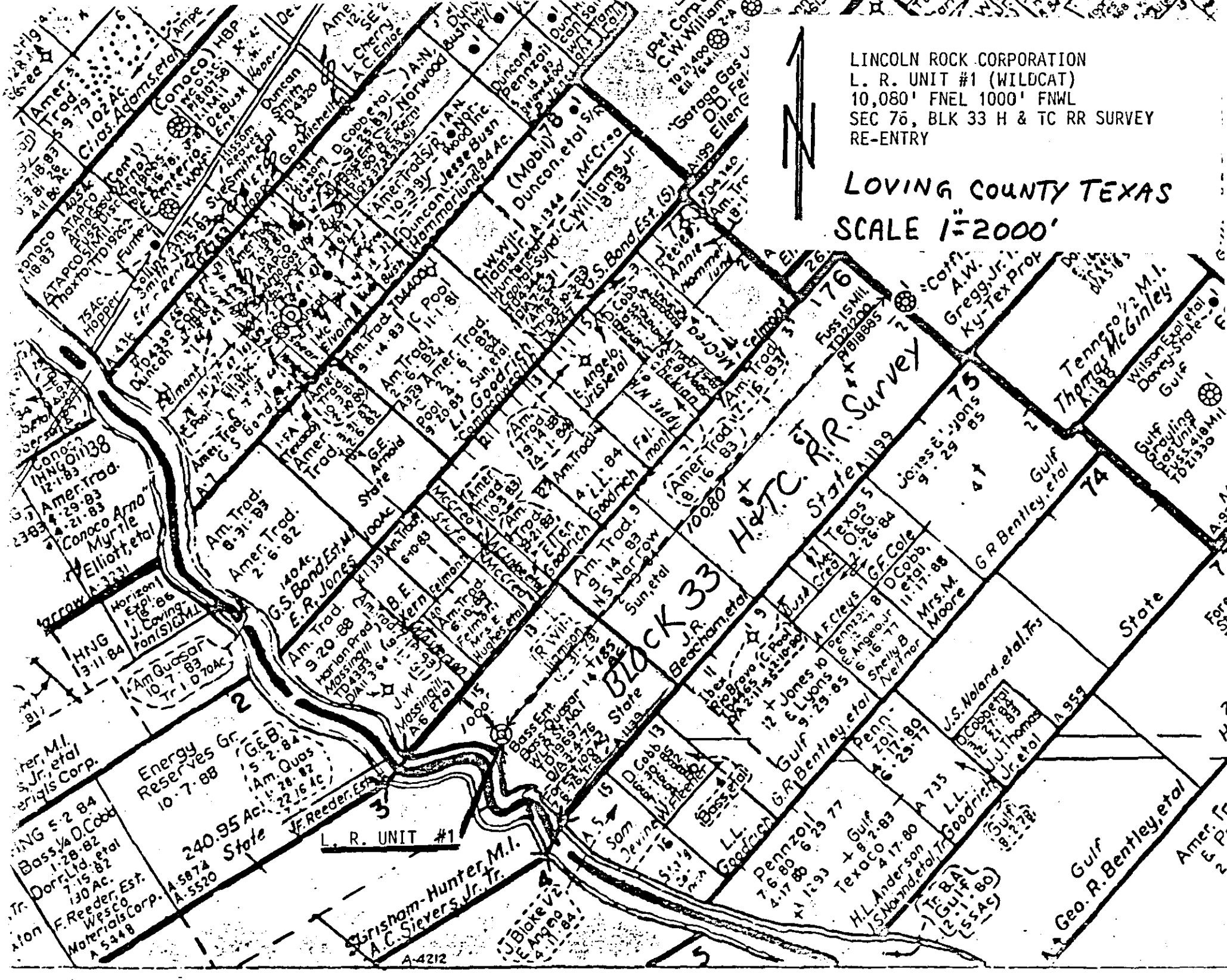
I certify that information stated in this application is true and complete, to the best of my knowledge.

C. Leach ENGINEER
Signature Name and title of operator's representative

12 7 83 405 223-1963
Date mo. day yr. Tel: Area Code Number

• RRC Use Only •

20621 11/21/83 22426


LINCOLN ROCK CORPORATION
L. R. UNIT #1 (WILDCAT)
10,080' FNEL 1000' FNWL
SEC 76, BLK 33 H & TC RR SURVEY
RE-ENTRY
LOVING COUNTY TEXAS
SCALE 1"=2000'
N
H&TC RR Survey
BLOCK 33
L. R. UNIT #1
240.95 Ac.
State
A-5874
A-5520
Grisham-Hunter, M.I.
A.C. Sievers, Jr. Tr.
A-4212
Energy Reserves Gr.
10-7-88
Gulf
G.R. Bentley, etal
Texaco
H.L. Anderson
Penn-Zoil
Geo. R. Bentley, etal
Tennessee ½ M.I.
Thomas McGinley
A-188
Conoco
Elliott, etal
A-3231
Conoco Arno
Myrtle
Elliott, etal
Am. Trad.
8-31-83
Amer. Trad.
2-6-82
140 Ac.
G.S. Bond Est. M.I.
E.R. Jones
Am. Trad.
9-20-88
Am. Trad.
9-14-83
N.S. Narrow
Sun, etal
Am. Trad.
10-7-83
Tr. 1 D 70 Ac.
Am. Quasar
Tr. 2
Am. Quas
22.16 Ac.
Bass Ent.
Bass-Quasar
Forest
Texas
O&G
G.F. Cole
D. Cobb, etal
Mrs. M. Moore
J.S. Noland, etal Trs.
J.J. Thomas, Jr. etal
A-959
State
Duncan, etal
Jesse Busn
Hammarlund 84 Ac.
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ROAD COMMISSION OF T
OIL & GAS DIVISION
PERMIT TO DRILL, DEEPEN OR PLUG BACK ON REGULAR LOCATION

PERMIT NUMBER	DATE OF PERMIT	DISTRICT
223548	12/13/83	08
API NUMBER	**FORM W-1 (dated)**	**COUNTY**
42 301 30051	12/07/83	LOVING
TYPE OF OPERATION		**ACRES**
RE-ENTER		185

OPERATOR 500850

LINCOLN ROCK CORP.
BOX 1934
ARDMORE OK 73402

NOTICE
NO ALLOWABLE WILL BE ASSIGNED unless well protects all fresh water sands with sufficient surface casing. Where Commission rules do not specify surface casing requirements, contact the Texas Department of Water Resources for depth to which fresh water sands must be protected.

District Office Telephone No.: 915 684-5581

LEASE NAME	WELL NUMBER
L. R. UNIT #1	1
LOCATION	**TOTAL DEPTH**
4 MILES SW FROM MENTONE	17,000

SECTION, BLOCK and/or SURVEY
SEC. 76, BLK. 33, H & TC RR SUR.

DISTANCE -- LEASE LINES	-- SURVEY LINES	-- NEAREST WELL ON LEASE
10080 FNEL & 1000 FNWL	10080 FNEL & 1000 FNWL	NA

NOTE THE CONDITIONS ON THE REVERSE SIDE, PARTICULARLY CONCERNING SPACING RULE CHANGE. IT IS THE OPERATOR'S RESPONSIBILITY TO INSURE THAT THE PERMITTED LOCATION COMPLIES WITH THE DENSITY AS WELL AS THE SPACING RULES IN EFFECT ON THE SPUD DATE. A RULE 37 AND/OR RULE 38 EXCEPTION WILL BE REQUIRED IF, BECAUSE OF A FIELD RULE CHANGE, THE LOCATION IS NOT IN COMPLIANCE WITH THE COMMISSION FIELD RULES ON THE SPUD DATE.

FIELD(S)

* THIS PERMIT AND ANY ALLOWABLE ASSIGNED MAY BE REVOKED IF A CHECK TENDERED TO *
* THE COMMISSION IS NOT HONORED. *

WILDCAT

** LIMITATIONS **

DATE STAMPED 12/13/83.

THIS PERMIT SUBJECT TO THE CONDITIONS ON THE BACK OF THIS FORM.

THE OPERATOR SHOULD CONSIDER THE REQUIREMENTS OF THE NATURAL GAS POLICY ACT OF 1978, AS AMENDED, (NGPA), AND APPLICABLE STATE OR FEDERAL REGULATIONS.

Based upon the representations made on the FORM W-1 and those made on any plat or plats filed therewith, it is believed that the operation indicated, when carried out at that point which you have represented to be the location of the above designated Well, complies as of the date thereof, with the provisions of the applicable spacing rule SUBJECT TO THE LIMITATIONS, IF ANY, SET OUT ABOVE. Compliance with the applicable Commission spacing rule renders it unnecessary that you secure a special Commission permit to cover this indicated operation at the location shown, the same being classed as regular.

PHONE: (512) 445-1314 DIRECT INQUIRIES TO: DRILLING PERMIT SECTION, OIL AND GAS DIVISION MAIL: Capitol Station-P. O. Drawer 12967

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
PERMIT TO DRILL, DEEPEN OR PLUG BACK ON REGULAR LOCATION

PERMIT NUMBER	DATE OF PERMIT	DISTRICT
223548	(AMENDED) 5/30/84	08
API NUMBER	FORM W-1 (dated)	COUNTY
42 301 30051	5/14/84	LOVING
TYPE OF OPERATION		ACRES
RE-ENTER		185

OPERATOR 500850

LINCOLN ROCK CORP.
BOX 1934
ARDMORE OK 73402

NOTICE
NO ALLOWABLE WILL BE ASSIGNED unless well protects all fresh water sands with sufficient surface casing. Where Commission rules do not specify surface casing requirements, contact the Texas Department of Water Resources for depth to which fresh water sands must be protected.

District Office Telephone No.: 915 684-5581

LEASE NAME	WELL NUMBER
L. R. UNIT #1	1
LOCATION	TOTAL DEPTH
4 MILES SW FROM MENTONE	17,000

SECTION, BLOCK and/or SURVEY
SEC. 76, BLK. 33, H & TC RR SUR.

DISTANCE -- LEASE LINES	-- SURVEY LINES	-- NEAREST WELL ON LEASE
10080 FNEL & 1000 FNWL	10080 FNEL & 1000 FNWL	NA

NOTE THE CONDITIONS ON THE REVERSE SIDE, PARTICULARLY CONCERNING SPACING RULE CHANGE. IT IS THE OPERATOR'S RESPONSIBILITY TO INSURE THAT THE PERMITTED LOCATION COMPLIES WITH THE DENSITY AS WELL AS THE SPACING RULES IN EFFECT ON THE SPUD DATE. A RULE 37 AND/OR RULE 38 EXCEPTION WILL BE REQUIRED IF, BECAUSE OF A FIELD RULE CHANGE, THE LOCATION IS NOT IN COMPLIANCE WITH THE COMMISSION FIELD RULES ON THE SPUD DATE.

FIELD(S)

* THIS PERMIT AND ANY ALLOWABLE ASSIGNED MAY BE REVOKED IF A CHECK TENDERED TO THE COMMISSION IS NOT HONORED. *

WILDCAT

WOLF (WOLFCAMP)

** LIMITATIONS **

WILDCAT ABOVE 17,000 FEET.
AMENDED FIELD. ORIGINAL PERMIT ISSUED 12-13-83.
DATE STAMPED 05/17/84.

THIS PERMIT SUBJECT TO THE CONDITIONS ON THE BACK OF THIS FORM.

THE OPERATOR SHOULD CONSIDER THE REQUIREMENTS OF THE NATURAL GAS POLICY ACT OF 1978, AS AMENDED, (NGPA), AND APPLICABLE STATE OR FEDERAL REGULATIONS.

Based upon the representations made on the FORM W-1 and those made on any plat or plats filed therewith, it is believed that the operation indicated, when carried out at that point which you have represented to be the location of the above designated Well, complies as of the date thereof, with the provisions of the applicable spacing rule SUBJECT TO THE LIMITATIONS, IF ANY, SET OUT ABOVE. Compliance with the applicable Commission spacing rule renders it unnecessary that you secure a special Commission permit to cover this indicated operation at the location shown, the same being classed as regular.

PHONE: (512) 445-1314

DIRECT INQUIRIES TO: DRILLING PERMIT SECTION, OIL AND GAS DIVISION

MAIL: Capitol Station-P. O. Drawer 12967

Wallace H. Scott, Jr.
Frank Douglass*
Jesse P. Luton, Jr.
Frank P. Youngblood
H. Philip Whitworth, Jr.
Thomas W. Reavley*
John G. Soule
John R. Hays, Jr.
John L. Yates
Steve McConnico**
Morgan L. Copeland
James N. Cowden
Richard P. Marshall, Jr.
Carroll G. Martin
Steve Selby
Elizabeth N. Miller
Kirk P. Watson
John W. Camp
John Pierce Griffin
Daniel W. Bishop II
Ray H. Langenberg

Law Offices
Scott, Douglass & Luton
Twelfth Floor
First City Bank Building
Austin, Texas 78701
AC 512 476-6337

*Board Certified-Civil Trial Law
**Board Certified-Personal Injury Trial Law
Texas Board of Legal Specialization

Houston Office:
43rd Floor
RepublicBank Center
700 Louisiana Street
Houston, Texas 77002
713/228-6337

Page Keeton
Guy T. Buell
Dick C. Calkins
of Counsel

June 27, 1984

Hawkins from JW

Mr. Garry Mauro
General Land Office
Stephen F. Austin Building
1700 North Congress
Austin, Texas 78701

In Re: Lincoln Rock Corporation's State Oil & Gas Lease No. 88352, Section 76, Block 33, H & TC RR Survey, Loving County, Texas

Dear Mr. Mauro:

I am writing on behalf of Lincoln Rock Corporation to advise you of the spudding of the L.R. Unit No. 1 Well No. 1, Wildcat Field, on June 21st, 1984. I have enclosed a copy of all forms on file at the Railroad Commission for your records. If you have any questions, please feel free to call.

Sincerely yours,

Jenny Watford

Jenny Watford

ATTORNEY FOR LINCOLN ROCK CORP.

JW/kl

Enclosures

(9)

M.F. 88352

APPLICATION TO DRILL

WELL # 1

FILED 8-29 19 84

GARRY MAURO, COMMISSIONER

BY: HDK

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.

4985

BEACONFIELD CORPORATION

DELUXE - FORM WVTO-3 V-RP1423

INVOICE DATE	INVOICE NO.	DESCRIPTION		NET AMOUNT
9/17/84		Delay Rental - Lease No. 88352		$730.00

06508

121
8

BEACONFIELD CORPORATION

BOX 8438 NORTHFIELD, ILLINOIS 60093 TELEPHONE: 312/446-6414

September 17, 1984

Garry Mauro
Commissioner of the General Land
Office of the State of Texas
Stephen F. Austin Bldg.
1700 North Congress
Austin, Texas 78701

Dear Sir:

Enclosed is our check for $730.00 in payment of annual delay rental due October 5, 1984 on Oil and Gas Lease No. 88352 dated October 5, 1982 and recorded in Volume 66, Page 214 of the Records of Loving County, Texas.

That lease covers a total of 331 acres. However, the southwest 185 acres has been included in a pooling agreement covering the LR Unit well which recently commenced production. It is our understanding that under the terms of the pooling agreement and the oil and gas lease, no delay rental payment is due on that 185 acre tract. We recognize of course that royalty payments are due to the state for production from the LR Unit well.

We have enclosed a photocopy of this letter and ask that you affix your receipt stamp and return the stamped copy to us to evidence payment of the delay rental on a timely basis.

Yours truly,

BEACONFIELD CORPORATION

F. T. Muller

Francis T. Muller
Vice President

FTM:pb
Encl.

Paying on unit acreage no well on lease.
YS

cc: Mr. Win J. Farquhar
BTA Oil Producers

(10) M-88352
Rental Payment
9-20-84

Wallace H. Scott, Jr.
Frank Douglass*
Jesse P. Luton, Jr.
Frank P. Youngblood
H. Philip Whitworth, Jr.
Thomas W. Reavley*
John G. Soule
John R. Hays, Jr.
John L. Yates
Steve McConnico**
Morgan L. Copeland
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Kirk P. Watson
John W. Camp
John Pierce Griffin
Daniel W. Bishop II
Ray H. Langenberg

Law Offices
Scott, Douglass & Luton
Twelfth Floor
First City Bank Building
Austin, Texas 78701
AC 512 476-6337

*Board Certified-Civil Trial Law
**Board Certified-Personal Injury Trial Law
Texas Board of Legal Specialization

Houston Office:
43rd Floor
RepublicBank Center
700 Louisiana Street
Houston, Texas 77002
713/228-6337

Page Keeton
Guy T. Buell
Dick C. Calkins
of Counsel

August 17, 1984

Mr. Jack Howard
General Land Office
Stephen F. Austin Building
1700 North Congress
Austin, TX 78701

In Re: Lincoln Rock Corporation's LR Unit, Section 76, Block 33, H & TC RR Survey, Loving County, Texas

Dear Jack:

Enclosed is an area map prepared on a 1" = 3000' scale of the vicinity surrounding Lincoln Rock's LR Unit No. 1. Becky Miller asked me to forward this to you while she is out of the office this week. If this map does not suit your purposes, please let me know and I will see if we can obtain a better one.

Sincerely yours,

Carroll Martin

Carroll Martin

CM/lr
Enclosure

(11.)

M-88352

Ltr fr

Scott, Douglass & Luton

dated 8-17-84 gs

Garry Mauro
Commissioner
General Land Office

August 21, 1984

Ms. Becky Miller
Scott, Douglass & Luton
12th Floor
First City Bank
Austin, Texas 78701

Re: Gas pooling application
Lincoln Rock Corporation
State Leases M-88352 & M-90005
Loving County, Texas

Dear Ms. Miller:

The gas pooling application was approved by the School Land Board on August 21, 1984.

Please submit fully executed duplicate copies of the unitization agreement so that we may circulate same for execution.

If you have any questions, please give me a call.

Sincerely,

Linda K. Fisher

Linda K. Fisher, Secretary
School Land Board

Phone 512 475-4307

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

(12)
M-88352
Ltr to
Becky Miller
dated 8-21-84 gs

Wallace H. Scott, Jr.
Frank Douglass *
Jesse P. Luton, Jr.
Frank P. Youngblood
H. Philip Whitworth, Jr.
Thomas W. Reavley *
John G. Soule
John R. Hays, Jr.
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*Board Certified-Civil Trial Law
**Board Certified-Personal Injury Trial Law
Texas Board of Legal Specialization

Houston Office:
43rd Floor
RepublicBank Center
700 Louisiana Street
Houston, Texas 77002
713/228-6337

Page Keeton
Guy T. Buell
Dick C. Calkins
of Counsel

September 18, 1984

General Land Office
Stephen F. Austin Building
1700 North Congress
Austin, Texas 78701

Attn: Diana

In Re: Pooling Agreement and Designation, L. R. Gas Unit, Loving County, Texas

Dear Diana:

Enclosed please find two executed copies of a Pooling Agreement and Designation for Lincoln Rock Corporation's L. R. Gas Unit, Loving County, Texas. Once this Pooling Agreement has been executed by the Commissioner of the Land Office, please give me a call and I will send someone from my office to pick up a fully executed copy for Lincoln Rock.

If you should have any questions, please do not hesitate to contact me.

Sincerely yours,

Becky Miller

Elizabeth N. Miller
Attorney for
Lincoln Rock Corporation

ENM/sb
Enclosures

(13.)

M-88352

Ltr fr

Scott, Douglass & Luton

dated 9-18-84 gs

DO NOT DESTROY

-MEMO-

560850

Operator LINCOLN ROCK CORP

Unit Name L. R. UNIT #1

County LOVING

Effective Date 9-19-84

Unitized for: Oil ___ Gas X Oil & Gas ___

1. M.F. No. 88352

Area ___ Tr. 1

Sec. ___ Blk. 33 Survey 76

185/320 .578125 x 1/4 14.453125 %

2. M.F. No. 90005

Area TRACT 1-D Pecos River Tr. 2

Sec. ___ Blk. ___ Survey ___

23/320 .071875 x 1/4 01.796875 %

3. M.F. No. ___

Area ___ Tr. ___

Sec. ___ Blk. ___ Survey ___

___ x ___ . ___ %

4. M.F. No. ___

Area ___ Tr. ___

Sec. ___ Blk. ___ Survey ___

___ x ___ . ___ %

REMARKS:

Prepared by VB Entered Unit Book ___

9-21-84

Lincoln Rock Corp.
Pooling agreement
L. R. Unit #1
Dated 9-19-84
Filed 9-21-84
M-88352
M-90005

LIBERTY COUNTY

Trinity River

179. Tract 1-A 50 Acres Approx.
(Tract 1-A is bound on the North by a Westerly extension of the North line of the William Harris Survey, A-51, and is bound on the South by a Westerly extension of the South line of the aforesaid Survey).
See Map No. 12

LIBERTY, POLK AND SAN JACINTO COUNTIES

Trinity River

180. Tract 11 120 Acres Approx.
(Tract 11 is bound on the North by the North line of the Joaquin F. De Rumayor Survey, A-103, Liberty County, Texas, A-66, Polk County, Texas, and A-47, San Jacinto County, Texas, and is bound on the South by the South line of the aforementioned Survey).
See Map No. 6

LOVING AND REEVES COUNTIES

Pecos River

181. Tract 4 55 Acres Approx.
(Tract 4 is bound on the North by a Northeasterly extension of the Northwest line of Survey 6, A-1671, H. & G. N. R.R. Co., Block 2, and is bound on the Southeast by a Northeasterly extension of the Southeast line of Survey 26, A-5634, H. & G. N. R.R. Co., Block 2).
See Map No. 53

LIVE OAK COUNTY

Nueces River

Unit # 1595

9-19-84
Adm. S.L.B. 8-21-84

POOLING COMMITTEE REPORT

TO: SCHOOL LAND BOARD

DATE: August 13, 1984

OPERATOR: Lincoln Rock Corporation COUNTY Loving

UNIT NAME: L. R. Unit #1 FIELD Wolf

FILE NUMBER	TOTAL ACRES	ACRES IN UNIT
M-88352	331	185
M-90005	70	23

Unitized for:

Oil ____
Gas X - Surface to 11,500' Jmt
Oil and Gas ____

Kind of land:

State Owned X
Relinquishment Act ____
Free Royalty ____

Size of Unit 320 Acres
State owned 208 Acres
Privately owned 112 Acres

Well location:
State land X
Private land ____

Participation:

Basis Surface Acreage
Royalty 1/4

Railroad Commission Field Rules:

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: The well for this proposed unit was completed 2-27-84 and is currently shut-in. The well was drilled to a total depth of 19,677', and the producing interval is 10,500 to 10,746'.

State Lease M-88352 was acquired 10-5-82 and M-90005 on 4-3-84. Both leases provide for 3-year terms and 1/4 royalty.

APPROVAL: Recommended X Not Recommended ____

Jose Manuel Rangel

Larry Craddock

Jack M. Howard

Murphy E. Hawkins

RW 9-21-84

GLO-ED-13-(1-84)

POOLING AGREEMENT AND DESIGNATION
L. R. GAS UNIT
LOVING COUNTY, TEXAS

This Agreement is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as lessor, and Lincoln Rock Corporation, as lessee, and such other interested parties as may join in the execution hereof, in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

1.

PURPOSES:

This Agreement is made for the purposes of conservation and utilization of the pooled mineral, to prevent waste, to facilitate orderly development and to preserve correlative rights. To such ends, it is the purpose of this Agreement to effect equitable participation within the unit formed hereby ("pooled unit"). This Agreement is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of the pooled mineral and in its interpretation and application shall, in all things, be subject thereto.

2.

UNIT DESCRIPTION:

The pooled unit ("unit") shall consist of all of the lands described in Exhibit A and shown on Exhibit B, said exhibits being attached hereto and made a part hereof for all purposes. The oil and gas leases which are included within the pooled unit are listed on the attached Exhibit C, to which leases and the records thereof reference is herein made for all pertinent purposes.

3.

MINERAL POOLED:

The mineral pooled and unitized hereby ("pooled mineral") shall be gas, condensate and all hydrocarbons that may be produced from a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other regulatory body having jurisdiction over oil and gas wells. The pooled mineral shall extend from the surface down to a depth of 11,500 feet underlying the surface boundaries of the pooled unit.

4.

POOLING AND EFFECT:

The parties hereto commit all of their interests which are within the unit to the extent and as above described into said unit and unitize and pool hereunder the separate tracts described on the attached Exhibit A, for and during the term hereof, so that such pooling or unitization shall have the following effect:

(a) The unit, to the extent as above described, 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.

(e) A shut-in gas well located upon any lease included within said unit shall be considered as a shut-in gas well located upon each lease included within said unit; provided, however that shut-in gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners or otherwise diminished by reason of this Agreement.

(f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit A only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect hereto, nor the payment of shut-in royalties from a unit gas well, shall serve to hold any State lease in force as to any area outside the unitized area, regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.

(g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt field rules providing for gas proration units, 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.

(h) This Agreement shall not relieve Lessee from the duty of protecting the above described leases from drainage from any well situated on privately owned land, but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.

(i) There shall be no obligation to drill internal offsets to any other well or separate tracts within the unit, nor to develop the tracts separately, as to the pooled mineral except as provided herein.

(j) Should this Agreement terminate for any cause, in whole or in part, the leases and other contracts affecting the lands within the unit, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there has been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

5.

ALLOCATION OF PRODUCTION:

For the purpose of computing the share of production of the pooled mineral to which each interest owner shall be entitled from the pooled unit, there shall be allocated to each tract committed to said unit that pro rata portion of the pooled mineral produced from the pooled unit which the number of surface acres covered by each such tract and included in the unit bears to the total number of surface acres included in said unit, and the share of production to which each interest owner is entitled shall be computed on the basis of such owner's interest in the production so allocated to each tract.

6.

TAKING ROYALTY IN KIND:

Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this pooling or unitization agreement 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.

7.

FULL MARKET VALUE:

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 value to be determined as follows:

(a) As to royalty on oil by (1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) the gross proceeds of the sale thereof, whichever is the greater;

(b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of a comparable quality for the field where produced and when run, or (2) 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.)

8.

EFFECTIVE DATE:

This Agreement shall become effective when signed by the Commissioner of the General Land Office of the State of Texas, or from the date production of the pooled mineral is first obtained, whichever date is sooner.

9.

TERM:

This Agreement shall remain in effect as long as the pooled mineral is being produced from said unit, or so long as drilling or reworking operations are being prosecuted thereon with no more than sixty (60) days between cessation of either production or such operations and the beginning or resumption of either of them, as the case may be, from time to time thereafter, or so long as all existing leases covering the pooled mineral are maintained in force insofar as they are included in the pooled unit by payment or tender of shut-in gas well royalties, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof which are contained in any State lease included in this Agreement. Nor shall anything herein be deemed to amend, modify or limit the dissolution provisions set forth below.

10.

STATE LAND:

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code, having been duly considered, made and obtained.

11.

DISSOLUTION:

The unit covered by this Agreement may be dissolved by Lessee, its heirs, successors or assigns, by an instrument filed for record in Loving County, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production.

12.

NONSTATE LAND:

In the event any of the leases described in Exhibit C hereof contains a pooling provision which requires the filing of a designation or declaration instrument in order to effectuate pooling, the filing of this instrument in the appropriate records of the county in which the leased land is located shall constitute the designation or declaration provided for in such lease.

13.

COUNTERPARTS:

This Agreement may be executed in counterparts and, if so executed, shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and

the same document. For recording purposes and in the event counterparts of this Agreement are executed, the execution pages, together with the pages necessary to show acknowledgements, may be combined with the other pages of this Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

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

Date Executed: 9-19-84

STATE OF TEXAS

BY Garry Mauro

Commissioner of the
General Land Office
S.F. Austin State Office Bldg.
Austin, Texas 78701

Approved
Audit
Legal
Geology
Execution

LINCOLN ROCK CORPORTAION

Date Executed: 9/14/83

By S. B. Miller
VICE PRESIDENT

ATTEST:

Walter A. Buckman Jr.
Secretary

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that a meeting of the School Land Board duly held on the 21st day of August, 1984, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, 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 19th day of September, 1984.

Linda K. Fisher
Linda K. Fisher, Secretary
of the School Land Board

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

BEFORE ME, the undersigned authority, on this day personally appeared Garry Mauro, 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 in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 19th day of September, 1984.

MY COMMISSION EXPIRES

_____

Diana Dickson
Notary Public in and for
Travis County, Texas

DIANA DICKSON
GENERAL NOTARY
COMMISSION EXPIRES 5-18-87

STATE OF ILLINOIS §
§
COUNTY OF COOK §

This instrument was acknowledged before me on Sept. 14, 1984 by Francis T. Muller, Vice President of LINCOLN ROCK CORPORATION, an Illinois corporation, on behalf of said corporation.

Marlene C McElroy
, Notary Public
State of Illinois
My Commission Expires: 8/01/87

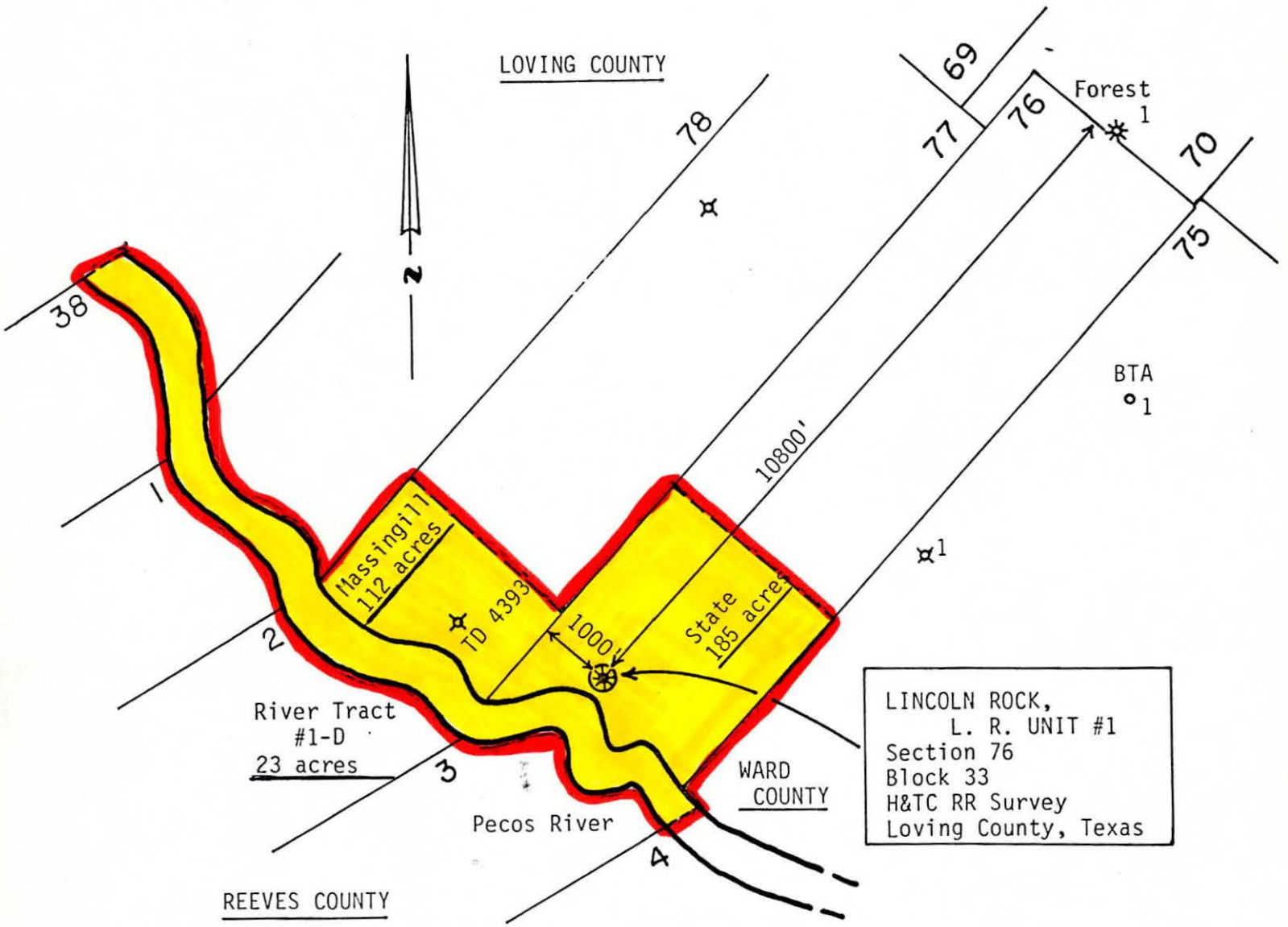
EXHIBIT A

UNIT POOLING AGREEMENT AND DESIGNATION
L. R. GAS UNIT
LOVING COUNTY, TEXAS

Unit Tract Descriptions and Participation

Tract Description	Surface Acres	Unit Participation Percentage
Unit Tract No. 1:		
185 acres of land, being the southwesterly most 185 acres of land described in that one certain Oil & Gas Lease No. 88352 dated October 5, 1982, from the Commissioner of the General Land Office of the State of Texas, as lessor, to Beaconfield Corporation, as lessee, and covering the SW/PT and the SW/146 acres of the NE/PT of H&TC RY. CO. Survey No. 76, Block 33, Loving and Ward Counties, Texas, containing 331 acres, as shown on the official map of Loving and Ward Counties, Texas now on file in the General Land Office in Austin, Texas, which said Oil & Gas Leases is recorded in Vol. 66, Page 214, Deed Records, Loving County, Texas.	185	58 %
Unit Tract No. 2:		
23 acres, more or less, being the southeasterly most 23 acres of land more particularly described in that Oil & Gas Lease No. 90005 dated April 3, 1984, from the Commissioner of the General Land Office of the State of Texas, as lessor, to Beaconfield Corporation, as lessee, covering Tract 1-D, Pecos River, Loving, Reeves and Ward Counties, Texas, as shown on the official map of Loving, Reeves and Ward Counties, Texas which lease is recorded in Vol. 73, Page 308 of the Deed Records of Loving, County, Texas	23	7 %
Unit Tract No. 3:		
The southwest 112 acres in Section 77, Block 33, H&TC RY. Co. Survey, as more particularly described in that Oil, Gas & Mineral Lease dated December 19, 1983 from Louise Massingill, as lessor, to Lincoln Rock Corp., as lessee, and recorded in Vol. 71, Page 612, Deed Records, Loving County, Texas.	112	35 %
TOTAL	320	100 %

PLAT OF PROPOSED UNIT
320 Acres



Scale: 1" = 2075'

Lincoln Rock Corporation
7/20/84

EXHIBIT B

POOLING AGREEMENT AND DESIGNATION
L. R. GAS UNIT
LOVING COUNTY, TEXAS

EXHIBIT C

UNIT POOLING AGREEMENT AND DESIGNATION
L. R. GAS UNIT
LOVING COUNTY, TEXAS

Description of Leases Within the Pooled Unit

1. Oil & Gas Lease No. 88352 dated October 5, 1982, between Commissioner of the General Land Office for the State of Texas, as lessor and Beaconfield Corporation, as lessee, covering the SW/PT and the SW/146 acres of the NE/PT of H&TC RY. CO. Survey No. 76, Block 33, Loving and Ward Counties, Texas as shown on the official map of Loving and Ward Counties, Texas now on file at the General Land Office in Austin, Texas, which lease is recorded in Vol. 66, Page 214, Deed Records Loving County, Texas.

2. Oil & Gas Lease No. 90005 dated April 3, 1984, between Commissioner of the General Land Office for the State of Texas, as lessor and Beaconfield Corporation, as lessee, covering Tract 1-D, Pecos River, Loving, Reeves and Ward Counties, Texas, as shown on the official map of Loving, Reeves and Ward Counties, Texas now on file at the General Land Office in Austin, Texas, which lease is recorded in Vol. 73, Page 308, Deed Records of Loving County, Texas.

3. Oil, Gas & Mineral Lease dated December 19, 1983, between Louise Massingill, as lessor, and Lincoln Rock Corporation, as lessee, and recorded in Vol. 71, Page 612, Deed Records Loving County, Texas.

4. Oil, Gas & Mineral Lease dated December 19, 1983, between Roberta Rouse and Polly Enloe, as lessor, and Lincoln Rock Corporation, as lessee, as recorded in Vol. 71, Page 608, Deed Records Loving County, Texas.

5. Oil, Gas & Minrals Lease dated December 19, 1983, betweeen Evelyn Carr, as lessor, and Lincoln Rock Corporation, as lessee, and is recorded in Vol. 71, Page 610, Deed Records Loving County, Texas.

(14)

M-88352
Pooling Agreement
L.R. Unit #1
Dated 9-19-84 gp

Garry Mauro
Commissioner
General Land Office

September 20, 1984

Elizabeth Miller
Scott, Douglass, & Luton
1st Floor
First City Bank
Austin, Texas 78701

Re: Pooling Agreement and Designation
Lincoln Rock Corporation
L.R. Gas Unit
Loving County, Texas

Dear Ms. Miller:

Enclosed is an original of the captioned pooling agreement and designation, fully executed by the Commissioner of the General Land Office.

We have retained a copy for our files. If you have any questions, please call.

Sincerely,

Laurie Swan
Legal Division

/ls

Enclosure

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

(15)

M-8835

Ltr to

Elizabeth Miller

dated 9-20-84

MINERAL ACCOUNTING
MEMORANDUM

(File in "B" File)

RE: M-88352

Operator _____

Lease _____

County _____

Split from M-_____ which is

☐ Producing

☐ Nonproducing

		Date	Name
FROM:	Mineral Accounting	10-16-84	Ray Wasenfuhr
TO:	Exploration & Development	_____	_____
TO:	Legal	_____	_____

NONPRODUCING

___ Delay Rental Due On _____ Not Received

___ Primary Term Expired _____

PRODUCING STATUS

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

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

Name _____

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

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

Name _____

RENTAL: No Royalty being Received — Please give Lease STATUS

MAPS: lease is in the L.R. Unit #1 11-27-84

GLO-RA-12-(1-82)

(16) M-88352
Acctg. Memo
10-16-84

▶ Return each W-1 with plat and $100.00 fee. Make a check or money order payable to the **State Treasurer of Texas.** Address to:
Railroad Commission of Texas
Oil and Gas Division, Drilling Permits
P. O. Drawer 12967, Capitol Station
Austin, Texas 78711
▶ File a copy of W-1 and plat in RRC District Office.

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Application for Permit to Drill, Deepen, Plug Back, or Re-Enter

▶ Read Instructions on Back

Form W-1
Rev. 9/1/83
483-060

Purpose of filing (mark appropriate boxes):
☐ Drill ☐ Deepen (below casing) ☐ Deepen (within casing) ☐ Plug Back ☐ Re-Enter
☐ Directional Well ☐ Sidetrack ☒ Amended Permit (enter permit no. at right & explain fully in Remarks)

Enter here, if assigned: API No. ▶ 42-301-30487
Permit No. ▶ 218943
Rule 37 Case No. ▶

1. Operator's Name (exactly as shown on Form P-5, Organization Report): BTA OIL PRODUCERS
3. RRC Operator No.: 041860
4. RRC District No.: 08
5. County of Well Site: Loving

2. Address (including city and zip code):
104 S. Pecos
Midland, TX 79701

6. Lease Name (32 spaces maximum): 8210 JV-P Vermejo
7. RRC Lease/ID No.:
8. Well No.: 1
9. Total Depth: 18,900'

10. Location
• Section 75 Block 33 Survey H & TC RR Abstract No. A-
• This well is to be located 4 miles in a southwest direction from Mentone which is the nearest town in the county of the well site.

11. Distance from proposed location to nearest lease or unit line: 1000 ft.

12. Number of contiguous acres in lease, pooled unit, or unitized tract: 643 (OUTLINE ON PLAT.)

13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line.	14. Completion depth	15. Spacing pattern (ft.)	16. Density pattern (acres)	17. Number of acres in drilling unit for this well. OUTLINE ON PLAT.	18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks.	19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir. (ft.)	20. Oil, gas, or other type well (Specify)	21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir. OIL	GAS
Moore-Hooper (Atoka)	16600'	1320' 2640'	640	643	No	None	Gas	-0-	1

22. Perpendicular surface location from two nearest designated lines:
• Lease/Unit 1000' FNWL & 1000' FNEL
• Survey/Section 1000' FNWL & 2700' FNEL of Sec. 75

If a directional well, show also projected bottom-hole location:
• Lease/Unit
• Survey/Section

23. Is this a pooled unit? Yes ☐ ▶ (Attach Form P-12 and certified plat.) No ☒

24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes ☐ ▶ (Attach Form W-1A) No ☒

25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes ☐ No ☒ If subject to Rule 36, is Form H-9 filed? Yes ☐ No ☐ ▶ If not filed, explain in Remarks.

26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37. Yes ☒ No ☐

Remarks
Permit amended to place well in established field. Rule 37
Spud: 11-6-83 Comp: 11-14-84
Perf: 15,904 - 16,558'
AOF: 952 mcf/da T.D.: 18,883'

I certify that information stated in this application is true and complete, to the best of my knowledge.
Dorothy Houghton Regulatory Supervisor
Signature DOROTHY HOUGHTON Name and title of operator's representative
8-30-84 915-682-3753
Date: mo. day yr. Tel.: Area Code Number

• RRC Use Only •

BTA OIL PRODUCERS

8210 JV-P VERMEJO
WELL NO. 1

O F F S E T O P E R A T O R S

FELMONT OIL CORP.
P. O. Box 2266
Midland, TX 79702
Attn: Mr. Frank McCabe

ATAPCO
110 W. Louisiana, Suite 300
Midland, TX 79701
Attn: Mr. Jim Wilson

FOREST OIL CORP.
P. O. Box 1916
Midland, TX 79701
Attn: Mr. Ben Wolfe

GULF OIL CORP.
P. O. Box 1150
Midland, TX 79702
Attn: Mr. Mickey Cohlmia

GETTY OIL CO.
P. O. Box 593
Odessa, TX 79760
Attn: Mr. Ralph H. Harding

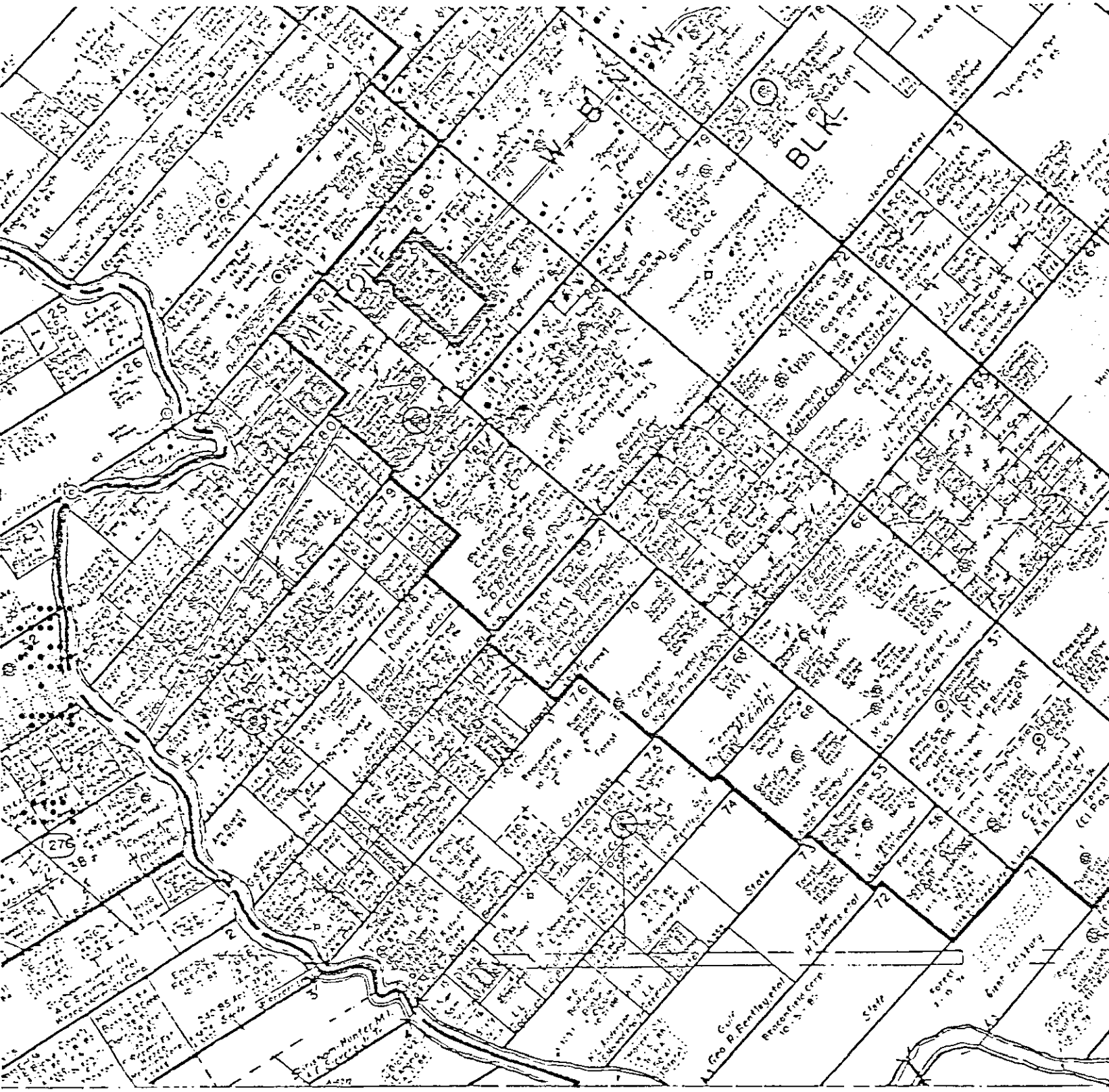
MARALO, INC.
4600 Post Oak Place
Suite 307
Houston, TX 77027

STAR-COMMONWEALTH FOR BOYS
Albion, MI 49224

LINCOLN ROCK
c/o Larry Wolschlager
101 Metro Bldg.
Midland, TX 79701

L. L. GOODRICH
1206 Veterans Blvd.
Pecos, TX 79779

BEACONFIELD CORP.
c/o Larry Wolschlager
101 Metro Bldg.
Midland, TX 79701



○ BTA 8210 JV-P Vermejo No. 1

○ Moore – Hooper (Atoka) Producer.

N

Scale 1"= 4000'

V.S.S.

8/29/84

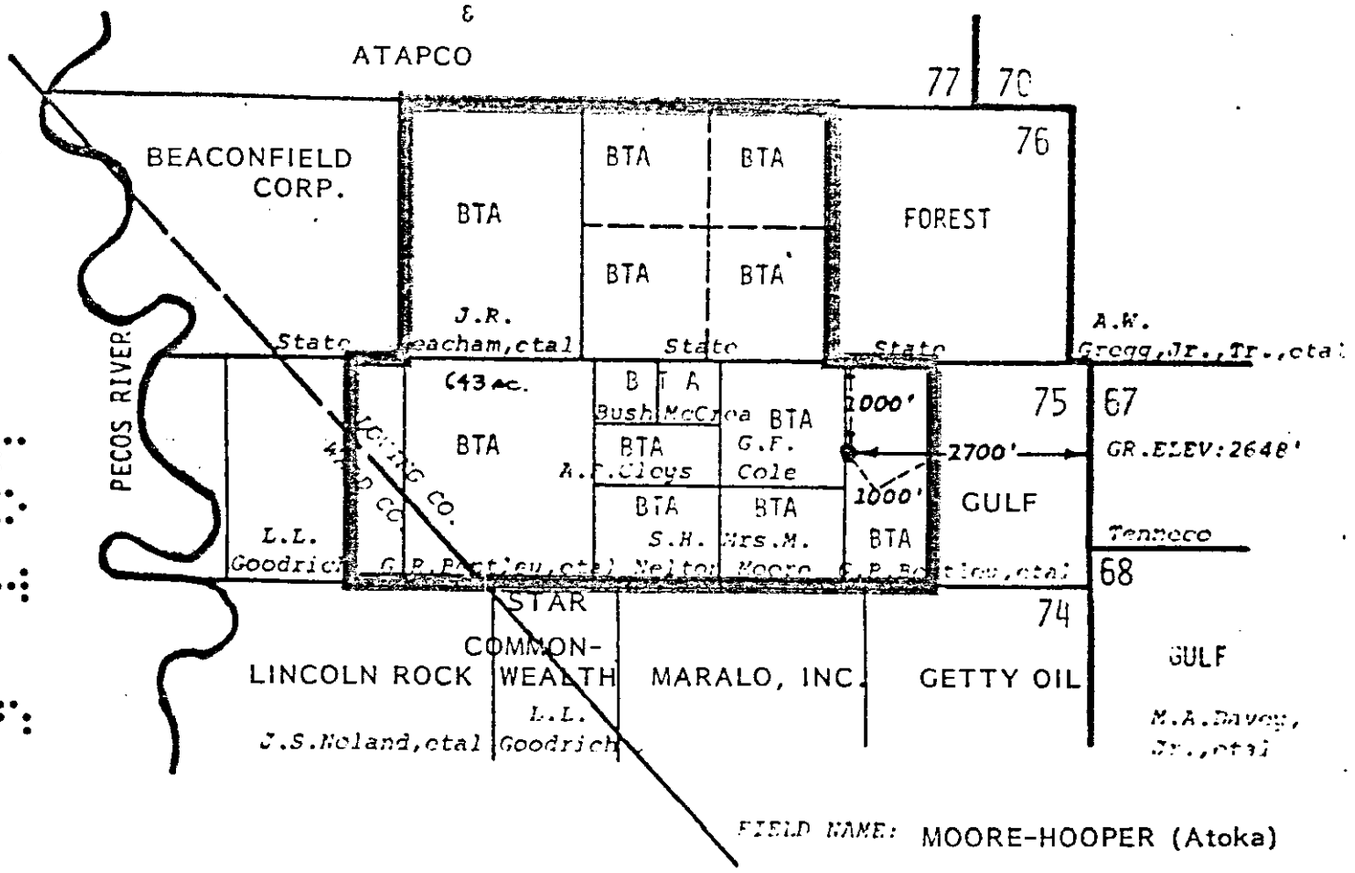
PLAT SHOWING
PROPOSED NEW WELL LOCATION

LOVING County, Texas

Description: 1000' FNWL & 2700' FNEL

75 Section 33 Block H. & T.C.RR. Survey

FELMONT OIL COMPANY
&
ATAPCO



FIELD NAME: MOORE-HOOPER (Atoka)

Scale: 1"=2000'

Operator BTA OIL PRODUCERS Date Staked: Sept. 13,1983

Lease Name 8210 JV-P Vermejo Well No 1

Topography & Vegetation Scattered Low Brush-Flat

Good Drill Site? Yes

Reference Stakes or Alternate Location Stakes Set: None

Best Accessibility to Location From Lease Road ± 2000' NW Of Location

Distance and Direction from Hwy Jct or Town From Mentone at courthouse go .1 mile SW on 302; Thence South on County Road 2.4 miles to Gulf sign, turn right on Lease Road 1.4 miles to point ± 2000' NW of Location

STATE OF TEXAS
GARY D. BOSWELL
1788
REGISTERED PUBLIC SURVEYOR

CERTIFICATE:

I, Gary D. Boswell a Registered Public Surveyor and an authorized agent of Topographic Land Surveyors, do hereby certify that the above described well location was surveyed and staked on the ground as shown herein.

Gary D. Boswell

Texas Reg No 1788

TOPOGRAPHIC LAND SURVEYORS
908 West Wall St
(915) 682-1653
Midland, Texas 79701

161

BTA OIL PRODUCERS
104 SOUTH PECOS
MIDLAND, TEXAS 79701-9988
AC 915-682-3753

PARTNERS
CARLTON BEAL
CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL

August 30, 1984

Re: Application for an Exception to Statewide Rule #37
BTA - 8210 JV-P Vermejo, Well. No. 1
Sec. 75, Blk. 33, H & T.C. RR Survey
1000' FNWL & 2700' FNEL
Moore-Hooper (Atoka) Field
Loving County, Texas

M-88352

RAILROAD COMMISSION OF TEXAS
P. O. Drawer 12967
Capitol Station
Austin, Texas 78711

Attention: Rule 37 Department

Gentlemen:

BTA Oil Producers respectfully request an exception to Statewide Rule 37 for the referenced well. The well was spudded November 6, 1983 as an 18,450' Vermejo (Fusselman) Field or alternately a 22,000' Vermejo (Ellen.) Field Well. It reached a total depth of 18,883' in the Fusselman on April 7, 1984. Two completion attempts were made in the Fusselman and both produced non-commercial gas and water.

We then filed for a permit to plug back to the Atoka as a wildcat and we have made a marginal gas well in the Atoka.

The Atoka completion attempt was filed as a wildcat since the closest Atoka producing well is over two miles away in the Moore-Hooper (Atoka) Field. However, the existing wells in this field are rather far apart as shown on attached map. The shallower Moore-Hooper (Atoka) Field rules require 1,320' from lease line spacing and a rule 37 exception will be required.

Should you have any questions regarding this application, please give me a call.

Sincerely,

Dorothy Houghton

DOROTHY HOUGHTON
For BTA Oil Producers

attachments
DH/srr

E log in file

(17)

M.F. 88352

APPLICATION TO P[illegible]

WELL # 1

FILED 11-29 [illegible]

GARRY MAUNO, COMMISSIONER

BY: [illegible]

M-88352 Verm 16

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Type or print only

Form G-1
Rev. 4/1/83

483-047

API No. 42- 301-30487

7. RRC District No. 08

8. RRC Gas ID No.

Gas Well Back Pressure Test, Completion or Recompletion Report, and Log

1. FIELD NAME (as per RRC Records or Wildcat): Moore-Hooper (Atoka)

2. LEASE NAME: 8210 JV-P Vermejo

9. Well No. 1

3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report): BTA Oil Producers

RRC Operator No. 041860

10. County of well site: Loving

4. ADDRESS: 104 South Pecos Midland, Texas 79701

11. Purpose of filing
- Initial Potential [X]
- Retest [ ]
- Reclass [ ]
- Well record only (Explain in remarks) [ ]

5. Location (Section, Block, and Survey): Sec. 75, Blk. 33, H&TC RR.

5b. Distance and direction to nearest town in this county.: 4 miles Northeast to Mentone

6. If operator has changed within last 60 days, name former operator

12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no.

FIELD & RESERVOIR	GAS ID or OIL LEASE #	Oil—O Gas—G	WELL #

13. Pipe Line Connection: El Paso Hydrocarbons

14. Completion or recompletion date: 7-17-84/11-9-84 (First Sales)

15. Any condensate on hand at time of workover or recompletion? [ ] Yes [X] No

16. Type of Electric or other Log Run.: CNL; CBL

Section I GAS MEASUREMENT DATA

Date of Test: 11-14-84

Gas Measurement Method (Check One): Orifice Meter [X] ▶ Flange Taps [X] Pipe Taps [ ] | Positive Choke [ ] | Orifice Vent Meter [ ] | Pitot Tube [ ] | Critical-flow Prover [ ]

Gas produced during test: 737 MCF

Run No.	Line Size	Orif. or Choke Size	24 Hr. Coeff. Orif. or Choke	Static P_m or Choke Press	Diff. h_w	Flow Temp. °F	Temp. Factor F_{tf}	Gravity Factor F_g	Compress Factor F_{pv}	Volume MCF/DAY
1	3.068	0.75	3537.90	986	35	55	1.0048	1.0171	1.097	737
2										
3										
4										

Section II FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas)	Gravity Liquid Hydrocarbon	Gas-Liquid Hydro Ratio	Gravity of Mixture	Avg. Shut-in Temp.	Bottom Hole Temp.
0.580	49 Deg. API	737,000 CF/Bbl	G_{mix} =	635 °F	290°F @ 16231 (Depth)

$D_{eff}^{8/3}$ = 18.5879

$\sqrt{T_f} = \sqrt{635} = 25.19$

$\sqrt{GL} = \sqrt{9414} = 97.02$

$C = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}} = \frac{20781}{25.19} = 825$

$\frac{\sqrt{GL}}{C} = \frac{97.02}{825} = 0.1176$

Run No.	Time of Run Min.	Choke Size	Wellhead Press. PSIA P_w	Wellhead Flow Temp. °F	P_w^2 (Thousands)	R	R^2 (Thousands)	P_1	P_w/P_1
Shut-In			12,163						
1	1440	adj	6,323	60	43,864	87	7.5	6,623	1
2									
3									
4									

Run No.	F	K	$S = \frac{1}{z}$	E^{ks}	P_f and P_s	P_f^2 and P_s^2 (thousands)	$P_f^2 - P_s^2$ (thousands)
Shut-In					15549	241771	
1	1	0.2779	1.428	1.487	9850	97037	144,733
2							
3							
4							

Angle of Slope
θ ..63.5.....
n ..0.500.....

Absolute Open Flow
...952... MCF/DAY

WELL TESTER'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test and that data and facts shown in Sections I and II above are true, correct, and complete, to the best of my knowledge. Bottomhole temperature and the diameter and length of flow string were furnished by the operator of the well.

Signature: Well Tester U. V. SIVAGE — BTA Oil Producers (Name of Company) — RRC Representative

OPERATOR'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that I prepared or supervised and directed this report, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Signature: Operator's representative DOROTHY HOUGHTON — Regulatory Supv (Title) — 11/21/84 (Date) — Tel: 915/682-3753 (A/C Number)

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

17. Type of Completion: New Well [X] Deepening [ ] Plug Back [ ] Other [ ]

18. Permit to Drill, Plug Back or Deepen — DATE: 10-15-84 — PERMIT NO.: 94,910
Rule 37 Exception — CASE NO.:
Water Injection Permit — PERMIT NO.:
Salt Water Disposal Permit — PERMIT NO.:
Other — PERMIT NO.:

19. Notice of Intention to Drill this well was filed in Name of: BTA Oil Producers

20. Number of producing wells on this lease in this field (reservoir) including this well:

21. Total number of acres in this lease: 643

22. Date Plug Back, Deepening, WorkOver or Drilling Operations: Commenced: 11/6/83 — Completed: 7/11/84

23. Distance to nearest well, Same Lease & Reservoir: None

24. Location of well, relative to nearest lease boundaries of lease on which this well is located: 1000 Feet From North Line and 1000 Feet from East Line of the Vermejo Lease

25. Elevation (DF, RKB, RT, GR, ETC.): 2,648' Gr

26. Was directional survey made other than inclination (Form W—12)? [X] Yes [ ] No

27. Top of Pay: 16,558' — 28. Total Depth: 18,883' — 29. P. B. Depth: 16,650'

30. Surface Casing Determined by: Field Rules [ ] — Recommendation of T.D.W.R. Railroad Commission (Special) [X] — Dt. of Letter: 9-29-83

31. Is well multiple completion? [ ] Yes [X] No

32. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No.

FIELD & RESERVOIR	GAS ID or OIL LEASE #	Oil—O Gas—G	WELL #

33. Intervals Drilled by: Rotary Tools X — Cable Tools

34. Name of Drilling Contractor: Parker Drlg Co

35. Is Cementing Affidavit Attached? [X] Yes [ ] No

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

CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
20"	94#	995'	---	Cl C 1450	26"	Circ.	3,089
13-3/8"	72 & 68#	4,315'	---	Cl C 3650	17-1/2"	Circ.	6,930
9-5/8"	53.5#	11,700'	7,497'	Cl C 3600	12-1/4"	Circ.	6,078

37. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen
7-3/4"	9,860'	11,824'	300	---
5"	17,105'	18,883'	350	---

38. TUBING RECORD

Size	Depth Set	Packer Set
3-1/2"	16,985'	15,650'

39. Producing Interval (this completion) Indicate depth of perforation or open hole

From	15,904'	To	16,558'
From		To	
From		To	
From		To	

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

Depth Interval	Amount and Kind of Material Used
15,904' - 16,558'	A W/5,500 gal 15% + ball sealers

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

Formations	Depth	Formations	Depth
Delaware Lime	4,298'	Devonian	18,228'
Bone Spring	8,110'	Fusselman	18,492'
Atoka	16,010'	Montoya	18,866'

REMARKS: 18. Original Permit dated 10/27/83 #218943
6/20/84 #218943 amended Wildcat zone
Set CIBP @ 16,980'
Note: Very tight & very high pressure. Impractical to stabilize. Assumed slope of 0.5.

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form P-4
Rev. 6/80

Producer's Certificate of Compliance and Authorization to Transport Oil and/or Casinghead Gas from an Oil Lease or Gas and/or Condensate from a Gas Well.

RRC District No.: 08
Oil Lease No.:
Gas Well ID No.:
Gas Well No.: 1
Effective Date: Immediately
County: Loving

Field Name (as per RRC records): Moore-Hooper (Atoka)
Lease Name: 8210 JV-P Vermejo
Operator's Name: BTA Oil Producers
Address: 104 South Pecos
City, State, Zip Code: Midland, Texas 79701
Location (Section, Block, and Survey): Sec. 75, Blk. 33, H&TC RR. Co. Survey
Distance and Direction to nearest town in this county.: 4 miles Northeast to Mentone

GAS GATHERER, PURCHASER, AND NOMINATOR

NOTE: The names of all three of the above must be furnished for all gas sold.

	RRC USE ONLY	INDICATE MARKET	
Name: El Paso Hydrocarbons Address: P. O. Box 3986 City, State, Zip Code: Odessa, Texas 79760	100 % of the	[X] Gas Well Gas [ ] Full Well Stream [ ] Casinghead Gas	Interstate [ ] Intrastate [X] [X] Gatherer [X] Purchaser [X] Nominator
Name: Address: City, State, Zip Code:	RRC USE ONLY ____ % of the	INDICATE MARKET [ ] Gas Well Gas [ ] Full Well Stream [ ] Casinghead Gas	Interstate [ ] Intrastate [ ] [ ] Gatherer [ ] Purchaser [ ] Nominator
Name: Address: City, State, Zip Code:	RRC USE ONLY ____ % of the	INDICATE MARKET [ ] Gas Well Gas [ ] Full Well Stream [ ] Casinghead Gas	Interstate [ ] Intrastate [ ] [ ] Gatherer [ ] Purchaser [ ] Nominator

OIL OR CONDENSATE GATHERER

	RRC USE ONLY	
Name: Tesoro Crude Oil Company Address: P. O. Box 17536 City, State, Zip Code: San Antonio, Texas 78286	____ % of the	[ ] Oil [X] Condensate
Name: Address: City, State, Zip Code:	RRC USE ONLY ____ % of the	[ ] Oil [ ] Condensate

INDICATE PURPOSE OF FILING

[X] New Oil Lease or Gas Well. Form W-1 (Application for Permit to Drill, Deepen or Plug Back) filed in the name of: BTA Oil Producers (Operator) 8210 JV-P Vermejo (Lease)

[ ] Change of Gatherer [ ] Change of Purchaser [ ] Change of Nominator

[ ] Change field name from _____

[ ] Change operator name from _____

[ ] Change lease name from _____

[ ] Consolidation or subdivision of lease (Attachments required - - See Instructions.)

Previous Form P-4 approval date if filed (for prior SW-1 number) ___/___/___ (mo. day yr.), _____ SW-1 Number or Date

REMARKS: Initial P-4

FOR RRC USE ONLY
Field No.:
Operator No.:
Approved

AUTHORIZATION BY CURRENT OPERATOR

The undersigned certifies that the above agent is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property in accordance with the regulations of the Railroad Commission of Texas, and that this authorization will be valid until further notice or until cancelled by the Railroad Commission of Texas, and the undersigned further certifies that the conservation laws of the State of Texas and all rules, regulations, and orders of the Railroad Commission of Texas have been complied with in respect to the property covered by this report.

11/21/84 (Date) Dorothy Daughtry (Signature) Regulatory Supervisor (Title) 915/682-3753 (A/C & Telephone No.)

OPERATOR NAME CHANGE (Acknowledgment required on changes of operator.)

The undersigned, being the previous operator, has transferred operating responsibility on the above property.

Previous Operator _____ Signature _____

Address _____ Title _____

City, State & Zip Code _____ Date _____ Area Code & Telephone No. _____

If there are additional gatherers, purchasers, or nominators, check here [ ] and use reverse side of this form.

GAS GATHERER, PURCHASER, AND NOMINATOR
NOTE: The names of all three of the above must be furnished for all gas sold.

Name	RRC USE ONLY	INDICATE MARKET Interstate ☐ Intrastate ☐	
Address	____ % of the	☐ Gas Well Gas ☐ Full Well Stream ☐ Casinghead Gas	☐ Gatherer ☐ Purchaser ☐ Nominator
City, State, Zip Code			
Name	RRC USE ONLY	INDICATE MARKET Interstate ☐ Intrastate ☐	
Address	____ % of the	☐ Gas Well Gas ☐ Full Well Stream ☐ Casinghead Gas	☐ Gatherer ☐ Purchaser ☐ Nominator
City, State, Zip Code			
Name	RRC USE ONLY	INDICATE MARKET Interstate ☐ Intrastate ☐	
Address	____ % of the	☐ Gas Well Gas ☐ Full Well Stream ☐ Casinghead Gas	☐ Gatherer ☐ Purchaser ☐ Nominator
City, State, Zip Code			

OIL OR CONDENSATE GATHERER

Name	RRC USE ONLY	
Address	____ % of the	☐ Oil ☐ Condensate
City, State, Zip Code		
Name	RRC USE ONLY	
Address	____ % of the	☐ Oil ☐ Condensate
City, State, Zip Code		

INSTRUCTIONS

1. Each and every operator of oil, gas and/or condensate producing properties in the State of Texas shall file with the proper RRC District Office three (3) copies plus one additional copy for each gatherer shown on this form authorizing the gatherer(s) (*whether himself or someone else*) to transport the oil, gas and/or condensate from the properties of such producer. If the first purchaser and/or nominator for gas is different from the gatherer, an additional copy must be filed for each purchaser and nominator named on this form.

2. Authorization is required for each person or gatherer transporting oil, gas and/or condensate from an oil lease or gas well. In the case of a split connection, the percentage of oil, gas and/or condensate each gatherer is authorized to transport shall be shown.

3. Each operator shall file a separate form for each oil lease or gas well listing all authorized gatherers for this oil lease or gas well on one form. Also, the names and addresses of the first purchaser and nominator must be furnished for all gas sold from the oil lease or gas well. The effective date must be shown on all **changes**, but is not necessary on a new lease or well.

4. No oil, gas and/or condensate shall be moved from any oil lease or gas well until this form is completed and filed with the proper RRC District Office.

   After the RRC agent in charge has approved this form, two (2) copies will be retained by the RRC and the remaining copies will be distributed to the producer and to each gatherer, purchaser, and nominator.

5. After an operator has filed this form with the RRC, thereby establishing himself as the current operator, it shall bind said operator until cancelled by him or revoked by the RRC. A new Form P-4 shall be filed if there is: (a) change in operator, (b) change in gatherer(s), (c) change in field name, (d) change in lease name, (e) change in first purchaser of gas, (f) change in nominator for gas, (g) consolidation or subdivision of lease(s), or (h) authorization to transport production has been cancelled by the RRC. *(When consolidating or sub-dividing, attach to each copy of Form P-4, a P-6 Form with a* **BEFORE** *and* **AFTER** *plat of lease showing changes. Plat should show distance to lease line and between wells along with proration units assigned if acreage is in the field's allocation formula.)*

6. If this form is filed because of or includes a change in operator name, the new operator will be the current operator and will execute this form. The proper lines under "Indicate Purpose of Filing" shall be checked and completed. Authorization to the gatherer(s) shall be by the new or current operator. The previous operator is required to execute the "Operator Name Change Acknowledgment" before the RRC records will be changed.

7. This authorization may be revoked by the RRC at any time for failure to comply with the oil and gas conservation laws of the State of Texas and the rules, regulations and orders of the Railroad Commission of Texas.

NOTE: FILING OF FORM P-5 (ORGANIZATION REPORT) SHOWING EXACT OPERATING NAME IS REQUIRED FOR ALL NEW OPERATORS AND/OR ORGANIZATION CHANGES.

32 DIGITS (SPACES) IS THE LIMITATION FOR OPERATING AND LEASE NAMES. ABBREVIATIONS SHOULD BE USED IF NECESSARY TO CONFORM TO THE LIMITATION.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form G-5
Rev. 7/5/66

GAS WELL STATUS REPORT

1. FIELD NAME (as per RRC Records): Moore-Hooper (Atoka)	2. LEASE NAME: 8210 JV-P Vermejo	7. RRC District: 08
		8. RRC Identification Number:
		9. Well Number: 1
3. OPERATOR: BTA Oil Producers		10. County: Loving
4. ADDRESS: 104 South Pecos Midland, Texas 79701		11. Utilized for
5. LOCATION (Section, Block, and Survey): Sec. 75, Blk. 33, H&TC RR. Co. Survey		
6. Pipeline Connection or Use of Gas: El Paso Hydrocarbons		12. Acres Allocated to this Well: 643

Section I — PRODUCTION TEST AT RATE ELECTED BY OPERATOR (Data on 24-hour basis)

A. Gas Volume	737	(MCF)	E. Casing Pressure	1,100	(PSI)
B. Oil or Condensate Volume	1	(BBLS.)	F. Color of Liquid	Clear	
C. Gas/Liquid-Hydrocarbon Ratio	737,000	(CF/BBL.)	G. Gravity of Liquid	49	°API
D. Flowing Tubing Pressure	6,323	(PSI)	H. Specific Gravity of the Gas (AIR = 1)	.580	

Section II — POTENTIAL TEST DATA

A. Absolute Open Flow	952	(MCF/DAY)	C. Shut-In Wellhead Pressure	12,163	(PSI)
B. Date of Test	11-14-84		D. Length of Time Well Shut-In Prior to Test	147 Days	

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.

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

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.

Dorothy Boughton
SIGNATURE

11/21/84
DATE

Regulatory Supervisor
TITLE

Type or print only

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

M-88352 Form G-1
Rev. 4/1/83

483-047

API No. 42- 301-30051

7. RRC District No. 8

8. RRC Gas ID No.

Gas Well Back Pressure Test, Completion or Recompletion Report, and Log

1. FIELD NAME (as per RRC Records or Wildcat): WOLF (WOLFCAMP)

2. LEASE NAME: L. R. UNIT

9. Well No.: 1

3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report): LINCOLN ROCK CORPORATION

RRC Operator No.: 500850

10. County of well site: LOVING

4. ADDRESS: P. O. BOX 1934

11. Purpose of filing
- Initial Potential [X]
- Retest [ ]
- Reclass [ ]
- Well record only (Explain in remarks) [ ]

5. Location (Section, Block, and Survey): SEC. 76, BLK 33, H&TC RR. SURVEY

5b. Distance and direction to nearest town in this county.: 4 MILES SOUTHWEST OF MENTONE, TX.

6. If operator has changed within last 60 days, name former operator: N/A

12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no.

FIELD & RESERVOIR	GAS ID or OIL LEASE #	Oil—O Gas—G	WELL #
DRYHOLE			

13. Pipe Line Connection

14. Completion or recompletion date

15. Any condensate on hand at time of workover or recompletion? [ ] Yes [ ] No

16. Type of Electric or other Log Run.

Section I — GAS MEASUREMENT DATA

Date of Test

Gas Measurement Method (Check One): Orifice Meter [ ] ▶ Flange Taps [ ] Pipe Taps [ ] Positive Choke [ ] Orifice Vent Meter [ ] Pitot Tube [ ] Critical-flow Prover [ ]

Gas produced during test: MCF

Run No.	Line Size	Orif. or Choke Size	24 Hr. Coeff. Orif. or Choke	Static P_m or Choke Press	Diff. h_w	Flow Temp. ^oF	Temp. Factor F_{tf}	Gravity Factor F_g	Compress Factor F_{pv}	Volume MCF/DAY
1										
2										
3										
4										

Section II — FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas)	Gravity Liquid Hydrocarbon Deg. API	Gas-Liquid Hydro Ratio CF/Bbl	Gravity of Mixture G_{mix} =	Avg. Shut-in Temp. ^oF	Bottom Hole Temp. ^oF (Depth)

$D_{eff}^{8/3}$ = $\sqrt{T_f}$ = $\sqrt{\quad}$ = $\sqrt{GL}$ = $\sqrt{\quad}$ =

$C = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}}$ = = $\frac{\sqrt{GL}}{C}$ = ____ = ____

Run No.	Time of Run Min.	Choke Size	Wellhead Press. PSIA P_w	Wellhead Flow Temp. ^oF	P_w^2 (Thousands)	R	R^2 (Thousands)	P_1	P_w/P_1
Shut-in									
1									
2									
3									
4									

Run No.	F	K	$S = \frac{1}{z}$	E^{ks}	P_f and P_s	P_f^2 and P_s^2 (thousands)	$P_f^2 - P_s^2$ (thousands)	Angle of Slope
Shut-in								θ .....
1								n .....
2								Absolute Open Flow
3								..... MCF/DAY
4								

WELL TESTER'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test and that data and facts shown in Sections I and II above are true, correct, and complete, to the best of my knowledge. Bottomhole temperature and the diameter and length of flow string were furnished by the operator of the well.

C C Deacle

Signature: Well Tester | Name of Company | RRC Representative

OPERATOR'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that I prepared or supervised and directed this report, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

C C Deacle — ENGINEER — 8/1/84 — Tel: 405-223-1963

Signature: Operator's representative | Title | Date | A/C Number

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

17. Type of Completion:
New Well ☐ Deepening ☐ Plug Back ☐ Other ☐

18. Permit to Drill, Plug Back or Deepen — DATE — PERMIT NO.
Rule 37 Exception — CASE NO.
Water Injection Permit — PERMIT NO.
Salt Water Disposal Permit — PERMIT NO.
Other — PERMIT NO.

19. Notice of Intention to Drill this well was filed in Name of

20. Number of producing wells on this lease in this field (reservoir) including this well

21. Total number of acres in this lease

22. Date Plug Back, Deepening, WorkOver or Drilling Operations: Commenced | Completed

23. Distance to nearest well, Same Lease & Reservoir

24. Location of well, relative to nearest lease boundaries of lease on which this well is located — Feet From Line and Feet from Line of the Lease

25. Elevation (DF, RKB, RT, GR, ETC.)

26. Was directional survey made other than inclination (Form W—12)? ☐ Yes ☐ No

27. Top of Pay | 28. Total Depth | 29. P. B. Depth | 30. Surface Casing Determined by: Field Rules ☐ | Recommendation of T.D.W.R. ☐ Dt. of Letter | Railroad Commission (Special) ☐ Dt. of Letter

31. Is well multiple completion? ☐ Yes ☐ No

32. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No.

FIELD & RESERVOIR	GAS ID or OIL LEASE #	Oil—O Gas—G	WELL #

33. Intervals Drilled by: Rotary Tools | Cable Tools

34. Name of Drilling Contractor

35. Is Cementing Affidavit Attached? ☐ Yes ☐ No

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

CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.

37. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen

38. TUBING RECORD

Size	Depth Set	Packer Set

39. Producing Interval (this completion) Indicate depth of perforation or open hole

From		To
From		To
From		To
From		To

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

Depth Interval	Amount and Kind of Material Used

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

Formations	Depth	Formations	Depth

REMARKS

Form P-15
(5-5-71)

STATEMENT OF PRODUCTIVITY OF ACREAGE ASSIGNED TO PRORATION UNITS

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the LINCOLN ROCK CORPORATION (OPERATOR), L. R. UNIT (LEASE), No. 1 (WELL); that such well is completed in the WOLF (WOLFCAMP) Field, LOVING County, Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces 185 acres which can reasonably be considered to be productive of hydrocarbons.

– CERTIFICATE –

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, 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.

Date 5/2/84 Signature C. Teacle

Telephone 405 (AREA CODE) 223-1963 Title ENGINEER

RAIL[illegible] COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form G-5
Rev. 12/11/75

GAS WELL CLASSIFICATION REPORT

1 FIELD NAME (as per RRC Records): WOLF (WOLFCAMP)	2. LEASE NAME: L. R. UNIT
3. OPERATOR: LINCOLN ROCK CORPORATION	
4. ADDRESS: P. O. BOX 1934, ARDMORE, OK 73402	
5. LOCATION (Section, Block, and Survey): SEC. 76, BLK 33, H&TC RR SURVEY	
6. Pipeline Connection or Use of Gas	

7. RRC District: 08	
8. RRC Identification Number: N/A	
9. Well Number: 1	
10. County: LOVING	
11. Utilized for: GAS SALES	
12. Acres Allocated to this Well: 185	

Section I — PRODUCTION TEST AT RATE ELECTED BY OPERATOR (Data on 24-hour basis)

A. Gas Volume	540	(MCF)	E. Casing Pressure	PKR	(PSI)
B. Oil or Condensate Volume	N/A	(BBLS.)	F. Color of Liquid	N/A	
C. Gas/Liquid-Hydrocarbon Ratio	N/A	(CF/BBL.)	G. Gravity of Liquid	N/A	°API
D. Flowing Tubing Pressure	4600	(PSI)	H. Specific Gravity of the Gas (AIR = 1)	.673	

Section II — POTENTIAL TEST DATA

A. Absolute Open Flow	1100	(MCF/DAY)	C. Shut-In Wellhead Pressure	5800	(PSI)
B. Date of Test	4-9-84		D. Length of Time Well Shut-In Prior to Test	72 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:

PER CENT OVER	TEMPERATURE (DEG. F.)
I.B.R.	
10	N/A
20	
30	
40	
50	
60	
70	
80	
90	
95	
E.P.	

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

4/2/84
DATE

ENGINEER
TITLE

AREA CODE AND TELEPHONE NUMBER 405 223-1963

Type or print only — Oil and Gas Division — Form G-1 Rev. 4/1/83

483-047

API No. 42-301-30051

Gas Well Back Pressure Test, Completion or Recompletion Report, and Log

7. RRC District No.: 08

8. RRC Gas ID No.: N/A

1. FIELD NAME (as per RRC Records or Wildcat): WOLF (WOLFCAMP)

2. LEASE NAME: L. R. UNIT

9. Well No.: 1

3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report): LINCOLN ROCK CORPORATION

RRC Operator No.: 500850

10. County of well site: LOVING

4. ADDRESS: P. O. BOX 1934, ARDMORE, OK 73402

11. Purpose of filing: Initial Potential [X]; Retest [ ]; Reclass [ ]; Well record only (Explain in remarks) [ ]

5. Location (Section, Block, and Survey): SEC. 76, BLK 33, H&TC SURVEY

5b. Distance and direction to nearest town in this county.: 4 MILES SW OF MENTONE

6. If operator has changed within last 60 days, name former operator:

12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no. FIELD & RESERVOIR | GAS ID or OIL LEASE # | Oil—O Gas—G | WELL #:

13. Pipe Line Connection:

14. Completion or recompletion date: 2/27/84

15. Any condensate on hand at time of workover or recompletion? [ ] Yes [ ] No

16. Type of Electric or other Log Run.: CBL

Section I — GAS MEASUREMENT DATA

Date of Test: 4/9/84

Gas Measurement Method (Check One): Orifice Meter [X] ▶ Flange Taps [X] Pipe Taps [ ]; Positive Choke [ ]; Orifice Vent Meter [ ]; Pitot Tube [ ]; Critical-flow Prover [ ]

Gas produced during test: 540 MCF

Run No.	Line Size	Orif. or Choke Size	24 Hr. Coeff. Orif. or Choke	Static P_m or Choke Press	Diff. h_w	Flow Temp. °F	Temp. Factor F_{tf}	Gravity Factor F_g	Compress Factor F_{pv}	Volume MCF/DAY
1	2	0.750	3602.07	1010	11	150	0.9233	0.9442	1.0610	351
2	2	0.750	3602.07	1010	15	150	0.9233	0.9442	1.0610	410
3	2	0.750	3602.07	1010	18	150	0.9233	0.9442	1.0610	449
4	2	0.750	3602.07	1010	26	150	0.9233	0.9442	1.0610	540

Section II — FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas)	Gravity Liquid Hydrocarbon	Gas-Liquid Hydro Ratio	Gravity of Mixture	Avg. Shut-in Temp.	Bottom Hole Temp.
0.673	Deg. API	CF/Bbl	G_{mix} =	123 °F	171°F @ 10395 (Depth)

$D_{eff}^{8/3}$ = 10.806

$\sqrt{T_f} = \sqrt{\quad} =$ 24.10

$\sqrt{GL} = \sqrt{\quad} =$ 83.64

$C = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}} = \frac{118 \times 10.806}{24.10} =$ 501.29

$\frac{\sqrt{GL}}{C} = \frac{83.64}{501.29} =$ 0.1668

Run No.	Time of Run Min.	Choke Size	Wellhead Press. PSIA P_w	Wellhead Flow Temp. °F	P_w^2 (Thousands)	R	R^2 (Thousands)	P_1	P_w/P_1
Shut-In			5800	75	33,640				
1	120	6/64	5400	73	29,160	58.5	3.4	5400	1.0000
2	120	8/64	4600	72	21,160	68.3	4.7	4601	0.9998
3	120	10/64	3800	70	14,440	74.8	5.6	3801	0.9997
4	120	12/64	2600	69	6,760	90.0	8.1	2602	0.9992

Run No.	F	K	$S = \frac{1}{z}$	E^{ks}	P_f and P_s	P_f^2 and P_s^2 (thousands)	$P_f^2 - P_s^2$ (thousands)
Shut-In		0.2250	0.90415	1.22559	7108	50,524	
1	1.00000	0.2257	0.92165	1.23123	6649	44,209	6,315
2	0.99990	0.2257	0.95969	1.24184	5714	32,650	17,874
3	0.99985	0.2257	1.00000	1.25320	4763	22,686	27,838
4	0.99960	0.2257	1.21661	1.31598	3424	11,724	38,800

Angle of Slope: θ 45; n 1

Absolute Open Flow: 820 MCF/DAY

WELL-TESTER'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test and that data and facts shown in Sections I and II above are true, correct, and complete, to the best of my knowledge. Bottomhole temperature and the diameter and length of flow string were furnished by the operator of the well.

Signature: Well Tester — LINCOLN ROCK CORPORATION (Name of Company) — RRC Representative

OPERATOR'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that I prepared or supervised and directed this report, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Signature: Operator's representative — ENGINEER (Title) — 5/2/84 (Date) — Tel: 405/223-1963 (A/C Number)

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

7. Type of Completion: New Well ☐ Deepening ☐ Plug Back ☐ Other ☒

18. Permit to Drill, Plug Back or Deepen — DATE — PERMIT NO.

Rule 37 Exception — CASE NO.

Water Injection Permit — PERMIT NO.

Salt Water Disposal Permit — PERMIT NO.

Other — PERMIT NO.

9. Notice of Intention to Drill this well was filed in Name of

BASS ENTERPRISE PRODUCTION CO.

Re-enter 12/13/83 223548

20. Number of producing wells on this lease in this field (reservoir) including this well: 1

21. Total number of acres in this lease: 185

22. Date Plug Back, Deepening, WorkOver or Drilling Operations: Re-entry — Commenced: 12/17/83 — Completed: 12/24/83

23. Distance to nearest well, Same Lease & Reservoir

24. Location of well, relative to nearest lease boundaries of lease on which this well is located: 10,080 Feet From NE Line and 1000 Feet from NW Line of the WLR STATE Lease

25. Elevation (DF, RKB, RT, GR, ETC.): 2683.5' RKB

26. Was directional survey made other than inclination (Form W—12)? ☐ Yes ☐ No UNKNOWN

27. Top of Pay	28. Total Depth	29. P. B. Depth	30. Surface Casing Determined by:
10,494	19,677	11,068	Field Rules ☐ / Recommendation of T.D.W.R. ☐ / Railroad Commission (Special) ☐ — Dt. of Letter / Dt. of Letter

31. Is well multiple completion? ☐ Yes ☒ No

32. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No.

FIELD & RESERVOIR	GAS ID or OIL LEASE #	Oil—O Gas—G	WELL #

33. Intervals Drilled by: | Rotary Tools | Cable Tools

34. Name of Drilling Contractor: HILLIN DRILLING CO., INC.

35. Is Cementing Affidavit Attached? ☐ Yes ☒ No

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

CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
30"		411'		300'			396'
13 3/8"	VARIOUS	4,280		5,050			6,666
9 5/8"	VARIOUS	11,756	6,580	4,950			6,534

37. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen
7 5/8"	11,300	18,361	1,365	
5"	17,958	19,694	180	

38. TUBING RECORD

Size	Depth Set	Packer Set
2 7/8"	10,395'	10,395

39. Producing Interval (this completion) Indicate depth of perforation or open hole

From 10,500 To 10,746
From To
From To
From To

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

Depth Interval	Amount and Kind of Material Used
10,500 - 10,746	ACIDIZE W/4000 GAL. 15% - FRAC WITH 90,000 GAL., 40# GEL, 109,000# 20/40 SAND

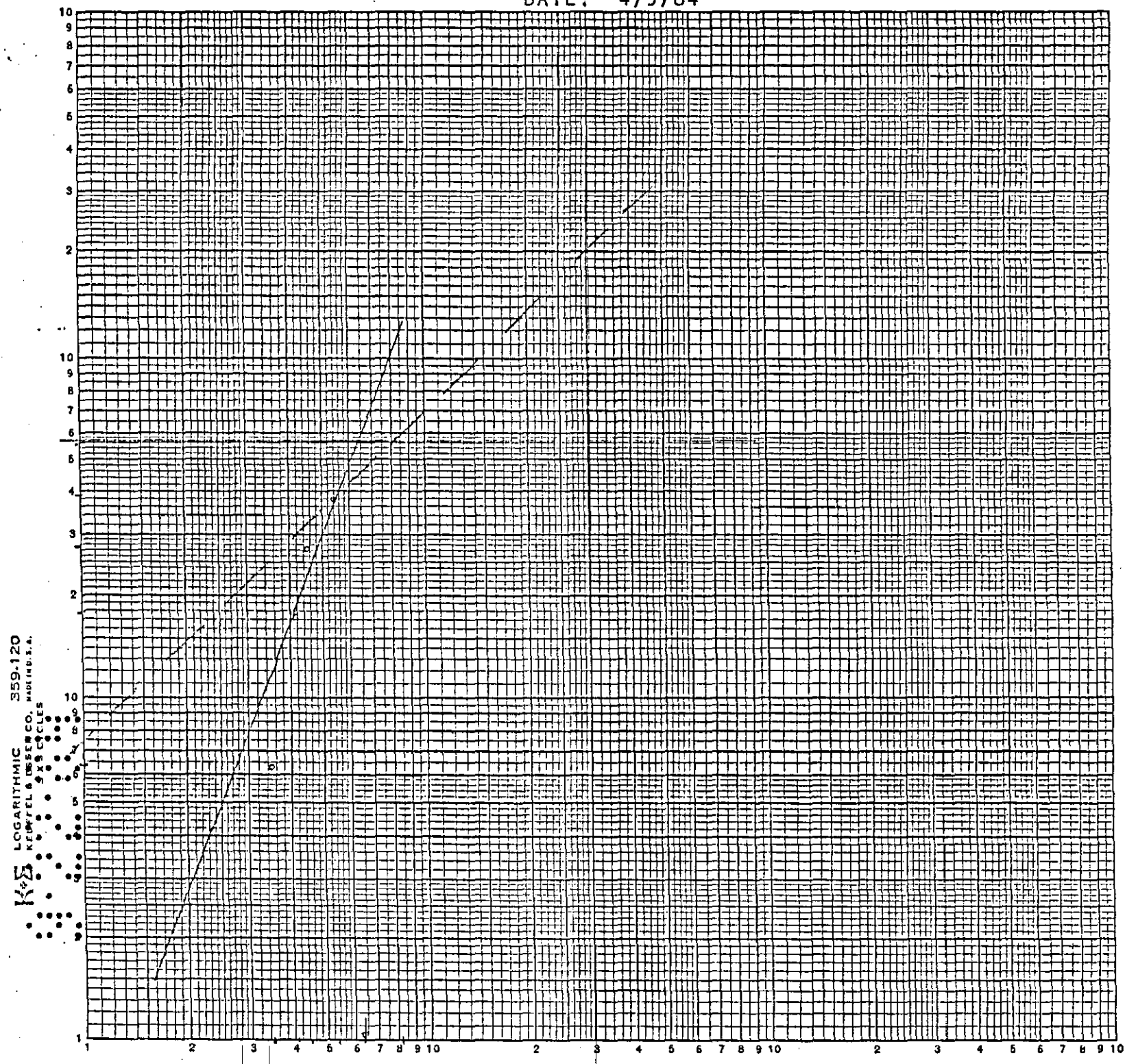
41. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)

Formations	Depth	Formations	Depth
DELAWARE	4,280		
CHERRY CANYON "A"	5,173		
3RD BONE SPRINGS	10,300		

REMARKS

GAS WELL
BACK PRESSURE CURVE

RRC DISTRICT 08 COUNTY: LOVING
FIELD: WOLF (WOLFCAMP)
OPERATOR: LINCOLN ROCK CORPORATION
LEASE NAME: L. R. UNIT
WELL NO: 1 VOLUME 820 MCF/24 HR.
DATE: 4/9/84



Assumed Slope of 1

Angle = 45°

Calculated AOF = 820 MCFD

(15) 18-A

M. F. 083352
WELL # 1 COMPLETION REPORT
GARRY MAURO, COMMISSIONER
FILED 12-12-84 BY

Type or print only

Oil and Gas Division M-88352

Form G-1
Rev. 4/1/83

483-047

API No. 42-301-30051

7. RRC District No. 08

8. RRC Gas ID No. N/A

Gas Well Back Pressure Test, Completion or Recompletion Report, and Log

1. FIELD NAME (as per RRC Records or Wildcat): WOLF (WOLFCAMP)

2. LEASE NAME: L. R. UNIT

9. Well No. 1

3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report): LINCOLN ROCK CORPORATION

RRC Operator No. 500850

10. County of well site: LOVING

4. ADDRESS: P. O. BOX 1934, ARDMORE, OK 73402

11. Purpose of filing: Initial Potential [X]; Retest [ ]; Reclass [ ]; Well record only (Explain in remarks) [ ]

5. Location (Section, Block, and Survey): SEC, 76, BLK 33, H&TC SURVEY

5b. Distance and direction to nearest town in this county.: 4 MILES SW OF MENTONE

6. If operator has changed within last 60 days, name former operator:

12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no.

FIELD & RESERVOIR	GAS ID or OIL LEASE #	Oil—O Gas—G	WELL #

13. Pipe Line Connection:

14. Completion or recompletion date: 2/27/84

15. Any condensate on hand at time of workover or recompletion? [ ] Yes [ ] No

16. Type of Electric or other Log Run: CBL

Section I — GAS MEASUREMENT DATA

Date of Test: 4/9/84

Gas Measurement Method (Check One): Orifice Meter [X] ▶ Flange Taps [X] Pipe Taps [ ]; Positive Choke [ ]; Orifice Vent Meter [ ]; Pitot Tube [ ]; Critical-flow Prover [ ]

Gas produced during test: 540 MCF

Run No.	Line Size	Orif. or Choke Size	24 Hr. Coeff. Orif. or Choke	Static P_m or Choke Press	Diff. h_w	Flow Temp. ^oF	Temp. Factor F_{tf}	Gravity Factor F_g	Compress Factor F_{pv}	Volume MCF/DAY
1	2	0.750	3602.07	1010	11	150	0.9233	0.9442	1.0610	351
2	2	0.750	3602.07	1010	15	150	0.9233	0.9442	1.0610	410
3	2	0.750	3602.07	1010	18	150	0.9233	0.9442	1.0610	449
4	2	0.750	3602.07	1010	26	150	0.9233	0.9442	1.0610	540

Section II — FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas)	Gravity Liquid Hydrocarbon Deg. API	Gas-Liquid Hydro Ratio CF/Bbl	Gravity of Mixture G_{mix} =	Avg. Shut-in Temp.	Bottom Hole Temp.
0.673				123 °F	171°F @ 10395 (Depth)

$D_{eff}^{8/3}$ = 10.806

$\sqrt{T_f} = \sqrt{\quad} =$ 24.10

$\sqrt{GL} = \sqrt{\quad} =$ 83.64

$C = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}} = \frac{118 \times 10.806}{24.10} =$ 501.29

$\frac{\sqrt{GL}}{C} = \frac{83.64}{501.29} =$ 0.1668

Run No.	Time of Run Min.	Choke Size	Wellhead Press. PSIA P_w	Wellhead Flow Temp. ^oF	P_w^2 (Thousands)	R	R^2 (Thousands)	P_l	P_w/P_l
Shut-In			5800	75	33,640				
1	120	6/64	5400	73	29,160	58.5	3.4	5400	1.0000
2	120	8/64	4600	72	21,160	68.3	4.7	4601	0.9998
3	120	10/64	3800	70	14,440	74.8	5.6	3801	0.9997
4	120	12/64	2600	69	6,760	90.0	8.1	2602	0.9992

Run No.	F	K	$S = \frac{1}{z}$	E^{ks}	P_f and P_s	P_f^2 and P_s^2 (thousands)	$P_f^2 - P_s^2$ (thousands)
Shut-In		0.2250	0.90415	1.22559	7108	50,524	
1	1.00000	0.2257	0.92165	1.23123	6649	44,209	6,315
2	0.99990	0.2257	0.95969	1.24184	5714	32,650	17,874
3	0.99985	0.2257	1.00000	1.25320	4763	22,686	27,838
4	0.99960	0.2257	1.21661	1.31598	3424	11,724	38,800

Angle of Slope: θ ..... 45 ..... n 1

Absolute Open Flow: 820 MCF/DAY

WELL TESTER'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test and that data and facts shown in Sections I and II above are true, correct, and complete, to the best of my knowledge. Bottomhole temperature and the diameter and length of flow string were furnished by the operator of the well.

C. Leach — Signature: Well Tester

LINCOLN ROCK CORPORATION — Name of Company

RRC Representative

OPERATOR'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that I prepared or supervised and directed this report, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

C. Leach — Signature: Operator's representative

ENGINEER — Title

5/2/84 — Date

Tel: 405/223-1963 — A/C Number

17. Type of Completion:
New Well ☐ Deepening ☐ Plug Back ☐ Other ☒

18. Permit to Drill, Plug Back or Deepen — DATE — PERMIT NO.
Rule 37 Exception — CASE NO.
Water Injection Permit — PERMIT NO.
Salt Water Disposal Permit — PERMIT NO.
Other — PERMIT NO.
Re-enter 12/13/83 223548

19. Notice of Intention to Drill this well was filed in Name of
BASS ENTERPRISE PRODUCTION CO.

20. Number of producing wells on this lease in this field (reservoir) including this well: 1

21. Total number of acres in this lease: 185

22. Date Plug Back, Deepening, WorkOver or Drilling Operations: Re-entry — Commenced: 12/17/83 — Completed: 12/24/83

23. Distance to nearest well, Same Lease & Reservoir

24. Location of well, relative to nearest lease boundaries of lease on which this well is located: 10,080 Feet From NE Line and 1000 Feet from NW Line of the WLR STATE Lease

25. Elevation (DF, RKB, RT, GR, ETC.): 2683.5' RKB

26. Was directional survey made other than inclination (Form W—12)? ☐ Yes ☐ No UNKNOWN

27. Top of Pay	28. Total Depth	29. P. B. Depth	30. Surface Casing Determined by:
10,494	19,677	11,068	Field Rules ☐ / Recommendation of T.D.W.R. ☐ / Railroad Commission (Special) ☐ — Dt. of Letter / Dt. of Letter

31. Is well multiple completion? ☐ Yes ☒ No

32. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No.

FIELD & RESERVOIR	GAS ID or OIL LEASE #	Oil—O Gas—G	WELL #

33. Intervals Drilled by: Rotary Tools | Cable Tools

34. Name of Drilling Contractor: HILLIN DRILLING CO., INC.

35. Is Cementing Affidavit Attached? ☐ Yes ☒ No

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

CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
30"		411'		300'			396'
13 3/8"	VARIOUS	4,280		5,050			6,666
9 5/8"	VARIOUS	11,756	6,580	4,950			6,534

37. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen
7 5/8"	11,300	18,361	1,365	
5"	17,958	19,694	180	

38. TUBING RECORD

Size	Depth Set	Packer Set
2 7/8"	10,395'	10,395

39. Producing Interval (this completion) Indicate depth of perforation or open hole

From	10,500	To	10,746
From		To	
From		To	
From		To	

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

Depth Interval	Amount and Kind of Material Used
10,500 - 10,746	ACIDIZE W/4000 GAL. 15% - FRAC WITH 90,000 GAL., 40# GEL, 109,000# 20/40 SAND

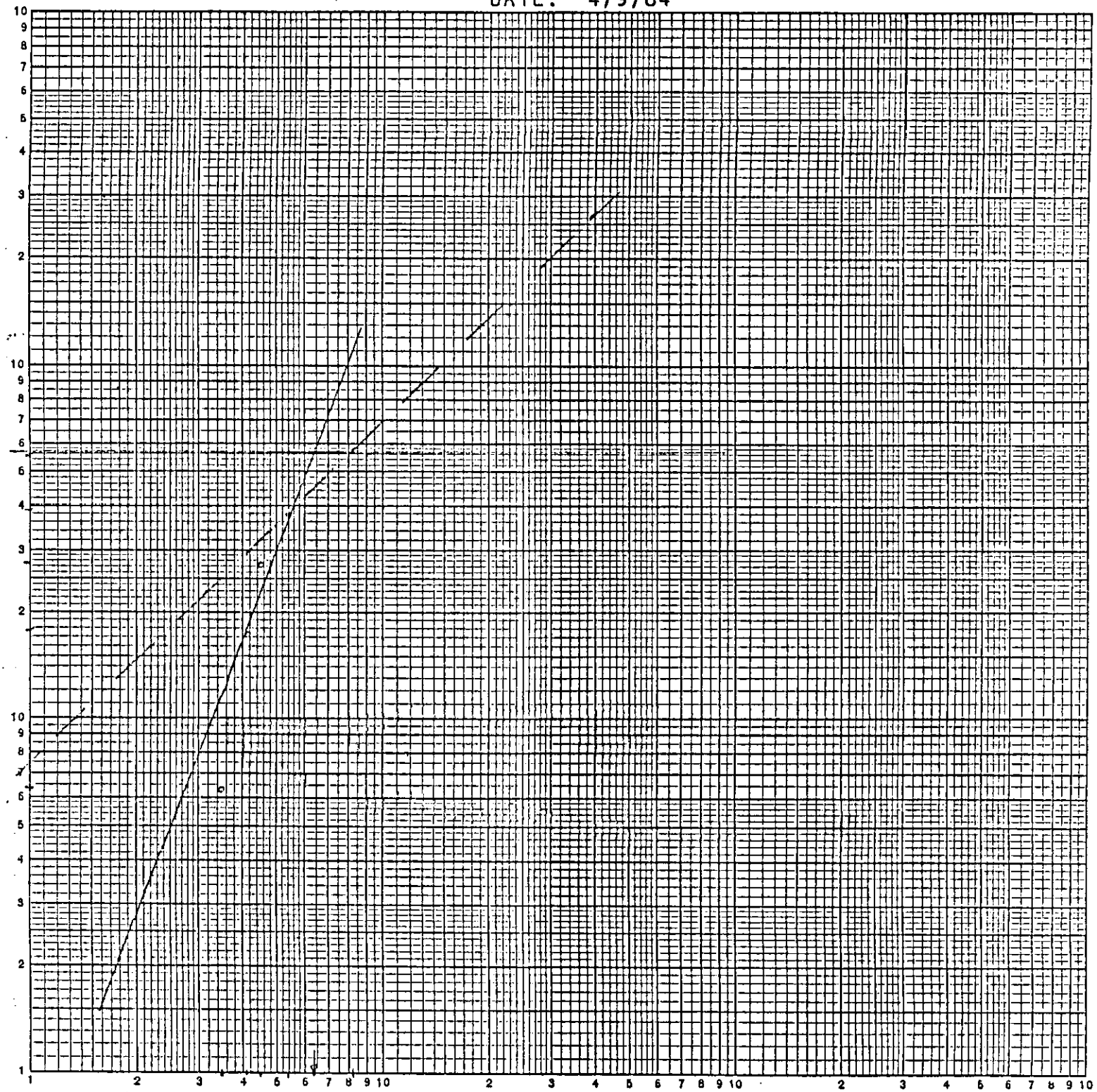
41. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)

Formations	Depth	Formations	Depth
DELAWARE	4,280		
CHERRY CANYON "A"	5,173		
3RD BONE SPRINGS	10,300		

REMARKS

GAS WELL
BACK PRESSURE CURVE

RRC DISTRICT 08 COUNTY: LOVING
FIELD: WOLF (WOLFCAMP)
OPERATOR: LINCOLN ROCK CORPORATION
LEASE NAME: L. R. UNIT
WELL NO: 1 VOLUME 820 MCF/24 HR.
DATE: 4/9/84



LOGARITHMIC 359-120
KEUFFEL & ESSER CO. MADE IN U.S.A.
3 X 5 CYCLES

Assumed Slope of 1

Angle = 45°

Calculated AOF = 820 MCFD

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form G-5
Rev. 12/11/75

GAS WELL CLASSIFICATION REPORT

1. FIELD NAME (as per RRC Records): WOLF (WOLFCAMP)	2. LEASE NAME: L. R. UNIT
3. OPERATOR: LINCOLN ROCK CORPORATION	
4. ADDRESS: P. O. BOX 1934, ARDMORE, OK 73402	
5. LOCATION (Section, Block, and Survey): SEC. 76, BLK 33, H&TC RR SURVEY	
6. Pipeline Connection or Use of Gas	

7. RRC District: 08	
8. RRC Identification Number: N/A	
9. Well Number: 1	
10. County: LOVING	
11. Utilized for: GAS SALES	
12. Acres Allocated to this Well: 185	

Section I — PRODUCTION TEST AT RATE ELECTED BY OPERATOR (Data on 24-hour basis)

A. Gas Volume	540	(MCF)	E. Casing Pressure	PKR	(PSI)
B. Oil or Condensate Volume	N/A	(BBLS.)	F. Color of Liquid	N/A	
C. Gas/Liquid-Hydrocarbon Ratio	N/A	(CF/BBL.)	G. Gravity of Liquid	N/A	°API
D. Flowing Tubing Pressure	4600	(PSI)	H. Specific Gravity of the Gas (AIR = 1)	.673	

Section II — POTENTIAL TEST DATA

A. Absolute Open Flow	1100	(MCF/DAY)	C. Shut-In Wellhead Pressure	5800	(PSI)
B. Date of Test	4-9-84		D. Length of Time Well Shut-In Prior to Test	72 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:

PER CENT OVER	TEMPERATURE (DEG. F.)
I.B.P.	
10	N/A
20	
30	
40	
50	
60	
70	
80	
90	
95	
E.P.	

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.

C. Deale
SIGNATURE

4/2/84
DATE

ENGINEER
TITLE

AREA CODE AND TELEPHONE NUMBER 405 223-1963

(18-B)

File No. M-88352

Loving Ward County

Gas Well Comp Rpt

Date Filed: 12-28-84

Jerry E. Patterson, Commissioner

By M Carroll

PARTIAL ASSIGNMENT OF OIL AND GAS LEASE

STATE OF TEXAS)
) KNOW ALL MEN BY THESE PRESENTS:
COUNTIES OF LOVING)
AND WARD)

THAT the undersigned BEACONFIELD CORPORATION, a Delaware corporation, P. O. Box 8438, Northfield, Illinois 60093, hereinafter called "ASSIGNOR", for and in consideration of the sum of TEN DOLLARS ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does, subject to the terms, conditions, limitations and provisions herein contained, hereby GRANT, BARGAIN, SELL, TRANSFER, ASSIGN and CONVEY unto BTA OIL PRODUCERS, a partnership, 104 South Pecos, Midland, Texas 79701, hereinafter called "ASSIGNEE", all of ASSIGNOR'S right title and interest in and to that certain Oil and Gas Lease described as follows:

Oil and Gas Lease No. 88352 dated the 5th day of October, 1982 from the General Land Office of the State of Texas, lessor, to Beaconfield Corporation, lessee, and recorded in Volume 66, Pages 214 through 218 of the Oil & Gas Lease Records of Loving County, Texas, and in Book Number 487, Pages 728 through 732 of the Deed Records of Ward County, Texas,

INSOFAR AND ONLY INSOFAR as said lease covers the SW/146 Ac. of NE/pt. of H & TC Ry. Co. Survey No. 76, Block 33, Loving and Ward Counties, Texas, ~~from the surface of the earth to a depth of 18,993 feet below the surface of the earth~~,

hereinafter referred to as "said lease", together with the rights incident thereto.

THIS ASSIGNMENT is made expressly subject to the following:

1. All terms and conditions of said lease and any amendments thereto, including all royalties, overriding royalties, production payments and any other payments and/or agreements of record.

2. All terms and conditions of that certain unrecorded Farmout Agreement dated June 22, 1983 as amended by conditional letter of acceptance dated July 14, 1983, between ASSIGNOR and ASSIGNEE.

3. ASSIGNOR hereby excepts from this assignment and reserves unto itself, its successors and assigns, over, above and in addition to all royalties and other burdens, if any, against the production from said lease, an overriding royalty of THREE PERCENT OF EIGHT EIGHTHS (3.0% of 8/8th) of all oil (including all condensate, distillate and other liquid hydrocarbons produced in liquid form or recovered from oil or gas processed through a separator, gasoline plant or other equipment) and gas (including casinghead gas and helium and all other constituents) produced from or attributable to said lease during the term thereof, including any renewals or extensions thereof. The

overriding royalty interest reserved hereby shall be free and clear of all costs of exploring, drilling, producing, operating, separating, treating, compressing, transporting, marketing and taxes, including ad valorem taxes, but shall bear its proportionate part of gross production tax, severance tax and windfall profits tax, if any. The overriding royalty interest reserved hereby shall, at the sole option of ASSIGNOR, be convertible at payout to a one-third Working Interest as more particularly set forth in the Farmout Agreement specified in 2. above. If the interest herein assigned is less than the full and undivided leasehold estate in and to the lease aforesaid, then the overriding royalty interest herein reserved shall be reduced proportionately to correspond with the leasehold interest actually assigned hereby.

4. ASSIGNEE hereby agrees that in the event it desires to surrender, let expire, abandon or release all or any portion of the rights or interests herein assigned, it shall notify ASSIGNOR not less than sixty (60) days prior to such surrender, expiration, abandonment or release and, if requested to do so, shall immediately reassign such rights or interests to ASSIGNOR. Such reassignment shall be free and clear of all lease burdens, overriding royalty interests and payments out of production in excess of, or in addition to, those applicable to said lease at June 22, 1983.

5. ~~ASSIGNOR hereby excepts from this assignment and reserves unto itself, its successors and assigns, all rights in said lease below the depth of 10,993 feet from the surface of the earth, including the right of ingress and egress and the use of as much of the leased premises as may be necessary for the exploration and production of oil and gas.~~

6. All rules and orders of the Texas Railroad Commission.

THIS ASSIGNMENT is made without warranty of title, either expressed or implied.

ALL of the provisions of this ASSIGNMENT shall be binding upon, and inure to the benefit of, the successors and assigns of both ASSIGNOR and ASSIGNEE.

IN WITNESS WHEREOF, the ASSIGNOR has executed this ASSIGNMENT this 10th day of January, 1985, to be effective as of the 11th day of July, 1984.

BEACONFIELD CORPORATION

ATTEST:

Secretary

By _____
President Martin C. Carroll

BTA OIL PRODUCERS

By _____
Barry Beal, General Partner

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

THIS instrument was acknowledged before me on January 10th, 1985 by Martin C. Carroll, President of BEACONFIELD CORPORATION, a Delaware corporation, on behalf of said corporation.

ADELAIDE C. MCELROY NOTARY PUBLIC COOK COUNTY

Adelaide C. McElroy
Notary Public in and for the
State of Illinois

My commission expires August 1, 1987. Adelaide C. McElroy

STATE OF TEXAS)
) ss
COUNTY OF MIDLAND)

Before me, the undersigned authority, on this day personally appeared Barry Beal, known to me to be the person and partner whose name is subscribed to the foregoing instrument on behalf of BTA Oil Producers, a partnership, and acknowledged to me that he executed same as the act and deed of said partnership for the purposes and consideration therein expressed and in the capacity therein stated.

NOTARY PUBLIC STATE OF TEXAS

Given under my hand and seal of office this 18th day of ~~January~~ February 1985.

Tommy McLaughlin
Notary Public in and for
State of Texas

My commission expires 12-31-81.

TOMMY McLAUGHLIN

FILE NO. 401

BEACONFIELD CORPORATION

TO

BTA OIL PRODUCERS

FILING AND RECORDING CERTIFICATE

THE STATE OF TEXAS)
COUNTY OF LOVING)

I, Edna Dewees, Clerk of the County Court in and for said County, do hereby certify that the within instrument in writing, dated the 10th day of January, 1985, with its certification of authentication, was filed for record in my office this 7th day of March, 1985 at 10:00 o'clock a. m. and recorded the 7th day of March 1985 at 2:00 o'clock p. m. in the OIL AND GAS LEASE Records of said County in Volume 76, Page 516.

WITNESS my Hand and Seal of said Court, at office in Mentone, Texas, on date and year last above written.

COUNTY COURT LOVING COUNTY TEXAS

Edna Dewees
County Clerk, Loving County, Texas

Indexed:
Direct
Reverse

Fee: $ 7.00

FOR SALE BY STAFFORD-LOWDON CO. FORT WORTH 84639

E 503—CERTIFICATE OF TRUE COPY OF PAPERS RECORDED—Class 1. (Arts. 6600-6625-6634, R. S. 1925) Texas Standard Form

THE STATE OF TEXAS

County of LOVING }

I, Edna Dewees, Clerk of the County Court of Loving County, Texas, do hereby certify that the foregoing is a true and correct copy of the original PARTIAL ASSIGNMENT OF OIL AND GAS LEASE from BEACONFIELD CORPORATION to BTA OIL PRODUCERS, dated January 10, 1985, filed for record March 7, 1985, File No. 401, as the same appears of record in my office in book 76 page 516, Oil & Gas Lease Records.

Given under my Hand and Seal of said Court, at office in Mentone, Texas this 7th day of March 1985.

Edna Dewees Clerk,

By _____ Deputy.

VOLUME 76, PAGE 516, O&GL

PARTIAL ASSIGNMENT OF OIL AND GAS LEASE

STATE OF TEXAS)
) KNOW ALL MEN BY THESE PRESENTS:
COUNTIES OF LOVING)
AND WARD)

THAT the undersigned BEACONFIELD CORPORATION, a Delaware corporation, P. O. Box 8438, Northfield, Illinois 60093, hereinafter called "ASSIGNOR", for and in consideration of the sum of TEN DOLLARS ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does, subject to the terms, conditions, limitations and provisions herein contained, hereby GRANT, BARGAIN, SELL, TRANSFER, ASSIGN and CONVEY unto BTA OIL PRODUCERS, a partnership, 104 South Pecos, Midland, Texas 79701, hereinafter called "ASSIGNEE", all of ASSIGNOR'S right title and interest in and to that certain Oil and Gas Lease described as follows:

Oil and Gas Lease No. 88352 dated the 5th day of October, 1982 from the General Land Office of the State of Texas, lessor, to Beaconfield Corporation, lessee, and recorded in Volume 66, Pages 214 through 218 of the Oil & Gas Lease Records of Loving County, Texas, and in Book Number 487, Pages 728 through 732 of the Deed Records of Ward County, Texas,

INSOFAR AND ONLY INSOFAR as said lease covers the SW/146 Ac. of NE/pt. of H & TC Ry. Co. Survey No. 76, Block 33, Loving and Ward Counties, Texas, ~~from the surface of the earth to a depth of 18,993 feet below the surface of the earth~~, CRO Mcc

hereinafter referred to as "said lease", together with the rights incident thereto.

THIS ASSIGNMENT is made expressly subject to the following:

1. All terms and conditions of said lease and any amendments thereto, including all royalties, overriding royalties, production payments and any other payments and/or agreements of record.

2. All terms and conditions of that certain unrecorded Farmout Agreement dated June 22, 1983 as amended by conditional letter of acceptance dated July 14, 1983, between ASSIGNOR and ASSIGNEE.

3. ASSIGNOR hereby excepts from this assignment and reserves unto itself, its successors and assigns, over, above and in addition to all royalties and other burdens, if any, against the production from said lease, an overriding royalty of THREE PERCENT OF EIGHT EIGHTHS (3.0% of 8/8th) of all oil (including all condensate, distillate and other liquid hydrocarbons produced in liquid form or recovered from oil or gas processed through a separator, gasoline plant or other equipment) and gas (including casinghead gas and helium and all other constituents) produced from or attributable to said lease during the term thereof, including any renewals or extensions thereof. The

overriding royalty interest reserved hereby shall be free and clear of all costs of exploring, drilling, producing, operating, separating, treating, compressing, transporting, marketing and taxes, including ad valorem taxes, but shall bear its proportionate part of gross production tax, severance tax and windfall profits tax, if any. The overriding royalty interest reserved hereby shall, at the sole option of ASSIGNOR, be convertible at payout to a one-third Working Interest as more particularly set forth in the Farmout Agreement specified in 2. above. If the interest herein assigned is less than the full and undivided leasehold estate in and to the lease aforesaid, then the overriding royalty interest herein reserved shall be reduced proportionately to correspond with the leasehold interest actually assigned hereby.

4. ASSIGNEE hereby agrees that in the event it desires to surrender, let expire, abandon or release all or any portion of the rights or interests herein assigned, it shall notify ASSIGNOR not less than sixty (60) days prior to such surrender, expiration, abandonment or release and, if requested to do so, shall immediately reassign such rights or interests to ASSIGNOR. Such reassignment shall be free and clear of all lease burdens, overriding royalty interests and payments out of production in excess of, or in addition to, those applicable to said lease at June 22, 1983.

5. ~~ASSIGNOR hereby excepts from this assignment and reserves unto itself, its successors and assigns, all rights in said lease below the depth of 18,993 feet from the surface of the earth, including the right of ingress and egress and the use of as much of the leased premises as may be necessary for the exploration and production of oil and gas~~.

6. All rules and orders of the Texas Railroad Commission.

THIS ASSIGNMENT is made without warranty of title, either expressed or implied.

ALL of the provisions of this ASSIGNMENT shall be binding upon, and inure to the benefit of, the successors and assigns of both ASSIGNOR and ASSIGNEE.

IN WITNESS WHEREOF, the ASSIGNOR has executed this ASSIGNMENT this 10th day of January, 1985, to be effective as of the 11th day of July, 1984.

BEACONFIELD CORPORATION

ATTEST:

Secretary

By _____
President Martin C. Carroll

BTA OIL PRODUCERS

By _____
Barry Beal, General Partner

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

THIS instrument was acknowledged before me on January 10th, 1985 by Martin C. Carroll, President of BEACONFIELD CORPORATION, a Delaware corporation, on behalf of said corporation.

ADELAIDE C. McELROY NOTARY PUBLIC COOK COUNTY

Adelaide C. McElroy
Notary Public in and for the
State of Illinois

My commission expires August 1, 1987. Adelaide C. McElroy

STATE OF TEXAS)
) ss
COUNTY OF MIDLAND)

Before me, the undersigned authority, on this day personally appeared Barry Beal, known to me to be the person and partner whose name is subscribed to the foregoing instrument on behalf of BTA Oil Producers, a partnership, and acknowledged to me that he executed same as the act and deed of said partnership for the purposes and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office this 18th day of ~~January~~ February 1985.

TOMMY McLAUGHLIN NOTARY PUBLIC STATE OF TEXAS

Tommy McLaughlin
Notary Public in and for
State of Texas

My commission expires 12-31-87.

TOMMY McLAUGHLIN

Filed for record on the 15 day of March A.D. 19 85 at 1:15 o'clock P M.

Duly Recorded this the 18 day of March A. D. 19 85 at 8:00 o'clock A M.

Instrument No. 844

PAT V. FINLEY, County Clerk
Ward County, Texas

By /s/ KARAN GARDNER Deputy

****

STATE OF TEXAS)
)
COUNTY OF WARD)

I, PAT V. FINLEY, County Clerk, Ward County, Texas, hereby certify the foregoing to be a true and correct copy of instrument of writing as the same appears on file in my office and as recorded in the Assnt. Records of Ward County, Volume 510, Page 225-228 No. 844.

TO CERTIFY WHICH, witness my hand and seal of office this 19 day of March, 1985.

PAT V. FINLEY, County Clerk
Ward County, Texas

By Karan Gardner Deputy
Karan Gardner

(19)

M 88352
Partial Assignment
File dated 4-4-85
Garry Mauro, Commissioner

RECEIVED AS STATED
$15.00
DATE 4-17-85
Reg. No. 63863

GENERAL LAND OFFICE

RECEIVED AS STATED
$10.00
DATE 4-4-85
Reg. No. 60550

GENERAL LAND OFFICE

BTA OIL PRODUCERS
104 SOUTH PECOS
MIDLAND, TEXAS 79701-9988
AC 915-682-3753

PARTNERS
CARLTON BEAL
CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL

March 27, 1985

In re: BTA 8210 JV-P Vermejo - Tract I
Loving and Ward Counties, Texas

Your: State of Texas Lease No. 88352

171
1720.

General Land Office
State of Texas
1700 North Congress
Austin, Texas 78701

Gentlemen: X-1000 60550

In accordance with the terms of your Oil and Gas Lease No. 88352, enclosed are separate certified copies in Loving and Ward Counties, Texas, respectively, covering Partial Assignment of Oil and Gas Lease dated January 10, 1985, to be effective as of July 11, 1984, from Beaconfield Corporation to BTA Oil Producers covering the SW/146 acres of NE/pt. of H&TC Ry. Co. Survey No. 76, Block 33, Loving and Ward Counties, Texas.

Also enclosed is BTA Oil Producers' check in the amount of $10.00 for the filing fee. If same is insufficient, please advise and prompt additional payment will be made.

Your cooperation in this matter is appreciated.

Yours very truly,

Tommy McLaughlin

TOMMY McLAUGHLIN
Administrative Assistant

tm

Enclosures

RECEIVED
APR 4 1985
LEGAL SERVICES DIVISION

N. M. 58352 (20)

CORRESPONDENCE FILE:

To BTA Producer

From

Dated 3-27-85

Garry Mauro
Commissioner
General Land Office

8210-I

April 9, 1985

Mr. Tommy McLaughlin
BTA Oil Producers
104 South Pecos
Midland, Texas 79701-9988

Re: Partial Assignment of State Fee Lease
M-88352
Beaconfield Corporation to BTA Oil Producers
Loving and Ward Counties, TX

X 15.00 63863

Dear Mr. McLaughlin:

Thank you for your recent letter covering the captioned oil and gas lease(s), and your $10.00 remittance.

The required filing fee is $25.00 per instrument per file affected. Therefore, it will be necessary that you submit an additional $15.00 filing fee(s). If you have any questions, please call.

Sincerely,

Diana Dickson

Diana Dickson, Assistant
Oil and Gas Division
Legal Department
512 475-4246

171
9

/dd
4/4/85

RECEIVED
APR 17 1985
LEGAL SERVICES DIVISION

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

(21)

N. T. 88352

CORRESPONDENCE FILE

~~To~~ BTA Oil Prod.

From

Dated 4-17-85

Garry Mauro
Commissioner
General Land Office

April 19, 1985

Mr. Tommy McLaughlin
BTA Oil Producers
104 South Pecos
Midland, Texas 79701-9988

Re: Partial Assignment of State Fee Lease
M-88352
Beaconfield Corporation to BTA Oil Producers
Loving and Ward Counties, TX

Dear Mr. McLaughlin:

The certified copy of an assignment covering the captioned oil and gas lease has been filed in our records.

Your remittances of $10.00 and $15.00 have been applied as the required filing fee(s).

Sincerely,

Diana Dickson, Assistant
Oil and Gas Division
Legal Department
512 475-4246

/dd
4/17/85

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

(22)

Ltr No. 88352

CONSERVATION DIV.

To STA Oil Prod.

Dated 4-19-85

LINCOLN ROCK CORPORATION

GAS DIVISION ORDER NUMBER 9750

APRIL 18, 1985

TO: Lincoln Rock Corporation
P. O. Box 8438
Northfield, Illinois 60093

Effective at 7 A.M.,
date of first production

The undersigned, and each of us, hereby certify and guarantee that we are the legal owners of, and hereby warrant the title to, our respective interests as set out below in the gas or the proceeds from the sale of gas produced from the following described lease and/or lands:

LEASE NAME: LINCOLN ROCK - L R UNIT #1

DESCRIPTION: Tract 1:
Southwest 185 acres of Section 76, Block 33, H&TC Railway Company Survey, Loving and Ward Counties, Texas;

Tract 2:
Southeasterly most 23 acres of Tract 1-D, Pecos River, Loving, Reeves and Ward Counties, Texas;

Tract 3:
Southwest 112 acres of Section 77 (also described as lots 43 through 48), Block 33, H&TC Railway Company Survey, Loving County, Texas;

From the effective date above and until further written notice, and subject to the terms, covenants and conditions set forth herein and subject to all the terms and conditions of that certain Gas Purchase Contract dated July 1, 1984, and all amendments and renewals thereof (hereinafter called the Purchase Contract) between Lincoln Rock Corporation (hereinafter called Lincoln Rock), as Seller and United Texas Transmission Company and South Gulf Energy, Inc., as Buyer, you are authorized for your own account to receive such gas into your possession or the possession of any person or corporation designated by you, the gas so received to be run and measured in accordance with the Purchase Contract, including all adjustments and deductions provided for by the rules and regulations of the governmental agency or agencies having authority to make them, all gas received hereunder to be credited as follows:

CREDIT TO	ADDRESS		DIVISION OF INTEREST
Commissioner of the General Land Office of the State of Texas	Stephen F. Austin Bldg. 1700 North Congress Ave. Austin, TX 78701	RI	.1625000
Louise Massingill	P. O. Box 1012 Carlsbad, NM 88220	RI	.0435548
Evelyn Carr	P. O. Box 1012 Carlsbad, NM 88220	RI	.0110351

GLO Copy

Attached to and forming a part of Division Order Number 9750 dated April 18,1985 covering the Lincoln Rock - L R Unit #1.

CREDIT TO	ADDRESS		DIVISION OF INTEREST
Roberta Rouse and Polly Enloe, jointly	212 Miller Lafayette, LA 70503	RI	.0110351
Beaconfield Corporation	P. O. Box 8438 Northfield, IL 60093	WI	.1466562
Leonard G. Bisco	P. O. Box 1625 Ardmore, OK 73402	WI	.1543750
Southern Mineral Corporation	200 S. Michigan Chicago, IL 60604	WI	.0771875
Teacle Enterprises, Inc.	1717 Tiverton Ardmore, OK 73401	WI	.0077188
Brazos Petroleum Company	P. O. Box 1782 619 W. Texas, Ste 300 Midland, TX 79702	WI	.1877578
Larry R. Wollschlager	101 Metro Building Midland, TX 79701	WI	.0617500
Thomas M. Lawson	1401 Community Lane Midland, TX 79701	WI	.0150206
John W. Rahlfs	P. O. Box 92 Midland, TX 79702	WI	.0225309
Curtis L. Espy	Mid America Bldg., Suite 356 Midland, TX 79701	WI	.0300413
Joseph F. Ruda	1007 West Texas Midland, TX 79701	WI	.0225309
Franz Weis	P. O. Box 9640 Midland, TX 79708	WI	.0075103
Enervest Company Attn: D. Creager	P. O. Box 212 Mentone, TX 79754	WI	.0300413
Larry R. Wollschlager	101 Metro Building Midland, TX 79701	ORI	.0087544

The following terms, covenants and conditions are a part of this Gas Division Order and shall be binding on the undersigned, their heirs, successors, legal representatives and assigns:

FIRST - It is understood that the gas so received is being sold under the above described Purchase Contract 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. As used in this Division Order the term "gas" shall be deemed to include casinghead gas, gasoline, distillate and all other products which Lincoln Rock receives and which are recovered from gas produced from wells on the lands described herein.

SECOND - The gas received and purchased hereunder, which is being sold by you to a purchaser accepting delivery thereof from the designated lease and/or from the pipeline system to which the wells on said property are connected, becomes your property immediately upon being received into your possession or the possession of your designated agent; and you agree to receive the gas run hereunder and, subject to the further provisions hereof, to pay to the respective owners therefor according to the division of interest herein indicated on the basis of the same price per MCF or MMBTU received by you for such gas as is set out in the Purchase Contract after deduction of all costs or allowances for compressing, treating, transporting and/or dehydrating the gas for delivery and after deduction for all applicable taxes. Settlements and payments are to be made monthly by your check mailed to the undersigned at the address given above within 30 days after receipt by Lincoln Rock of the net proceeds from the sales of gas; however, it is agreed that should the proceeds accruing to any interest hereunder for any one month amount to less than Ten Dollars ($10.00), Lincoln Rock may, at its option, accumulate such proceeds and proceeds for subsequent months, without interest, until the first regular settlement date when the amounts withheld total as much as Twenty Dollars ($20.00); provided that, regardless of the total, payment of accumulated amounts shall be made in the month of December of each year.

THIRD - The undersigned severally agree to notify you in writing of any change in their ownership; and no transfer of interest shall be binding on you until you are furnished the recorded instrument evidencing such transfer or a certified copy thereof, and your regular form of Transfer Order is executed by both transferor and transferee and returned to you. Regardless of the effective date of the instrument of conveyance, all transfers of interest shall be made effective as of 7:00 A.M. of the first day of a calendar month; and transfers shall not be made effective earlier than the first day of the calendar month in which said written notice is received by you. Lincoln Rock is hereby relieved of any responsibility for determining if and when any of the interests herein set forth shall or should revert to, or be owned by, other parties and the undersigned whose interests may be affected, if any, agree to give you written notice by certified mail at the address above when any division of interest other than that set forth herein shall for any reason become effective and to furnish signed transfer orders accordingly. In the event such notice shall not be received, Lincoln Rock shall be held harmless and is hereby released from liability for any and all damages or loss which might arise out of any overpayment.

FOURTH - The oil and gas lease or leases, and any amendments, ratifications or corrections thereof, under which gas is produced are hereby adopted, ratified and confirmed as herein

and heretofore amended. In case of adverse claim or dispute which in your opinion affects the title to any ownership credited hereunder, the parties credited hereon with such affected ownerships severally agree to furnish evidence of title satisfactory to you or to furnish adequate corporate indemnity bond acceptable to you. In the event of failure to furnish such satisfactory evidence of title or indemnity bond, you are authorized to withhold payments accruing to such affected ownership, without obligation to pay interest on the amount so withheld, until the claim or dispute is settled.

FIFTH - Should the interest of the undersigned in the gas produced from the lands described herein be unitized with gas produced 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 or amendments thereto, but otherwise to remain in full force and effect as to all other provisions. In such event, the portion of the unitized gas sold hereunder shall be the interest of the undersigned in that portion of the total unitized gas which is allocated to the herein described land and shall be deemed for all purposes to have been actually produced from said land.

SIXTH - This order shall bind each interest owner as soon as signed by him, whether or not signed by any other owner. All provisions herein contained shall apply to each signer hereof separately and not jointly. This order may be executed in counterparts, all of which together shall constitute one division order. No interest owner may terminate this order without giving ninety (90) days prior written notice. In consideration of the purchase of gas hereunder, consent is given you and any pipe line company which you may cause to connect with the wells and tanks on said land, to disconnect and remove such pipe line in case of termination by either you or us of purchases under this division order.

SEVENTH - This Division Order shall be subject to all laws, rules and regulations of the State or Federal Government or other regulatory body, whether valid or invalid, and Lincoln Rock shall not be liable for any acts done in compliance therewith. If any governmental agency determines that the proceeds distributed under this Division Order are based on a price which exceeds the maximum lawful price then in effect, thereby requiring a rebate to Buyer, the undersigned agrees, without reservation or exception, to promptly rebate the portion attributable to his interest, including interest and penalties thereon, if any.

As used in this Division Order, the masculine gender includes the feminine and neuter genders.

FEDERAL LAW REQUIRES OWNERS TO FURNISH SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER. PLEASE ENTER YOUR NUMBER BELOW YOUR SIGNATURE.

GAS DIVISION ORDER NUMBER 9750 DATED April 18, 1985

WITNESS or ATTEST:
(Sign Below)

_____

_____

_____

_____

_____

OWNERS:
(Sign Below)

_____

_____

_____

_____

SS or Tax No_____

23

MF-88352
Division order
4-26-85

DIVISION ORDER

(Oil and Casinghead Gas)

May 10, 19 85 ACU

TO: UNION OIL COMPANY OF CALIFORNIA
P.O. BOX 7620, SCHAUMBURG, IL 60196

Union 76 Division – Crude Oil Purchasing
Hereinafter called "Union"

2-2-906-550-00
LEASE NO. _____

The undersigned and each of them, certify, and warrant they are the legal owners in the proportions set out below of all the oil, and in the proceeds from casinghead gas produced from

Lincoln Rock Corporation's

L. R. Unit #1 farm described as:

SEE PROPERTY DESCRIPTION ON ATTACHED DIVISION ORDER SUPPLEMENT ATTACHED HERETO AND MADE A PART HEREOF

In Loving County, State of Texas and commencing at 7:00 A.M. *See below, subject to the provisions appearing on the reverse side hereof, which are binding upon the undersigned, hereinafter called Owners, their successors, legal representatives and assigns, Union hereinafter called Purchaser, is authorized to receive and purchase all oil produced therefrom, and until further written notice give credit and make payment for said oil, and for the proceeds from casinghead gas, as directed below:

CREDIT TO	DIVISION OF INTEREST	MAILING ADDRESS AND TAXPAYER ACCOUNT NO.
	THE DIVISION OF INTEREST APPLYING TO THIS DIVISION ORDER IS SET OUT IN SUPPLEMENTAL SCHEDULE "A" CONSISTING OF ONE (1) PAGE, ATTACHED HERETO AND MADE A PART HEREOF.	

*Effective date of first purchase

FEDERAL LAW REQUIRES IDENTIFICATION NUMBERS AS FOLLOWS: FOR INDIVIDUALS—SOCIAL SECURITY NUMBER, OR ACCOUNT NUMBER; FOR BUSINESS—EMPLOYER ACCOUNT NUMBER. Please type or print the appropriate number along with your correct mailing address. Corporate signatures must be attested and corporate seal affixed. The lease number in the upper right hand corner will be used with our checks to identify payment for production run from this property—PLEASE KEEP A RECORD OF IT.

ATTEST OR WITNESS TO SIGNATURES | **SIGNATURE OF INTEREST OWNER**

COPY
RETAIN FOR YOUR FILE

GLO Copy

DIVISION ORDER PROVISIONS

(Oil and Casinghead Gas)

The following provisions are parts of this division order and shall be binding on the signatories hereon, hereinafter called Owners, their successors, legal representatives and assigns:

(1) The oil received and purchased hereunder shall become the property of Union, hereinafter called Purchaser, and title to same shall pass to it as soon as the same is received and delivered to any carrier designated by the Purchaser.

(2) The oil received under this Division Order shall be paid for by the Purchaser to the party or parties entitled thereto, according to the division of interests shown hereon, either at (a) the price posted by Union for the same kind and quality of oil in the particular field in which it is received on the day on which it is received by the Purchaser into the custody of the designated carrier, or (b) if the oil is purchased by a nominee, the price to be paid shall be the same price received from such nominee, or (c) if the Purchaser does not post a price for such oil, the price to be paid shall be the price posted by any other purchaser of crude oil as chosen by purchaser or (d) the price paid shall be the price as otherwise mutually agreed by the parties; provided, the Purchaser is authorized to deduct from the applicable price under (a), (b) or (c), as the case may be, the transportation cost incurred and other charges where applicable. For the amount due on account of oil, and the proceeds from casinghead gas, received during each calendar month, payment shall be made during the next succeeding calendar month. Payments shall be made by checks mailed to the respective parties, at the addresses given, for the amount of such purchase due said parties respectively, less any taxes required by law to be deducted and paid by the Purchaser. At the option of the Purchaser, no payments shall be made to individual interest owners until the sum due on account of such interest shall amount to five dollars ($5.00) or more.

(3) This contract shall be subject to all laws, rules and regulations of the State or Federal Government or other regulatory body, whether subsequently determined to be valid or invalid, and the Purchaser shall not be liable for any acts done in compliance therewith.

Quantity and quality of the oil shall be determined in accordance with conditions specified in the price posting, or reference, applying hereto, if any, and any rules and regulations prescribed by any authorized commission or other legal authority of the State in which said lease is located, or prescribed by any agency of the Federal Government having jurisdiction.

Should all or any part of the land above described, or the production obtained from any formation underlynig same, become a part of a unit, then, with respect to each Owner who shall have accepted and agreed to the terms of the Unit Agreement, or who has had his interest therein pooled or unitized by governmental order, the Purchaser is authorized and directed to be governed by the terms of the Unit Agreement or order for the purpose of arriving at quantities to be credited to all or that part of the above tract, or the formation thereunder, included in said unit in lieu of actual runs therefrom.

(4) This contract shall continue in force for thirty (30) days and thereafter until terminated upon notice in accordance with this paragraph. It is agreed that after the expiration of said thirty (30) days from date hereof, this contract may be terminated by either party by giving thirty (30) days written notice of its purpose to terminate.

(5) Owners severally agree to promptly notify the Purchaser of any change in ownership or payment status and to furnish Purchaser with the original and one copy of the Purchaser's regular form of Transfer Order, a certified copy of the recorded deed or assignment or other document evidencing such change satisfactory to Purchaser. In the event such notice is not given, Owners agree to indemnify and hold Purchaser harmless from any damage, loss or expense that may result from any overpayment. Purchaser is hereby relieved of any responsibility for determining when any money or other payments has been increased, decreased, satisfied or discharged.

(6) Satisfactory abstracts or other evidence of title will be furnished to the purchaser at any time on demand. In the event of failure to furnish such evidence of title, or in the event of a claim, lien, dispute or suit concerning title, Purchaser may withhold the proceeds for all oil or casinghead gas received without being liable for interest on amount withheld, until indemnity satisfactory to the Purchaser has been furnished. Purchaser and any carrier transporting oil for the purchaser's account shall be indemnified and held harmless by Owner from any judgment, costs, loss or damage related to the interest of Owner in said property, including all costs and expenses incurred in Purchaser's defense. If due to a dispute, it becomes necessary for Purchaser to file an interpleader or declaratory action related to Owner's interest, such expenses of suit shall be paid by Owner.

(7) Where the proceeds of any oil or casinghead gas are retained hereunder, Owners agree to indemnify and hold the Purchaser harmless from any liability for any tax proposed or assessed against or paid on account of such retained proceeds, together with the penalties incident thereto; and the Purchaser may deduct same from any amount owing by it to Owners.

(8) This division order shall become valid and binding on each and every Owner herein named as soon as signed by him or her regardless of whether or not any of the other Owners herein named have so signed.

(9) This division order supersedes all former division orders given on the property described herein.

DIVISION ORDER SUPPLEMENT

Lease Number 2-2-906-550-00

CREDIT TO | DIVISION OF INTEREST | MAILING ADDRESS AND TAXPAYER ACCOUNT NO.

PROPERTY DESCRIPTION

DIVISION ORDER TITLE OPINION covering the L R Gas Unit comprised of Horizons from the surface to a depth of 11,500 feet beneath the surface of the following lands in LOVING, REEVES AND WARD COUNTIES, TEXAS:

Tract 1: Southwest 185 acres of Section 76, Block 33, H&TC Railway Company Survey, Loving and Ward Counties, Texas;

Tract 2: Southeasterly most 23 acres of Tract 1-D, Pecos River, Loving, Reeves and Ward Counties, Texas, as said tract is shown on the official map of Loving, Reeves and Ward Counties, Texas;

Tract 3: Southwest 112 acres of Section 77, Block 33, H&TC Railway Company Survey, Loving County, Texas, more particularly described as follows:

(a) Lots 43 and 44, containing 28.21 acres, more or less, more particularly described in Quitclaim Deed dated November 20, 1935, recorded Volume 14, page 377, Deed Records, Loving County, Texas, from Raymond Wilcox, et al, to George R. Wilcox;

(b) Lots 45 and 46, containing 27 acres, more or less, more particularly described in Quitclaim Deed dated November 20, 1935, recorded Volume 14, page 410, Deed Records, Loving County, Texas, from George R. Wilcox, et al to Wilard Burt Wilcox;

(c) Lot 47, containing 28.16 acres, more or less, more particularly described in Quitclaim Deed dated November 20, 1935, recorded Volume 14, page 408, Deed Records, Loving County, Texas, from George R. Wilcox, et al, to Chester M. Wilcox;

(d) Lot 48, containing 28.16 acres, more or less, described in Quitclaim Deed dated November 20, 1935, recorded Volume 14, page 409, Deed Records, from George R. Wilcox, et al, to Raymond A. Wilcox.

DIVISION ORDER SUPPLEMENT

Lease Number 2-2-906-550-00

CREDIT TO	DIVISION OF INTEREST	MAILING ADDRESS AND TAXPAYER ACCOUNT NO.
Commissioner of General Land Office of the State of Texas	.1625000 R.I.	
Louise Massingill	.0435548 R.I.	
Evelyn Carr	.0110351 R.I.	
Roberta Rouse and Polly Enloe, Jointly	.0110351 R.I.	
Larry R. Wollschlager	.0087544 O.R.I.	
Beaconfield Corporation	.1466562 W.I.	
Leonard G. Bisco	.1543750 W.I.	
Southern Mineral Corporation	.0771875 W.I.	
Teacle Enterprises, Inc.	.0077188 W.I.	
Brazos Petroleum Company	.1877578 W.I.	
Larry R. Wollschlager	.0617500 W.I.	
Thomas M. Lawson	.0150206 W.I.	
John W. Rahlfs	.0225309 W.I.	
Curtis L. Espy	.0300413 W.I.	
Joseph F. Ruda	.0225309 W.I.	
Franz Weis	.0075103 W.I.	
Enervest Company	.0300413 W.I.	

(24) MF-88352
Division order
5-28-85

1559

ASSIGNMENT

For value received, LARRY R. WOLLSCHLAGER, hereafter Assignor, does hereby assign and convey to the following Assignees, the respective percentage interests indicated:

Thomas M. Lawson ---------- 2%
1404 Community Lane
Midland, Texas 79701

Franz Weis ---------- 1%
5424 Basswood Circle
Midland, Texas 79707

Curtis L. Espy ---------- 4%
Suite 356, Mid-America Bldg.
Midland, Texas 79701

John W. Rahlfs ---------- 3%
P. O. Box 92
Midland, Texas 79702

Joseph F. Ruda ---------- 3%
1007 West Texas
Midland, Texas 79701

Enervest Company ---------- 4%
P. O. Box 212
Mentone, Texas 79754

in all interest of the original lessee in Oil and Gas Lease #88352, dated October 5, 1982, recorded Volume 66, page 214, Oil and Gas Lease Records, Loving County, Texas, and Volume 487, page 728, Deed Records, Ward County, Texas, from Bob Armstrong, Commissioner of the General Land Office of the State of Texas, lessor, to Beaconfield Corporation, lessee, insofar as said lease covers the following land in Loving and Ward Counties, Texas:

Southwest 185 acres of Section 76, Block 33,
H&TC Ry. Co. Survey;

each Assignee to acquire a like respective interest in the personal property used or obtained in connection therewith, but the interest in the lease and personal property herein assigned to be subject to that certain Pooling Agreement and Designation dated September 19, 1984, recorded Volume 74, page 197, Deed Records, Loving County, Texas, Volume 449, page 263, Deed Records, Reeves County, Texas, and Volume ____, page ____, Deed Records, Ward County, Texas, and to Operating Agreement dated July 1, 1983, between Lincoln Rock Corporation, as Operator, and Brazos Petroleum Company, et al, as Non-Operators.

Assignor reserves as an overriding royalty, free and clear of all costs of development and operation but subject to applicable taxes, 3% of 8/8 of the oil, gas and casinghead gas produced and marketed under the provisions of said lease, proportionately reduced to accord with the interests assigned herein.

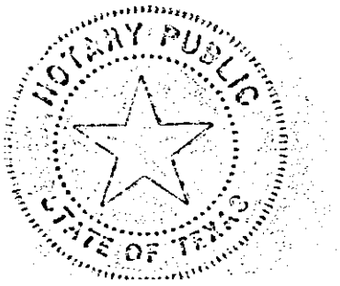
DATED this 18th day of March, 1985, effective date of first production.

Larry R. Wollschlager

THE STATE OF TEXAS)

COUNTY OF MIDLAND)

This instrument was acknowledged before me on the 20th day of March, 1985, by LARRY R. WOLLSCHLAGER.



Robbie Van

Notary Public, State of Texas
Notary's Name, Printed: Robbie Van
My Commission Expires: June 18, 1988

Filed for record on the 24 day of May ,A.D. 1985 at 11:00 o'clock A M.

Duly Recorded this the 28 day of May ,A.D. 1985 at 8:00 o'clock A M.

Instrument No. 1559

PAT V. FINLEY, County Clerk
Ward County, Texas

By /s/ KARAN GARDNER Deputy

****

STATE OF TEXAS)
)
COUNTY OF WARD)

I, PAT V. FINLEY, County Clerk, Ward County, Texas, hereby certify the foregoing to be a true and correct copy of instrument of writing as the same appears on file in my office and as recorded in the Assnt. Records of Ward County, Volume 510, Page 659-660, No. 1559.

TO CERTIFY WHICH, witness my hand and seal of office this 29 day of May, 1985.

PAT V. FINLEY, County Clerk
Ward County, Texas

By Karan Gardner Deputy
Karan Gardner

ASSIGNMENT

For value received, LARRY R. WOLLSCHLAGER, hereafter Assignor, does hereby assign and convey to the following Assignees, the respective percentage interests indicated:

Thomas M. Lawson ---------- 2%
1404 Community Lane
Midland, Texas 79701

Franz Weis ---------- 1%
5424 Basswood Circle
Midland, Texas 79707

Curtis L. Espy ---------- 4%
Suite 356, Mid-America Bldg.
Midland, Texas 79701

John W. Rahlfs ---------- 3%
P. O. Box 92
Midland, Texas 79702

Joseph F. Ruda ---------- 3%
1007 West Texas
Midland, Texas 79701

Enervest Company ---------- 4%
P. O. Box 212
Mentone, Texas 79754

in all interest of the original lessee in Oil and Gas Lease #88352, dated October 5, 1982, recorded Volume 66, page 214, Oil and Gas Lease Records, Loving County, Texas, and Volume 487, page 728, Deed Records, Ward County, Texas, from Bob Armstrong, Commissioner of the General Land Office of the State of Texas, lessor, to Beaconfield Corporation, lessee, insofar as said lease covers the following land in Loving and Ward Counties, Texas:

Southwest 185 acres of Section 76, Block 33,
H&TC Ry. Co. Survey;

each Assignee to acquire a like respective interest in the personal property used or obtained in connection therewith, but the interest in the lease and personal property herein assigned to be subject to that certain Pooling Agreement and Designation dated September 19, 1984, recorded Volume 74, page 197, Deed Records, Loving County, Texas, Volume 449, page 263, Deed Records, Reeves County, Texas, and Volume ____, page ____, Deed Records, Ward County, Texas, and to Operating Agreement dated July 1, 1983, between Lincoln Rock Corporation, as Operator, and Brazos Petroleum Company, et al, as Non-Operators.

Assignor reserves as an overriding royalty, free and clear of all costs of development and operation but subject to applicable taxes, 3% of 8/8 of the oil, gas and casinghead gas produced and marketed under the provisions of said lease, proportionately reduced to accord with the interests assigned herein.

DATED this 18th day of March, 1985, effective date of first production.

Larry R. Wollschlager

VOLUME 77, PAGE 318, O&GL

THE STATE OF TEXAS)

COUNTY OF MIDLAND)

This instrument was acknowledged before me on the 20th day of March, 1985, by LARRY R. WOLLSCHLAGER.



Robbie Van

Notary Public, State of Texas
Notary's Name, Printed: Robbie Van
My Commission Expires: June 18, 1988

FILE NO. 725

LARRY R. WOLLSCHLAGER

TO

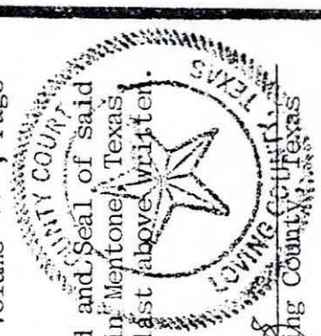
THOMAS M. LAWSON, FRANZ WEIS, CURTIS L. ESPY, JOHN W. RAHLFS, JOSEPH F. RUDA and ENERVEST COMPANY

FILING AND RECORDING CERTIFICATE

THE STATE OF TEXAS)
COUNTY OF LOVING)

I, Edna Dewees, Clerk of the County Court in and for said County, do hereby certify that the within instrument in writing, dated the 18th day of March, 1985, with its certification of authentication, was filed for record in my office this 17th day of May 1985 at 10:00 o'clock a. m. and recorded the 17th day of May 1985 at 2:00 o'clock p. m. in the OIL AND GAS LEASE Records of said County in Volume 77, Page 317.

WITNESS my Hand and Seal of said Court, at office in Mentone, Texas, on date and year last above written.



Edna Dewees

County Clerk, Loving County, Texas

Indexed:
Direct
Reverse

Fee: $ 5.50
(Add'l. Indexing)

FOR SALE BY STAFFORD-LOWDON CO. FORT WORTH 84633

E 503—CERTIFICATE OF TRUE COPY OF PAPERS RECORDED—Class 1. (Arts. 6600-6625-6634, R. S. 1925) Texas Standard Form

THE STATE OF TEXAS

County of LOVING }

I, Edna Dewees, Clerk of the County Court of Loving County, Texas, do hereby certify that the foregoing is a true and correct copy of the ~~original~~ ASSIGNMENT from LARRY R. WOLLSCHLAGER to THOMAS M. LAWSON, ET AL, dated March 18, 1985, filed for record May 17, 1985, File No. 725,

as the same appears of record in my office in book 77 page 317, Oil and Gas Lease Records.

Given under my Hand and Seal of said Court, at office in Mentone, Texas

this 20th day of May, 19 85.

Edna Dewees Clerk,

By ..... Deputy.

(25)

M 88352

Assignment

File dated 6-15-85

Garry Mauro, Commissioner

RECEIVED AS STATED
#25.00

DATE 6-15-85

Reg. No. 78569

GENERAL LAND OFFICE

6-12-92

Robbie L. Van
Complete Land Services
P. O. Box 8104
Midland, Texas 79708

108 Metro Bldg.
(915) 685-4153

3115 W. Michigan
(915) 694-8378

June 13, 1985

General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

171

Attn: Oil and Gas Division
Legal Department

Re: Assignments of State Fee Leases
M-90005; M-88352
Larry R. Wollschlager to Thomas M. Lawson et al
Loving, Ward and Reeves Counties, Texas

Dear Sir:

Enclosed herewith are certified copies of the above captioned assignments from each county listed and a check to cover the amount of filing for the State.

X50.00 78569

Sincerely,

Robbie Van

Robbie L. Van
Landman

RLV
Enclosures

(24)

F. 88352

CORRESPONDENCE FILE

To Lobbie L. Van

From

Dated 6-13-85

8.12.92

Garry Mauro
Commissioner
General Land Office

June 18, 1985

Mr. Robbie L. Van
P.O. Box 8104
Midland, Texas 79708

Re: Assignment of State Fee Lease
M-90005
Larry R. Wollschlager to Thomas M. Lawson, et al
Reeves, Loving and Ward Counties, TX

Assignment of State Fee Lease
M-88352
Larry R. Wollschlager to Thomas M. Lawson, et al
Loving and Ward Counties, TX

Dear Mr. Van:

The certified copies of assignments covering the captioned oil and gas leases have been filed in our records.

Your remittance of $50.00 has been applied as the required filing fees.

Sincerely,

Diana Dickson
Oil and Gas Section
Legal Services Division
512 475-4246

/dd

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

(87)

M. F. 88352

CORRESPONDENCE FILE

To Debbie L Van

From

Dated 6-18-85

BTA OIL PRODUCERS

GAS DIVISION ORDER NO. 8210-01

TO: BTA OIL PRODUCERS
104 South Pecos
Midland, Texas 79701
(hereinafter called "BTA")

Date: June 18, 1985

The undersigned, and each of us, certify and guarantee that we are the legal owners of, and hereby warrant title to our respective interest as set out below in all gas or casinghead gas produced from the BTA 8210 JV-P VERMEJO NO. 1 WELL located in Loving and Ward Counties, Texas, more particularly described as follows:

All that certain 643 acres of land comprising the 8210 JV-P Vermejo Gas Unit out of Sections 75 and 76, Block 33, H&TC Ry. Co Survey, as more particularly described in Exhibit "A" attached hereto and made a part hereof.

Effective as of date of first runs, BTA OIL PRODUCERS is hereby directed until further written notice, to disburse payment for gas proceeds to the payees shown below in accord with the designated division of interest of each payee. Said interests are subject to terms and provisions of Gas Purchase Contract dated October 4, 1984, between EL PASO HYDROCARBONS COMPANY, as Buyer, and BTA OIL PRODUCERS, as Seller.

OWNER NO.	PAYEE	% OF GROSS	ADDRESS
03302	* American Trading & Production Corporation Tax ID # _____	.214327% ORR	The Atrium Center 110 W. Louisiana, Suite 300 Midland, TX 79701
00215	* AMPECO 1979-2 Drilling Program Tax ID # _____	.014282% ORR	700 Abrams Centre 9330 LBJ Freeway Dallas, TX 75243-3404
00220	* APCOT-FINADEL Joint Venture Tax ID # _____	.243001% ORR	P. O. Box 2159 Dallas, TX 75221
03000	* AmQuest Corporation Tax ID # _____	.033774% ORR	700 Abrams Centre 9330 LBJ Freeway Dallas, TX 75243-3404
05425	Edwin N. Asmunn SS# _____	1.166407% RI	740 N. Greenbay Lake Forest, IL 60045
08200	H. R. Beachum, Jr. SS# _____	.656104% RI	427 Allison Drive Dallas, TX 75208
08203	Jerry Robert Beachum SS# _____	.328052% RI	1060 Kessler Parkway Dallas, TX 75208
08205	Larry Mahon Beachum SS# _____	.328052% RI	3058 Grayson Dallas, TX 75224
08210	Thomas Martin Beachum SS# _____	.218701% RI	20611 NE 37th Way Redmond, WA 98052
08215	W. B. Beachum SS# _____	.656104% RI	2011 Bryan Road Mission, TX 78572
08217	William Bernard Beachum, Jr. SS# _____	.218701% RI	129 Adeline Bellville, IL 62221
08225	* Beaconfield Corporation Tax ID # _____	.681182% ORR	P. O. Box 8438 Northfield, IL 60093
10607	Bravo Oil Company Tax ID # _____	5.624676% RI	P. O. Box 1319 Houston, TX 77251
11810	* Gary G. Burnett SS# _____	.048600% ORR	130 Spring Park Dr., #200 Midland, TX 79705

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YOU MAY KEEP THIS COPY
FOR YOUR RECORDS.

370	C. I. Buxton, II SS# _____	.388802% RI	129 E. Broadway Owatonna, MN 55060
11872	James Moore Buxton SS# _____	.388802% RI	380 Forrest Hills Drive NE Atlanta, GA 30342
14630	Albert F. Cleys SS# _____	.583204% RI	4515 Northwestern Ave. Chicago, IL 60625
14877	* Dalton H. Cobb SS# _____	.145801% ORR	307 One Marienfeld Place Midland, TX 79701
17295	DCM Oil & Gas Corporation Tax ID # _____	.121501% RI	P. O. Box 1715 Midland, TX 79702
17740	Kenneth R. Dean SS# _____	.048600% RI	3101 Haynes Drive Midland, TX 79701
17755	Joanne Jorgensen Deatrick SS# _____	.072900% RI	5531 Selkirk Dr. Huntington Beach, CA 92646
26439	* Barbara T. Fasken, Individually & Executrix u/w/o David Fasken, Dec'd	.087481% ORR	608 RepublicBank First National Building Midland, TX 79701-0608
27841 27842	* Felmont Oil Corporation Tax ID # _____	.583204% RI .194401% ORR	P. O. Box 2266 Midland, TX 79702
29116	* Ben J. Fortson SS# _____	.087481% ORR	3000 Texas American Bk. Bldg. Ft. Worth, TX 76102
32630	* Kenneth H. Griffin SS# _____	.048600% ORR	130 Spring Park Dr. #200 Midland, TX 79705
33626 33619	* Gulf Oil Corporation Tax ID # _____	.703085% RI 2.109253% ORR	P. O. Box 1150 Midland, TX 79702
37435	Horseshoe Oil & Gas Corporation Tax ID # _____	.121501% RI	P. O. Box 1715 Midland, TX 79702
37800	Hermon Pierce Hubbard SS# _____	.036450% RI	P. O. Box 67 Las Cruces, NM 88001
45885	Leon Jeffcoat SS# _____	.048600% RI	2408 Camarie Midland, TX 79705
46650	Alan Jochimsen SS# _____	.486003% RI	2402 Cimarron Midland, TX 79705
48515	Marguerite L. Kendall and Marjorie L. Hollingsworth as Joint Tenants with Full Rights of Survivorship SS# _____ SS# _____	.097201% RI	1116 W. Washington Blvd. Los Angeles, CA 90015
48530	Mary Louise Kennedy SS# _____	.583204% RI	7 Southview St., #208 Aurora, IL 60524
48680	Frances H. Kerr, Independent Executrix & Trustee u/w/o William L. Kerr, Dec'd. SS# _____	.072900% RI	P. O. Drawer 511 Midland, TX 79702
48679	Frances H. Kerr SS# _____	.036450% RI	P. O. Drawer 511 Midland, TX 79702
54615	* Paul J. Marko SS# _____	.021928% ORR	3219 High Sky Drive Midland, TX 79701
55565	Elizabeth McCrea SS# _____	.194401% RI	P. O. Box 1715 Midland, TX 79702
57292	Patricia Buxton Mills SS# _____	.388802% RI	7262 W. Portland Ave. Littleton, CO 80123

71301 71302	* Curtis Pool SS# _____	.340202% RI .072900% ORR	061 Mid America Bldg. Midland, TX 79701
81195	State of Texas	5.676516% RI	1700 N. Congress Ave. Austin, TX 78701
81790	Betty Lou Stutz SS# _____	.218701% RI	2121 N. Bryan Road Mission, TX 78572
82139	* Sun Exploration & Prod. Company Tax ID # _____	.218701% ORR	P. O. Box 1861 Midland, TX 79702
83025	* TXO Production Corporation Tax ID # _____	.729005% ORR	900 Wilco Bldg. Midland, TX 79701
84825	* # Tipperary Oil & Gas Company Tax ID # _____	.087481% ORR	500 W. Illinois Midland, TX 79701
95031	* Larry R. Wollschlager SS# _____	.145801% ORR	101 Metro Bldg. Midland, TX 79701
97247	* Marshall R. Young Oil Company Tax ID # _____	.036451% ORR	750 W. 5th St. Ft. Worth, TX 76102
97246	* Frank G. Young SS # _____	.036451% ORR	750 W. 5th St. Ft. Worth, TX 76102
97249	* William K. Young SS # _____	.036451% ORR	750 W. 5th St. Ft. Worth, TX 76102
	BTA Oil Producers Tax ID # [redacted]	74.318822% WI	104 South Pecos Midland, TX 79701
	TOTAL	100.000000%	

*NOTE: These overriding royalty interests are subject to change at payout.

#NOTE: The interest of Tipperary Oil & Gas Company is subject to a Deed of Trust dated March 30, 1984 in favor of RepublicBank First National Midland, Midland, Texas recorded in Volume 28, Page 757 of the Deed of Trust Records of Loving County, Texas. By execution of this division order RepublicBank First National Midland authorizes and directs BTA Oil Producers to pay the interest as credited above until further written notice.

The following are covenants and agreements and are part of the division order and shall be binding upon the undersigned and their respective heirs, devisees, administrators, executors, successors and assigns:

1. The undersigned severally agree that BTA is only required to disburse in the above set out proportions the amounts as reflected on the monthly gas settlement statements rendered by the purchaser. BTA is indemnified and held harmless for any inaccuracies that may be shown by purchaser's gas settlements. Further, BTA is not required to disburse more funds than are received from purchaser, and if at any settlement date the amount payable to any party hereunder shall be less than $5.00, BTA may withhold payment without interest and in lieu of monthly settlement, make payment annually.

2. The undersigned shall be given credit for their respective interests as to gas as set forth above at the price paid under and pursuant to the terms and provisions of the above described contract, and in the event of cancellation or termination of the above Gas Contract, then at the price paid by any purchaser or purchasers for said gas so sold, less compression, treating, dehydration and transportation expenses, if any, necessary to render said gas marketable at the place being sold and for the price being paid by purchaser or purchasers. It is understood that all laws or conditions imposed by the State or Federal regulatory agencies or commissions concerning taxation, impounding of funds, refunds or such other matters that have to do with the sale or conditions of sale or payment for sale of gas under existing contracts shall have precedence.

3. The undersigned severally agree to notify BTA in writing of any change in their ownership; and, no transfer of interest shall be binding on BTA until BTA is furnished a recorded instrument evidencing such Transfer or certified copy thereof, and BTA's regular form of Transfer Order is executed and returned to BTA. Regardless of the effective date of the instrument of conveyance, all transfers of interest shall be made effective as of 7:00 A.M. on the first day of a calendar month; and transfers shall not be made effective earlier than the first day of the calendar month in which said written notice is received.

4. If a refund of a portion of the proceeds derived from the sale of gas may be required under any order, rule or regulation of the FERC, the provisions of the Natural Gas Act or any successor regulatory or governmental body or action, BTA may hold without interest the portion of the proceeds subject to refund until indemnity satisfactory to BTA has been furnished, or until such refund obligation has been finally determined. If at any time a refund of a portion of the proceeds derived from the sale of gas which has been paid the undersigned is required under any order, rule or regulation of the FERC, the provisions of the Natural Gas Act or any successor regulatory or governmental body or action, BTA may recover said refund by deduction from future payments or, at BTA's discretion, may invoice the undersigned for that portion applicable to the undersigned's interest, plus the legal rate of interest BTA is required to pay applicable to the undersigned's portion of the refund.

5. When this division order as submitted by BTA is signed and returned to BTA by one or more of the owners herein named, it shall be binding upon BTA and upon him or them; and shall be binding upon and inure to the benefit of the heirs, successors in interest, legal representatives and assigns of the parties hereto. EH RS

Witnesses:

_____

_____

_____

_____

OWNERS:

The State of Texas

By: _____

_____

SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER

EXHIBIT "A"

Attached to a made a part of the BTA Oil Producers
Gas Division Order dated June 12, 1985 covering the
8210 JV-P Vermejo Gas Unit No. 1, Loving & Ward Counties, Texas

LAND DESCRIPTION OF UNIT AREA, ALL LANDS BEING LOCATED IN

BLOCK 33, H&TC RY CO. SURVEY, LOVING COUNTY, TEXAS:

Tract 1: The Southwest 57 acres of NE/2 NE/2 of Section 75, also described as the Southwest 57 acres of Lots 3 and 4 of Section 75, according to the Subdivision Plat recorded at Volume 2, Page 126, Deed Records of Loving County, Texas.

Tract 2: Lot 5 of Section 75, according to the Subdivision Plat recorded at Volume 2, Page 126, Deed Records of Loving County, Texas, containing 40 acres, more or less.

Tract 3: Lot 6 of Section 75, according to the Subdivision Plat recorded at Volume 2, Page 126, Deed Records of Loving County, Texas, containing 40 acres, more or less.

Tract 4: The N/4 of Lot 7 of Section 75, according to the Subdivision Plat recorded at Volume 2, Page 126, Deed Records of Loving County, Texas, containing 10 acres, more or less.

Tract 5: The W/4 of Lot 7 of Section 75, according to the Subdivision Plat recorded at Volume 2, Page 126, Deed Records of Loving County, Texas, containing 10 acres, more or less.

Tract 6: The SE/2 of Lot 7 of Section 75, according to the Subdivision Plat recorded at Volume 2, Page 126, Deed Records of Loving County, Texas, containing 20 acres, more or less.

Tract 7: Lot 8 of Section 75, according to the Subidivision Plat recorded at Volume 2, Page 126, Deed Records of Loving County, Texas, containing 40 acres, more or less.

Tract 8: NE/2 SW/2 Section 75, also described as Lots 9, 10, 11, and 12 of Section 75, according to the Subdivision Plat recorded at Volume 2, Page 126, Deed Records of Loving County, Texas, containing 160 acres, more or less.

Tract 9: The Southwest 146 acres of NE/2 Section 76.

Tract 10: All of Lots 9 and 10 and the NE/2 of Lots 11 and 12, of Section 76, according to the Subdivision Plat recorded at Volume 3, Page 618, Deed Records of Loving County, Texas, containing 120 acres, more or less.

Containing total Unit acres of 643, more or less.

Limited from the base of the Delaware Mountain Group, or 7,000' below the surface, whichever is deeper, down to 21,500' below the surface, or the base of the Ellenburger formation, whichever is deeper.

(28) MF-88352
Divisor circle
7-22-85

Tesoro Crude Oil Company
8700 Tesoro Drive
(512) 828-8484
San Antonio, Texas 78286

OIL AND LIQUID HYDROCARBON DIVISION ORDER

RETAIN THIS COPY FOR YOUR FILE

Operator BTA OIL PRODUCERS

Lease No. 623271

Lease Name 8210 JV-P Vermejo

Date July 2, 19 85

To: Tesoro Crude Oil Company
8700 Tesoro Drive
San Antonio, Texas 78286

Each of the undersigned, severaly but not jointly, guarantees and warrants that he, she or it is the legal owner of the respective interest shown hereunder opposite his, her or its name in the oil and liquid hydrocarbons (hereinafter in the aggregate referred to as "oil") produced from the following described lands situated in the

County of Loving, State of Texas, to wit:

All that certain 643 acres of land comprising the 8210 JV-P Vermejo Gas Unit out of Sections 75 and 76, Block 33, H&TC Ry. Co. Survey, as more particularly described in Exhibit "A: attached hereto and in Pooling Agreement recorded in Vol. 71, Page 297, Dedd Records of Loving County, Texas, limited from the base of the Delaware Mountain Group, or 7,000' below the surface, whichever is deeper, down to 71,500' below the surface, or the base of the Ellenburger Formation, whichever is deeper.

and that, effective with runs beginning First Runs, 19 85 at 7:00 A.M. and thereafter until further written notice, either from you or from the undersigned, you or your nominee are authorized to receive or sell the oil produced therefrom and to pay or credit the proceeds received by you therefor as directed below:

Owner No.	Name and Address	Ownership Interest	Type Interest

SEE ATTADHED EXHIBIT "A" WHICH IS BEING MADE A PART OF THIS INSTRUMENT

Each of the covenants on the reverse of this division order is a part of this division order and shall be binding upon each of the undersigned and his, her or its respective successors, assigns and legal representatives:

WITNESSES: (Each signature must have two witnesses and reflect their address)

OWNERS

S.S. No. or
Fed. I.D. No.

Form #18-001
Rev. 2/83

GCO COPY

1. Oil run in pursuance of this division order shall be and become your property upon delivery thereof to any pipe line or ther carrier which you may designate and then shall be credited to the owners thereof in proportion to the respective interest of each as shown hereinabove at the price to be determined as follows:

As Per Current Agreement With Operator

2. Payment shall be made monthly on or before the 20th day of the succeeding month (or when the 20th is on Sunday or an official holiday, the next available Tesoro workday) for oil run during the preceding calendar month by mailing or deliverying your draft or check to each of the aforesigned at his, her or its address indicated for his, her or its respective interest in the oil run. However, that you shall not be required to pay monthly to any owner whose accumulated production proceeds is not $25.00, and you may hold the proceeds of all oil runs attributable to such owner without interest and until such proceeds accumulate to $25.00 or more. Any accumulation less than $25.00 but more than $1.00 may be remitted annually.

3. Quantities and qualities of oil received hereunder from time to time shall be determined by the practice prevailing in the area in which the oil is produced and in accordance with the effective rules and regulations of the governmental agencies or commissions having recognized jurisdiction or control of the production and handling of crude oil in the area where produced. You or your nominee shall receive only such oil as in your exclusive opinion or in the exclusive opinion of your nominee is merchantable, and you or your nominee may require the owners of any well producing oil which, in your opinion, is unmerchantable to treat or render the same at the well owners' expense before you shall receive or accept it hereunder.

4. Each of the aforesigned agrees that any person, partnership or corporation to whom you may sell all or any part of the oil which you purchase hereunder may make payment to you for all of such oil purchased from you, and each agrees to look solely to you for payment of his, her or its interest in the oil which any such person, partnership or corporation is purchasing from you and which, in turn, you are purchasing hereunder. Each of the aforesigned agrees that, insofar as his, her or its respective interest is concerned, he, she or it will hold harmless any purchaser from you against any claim of any nature in connection with the purchase of such oil from you and the payment to you therefor.

5. Each of the aforesigned severally agrees to notify you in writing of any change of the ownership of his, her or its respective interest tabulated on the reverse and that his, her or its successors shall be bound by the terms hereof. Any and all transfers of interest will be made effective as of 7:00 A.M. on the 1st day of the calendar month preceding or following the giving of written notice to you of such transfer. Furnishing evidence of changes of ownership hereunder shall be accomplished by submitting to you a certified or photostatic copy of the recorded instrument effecting such change and by the transferor's and transferee's executing a transfer order adopting the terms and provisions of this division order.

6. You assume no responsibility for overpayment to any limited or determinable interest tabulated in this division order, and without liability you may continue payments to the parties on the reverse tabulated as the owners of any such limited or determinable amounts unless and until you are furnished a certified or photostatic copy of the recorded release terminating such limited or determinable interest.

7. Abstracts of title showing to your satisfaction title to the several interests on the reverse or other evidence of title satisfactory to you shall be furnished to you as of the effective date hereof and at any time thereafter when demanded by you. If such abstracts or other evidence of title are not furnished or in the event of a claim or controversy which in your opinion concerns title to any interest hereunder, you may hold without interest and without any liability the amount credited to the owner of each interest so involved until indemnity satisfactory to you has been furnished or until such claim or controversy is settled to your satisfaction.

8. Each of the aforesigned agrees to protect and indemnify you and/or your nominee from, against and for any loss or expense which you and/or your said nominee may suffer or sustain or become liable for by reason of your and/or your nominee's purchase, pursuant hereto, of said aforesigned's interest, as above set out, in said oil and the payment therefor to said aforesigned, regardless of how the same may arise and including (not to the exclusion of any causes not herein expressly set out) any one of the following: Any judgment rendered in an action or suit affecting the title to either the real property above described or the oil produced therefrom; all reasonable costs or expenses incurred in defending in such suit or action your position or that of your nominee receiving the oil; any claim or claims or judgment arising therefrom for any tax, State or Federal, which may be asserted by any taxing authority (State or Federal) against you or your nominee in connection with, incident to or in any manner related to any sum or sums of money held in suspense by you or either of you during the existence of any claim or controversy, as above provided.

9. You are hereby authorized and empowered to withhold from the proceeds of any and all runs made hereunder the amount of any tax, either State or Federal, placed thereon and to pay the same in behalf of each of the aforesigned severally.

10. This Division Order may be executed in counterparts, each of equal dignity, and shall become valid and binding upon each and every owner aforenamed as soon as signed by him, her or it, regardless of whether or not any of the other aforenamed or any other owners have to signed or do so sign it.

11. The obligations and commitments of each of the aforesigned are several and not joint and, as to each signatory, shall apply only to the interest herein represented as being owned by him, her or it. Each of the aforesigned adopts, ratifies and confirms the lease described on the reverse.

EXHIBIT "A"

DIVISION OF INTEREST 8210 JV-P VERMEJO LEASE # 623271

ID	NAME AND ADDRESS	CV #	DECIMAL INTEREST	
022871	AMQUEST CORPORATION P O BOX 740037 DALLAS TX 753740037		.0003377	WI ***
022874	AMPECO 1979-2 DRILLING PROGRAM 700 ABRAMS CENTER 9330 LBJ FREEWAY DALLAS TX 752433404		.0001428	WI ***
025425	AMERICAN TRADING AND PRODUCTION CORPORATION P O BOX 238 BALTIMORE MD 21203	00	.0021433	WI ***
030003	APCOT-FINADEL JOINT VENTURE P O BOX 2159 DALLAS TX 75221	00	.0024300	ORRI
036648	EDWIN N ASMUNN 740 N GREENBAY LAKE FOREST IL 60045		.0116641	RI
042582	B T A OIL PRODUCERS C/O FIRST NATL BANK OF MI FOR DEPOSIT BTA JOINT VEN PRODUCTION A/C 052-423-9 P O BOX 1599 MIDLAND TX 79702		.7431882	WI
060091	H R BEACHUM JR 427 ALLISON DRIVE DALLAS TX 75208		.0065610	RI
060095	JERRY ROBERT BEACHUM 1060 KESSLER PKWAY DALLAS TX 75208		.0032805	RI
060099	LARRY MAHON BEACHUM 3058 GRAYSON DALLAS TX 75224		.0032805	RI
060103	W B BEACHUM 2011 N BRYAN ROAD MISSION TX 78572		.0065610	RI
060107	WILLIAM BERNARD BEACHUM JR 129 ADELINE BELLVILLE IL 62221		.0021870	RI

EXHIBIT "A"

DIVISION OF INTEREST 8210 JV-P VERMEJO LEASE # 623271

ID	NAME AND ADDRESS	CV #	DECIMAL INTEREST	
060111	THOMAS MARTIN BEACHUM 20611 NE 37TH WAY REDMOND WA 98052		.0021870	RI
060174	BEACONFIELD CORPORATION BOX 8438 NORTHFIELD IL 60093		.0068118	ORRI
094550	BRAVO OIL COMPANY P O BOX 38258 SAN FRANCISCO CA 94138	00	.0562468	RI
109434	GARY G BURNETT C/O FIRST CITY NATL BK OF MIDLAND ATTN ENERGY DEPARTMENT P O BOX 2097 MIDLAND TX 79702		.0004860	ORRI
116053	JAMES MOORE BUXTON 380 FORREST HILL DR NE ATLANTA GA 30342		.0038881	RI
116057	C I BUXTON II 129 E BROADWAY OWATONNA MN 55060		.0038881	RI
162370	ALBERT F CLEYS 4515 NORTHWESTERN AVE CHICAGO IL 60625		.0058320	RI
166250	DALTON H COBB 310 WEST TEXAS SUITE 708 MIDLAND TX 79701		.0014580	ORRI
225254	KENNETH R DEAN 500 BLANKS BLDG MIDLAND TX 79701	00	.0004860	RI
225668	JOANNE JORGENSEN DEATRICK 5531 SELLKIRK DR HUNTINGTON BEACH CA 92600		.0007290	RI *
228958	DCM OIL AND GAS CORPORATION **ADDRESS REQUIRED**		.0012151	RI
280785	D FASKEN THE EST OF DAVID FASKEN, BARBARA T. FASKEN, INDIV.& AS IND. EXEC. 608 FIRST NAT'L BANK BLDG MIDLAND TX 79701	00	.0008748	WI ***

EXHIBIT "A"

DIVISION OF INTEREST 8210 JV-P VERMEJO LEASE # 623271

ID	NAME AND ADDRESS	CV #	DECIMAL INTEREST		
282310	FELMONT OIL CORPORATION SIX EAST 43RD STREET NEW YORK NY 10017	00	.0058320	RI	
282310	FELMONT OIL CORPORATION SIX EAST 43RD STREET NEW YORK NY 10017	00	.0019440	ORRI	***
306532	BEN FORTSON 3000 FORT WORTH NATL BK B FORT WORTH TX 76102	00	.0008748	WI	***
365152	KENNETH H GRIFFIN C/O FIRST CITY NATL BK OF MIDLAND ATTN: ENERGY DEPARTMENT P O BOX 2097 MIDLAND TX 79702		.0004860	ORRI	
371100	GULF OIL CORPORATION LOCK BOX 100579 HOUSTON TX 77212		.0070308	RI	
371100	GULF OIL CORPORATION LOCK BOX 100579 HOUSTON TX 77212		.0210925	ORRI	
434412	HORSESHOE OIL & GAS CORP P O BOX 870 SAN ANGELO TX 76902	00	.0012151	RI	
439734	HERMON PIERCE HUBBARD BOX 67 LAS CRUCES NM 88001		.0003645	RI	
464480	LEON JEFFCOAT 500 BLANK BLDG MIDLAND TX 79701	00	.0004860	RI	
465901	ALAN JOCHIMSEN 2402 CIMARRON MIDLAND TX 79705		.0048600	RI	
482808	MARGUERITE L KENDALL & MARJORIE L HOLLINGSWORTH AS JOINT TENANTS 1116 W WASHINGTON BLVD LOS ANGELES CA 90015		.0009720	RI	
483074	MARY LOUISE KENNEDY 7 SOUTHVIEW ST #208 AURORA IL 60524		.0058320	RI	

EXHIBIT "A"

DIVISION OF INTEREST 8210 JV-P VERMEJO LEASE # 623271

ID	NAME AND ADDRESS	CV #	DECIMAL INTEREST	
483559	FRANCES H KERR AS INDEP EXECUTRIX & TRUSTEE U/W/O WILLIAM L KERR DECEASED P O DRAWER 511 MIDLAND TX 79702		.0007290	RI
483563	FRANCES H KERR P O DRAWER 511 MIDLAND TX 79702		.0003645	RI
533595	ELIZABETH MCCREA P O BOX 1715 MIDLAND TX 79702		.0019441	RI
542662	PAUL J MARKO 310 W ILLINOIS #326 MIDLAND TX 79701	00	.0002193	ORRI
590204	PATRICIA BUXTON MILLS 7262 W PORTLAND AVE LITTLETON CO 80123		.0038881	RI
652646	CURTIS POOL 061 MID AMERICA BLVD MIDLAND TX 79701		.0034020	RI
652646	CURTIS POOL 061 MID AMERICA BLVD MIDLAND TX 79701		.0007290	ORRI
818890	STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OFFICE STEPHEN F AUSTIN BLDG 1700 NORTH CONGRESS AVE AUSTIN TX 78701		.0567652	RI
834456	BETTY LOU STUTZ 2121 N BRYAN ROAD MISSION TX 78572		.0021870	RI
836840	SUN EXPLORATION & PRODUCTION CO P O BOX 84638 DALLAS TX 75284	00	.0021870	WI ***
860902	T X O PRODUCTION CORP. P O BOX 84622 DALLAS TX 75284		.0072900	ORRI

EXHIBIT "A"

DIVISION OF INTEREST 8210 JV-P VERMEJO LEASE # 623271

ID	NAME AND ADDRESS	CV #	DECIMAL INTEREST	
871681	TIPPERARY OIL & GAS CORPORATION C/O HONDO PIPE LINE CO 8700 TESORO DRIVE SAN ANTONIO TX 78286		.0008748	WI ** ***
951296	LARRY R WOLLSCHLAGER 101 METRO BLDG MIDLAND TX 79701		.0014580	ORRI
965550	MARSHALL R YOUNG OIL CO 750 WEST FIFTH ST FT WORTH TX	00	.0003645	WI ***
965794	FRANK G YOUNG 750 WEST 5TH STREET FORT WORTH TX 76102	00	.0003645	WI ***
966432	WILLIAM K YOUNG 750 WEST 5TH STREET FORT WORTH TX 76102	00	.0003645	WI ***
TOTAL			1.0000000	

*This interest will remain in suspense pending receipt of a certified copy of the instrument pursuant to which Joanne Jorgensen Deatrick acquired her interest.

**It will be necessary for Republic Bank First National Midland to join with Tipperary Oil & Gas in the execution of the Division Order.

***Recordable assignments must be received prior to proceeds being paid. The assignments will reflect all referenced owners conveying to Felmont said ORI.

MF- 88352
Decision order

ASSIGNMENT OF OVERRIDING ROYALTY INTERESTS $100

STATE OF TEXAS)
) KNOW ALL MEN BY THESE PRESENTS:
COUNTIES OF LOVING)
AND WARD)

THAT, WHEREAS the undersigned BEACONFIELD CORPORATION, a Delaware Corporation, Box 8438, Northfield, Illinois 60093, hereinafter called "ASSIGNOR", is the lessee under those certain oil and gas leases set forth in Exhibit "A", attached hereto and incorporated herein by reference, hereinafter called "said Leases", and

WHEREAS by assignment dated the 20th day of September 1983, ASSIGNOR assigned, without warranty of title, either express or implied, TWENTY FIVE PERCENT (25%) of its right, title and interest in and to said Leases to Brazos Petroleum Company of Midland, Texas, excepting and reserving therefrom unto itself overriding royalties as follows:

A.) From Oil and Gas Lease No. 88351 set forth in Exhibit A hereto, an overriding royalty of TWO PERCENT OF TWENTY FIVE PERCENT (2% OF 25%), and,

B.) From Oil and Gas Lease No. 88352 set forth in Exhibit A hereto, an overriding royalty of THREE PERCENT OF TWENTY FIVE PERCENT (3% OF 25%)

of all oil and gas produced and saved from said leases, and

WHEREAS said assignment is recorded in Volume 70, Page 224, Oil and Gas Lease Records, Loving County, Texas, and in Book Number 497, Page 221, assignment Records, Ward County, Texas,

NOW THEREFORE, for and in consideration of the sum of TEN DOLLARS ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, ASSIGNOR does hereby SELL, ASSIGN, TRANSFER AND CONVEY unto Larry R. Wollschlager of 101 Metro Building, Midland, Texas, all of ASSIGNOR's right, title and interest in and to the overriding royalty interests aforesaid.

THIS ASSIGNMENT is made without warranty of title, either expressed or implied, and is subject to all of the terms and conditions of the assignment dated the 20th day of September 1983 to Brazos Petroleum Company and to the terms and conditions of said Leases.

ALL of the terms and provisions of this assignment shall be binding upon, and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, ASSIGNOR has executed this ASSIGNMENT this 21st day of September, 1983.

ATTEST:

BEACONFIELD CORPORATION

BEACONFIELD CORPORATION DELAWARE

Walter A. Bukunas Jr.
Secretary

By M C Carroll
President

STATE OF ILLINOIS)
)
COUNTY OF COOK)

BEFORE ME, the undersigned authority, on this day personally appeared Martin C. Carroll, known to me to be the person whose name is subscribed to the foregoing instrument, as President of Beaconfield 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 this 21st day of September, 1983.

Notary Public in and for the
State of Illinois

My commission expires August 1, 1987.

EXHIBIT A

Attached to and made a part of that certain ASSIGNMENT OF OVERRIDING ROYALTY INTERESTS dated the 21st day of September 1983, from BEACONFIELD CORPORATION to LARRY R. WOLLSCHLAGER.

OIL & GAS LEASE NO. 88351

Dated October 5, 1982, from General Land Office, State of Texas, lessor, to Beaconfield Corporation, lessee, recorded in Volume 66, Pages 220-224 Oil and Gas Lease Records, Loving County, Texas, and in Book 487, Pages 724-727, Deed Records, Ward County, Texas, covering the 440 acres described as all of Section 72 outside the Steelhead Unit, Block 33, H&TC Ry. Co. Survey, Loving and Ward Counties, Texas.

OIL & GAS LEASE NO. 88352

Dated October 5, 1982, from General Land Office, State of Texas, lessor, to Beaconfield Corporation, lessee, recorded in Volume 66, Pages 214-219, Oil and Gas Lease Records, Loving County, Texas, and in Book 487, Pages 728-732, Deed Records, Ward County, Texas, INSOFAR AND ONLY INSOFAR as said lease covers the SW 185 acres of Section 76, Block 33, H&TC Ry. Co. Survey, Loving and Ward Counties, Texas.

FILE NO. 1107

BEACONFIELD CORPORATION

TO

LARRY R. WOLLSCHLAGER

FILING AND RECORDING CERTIFICATE

THE STATE OF TEXAS)
COUNTY OF LOVING)

I, Edna Dewees, Clerk of the County Court in and for said County, do hereby certify that the within instrument in writing, dated the 21st day of September , 1983 , with its certification of authentication, was filed for record in my office this 29th day of July , 1985 at 10:00 o'clock a. m. and recorded the 29th day of July , 1985 at 2:00 o'clock p. m. in the OIL AND GAS LEASE Records of said County in Volume 78 , Page 267 .

WITNESS my Hand and Seal of said Court, at office in Mentone, Texas, on date and year last above written.

LOVING COUNTY, TEXAS

Edna Dewees

County Clerk, Loving County, Texas

Indexed: Fee: $ 7.00
Direct:
Reverse

FOR SALE BY STAFFORD-LOWDON CO. FORT WORTH 94103

E 503—CERTIFICATE OF TRUE COPY OF PAPERS RECORDED—Class 1. (Arts. 6600-6625-6634, R. S. 1925) Texas Standard Form

THE STATE OF TEXAS

County of LOVING

I, Edna Dewees, Clerk of the County Court of Loving County, Texas, do hereby certify that the foregoing is a true and correct copy of the original ASSIGNMENT OF OVERRIDING ROYALTY INTEREST from BEACONFIELD CORPORATION to LARRY R. WOLLSCHLAGER, dated September 21, 1983, as the same appears of record in my office in book 78 page 267, Oil & Gas Lease Records.

Given under my Hand and Seal of said Court, at office in Mentone, Texas this 29th day of July 1985.

Edna Dewees Clerk,

By Deputy.

2554

ASSIGNMENT OF OVERRIDING ROYALTY INTERESTS $100.00

STATE OF TEXAS)
) KNOW ALL MEN BY THESE PRESENTS:
COUNTIES OF LOVING)
AND WARD)

THAT, WHEREAS the undersigned BEACONFIELD CORPORATION, a Delaware Corporation, Box 8438, Northfield, Illinois 60093, hereinafter called "ASSIGNOR", is the lessee under those certain oil and gas leases set forth in Exhibit "A", attached hereto and incorporated herein by reference, hereinafter called "said Leases", and

WHEREAS by assignment dated the 20th day of September 1983, ASSIGNOR assigned, without warranty of title, either express or implied, TWENTY FIVE PERCENT (25%) of its right, title and interest in and to said Leases to Brazos Petroleum Company of Midland, Texas, excepting and reserving therefrom unto itself overriding royalties as follows:

A.) From Oil and Gas Lease No. 88351 set forth in Exhibit A hereto, an overriding royalty of TWO PERCENT OF TWENTY FIVE PERCENT (2% OF 25%), and,

B.) From Oil and Gas Lease No. 88352 set forth in Exhibit A hereto, an overriding royalty of THREE PERCENT OF TWENTY FIVE PERCENT (3% OF 25%)

of all oil and gas produced and saved from said leases, and

WHEREAS said assignment is recorded in Volume 70, Page 224, Oil and Gas Lease Records, Loving County, Texas, and in Book Number 497, Page 221, assignment Records, Ward County, Texas,

NOW THEREFORE, for and in consideration of the sum of TEN DOLLARS ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, ASSIGNOR does hereby SELL, ASSIGN, TRANSFER AND CONVEY unto Larry R. Wollschlager of 101 Metro Building, Midland, Texas, all of ASSIGNOR's right, title and interest in and to the overriding royalty interests aforesaid.

THIS ASSIGNMENT is made without warranty of title, either expressed or implied, and is subject to all of the terms and conditions of the assignment dated the 20th day of September 1983 to Brazos Petroleum Company and to the terms and conditions of said Leases.

ALL of the terms and provisions of this assignment shall be binding upon, and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, ASSIGNOR has executed this ASSIGNMENT this 21st day of September, 1983.

ATTEST: BEACONFIELD CORPORATION

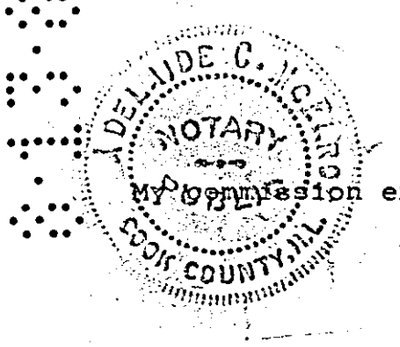
Walter A. Bukumm Jr.
Secretary

By M Caswell
President

STATE OF ILLINOIS)
)
COUNTY OF COOK)

BEFORE ME, the undersigned authority, on this day personally appeared Martin C. Carroll, known to me to be the person whose name is subscribed to the foregoing instrument, as President of Beaconfield 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 this 21st day of September, 1983.



Notary Public in and for the
State of Illinois

My commission expires August 1, 1987.

EXHIBIT A

Attached to and made a part of that certain ASSIGNMENT OF OVERRIDING ROYALTY INTERESTS dated the 21st day of September 1983, from BEACONFIELD CORPORATION to LARRY R. WOLLSCHLAGER.

OIL & GAS LEASE NO. 88351

Dated October 5, 1982, from General Land Office, State of Texas, lessor, to Beaconfield Corporation, lessee, recorded in Volume 66, Pages 220-224 Oil and Gas Lease Records, Loving County, Texas, and in Book 487, Pages 724-727, Deed Records, Ward County, Texas, covering the 440 acres described as all of Section 72 outside the Steelhead Unit, Block 33, H&TC Ry. Co. Survey, Loving and Ward Counties, Texas.

OIL & GAS LEASE NO. 88352

Dated October 5, 1982, from General Land Office, State of Texas, lessor, to Beaconfield Corporation, lessee, recorded in Volume 66, Pages 214-219, Oil and Gas Lease Records, Loving County, Texas, and in Book 487, Pages 728-732, Deed Records, Ward County, Texas, INSOFAR AND ONLY INSOFAR as said lease covers the SW 185 acres of Section 76, Block 33, H&TC Ry. Co. Survey, Loving and Ward Counties, Texas.

Filed for record on the 31 day of July ,A.D. 19 85 at 11:00 o'clock A M.

Duly Recorded this the 1 day of August ,A.D. 19 85 at 8:00 o'clock A M.

Instrument No. 2554

PAT V. FINLEY, County Clerk
Ward County, Texas

By /s/ KARAN GARDNER Deputy

****

STATE OF TEXAS)
)
COUNTY OF WARD)

I, PAT V. FINLEY, County Clerk, Ward County, Texas, hereby certify the foregoing to be a true and correct copy of instrument of writing as the same appears on file in my office and as recorded in the Assnt. Records of Ward County, Volume 515, Page 461-462, No. 2554.

TO CERTIFY WHICH, witness my hand and seal of office this 1 day of August, 19 85.

PAT V. FINLEY, County Clerk
Ward County, Texas

By Karan Gardner Deputy
Karan Gardner

(31)

M-88352

Assign. of Overriding Royalty

#25.00

8-13-85

92699

8-13-92

171
H.P.

Robbie L. Van
Complete Land Services
P. O. Box 8104
Midland, Texas 79708

108 Metro Bldg.
(915) 685-4158

3115 W. Michigan
(915) 694-8878

August 8, 1985

General Land Office
1700 North Congress
Stephen F. Austin Building
Austin, Texas 78701

Attn: Oil and Gas Division
Legal Section

Re: Assignment of State Lses
M-88351 and M-88352
Loving and Ward Counties, Texas

X -25.00 92699

Dear Sir:

Enclosed herewith are two copies of the above captioned Assignment from Ward and Loving Counties, Texas and a check in the amount of $25.00 to cover the cost of recording in the State records.

Due to circumstances beyond our control, we have just recently received said assignment and have diligently processed it for forwarding to your office (copies of correspondence to this effect are attached). Therefore, we should not be subject to any penelties.

Thank you and should you need anything further please so advise.

Sincerely,

Robbie Van

Robbie L. Van
Representative - Larry Wollschlager

RECEIVED
AUG 13 1985
LEGAL SERVICES DIVISION

RLV
Enclosures

M-88352

(32)

Letter from Bobbie K. Ulan

8-8-86

9-13-88

Tmp

SHUT-IN AFFIDAVIT

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

	Initial:	Date:
Affidavit Auditor	VLM	9-30-86
Comments:		
Exploration & Development	TP	12-9-86
Comments: Code 7		
Legal-Energy Resources		
Comments:		
Affidavit Auditor		
Comments:		

88352 185 acres $1850.00

90005 23 acres 230.00 min 20000

2080.00

In Primary Term until 4-3-87

121

SEP 15 REC'D

GENERAL LAND OFFICE LEASE NUMBER M- 88352 & M-90005

Operator Lincoln Rock Corporation

Lease Name L.R. Unit Field Wolf(Wolfcamp)

Description of Lease:
Unit 185 ac. of M-88352)
Area 23 ac. of M-90005) 208 ac.
112 ac. of other leases
Tract

Part SW Section 76 Block 33

Grantee H&TC RR Survey Acres 320 County Loving

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

Well # 1 Number Gas Zones Completed 1 Potential MCF/day 200

Barrels Liquid 5 condensate Date Shut-in July 1 ,1986
200 water

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? No
If not, explain under Remarks.

2. Name of ~~nearest~~ purchaser United Texas Transmission Company

3. Distance to nearest Gas Pipe Line Connected Price per MCF being offered $1.25 (6/01/86)

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: Low allowable (5 MCF/day) and low price ($1.25/MMBtu) do not provide a suitable market for operation of this well. Purchase of any gas often erratic.

Reg 70043
8-16-86
$2080.00
M88352 producing through 6-86

I certify that this statement is true and correct.

Lincoln Rock Corporation

By: Walter A. Backman Jr. Title Vice President

Sworn and subscribed to before me, the undersigned authority, on this 12th day of September, 1986

Notary Public in and for

Cook County, State of Ill.

G.L.O. use only

Receiving Stamp

GLO-RA-92(5-84)

M.F. No. _____

Affidavit and

Shut-in Gas Royalty Payment

For _____19__/_____19___

_____
Commissioner

Filed by_____
Clerk

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__ $_____.

LINCOLN ROCK CORPORATION
P.O. BOX 8438
NORTHFIELD, ILL.

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.

CHECK NO. 50223

INVOICE DATE	INVOICE NO.	DESCRIPTION		NET AMOUNT
08/14/86	121	L.R. Unit #1 Well, Shut-in Gas Royalty Shut-in Date: 7/01/86 Oil & Gas Lease No. 90005, 23 acres in unit Oil & Gas Lease No. 88352, 185 acres in unit	X 70043	$2,080.00

PERIOD ENDING	TOTAL EARNINGS	DEDUCTIONS				NET PAY
		F. I. C. A.	FEDERAL INCOME TAX WITHHELD	STATE INCOME TAX WITHHELD		

Garry Mauro
Commissioner
General Land Office

September 3, 1986

Lincoln Rock Corp.
Box 8438
Northfield, IL 60093

ATTENTION: Walter A. Beckman, Jr.

RE: State Lease M-88352 & 90005
L R Unit #1
Wolf Field
Loving & Ward Counties

Dear Mr. Beckman:

This will acknowledge receipt of your $2080.00 check for shut-in gas royalty for the above lease.

Please complete and return one copy of the enclosed shut-in gas affidavits within 30 days.

If the annual shut-in affidavit has already been forwarded, please disregard this request.

Sincerely,

Carl Liberty

Carl Liberty, Supervisor
Revenue Processing
(512) 463-5141

DLM/dm
Enclosures
Shut-in gas affidavits

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

LINCOLN ROCK CORPORATION

BOX 8438 NORTHFIELD, ILLINOIS 60093 TELEPHONE: 312/446-6414

JUL 10 REC'D

121

July 7, 1986

Garry Mauro, Commissioner
General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

Re: Lease Nos. M-88352 & M-90005
Pooled Unit: L. R. Unit #1
Loving & Ward Counties, Texas

Sir:

This is to advise that by the terms of the above referenced leases, the L. R. Unit #1 well, occupying a pooled unit which includes a portion of each lease tract, has been shut in due to a lack of a suitable gas market. The effective shut-in day was July 1, 1986.

Within the required 60 days after shut-in, Lincoln Rock will forward the shut-in gas royalty payment to maintain the leases in force and effect.

Very truly yours,

LINCOLN ROCK CORPORATION

Walter A. Beckman, Jr.

Walter A. Beckman, Jr.
Geologist

WAB:acm

(33) MF 88352

Lincoln Rock Corp

8-1-86 → 8-1-87

Shut In Payment

8/17

THE GENERAL LAND OFFICE OF THE STATE OF TEXAS

MEMO from
Nora Ochoa

Diane,

Don Petty forwarded this M/o. on a shut-in well. Do your records reflect that it is shut-in? Let me know what you find out.

Thanks,
Nora

WELL STATUS REPORT

OPERATOR Lincolin Rock Corp.

STATE LEASE NO. M-88352 FEE xx R.A.L. ____ FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE L. R. Unit #1 WELL NO. 1

FIELD NAME Wolf/Wolfcamp WILDCAT ____ COUNTY Loving

REPORT NO. 1 SPUD DATE ____ DRILLING DEPTH ____

COMPLETION DATE ____ TOTAL DEPTH ____

PERFS ____ 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL ____ GAS ____ D&A ____

REMARKS: Don, I talked to Lincolin Rock and Mr. Kelsey said they had permission from RRC & GLO to shut the well in. They have well shut-in and are paying shut in royalties.

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE August 8, 1986

GLO-ED-04-(1-82)

34

M. F. 88352

CORRESPONDENCE FILE

TO

Don Petty

FROM

DATED 8-17-86

PARTIAL ASSIGNMENT OF INTERESTS IN OIL AND GAS LEASE

STATE OF TEXAS)
)
COUNTIES OF LOVING)
AND WARD)

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS the undersigned BEACONFIELD CORPORATION, a Delaware corporation, P. O. Box 8438, Northfield, Illinois 60093, hereinafter called "ASSIGNOR", is the lessee under that certain oil and gas lease described as follows:

> Oil and Gas Lease No. 88352 dated the 5th day of October, 1982 from the General Land Office of the State of Texas, lessor, to Beaconfield Corporation, lessee, and recorded in Volume 66, Pages 214 through 218 of the Oil & Gas Lease Records of Loving County, Texas, and in Book Number 487, Pages 728 through 732 of the Deed Records of Ward County, Texas, hereinafter called "said lease", and

WHEREAS ASSIGNOR, by assignment dated the 10th day of January, 1985, assigned and conveyed to BTA Oil Producers, 104 South Pecos, Midland, Texas 79701, all of its right, title and interest in and to said lease INSOFAR AND ONLY INSOFAR as said lease covers the SW/146 Ac. of NE/pt. of H & TC Ry. Co. Survey No. 76, Block 33, Loving and Ward Counties, Texas, from the surface of the earth to a depth of 18,993 feet below the surface of the earth, said assignment hereinafter referred to as "the January 1985 BTA assignment", and

WHEREAS ASSIGNOR in the January 1985 BTA assignment reserved certain rights and interests unto itself, its successors and assigns, including an overriding royalty of THREE PERCENT OF EIGHT EIGHTHS (3.0% OF 8/8TH) of all oil and gas produced from or attributable to said lease, said overriding royalty covertible at payout at the sole option of ASSIGNOR to a ONE THIRD (1/3rd) working interest as more particularly set forth in the terms of that certain Farmout Agreement between ASSIGNOR and BTA Oil Producers dated June 22, 1983 as amended by conditional letter of acceptance dated July 14, 1983, said Farmout Agreement hereinafter referred to as "the June 1983 BTA Farmout Agreement",

NOW THEREFORE, for and in consideration of the sum of TEN DOLLARS ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, ASSIGNEE does hereby GRANT, BARGAIN, SELL, TRANSFER, ASSIGN and CONVEY unto Larry R. Wollschlager, 101 Metro Building, Midland, Texas 79701, hereinafter called "ASSIGNEE", an undivided ONE-HALF (1/2) interest in and to all rights and interests reserved by ASSIGNOR in the January 1985 BTA assignment.

THIS ASSIGNMENT is made without warranty or title, either expressed or implied, and is subject to all of the terms and provisions of said lease and of all assignments thereof prior to the date hereof, and to all the terms and provisions of the June 1983 BTA Farmout Agreement.

ALL of the provisions of this ASSIGNMENT shall be binding upon, and inure to the benefit of, the respective heirs, personal representatives, successors and assigns of ASSIGNOR and ASSIGNEE.

IN WITNESS WHEREOF the ASSIGNOR has executed this assignment this 11th day of January 1985, to be effective as of the 11th day of July, 1984.

BEACONFIELD CORPORATION

By _____
President

ATTEST:

_____
Secretary

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

THIS instrument was acknowledged before me on January 11, 1985 by Martin C. Carroll, President of BEACONFIELD CORPORATION, a Delaware corporation, on behalf of said corporation.

_____
Notary Public in and for the
State of Illinois

My commission expires August 1, 1987.

FILE NO. 637

BEACONFIELD CORPORATION

TO

LARRY R. WOLLSCHLAGER

FILING AND RECORDING CERTIFICATE

THE STATE OF TEXAS)
COUNTY OF LOVING)

I, Edna Dewees, Clerk of the County Court in and for said County, do hereby certify that the within instrument in writing, dated the 11th day of January , 1985 , with its certification of authentication, was filed for record in my office this 29th day of April , 1985 at 10:00 o'clock a . m. and recorded the 29th day of April , 1985 at 2:00 o'clock p . m. in the OIL AND GAS LEASE Records of said County in Volume 77 , Page 143 .

WITNESS my Hand and Seal of said Court, at office in Mentone, Texas, on date and year last above written.

_____
County Clerk, Loving County, Texas

Indexed:
Direct
Reverse

Fee: $ 5.00

(35)

M — 88-352 Partial Assignment

File dated 5/18/85

Garry Mauro, Commissioner

RECEIVED AS STATED

DATE 5/18/85

Reg. No. 87049449

4/23/87

GENERAL LAND OFFICE

FOR SALE BY STAFFORD-LOWDON CO. FORT WORTH 94639

E 503—CERTIFICATE OF TRUE COPY OF PAPERS RECORDED—Class 1. (Arts. 6600-6625-6634, R. S. 1925) Texas Standard Form

THE STATE OF TEXAS

County of LOVING }

I, Edna Dewees, Clerk of the County Court of Loving County, Texas, do hereby certify that the foregoing is a true and correct copy of the original PARTIAL ASSIGNMENT OF INTERESTS IN OIL AND GAS LEASE from BEACONFIELD CORPORATION to LARRY R. WOLLSCHLAGER, dated January 11, 1985, filed for record April 29, 1985, File No. 637, as the same appears of record in my office in book 77 page 143 of Oil & Gas Lease Records.

Given under my Hand and Seal of said Court, at office in Mentone, Texas this 29th day of April 1985.

Edna Dewees Clerk,

By ..... Deputy.

1363

PARTIAL ASSIGNMENT OF INTERESTS IN OIL AND GAS LEASE

STATE OF TEXAS)
)
COUNTIES OF LOVING)
AND WARD)

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS the undersigned BEACONFIELD CORPORATION, a Delaware corporation, P. O. Box 8438, Northfield, Illinois 60093, hereinafter called "ASSIGNOR", is the lessee under that certain oil and gas lease described as follows:

> Oil and Gas Lease No. 88352 dated the 5th day of October, 1982 from the General Land Office of the State of Texas, lessor, to Beaconfield Corporation, lessee, and recorded in Volume 66, Pages 214 through 218 of the Oil & Gas Lease Records of Loving County, Texas, and in Book Number 487, Pages 728 through 732 of the Deed Records of Ward County, Texas, hereinafter called "said lease", and

WHEREAS ASSIGNOR, by assignment dated the 10th day of January, 1985, assigned and conveyed to BTA Oil Producers, 104 South Pecos, Midland, Texas 79701, all of its right, title and interest in and to said lease INSOFAR AND ONLY INSOFAR as said lease covers the SW/146 Ac. of NE/pt. of H & TC Ry. Co. Survey No. 76, Block 33, Loving and Ward Counties, Texas, from the surface of the earth to a depth of 18,993 feet below the surface of the earth, said assignment hereinafter referred to as "the January 1985 BTA assignment", and

WHEREAS ASSIGNOR in the January 1985 BTA assignment reserved certain rights and interests unto itself, its successors and assigns, including an overriding royalty of THREE PERCENT OF EIGHT EIGHTHS (3.0% OF 8/8TH) of all oil and gas produced from or attributable to said lease, said overriding royalty covertible at payout at the sole option of ASSIGNOR to a ONE THIRD (1/3rd) working interest as more particularly set forth in the terms of that certain Farmout Agreement between ASSIGNOR and BTA Oil Producers dated June 22, 1983 as amended by conditional letter of acceptance dated July 14, 1983, said Farmout Agreement hereinafter referred to as "the June 1983 BTA Farmout Agreement",

NOW THEREFORE, for and in consideration of the sum of TEN DOLLARS ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, ASSIGNEE does hereby GRANT, BARGAIN, SELL, TRANSFER, ASSIGN and CONVEY unto Larry R. Wollschlager, 101 Metro Building, Midland, Texas 79701, hereinafter called "ASSIGNEE", an undivided ONE-HALF (1/2) interest in and to all rights and interests reserved by ASSIGNOR in the January 1985 BTA assignment.

THIS ASSIGNMENT is made without warranty or title, either expressed or implied, and is subject to all of the terms and provisions of said lease and of all assignments thereof prior to the date hereof, and to all the terms and provisions of the June 1983 BTA Farmout Agreement.

ALL of the provisions of this ASSIGNMENT shall be binding upon, and inure to the benefit of, the respective heirs, personal representatives, successors and assigns of ASSIGNOR and ASSIGNEE.

IN WITNESS WHEREOF the ASSIGNOR has executed this assignment this 11th day of January 1985, to be effective as of the 11th day of July, 1984.

BEACONFIELD CORPORATION

ATTEST:

Secretary

By _____
President

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

THIS instrument was acknowledged before me on January 11, 1985 by Martin C. Carroll, President of BEACONFIELD CORPORATION, a Delaware corporation, on behalf of said corporation.

Notary Public in and for the
State of Illinois

My commission expires August 1, 1987.

STATE OF TEXAS)(
COUNTY OF WARD)(

I, Pat V. Finley, County Clerk, Ward County, Texas, do hereby certify the foregoing to be a true and correct copy of

Partial Assnt. - Beaconfield Corp. to Larry R. Wollschlager

as the same appears on file in my office and as recorded in

Assnt. Record of Ward County.

Volume 510 Page 481-482 No. 1363.

TO CERTIFY WHICH Witness my hand and seal of office this

6 day of May, 19 85.

Pat V. Finley
County Clerk, Ward County, Texas

By: _____
Judy McGrew Deputy

(36)

M 88352
Parcel Assigned
File dated 5/18/85
Garry Mauro, Commissioner

RECEIVED AS STATED

DATE 5/18/85
Reg. No. 87042449
4/23/87

GENERAL LAND OFFICE

2-19-92

Robbie L. Van
Complete Land Services
P.O. Box 8104
Midland, Texas 79708

108 Metro Bldg.
(915) 685-4158

3115 W. Michigan
(915) 694-8378

171

May 16, 1985

General Land Office
1700 North Congress
Stephen F. Austin Building
Austin, Texas 78701

X 25-00 72143

Attn: Oil and Gas Division

Re: State Lse #M88352
Loving and Ward Counties, Texas

Dear Sir:

Enclosed herewith are two certified copies of an assignment of the above captioned Oil and Gas Lease covering acreage lying within Loving and Ward Counties, Texas.

Included also is a check in the amount of $25.00 to cover the cost of filing them in your office.

Should you need anything further, please advise.

Sincerely,

Robbie Van

Robbie L. Van
Landman

Larry R. Wolschlager

RLV
Enclosures

(BTA unit)

RECEIVED
MAY 20 1985
LEGAL SERVICES DIVISION

(37)

M. P. 88352

CORRESPONDENCE FILE

~~To~~ (Van Hobbie)

From

Dated 5/18/85

2-19-92

Garry Mauro
Commissioner
General Land Office

May 20, 1985

Mr. Robbie L. Van
103 Metro Bldg.
P.O. Box 8104
Midland, Texas 79708

Re: Partial Assignment of State Fee Lease
M-88352
Beaconfield Corporation to Larry R. Wollschlager
Loving and Ward Counties, TX

Dear Mr. Van:

Thank you for your recent letter covering the captioned oil and gas lease.

Before we can file the assignment, it will be necessary that you submit an additional $25.00 late filing fee. A late filing fee of $25.00 per instrument per lease affected is charged when a certified copy or the recorded original of an assignment is not received in the General Land Office within ninety days of its execution. If you have any questions, please call.

Sincerely,

Diana Dickson, Assistant
Oil and Gas Division
Legal Department
512 475-4246

/dd

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

M. F. 88352 (38)

CORRESPONDENCE FILE

To Robbie Van

~~From~~

Dated 5/20/85

88352
JK

121
8

TESORO

Tesoro Crude Oil Company

September 18, 1985

TO ALL INTEREST OWNERS:

RE: 8210 JV-P Vermejo
Lease #623271
Loving County, TX

Dear Interest Owner:

Tesoro has been advised by the Operator, BTA Oil Producers that the depth limitation in the JV-P Vermejo lease should be amended to cover depths from the base of the Delaware Mountain Group, or 7,000 feet below the surface, whichever is deeper, down to 17,022 feet below the surface.

Please retain this amended depth limitation for future references.

Sincerely,

Patricia Ann Cardenas

Patricia Ann Cardenas
Division Order Analyst

PAC/bml

8700 Tesoro Drive, San Antonio, Texas 78286 (512) 828-8484

38112 MF-88352
Ltr from Tesoro
Quee Oil Co.

9-16-85

3-30-92

Garry Mauro
Commissioner
General Land Office

March 3, 1987

Mr. Robbie L. Van
103 Metro Bldg.
P.O. Box 8104
Midland, Texas 79708

Re: Assignment of State Fee Leases M-88352
Beaconfield Corporation to Larry R. Wollschlager
Loving and Ward Counties, Texas

Dear Sirs:

On March 20, 1986 we wrote to you requesting that you submit $25.00 (copy of letter enclosed). As of this date you have not responded to our request.

Please be advised that under Natural Resources Code §52.176, "... if any lease is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquird under the permit or lease shall be subject to forfeiture by the Commissioner..." Your prompt attention to this matter will be appreciated.

Sincerely,

Jeannie R. Budd

Jeannie R. Budd
Oil & Gas Section
Legal Services
512/463-5160

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

Garry Mauro
Commissioner
General Land Office

March 20, 1986

Mr. Robbie L. Van
103 Metro Bldg.
P. O. Box 8104
Midland, Texas 79708

Re: Partial Assignment of State Fee Lease
M-88352
Beaconfield Corporation to Larry R. Wollschlager
Loving and Ward Counties, Texas

Dear Mr. Van:

On May 20, 1985, we wrote to you requesting that you submit $25.00 late filing fee (copy of letter enclosed). As of this date you have not responded to our request.

Please be advised that under Natural Resources Code §52.176, "... if any lease is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquird under the permit or lease shall be subject to forfeiture by the Commissioner..." If you have any questions, please call.

Sincerely,

Diana Dickson
Oil and Gas Section
Legal Services Division
512 463-5007

/dd

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

M. M. 68352 (39)

CORRESPONDENCE FILE

To Robbie Van

~~From~~

Dated 3/3/87

Dear Ms. Jeannie R. Budd X 25.00 87042449

It is beyond my control when a company gives me an assignment. I feel it is incorrect to penalize me for the untimelyness of an other party. In this case Beaconfield assigned to me my interest beyond the timelimit you refer too. How can I control this? They should be the ones to pay the fine. They have done this to me several times. What can I do?

171

Enclosed is a check for $25.

Sincerely yours

Larry Wollschlager

Larry Wollschlager

PUBLIC SERVICES DIVISION
APR 22 1987

Garry Mauro
Commissioner
General Land Office

M. F. 88352
CORRESPONDENCE FILE
To Robbie Van
From
Dated 4/23/87

March 3, 1987

Mr. Robbie L. Van
103 Metro Bldg.
P.O. Box 8104
Midland, Texas 79708

Re: Assignment of State Fee Leases M-88352
Beaconfield Corporation to Larry R. Wollschlager
Loving and Ward Counties, Texas

Dear Sirs:

On March 20, 1986 we wrote to you requesting that you submit $25.00 (copy of letter enclosed). As of this date you have not responded to our request.

Please be advised that under Natural Resources Code §52.176, "... if any lease is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquird under the permit or lease shall be subject to forfeiture by the Commissioner..." Your prompt attention to this matter will be appreciated.

Sincerely,

Jeannie R. Budd

Jeannie R. Budd
Oil & Gas Section
Legal Services
512/463-5160

Over

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

Garry Mauro
Commissioner
General Land Office

April 27, 1987

Mr. Robbie L. Van
103 Metro Bldg.
P.O. Box 8104
Midland, Texas 79708

Re: Assignment of State Lease M-88352
Loving and Ward Counties, Texas

Dear Mr. Van:

The certified copies of an assignments covering the captioned oil and gas lease has been filed in our records.

Your remittance of $25.00 has been applied as the required filing fee.

Sincerely,

Jeannie R. Budd
Oil & Gas Section
Legal Division
512/463-5160

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

(41)

M. P. 88352

CORRESPONDENCE FILE

To Robert Van

~~From~~

Dated 4/27/87

Garry Mauro
Commissioner
General Land Office

October 28, 1987

Lincoln Rock Corp.
1850 Oak Street
Winnetka, Il 60093

Re: State Lease M-90005, M-88352
L. R. Unit Lease
Loving and Reeves Counties, Tx.
Certified Article #000 000 060

Dear Gentlemen:

The shut-in payment of $2080. received in this office on August 8, 1987, for the captioned leases, was due August 1, 1987, and is therefore late. The leases have terminated as a result of this. You may receive a refund of the late shut-in payment by requesting such in letter to the attention of Diane Madison, in Room 880 at this address.

In addition, our records indicate that well #1 on the lease is unplugged. This well should be plugged as per Railroad Commission rules and regulations, and Railroad Commission form W-3 filed with this office. The General Land Office will actively oppose any actions to avoid or postpone compliance with these requirements.

At a future date, the General Land Office will review royalty payments made on this lease to determine whether or not royalty is owed to the state.

If you disagree with this asssessment, please contact me within 30 days at the address or telephone number listed below. If I have not heard from you by November 27, 1987, the files will be endorsed to show that the leases have terminated for the reason stated above.

Sincerely,

Tim Pittman

Tim Pittman, Geologist
Petroleum and Minerals Division
Texas General Land Office
(512) 463-5022

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

VM-8835 2

(42)

Letter to Lincoln Rock Corp

10-28-87

TP

10/87

TERMINATION WORKSHEET - CESSATION OF PRODUCTION

MINERAL FILE # m-88352 } unit m-90005 } INITIATING DIVISION Pam

INITIATOR TP DATE INITIATED 10-19-87

RRC Dist. # 8 Field Name Wolf (Wolfcamp)

RRC Lease # 110822 Current Operator Lincoln Rock Corp.

Is Tract Unitized? yes If unitized, copy and plat.

No. of unit acres 185 - m-88352 23 m-90005 No. of unit acres to be terminated 185+23 = 208

No. of non unit acres { 146 - in another unit Non unit acres to be terminated —

Comments 146 acres in m-88352 are in another unit which is active. Acres outside unit in m-90005 already expired.

Shut-in payment made late Date received _____ Amount 1850.

(2) GEOLOGY - Date Received 10-19 Date Forwarded 10-19 Geologist TP

Last mo/yr lease produced? 6-86

Do your W-1 files show new well locations? no

Do unposted W-1's show new well locations? no

If yes: Operator called? _____ Drilling started? _____

From Maps and W-1's - Current wells on lease:

Well #	RRC ID #	Status	Date	Well #	RRC ID #	Status	Date
1	110822	SI	7-1-86				

Comments and further action taken: terminate acreage in L.R. unit

Copy and attach production reports before forwarding to accounting.

(3) FIELD INSPECTIONS - Date Notified 10-19 Date Responded 10-23 Inspector W.A. White

BBLS stored oil 28 prinspec Lease equipment on site 3 210 Bbl tanks, heater treater, gas meter

See attached field lease termination worksheet for further comments.

(4) MANAGEMENT REVIEW - Approved _____ Disapproved _____ Date _____

(5) GEOLOGY - Date Received 10-23 Date Forwarded 10-23 Geologist TP

Date initial termination letter mailed 10-28-87

Date response due 11-28-87 Any response from operator? yes - referred to Legal

Date termination memo sent to Rental _____

Comments and further action terminate

(6) ACCOUNTING - Date Received _____ Date Forwarded _____ Accounts Examiner DLR

Is there any stored oil? yes Amount 48 bbls Value 672

Schedule prepared and attached? See Ltr dated 12-5-88

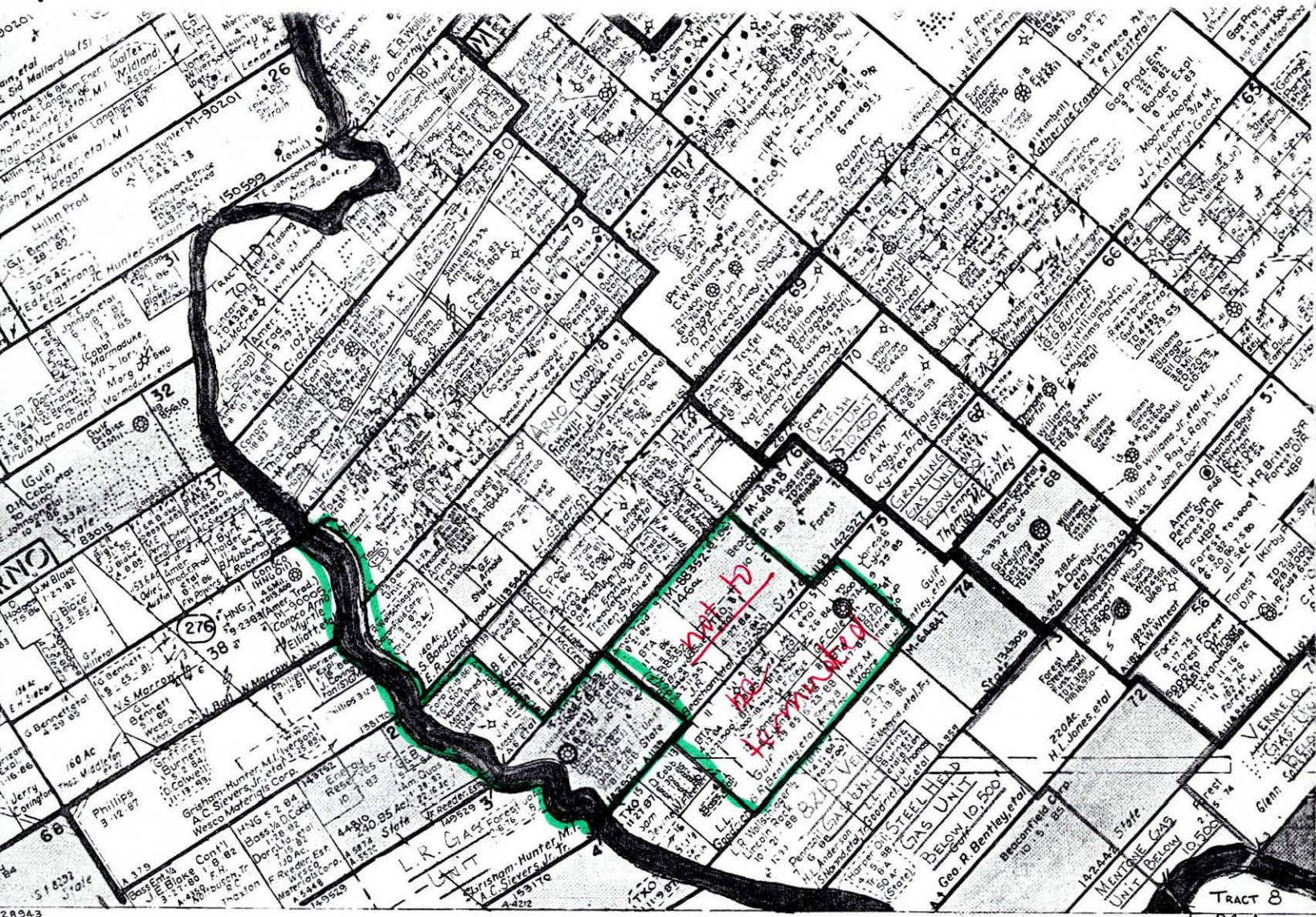
Outstanding royalties? yes Schedule prepared and attached? See Ltr dated 12-5-88

Total amount owed on this lease (including penalties): # 1401.88
See letter 11/1/89 New Royalty due $873.73

Date royalty due letter mailed _____

Date response due _____ Any response from operator? _____

Comments and further action Responded by Letter dated 5-11-89
48 bbls BS&W. No Royalty Due.



TRACT 8-A
50 Ac.
M-88881

LEGEND

- CO_2 Wells Not Shown
- Wildcat Below 5000' or Discovery
- Location
- Abandoned Producer
- Complete — Producing Oil
- Completed — Producing Gas
- Dry & Abandoned
- Fee Owner — *Slant Lettering*
- Lease Owner — Vertical Lettering
- State Highway (F.M.)
- State Highway
- U. S. Highway

Garry Mauro
Commissioner
General Land Office

088352 (04)
GLO MINERAL FILE 090005 (01)
COUNTY Loving RRC DIST. 08
Reeves
W. A. White
INSPECTOR

OPERATOR: Lincoln Rock Corp.
FIELD: Wolf/Wolfcamp
LEASE: L. R. Unit

GAGER/FOREMAN: Riley
PHONE NUMBER:

INITIAL INSPECTION
DATE: Oct. 22, 1987

FOLLOW UP INSPECTION
DATE:

WELL INFORMATION

WELL #	RRC#	STATUS (INITIAL)	STATUS (FOLLOW UP)
1	110822	Shut In	

TANK INFORMATION

TANK #	SIZE	BBLS OF OIL
3766	210 bbl.	1' 0"
3767	210 bbl.	1' 0"
None	210 bbl.	125 bbls. Water/Trace of oil (This tank is open top)

LEASE EQUIPMENT

STATUS (INITIAL)	STATUS (FOLLOW UP)	
		SEPARATORS
(3) 210 bbl.		TANKS
(1) Barton		METERS
(1) Stack-Pack		HEATER TREATERS
		LINE HEATERS
(1) Glycoil		REBOILERS (GCT)
		COMPRESSORS
		OTHER

LEASE CONDITIONS

		PITS
1		FLOWLINES
		ENCLOSURES
		PADS
		PLATFORMS
		JUNK
		TRASH
Alot of weeds		OTHER They have a salt water leak in the cellar & cellar running over--RRC Notified

COMMENTS: Tim, I also gave this information to Alexander since he had inspected last week.

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

M-88352 (43)

Termination Worksheet

10-29-87

TP

SHUT-IN AFFIDAVIT

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

	Initial:	Date:
Affidavit Auditor	OLM	8-10-87
Comments:		
Exploration & Development	TP	10-13-87
Comments:	no code - payment late	
Legal-Energy Resources	CMG	10-13-87
Comments:		
Affidavit Auditor		
Comments:		

GENERAL LAND OFFICE LEASE NUMBER M-88352 & M-90005

Operator Lincoln Rock Corporation

Lease Name L.R. Unit Field Wolf(Wolfcamp)

Description of Lease:
Unit 185 ac. of M-88352)
Area 23 ac. of M-90005) 208 ac. Tract
112 ac. of other leases

Part SW Section 76 Block 33

Grantee H&TC RR Survey Acres 320 County Loving

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

Well # 1 Number Gas Zones Completed 1 Potential MCF/day 5

Barrels Liquid 1/2 condensate Date Shut-in July 1 ,1986
12 water

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? No
If not, explain under Remarks.

2. Name of ~~nearest~~ purchaser United Texas Transmission Company

3. Distance to nearest Gas Pipe Line Connected Price per MCF being offered $1.40 less tax, transportation, compression, etc.

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: Water has encroached into the wellbore reducing the potential and necessitating remedial work. The currect spot market price quoted is not adequate to cover operating costs as the well stands and far from suitable for proceeding with well rework at this time.

Reg 61893
8-8-87
$2080.00 1850

I certify that this statement is true and correct.

Lincoln Rock Corporation

By: Walter A. Buckman Jr. Title Vice President

Sworn and subscribed to before me, the undersigned authority, on this 4th day of August, 1987

Adelaide C. McElroy

Notary Public in and for

Cook County, State of Ill.

"OFFICIAL SEAL"
Adelaide C. McElroy
Notary Public, State of Illinois
My Commission Expires 8/1/91

G.L.O. use only

Receiving Stamp

GLO-RA-92(5-84)

LINCOLN ROCK CORPORATION
P.O. BOX 8438
NORTHFIELD, ILL.

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.

12/4

CHECK NO.
53840

INVOICE DATE	INVOICE NO.	DESCRIPTION	NET AMOUNT
08/05/87		L.R. Unit #1 Well, Shut-in Gas Royalty Shut-in Date: 7/01/86 Oil & Gas Lease No. 90005, 23 acres in unit Oil & Gas Lease No. 88352, 185 acres in unit	87061893 $2,080.00

PERIOD ENDING	TOTAL EARNINGS	DEDUCTIONS				NET PAY
		F.I.C.A.	FEDERAL INCOME TAX WITHHELD	STATE INCOME TAX WITHHELD		

M-88352
Lincoln Rock 44.
8-8-87

LINCOLN ROCK CORPORATION
BOX 8438 NORTHFIELD, ILLINOIS 60093

CERTIFIED
P 237 199 610
MAIL

3 NOV 1987 PM

NOV 3'87

$1.75

Texas General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, TX 78701

Attention: Tim Pittman
Petroleum & Minerals Division

LINCOLN ROCK CORPORATION

BOX 8438 NORTHFIELD, ILLINOIS 60093 TELEPHONE: 312/446-6414

161

November 3, 1987

CERTIFIED MAIL P 237 199 610
RETURN RECEIPT REQUESTED

Texas General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

Attention: Tim Pittman
Petroleum & Minerals Division

Re: State Leases M-88352, M-90005
L.R. Unit
Loving & Reeves Counties, TX

Gentlemen:

In reply to your assessment of October 28, 1987 regarding the L.R. Unit covering portions only of the captioned leases, we agree with one item: a shut-in royalty payment was made eight days late. This was not an oversight nor was it intentional. It was the result of not reading correctly the lease terms: sixty days initially, thirty days in this particular case thereafter.

If you honestly feel this error in scheduling payment warrants the waste of a perfectly good wellbore, then so be it. We disagree with such thinking and expect the General Land Office to offer somewhat more consideration.

The intent was to maintain a commercial well in a shut-in, as-is status pending an improved gas market situation. It made no economic sense to rework a well before such market improvement and then shut it in with little likelihood of recovering the costs any time soon. We would hope to maintain the shut-in status.

Sincerely

LINCOLN ROCK CORPORATION

Walter A. Beckman, Jr.
Geologist

WAB/ms

45.

M 88352

ltr from Lincoln Rock Corp.

File dated 11-3-87

Garry Mauro, Commissioner

11.5.87

Larry R. Wollschlager
119 N. Colorado, Suite 101
Midland, Texas 79701

12-16-87

MIDLAND TEXAS PM
14 DEC
1987

EXPRESS MAIL
CONTACT YOUR POST OFFICE
USA 22

General Land Office
State of Texas
ATTN: Mr. C. Matthew Edling, Attorney
Oil and Gas Division
Stephen F. Austin Bldg., 1700 N. Congress Avenue
Austin, Texas 78701

LARRY R. WOLLSCHLAGER
Petroleum Geologist
119 N. Colorado, Suite 101
Midland, Texas 79701
(915) 685-0531

December 14, 1987



General Land Office
State of Texas
ATTN: Mr. C. Matthew Edling, Attorney
Oil and Gas Division
Stephen F. Austin Building
1700 N. Congress Avenue
Austin, Texas 78701

Re: L.R. Unit
Loving and Ward Counties, Texas

Dear Mr. Edling,

Reference is made to your November 20, 1987 letter to Lincoln Rock Corporation (LRC). As I indicated to you in our phone conversation, I am an interested party as I have a working interest in said property, and I operate in this area as Wolf Energy. When I was contacted by LRC through their letter dated November 4, 1987 indicating they wished to plug this well, I objected, as it should be a commercial well. I indicated to LRC that I would like the opportunity to take over operations. It was then I was informed of a controversy between the State of Texas and LRC over the lease and its possible termination. After carefully reviewing the situation I would like to request the State of Texas accept the shut-in royalties for the following reasons.

Reference is also made to a difference in expected or calculated royalty. Under the "Shut-in Royalties" clause it states "....Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease, but not less than $1,200.00 a year for each well..." It does not say "each lease" thus the amounts remitted by LRC would be sufficient.

Furthermore, said lease also goes on to say "... and after that if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four additional and successive periods of one year by paying the same amount each year ..." The State did accept a shut-in royalty in July 1986; therefore, they should advise of a mistake if any or accept is as lease terms indicate.

In addition, this lease was taken April 3, 1984 for a term of three years, which would bring it to April 1987. Shut-in royalties were paid in July 1986 for 208 acres at twice the rental for a total of $2,080.00. This amount is either twice what the rentals call for or it was paid nine months too early. The lease would still be valid by its own terms.

With respect to clause number 17, "Forfeiture", "if a Lessee shall fail ... to make the payment of any sum within thirty days after it becomes due, ... the rights acquired under this lease shall be subject to forfeiture by the Commissioner..."

One of the significant problems facing the operator of this well is that the well is located basically in a "land locked" situation which has presented a real problem of marketing the gas. To the South lies the Pecos River (one of the leases within this unit is State lease #M90005 which is "river bed tract #180). Numerous land tracts to the West where low pressure gas lines exist are under the control of land owners using Finley and Scoggins, Attorneys-at-Law, to extract hugh sums of monies from producers. LRC could not justify the demands made by Finley and Scoggins. Thus, LRC was forced to connect its well to a high pressure line operated by Valero. Rulings by governmental authorities have allowed companies such as Valero to adjust this gas take down to almost nothing, which was the case as soon as the well was connected. Valero indicated they needed no gas; therefore, we were virtually shut-in.

I feel these numerous factors were beyond the operator's control and should be considered as Force Majeure. The General Land Office should support the Lessee's contention and not find him liable for damages for failure to comply and extend the lease for such a period of time as to allow other possible alternatives to produce this well and find a suitable market.

Lincoln Rock Corporation did act in good faith and as a diligent operator by evaluating the present economical situation and attempting to wait until market conditions improved. With this in mind they offered to the State of Texas certain shut-in royalties which the State accepted approximately one year ago.

Gentlemen, I am presently attempting to negotiate with Phillips 66 Gas Company to take the gas. It appears a four mile stretch of pipeline would have to be laid. Some of the other working interest partners, who live in Mentone, Texas near the well's location, are trying to find ways to get easements so the line can be laid. Valero has indicated they would not compress our gas; thus, we can get a release from them if Phillips cooperates.

Should this well be plugged prematurely, it would result in waste, and the State would receive nothing as would the Texans who invested good, hard earned money into this well. If the State agreed that a Force Majeure type circumstance occurred; that the Lessee is in compliance; and rule the lease valid then I would attempt within one year to obtain the operations of this well, get the necessary easements, lie the four miles or so of pipeline, obtain a new gas contract, and produce this well. If I cannot do this within

one year, I would gladly plug the well.

Thank you very much for your cooperation and consideration. I anxiously await your approval of this request.

Sincerely,

Larry R. Wollschlager

LRW/rlv

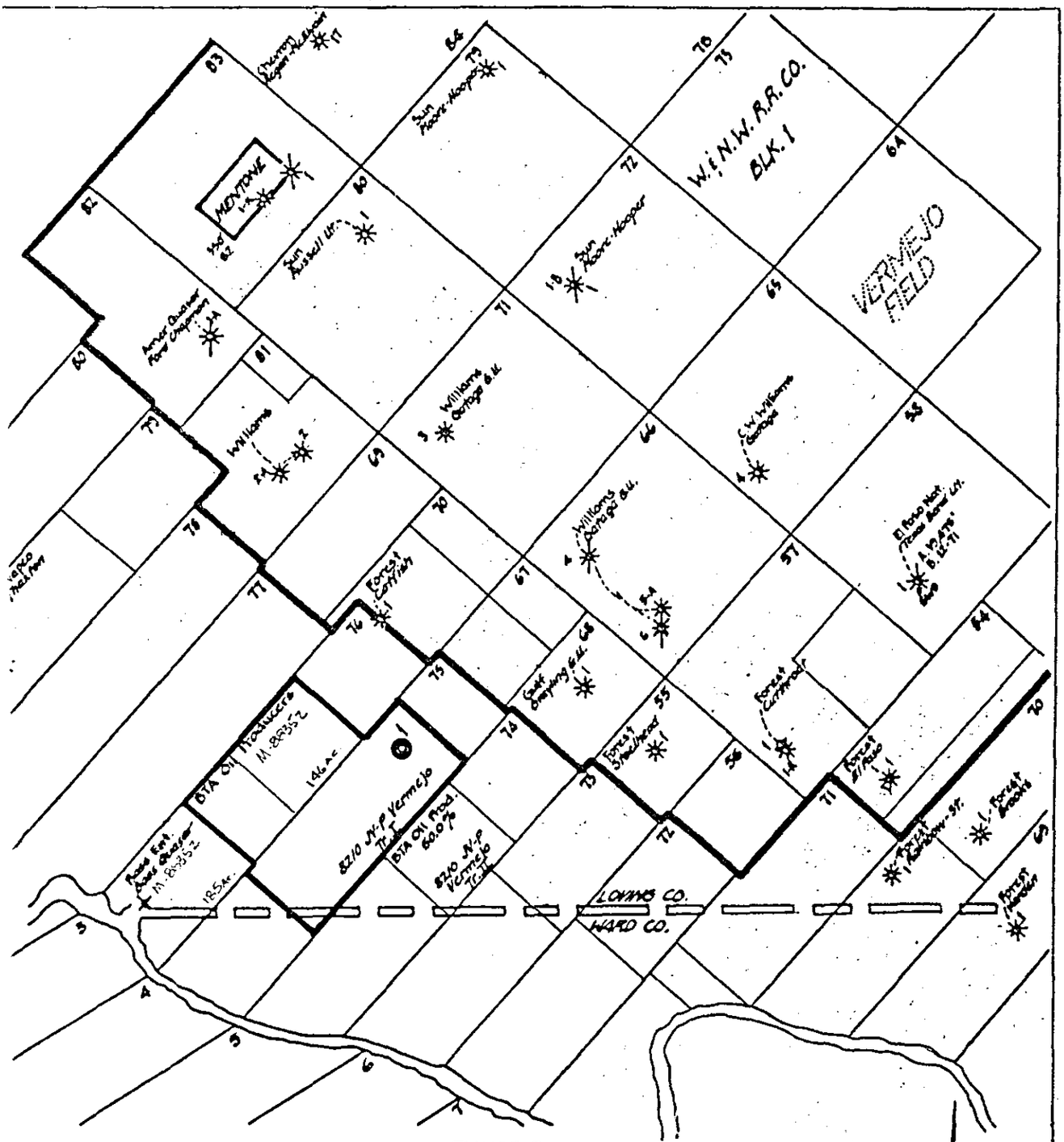


FIGURE 2

BTA OIL PRODUCERS

8210 JV-P VERMEJO

LOVING & WARD CO's TEXAS

LEGEND

- ◎ PROPOSED DRILLSITE
- • Drilling Well
- ✳ Gas Producer
- ✳ Abandoned Gas Producer
- ✦ Dry Hole
- ✳ Saltwater Disposal Well

Note: Only Wells Penetrating the Fusselman are Shown.

Date:
Scale: 1" = 4000'
By: K.B. & L.D.S.
Drawn by: G.J., 10-11-83

BTA OIL PRODUCERS, MIDLAND, TEXAS

Re. M 88352

ltr from. L.K. Wollschlager

File dated 12-14-87

Garry Mauro, Commissioner

Garry Mauro
Commissioner
General Land Office

November 20, 1987

Lincoln Rock Corporation
Box 8438
Northfield, Illinois 60093

Attn: Mr. Walter A. Beckman, Jr.

Re: State Lease M-88352 and M-90005
L.R. Unit
Loving and Reeves Counties, Texas

Sir:

Your letter of November 3, 1987, to Tim Pittman has been referred to me for a response.

The history of the subject leases reflects that the well was shut-in July 1, 1986, and a payment was made to hold the subject shut-in leases for a term from August 1, 1986, to August 1, 1987. A second payment was made on August 8, 1987. The leases provide as follows:

> "Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease but not less that $1,200.00 a year for each well capable of producing oil or gas in paying quantities; if the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term or from the first day of the month next succeeding the month in which production ceased and after that if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four additional and successive periods of one year by paying the same amount each year on or before the expiration of the extended term;..."

The significance of the clause quoted above becomes apparent when you consider the nature of the interest created. Texas law has been settled for decades that an oil and gas lease creates a fee simple determinable with the possibility of reverter retained by

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

the lessor. The most significant portion of the clause is that which states that "...if the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease..." So, payment of a shut-in royalty is actually a substitute for production. Therefore, when there is a gap between the period of time that the well ceases to be held by the initial payment of a shut-in royalty and the next payment the well is considered to have ceased production.

While we regret any difficulty in your understanding of the shut-in clause, this office unfortunately is not in a position to consider terms outside the shut-in clause. The clause is set by statute, and nothing will excuse the failure to comply literally with the clause in the absence of an express stipulation to the contrary contained in the lease. Strict and literal compliance is necessary. Substantial compliance is insufficient.

You have already recognized that late payment of the shut-in has been made. The check in the amount of $2,080.00 submitted as shut-in payment is also insufficient. The clause quoted above requires that the amount of the shut-in be double the amount of the annual delay rental provided in the lease but not less than $1,200.00 a year. The amount of the annual delay rental in each lease is $5.00 per acre. Therefore, for State Lease M-88352 with 185 acres included in the unit, the shut-in payment would have been $1,850.00. The amount for State Lease M-90005 with 23 acres in the unit would have been $1,200.00. The total amount of $3,050.00 is at considerable variance with your check in the amount of $2,080.00.

Again, it is regrettable that such a result must ensue from a misunderstanding of the terms of the lease. The leases, however, have nevertheless terminated under their own terms, unless, of course, you are able to show that the subject leases have been maintained under some other provision thereof.

If you can show that the subject leases have been maintained through some other provision contained therein, please contact me immediately.

Very truly yours,

C. Matthew Edling

C. Matthew Edling, Attorney
Legal Division
Oil and Gas Section
(512) 463-5007

CME/clk

47. M 88352

Ltr from to Lincoln Rock

File dated 11-20-87

Garry Mauro, Commissioner

Garry Mauro
Commissioner
General Land Office

January 21, 1988

Mr. Larry R. Wollschlager
Petroleum Geologist
119 N. Colorado, Suite 101
Midland, Texas 79701

Re: State Lease Nos. M-88352 and M-90005
L.R. Unit No. 1
Loving and Ward Counties, Texas

Dear Mr. Wollschlager:

I have conducted an extensive examination of the arguments presented in your letter to me dated December 14, 1987. In response thereto, please permit me to digress a bit to the time of the first payment of shut-in royalty.

By letter dated July 7, 1986, and received in this office on July 10, 1986, Walter A. Beckman, Jr., geologist with Lincoln Rock Corporation notified this office that the L.R. Unit No. 1 Well was shut-in on July 1, 1986, and that within the required sixty (60) days after shut-in, Lincoln Rock Corporation would be forwarding the shut-in gas royalty payment to maintain State Lease Nos. M-88352 and M-90005 in force and effect. A check in the amount of $2,080.00 was received from Lincoln Rock Corporation in this office on August 16, 1986, well within the sixty (60) day time period from the July 1, 1986, date of shut-in.

Pursuant to paragraph 10 of State Lease No. M-88352 a shut-in royalty was due in the amount of the greater of either double the annual rental provided for in the lease or $1,200.00. Since 185 acres from said lease was included in the subject unit, a shut-in royalty in the amount of $1,850.00 was due on or before sixty (60) days from July 7, 1986. However, since State Lease No. M-90005 was still in its primary term, no shut-in royalty was required to be paid. Therefore, the payment from Lincoln Rock Corporation in the amount of $2,080.00 was an overpayment of shut-in royalties by the amount of $230.00. The payment of shut-in royalty held State Lease No. M-88352 for the one (1) year term beginning August 1, 1986. The payment of $230.00 was credited to the account of Lessee for State Lease No. M-90005.

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

Now, since State Lease No. M-90005 was still in its primary term, a shut-in royalty pursuant to paragraph 10 of said lease would have been due before the expiration of the primary term thereof, or, prior to April 3, 1987. The amount of the shut-in royalty due on State Lease No. M-90005 would be an amount equal to double the annual rental provided for the lease, but not less than $1,200.00 a year for each well capable of producing. Since there was one well producing in the unit to which land covered by the subject lease was included, a payment of $1,200.00 attributable to State Lease No. M-90005 should have been made on or before April 3, 1987.

If Lincoln Rock Corporation wished to maintain the well in a shut-in status, another payment of shut-in royalty in the amount of $1,850.00 attributable to State Lease No. M-88352 should have been received by the General Land Office on or before August 1, 1987.

A second payment of shut-in royalty in the amount of $2,080.00 by Lincoln Rock Corporation was made on the subject unit and received by this office on August 8, 1987.

You argue in paragraph 2 of your letter that the amount remitted by Lincoln Rock Corporation should be sufficient because the shut-in royalty clause provides that "...Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease, but not less than $1,200.00 a year for each well...", and that it does not say "each lease". Please understand, however, that both leases require payment of a shut-in royalty for each well. Each lease must be read as to its own particular terms. Therefore, and in any event, the payment of shut-in royalties on August 8, 1987, were insufficient and late.

You go on to argue in paragraph 3 of your letter that the State accepted a shut-in royalty in July of 1986, and that, therefore, the State should advise of a mistake made or accept the shut-in royalty. It appears that you are making an argument that the State has effectively ratified the subject leases by accepting the benefits of payment of shut-in or oil and gas royalty due under the terms thereof, and now is estopped to claim that the lease has terminated for failure to timely pay shut-in royalties.

While the retention of benefits of unauthorized acts may effect a ratification of those acts under some circumstances, this cannot be applied against the State. The Supreme Court of Texas has found that the administration of the Public Free School Lands is a governmental function against which the doctrine of equitable estoppel does not apply. The acts or conduct of State officers

or employees cannot estop the State from asserting the invalidity of the lease, even though lease benefits were retained. It therefore follows that if the retention of benefits does not estop the State, the same conduct cannot be used as a basis for asserting that the lease was ratified. Therefore, your contention that the acceptance of lease benefits alone constitutes ratification of the lease is without merit.

Regarding paragraph 5 of your letter referring to clause number 17 of the State lease entitled "Forfeiture", it should be noted that this paragraph refers only to material covenants in the lease, not to conditions such as payment of shut-in royalties and payment of delay rentals. Failure to pay shut-in royalties or delay rentals do not subject a lease to forfeiture, but render the lease terminated ipso facto.

Now, Mr. Wollschlager, regarding your request for recognition of facts constituting force majeure, I can sympathize with problems inherent to conducting business, and the necessity, perhaps, of avoiding the "extractions" of Finley and Scoggins, attorneys at law, however, I cannot determine from the facts submitted that lessee has been prevented from complying with any covenant of this lease, from conducting drilling operations, or from producing oil or gas therefrom, by reason of war, rebellion, riots, strikes, acts of God, or other rule, order, or regulation of governmental authority, as required under the force majeure clause.

While I would like to help you maintain the validity of the lease, there appears to be no legal basis to do so. It appears that the leases have terminated as to the subject unit under their own terms.

You may apply to receive a refund of the late shut-in payments by requesting same in a letter to the attention of Diane Madison in Room 640 at this address.

Sincerely,

C. Matthew Edling

C. Matthew Edling, Attorney
Legal Division
Oil and Gas Section
(512) 463-5012

CME/clk

M-88352

Letter to Larry R. Wolbschlager
1-21-88

M-88352

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

161

FORM W-3A
Rev. 1/1/83
483-024

Type or print only

Notice of Intention to Plug and Abandon

Operators must comply with RRC plugging procedures as outlined on the reverse side.

1. Operator's Name and Address (Exactly as shown on Form P-5, Organization Report)

Lincoln Rock Corporation
P. O. Box 1934
Ardmore, Oklahoma 73402

2. RRC Operator Number 500850

3. RRC District No. 08

4. County of Well Site Loving

5. API No. 42-301-30051

6. Drilling Permit No. 223548

7. Rule 37 Case No.

8. Oil Lease No. or Gas Well ID No. 110822

9. Well No. 1

10. Field Name (Exactly as shown on RRC records) Wolf (Wolfcamp)

11. Lease Name L. R. UNIT

12. Location
- Section No. 76 Block No. 33 Survey H&T R.R. Survey No. ____ Abstract No. A-
- Distance (in miles) and direction from a nearby town in this county (name the town). 4 mi. SW of Mentone

13. Type of well
1 - oil 3 - disposal 5 - other (specify) ____
2 - gas 4 - injection Enter appropriate no. in box ▶ [2]

14. Type of completion
Single [X] Multiple [ ]

15. Total depth
Re-Entry
P.B.TD 11,068

16. Usable-quality water strata (as determined by Texas Dept. of Water Resources) occur to a depth of 800 feet and in deeper strata from ____ to ____ feet; and from ____ to ____ feet

17.
- If there are wells in this area which are producing from or have produced from a shallower zone, state depth of zone ____
- If there are wells into which salt water is being or has been disposed of into a shallower zone, state depth of zone ____

18. Casing record (list all casing in well)

Size	Depth		Cement (sacks)	Drilled hole size	Top of cement (feet)	Top of cement determined by: Temper. Survey	Calculated	Cement bond log	Anticipated casing recovery (feet)
30" set @	33	w/	NA	NA	NA	[ ]	[ ]	[ ]	None
13 3/8" set @	4280	w/	NA	NA	NA	[ ]	[ ]	[ ]	None
9 5/8" set @	11767	w/	NA	NA	NA	[ ]	[ ]	[ ]	None
See attached original plugging record.						[ ]	[ ]	[ ]	
____ set @	____	w/	____	____	____	[ ]	[ ]	[ ]	

19. Has notice of intent to plug been filed previously for this well?
[ ] Yes ____ mo. day yr. [X] No

20. Plugging proposal (List all bridge and cement plugs. Load the hole with at least 9.5 lbs. per gallon mud.)

Baker Model D retainer packer set at 10395'

	No. of sacks	Depth in feet (top & bottom)
1.	190	10395-10764, 50 sks in formation
2.	10	10395-10369
3.	40	7700-7800
4.	50	5225-4375
5.	400	0-1100
6.	All cement to be Class H, no	
7.	additives.	
8.		

21. Record of perforated intervals or open hole

Perforations	Open	Plugged	Plugging method
10500-10764 (26 holes)	[X]	[ ]	Cement sqeeze
	[ ]	[ ]	
	[ ]	[ ]	
Open Hole			
	[ ]	[ ]	

22. Name and address of cementing company or contractor

23. Anticipated plugging date for this well is: 7 / 01 / 88 (mo. day yr.)

Calvin U. Jolly
Typed or printed name of operator's representative

Supervisor, Foreman
Title of person

405/223-1963
Telephone: Area Code Number

Date: 5 / 23 / 88 (mo. day year)

Signature

RRC District Office Action

Expiration date ____ / ____ / ____ (mo. day year)

District Director

Date

m 88352

(49)

Notice of intent to
PLUGGED AND ABONDONED
COMPLETED _____
WELL # 1

Filed 7-18-88 SL

2-52-99

Garry Mauro
Commissioner
General Land Office

December 5, 1988

Lincoln Rock Corporation
1850 Oak St. Room 200
P.O. Box 8438
Northfield, Ill

Re: Notice of Underpayment on State Lease(s) M-88352 & M-90005

Dear Sir:

The Royalty Management and Compliance Division of the Texas General Land Office has completed a limited review of the above referenced lease(s) operated by Lincoln Rock Corporation. Through this review, it was determined $1,401.88 in additional revenue has been underpaid to the State. This includes $795.35 in royalty,$380.53 in penalty, and $226.00 in interest, which has been computed through December 31, 1988 in accordance with Section 52.131 of the Texas Natural Resources Code (and Vernons Art. 5069-1.03). Schedules supporting our royalty, penalty and interest calculations (Attachment I), and the procedures used for calculation of penalties and interest (Attachment II) are enclosed.

The amount underpaid to the State relates to the reporting periods August 1984, through April 1985 and June 1986. The following is a summary of the underpayments noted in our review.

Our records show that royalty was not paid on gas coded vented/flared for August 1984 and gas coded lease and field fuel system for April 1985 on the RRC Form P-2 reports. Your lease agreement states under item 3(b) (Attachment III) that royalty is due on gross production of gas.

The L.R. Unit and State Lease M-90005 terminated for cessation of production as of August 1, 1987. Royalty is due on the 48 barrels of condensate ending stock.

To ensure your company remains in good standing with the Land Office, please respond to this notice within 25 days of the above date. If your records show this royalty has been paid, please provide this office with the total amount of the checks and the approximate dates they were mailed. Any payments for this underpayment notice should be submitted separately from monthly royalty payments you may be remitting. You should not submit any MA-84 reports for correction of the delinquent amounts reported in this notice. In order to ensure proper credit, your payment should be mailed to my attention in the enclosed envelope, along with a copy of this letter.

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

This notice does not constitute an audit billing notice as defined in Section 52.135 of the Natural Resources Code and, consequently, does not preclude the General Land Office from conducting further examinations of these or other leases operated and/or reported by , or from examining these or other issues and time periods in a future inspection of your books, accounts, reports or other records.

If you have any questions, please call Deborah Bradley at (512) 463-5042.

Sincerely,

Walt Rosenbusch.

Walt Rosenbusch, Director
Royalty Management & Compliance
Energy Resources

WR/DB/yrg

Enclosures

30-Nov-88

LINCOLN ROCK CORPORATION — ATTACHMENT I — AUDITOR: DLB

STATE LEASES M-088352 & M-090005 — RRC GAS ID # 110822

L. R. UNIT

WOLF (WOLFCAMP) FIELD

LOVING COUNTY, TEXAS — ROYALTY DECIMAL: 0.25 — UNIT ROYALTY DECIMAL: 0.1625 — PENALTY DATE: 12/31/88

MONTH	RRC VOLUME (MCFS)	PRICE	BTU	GROSS VALUE	ROYALTY DUE	ROYALTY PAID	ADDITIONAL ROYALTY DUE	NUMBER OF DAYS LATE	PENALTY DUE	INTEREST DUE	TOTAL DUE
Aug-84	820.00 (A)	3.27 (B)	1.000	2,681.40	670.35 (C)	0.00	670.35	1538	348.58	192.81	1,211.74
Apr-85	33.00 (A)	2.70 (C)	1.091	97.21	15.80 (C)	0.00	15.80	1295	6.95	3.75	26.50
	853.00			$2,778.61	$686.15	$0.00	$686.15		$355.53	$196.56	$1,238.24

COMMENTS:

(A) VOLUMES TAKEN FROM THE RRC FORM P-2 CODED AS VENTED/FLARED OR ON LEASE USE.

(B) PRICED DERIVED FROM THE STATE OF TEXAS COMPTROLLERS GAS PRODUCERS REPORTS (FORM 60-250) OF COUNTY AVERAGE PRICE OF RAW GAS TO BE USED IN CASE OF ZERO SALES FOR VENTED/FLARED OR LEASE USE GAS.

(C) PRICED DERIVED FROM THE GAS CONTRACT BETWEEN LINCOLN, AS SELLER, AND UNITED TEXAS TRANSMISSION, AS BUYER.

(D) AUGUST 1984 ROYALTY WAS COMPUTED AT THE LEASE ROYALTY INTEREST SINCE THE UNIT DID NOT BECOME EFFECTIVE UNTIL SEPTEMBER 1984.

SUMMARY:

ROYALTY	$686.15
PENALTY	355.53
INTEREST	196.56
TOTAL DUE	$1,238.24

30-Nov-88

LINCOLN ROCK CORPORATION — ATTACHMENT I — AUDITOR: DLB
STATE LEASES M-088352 & M-090005 — RRC GAS ID #: 110822
L. R. UNIT
WOLF (WOLFCAMP) FIELD
LOVING COUNTY, TEXAS — ROYALTY DECIMAL: 0.1625 — PENALTY DATE: 12/31/88

MONTH	RRC VOLUME (BBLS)	PRICE	GROSS VALUE	ROYALTY DUE	ROYALTY PAID	ADDITIONAL ROYALTY DUE	NUMBER OF DAYS LATE	PENALTY DUE	INTEREST DUE	TOTAL DUE
Jun-86	48.00 (A)	14.00 (B)	672.00	109.20	0.00	109.20	879	25.00	29.44	163.64
	48.00		672.00	109.20	0.00	109.20		25.00	29.44	163.64

COMMENTS:

(A) VOLUME DERIVED FROM GLO MA-84U REPORT AND RRC FORM P-2 - ENDING STOCK.

(B) PRICE DERIVED FROM UNOCAL OIL BULLETIN NO. 86-21, WEST TEXAS INTERMEDIATE.

(C) THE UNIT AND M-090005 TERMINATED FOR CESSATION OF PRODUCTION AS OF AUGUST 1, 1987.

SUMMARY:

ROYALTY	$109.20
PENALTY	25.00
INTEREST	29.44
TOTAL DUE	$163.64

(50.)

MF 88352
ITEM
TO Lincoln Rock Corp.
FROM
DATE 12-5-88

LINCOLN ROCK CORPORATION

BOX 8438 NORTHFIELD, ILLINOIS 60093 TELEPHONE: 312/446-6414

December 29, 1988

Certified Mail No.
P 762 699 969
Return Receipt Requested

Walt Rosenbusch, Director
Royalty Management & Compliance
General Land Office
Stephen F. Austin Bldg.
1700 North Congress Avenue
Austin, Texas 78701

Re: M88352 & M90005

Dear Mr. Rosenbusch:

This letter is a response to your letter of December 5, 1988 in reference to the captioned leases.

We have been unable to locate complete records on the two leases for calendar year 1984. However, we have found copies of our 1985 reports and verified the error on the April 1985 report. It appears that our field office made a change in our internal report after the initial report was sent to us and I suspect that the change may have resulted in the incorrect report.

In reference to the August 1984 assessment, we are still attempting to find our file on that lease. However, we do not feel that your use of the 25% royalty is warranted. Note (D) to attachment I to your letter states that the unit did not become effective until September 1984. This is contrary to Section 8 of the governing document (recorded at Volume 74, Page 200 Deed Records) which provides that the agreement shall become effective when signed by the Commissioner or from the date production of the pooled mineral is first obtained, WHICHEVER DATE IS SOONER. This language seems to be unequivocal in its intent.

We are also reviewing our records to determine if we have ever received a reply to our letter of August 21, 1986 (Certified Mail P 242 258 541) addressed to the GLO in which we requested refund of a $907.90 royalty overpayment on other GLO leases. To the best of my knowledge, that money is still due us.

Please let me know if you disagree with our interpretation of the effective date language of the Pooling Agreement. In the meantime, I am hopeful that we will be able to locate our 1984 GLO files when our people return from vacation next week.

Yours truly,

LINCOLN ROCK CORPORATION

Francis T. Muller
Vice President

FTM:pb
Encls.

8.

EFFECTIVE DATE:

This Agreement shall become effective when signed by the Commissioner of the General Land Office of the State of Texas, or from the date production of the pooled mineral is first obtained, whichever date is sooner.

9.

TERM:

This Agreement shall remain in effect as long as the pooled mineral is being produced from said unit, or so long as drilling or reworking operations are being prosecuted thereon with no more than sixty (60) days between cessation of either production or such operations and the beginning or resumption of either of them, as the case may be, from time to time thereafter, or so long as all existing leases covering the pooled mineral are maintained in force insofar as they are included in the pooled unit by payment or tender of shut-in gas well royalties, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof which are contained in any State lease included in this Agreement. Nor shall anything herein be deemed to amend, modify or limit the dissolution provisions set forth below.

10.

STATE LAND:

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code, having been duly considered, made and obtained.

11.

DISSOLUTION:

The unit covered by this Agreement may be dissolved by Lessee, its heirs, successors or assigns, by an instrument filed for record in Loving County, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production.

12.

NONSTATE LAND:

In the event any of the leases described in Exhibit C hereof contains a pooling provision which requires the filing of a

#102

LINCOLN ROCK CORPORATION

BOX 8128 NORTHFIELD, ILLINOIS 60093 TELEPHONE: 312/446-6414

August 21, 1986

Certified Mail
P 242 258 541

General Land Office
Energy Resources Department
Stephen F. Austin Bldg.
1700 North Congress Avenue
Austin, Texas 78701

Dear Sir:

In reviewing our records and those of Unocal (formerly Union Oil Company), we have discovered duplicate royalty payments to GLO for oil sold from two leases in Culberson County, Texas. Details are as follows:

1.) Lease M87003, Culberson County - Lincoln Rock Corporation paid $425.78 royalty to GLO in early June 1985 for April 1985 oil production from this lease. In September 1985, Unocal (or Union) paid $437.30 to GLO for royalty on that same oil (Unocal's payment may have included penalties and/or interest.) Lincoln Rock had requested that Unocal reimburse us for our earlier payment but they duplicated our payment to GLO instead of reimbursing us.

2.) Lease M87008, Culberson County - Lincoln Rock Corporation paid $482.12 royalty to GLO in early December 1984 for October 1984 oil production from this lease. In June 1985, Unocal (or Union) paid $482.12 to GLO for royalty on that same oil. Again Lincoln Rock had requested that Unocal reimburse us for our earlier payment but they duplicated our payment to GLO instead of reimbursing us.

From the information above, it appears that Lincoln Rock has over-paid royalties to your office of $425.78 and $482.12, a total of $907.90. Since our current monthly royalty payments to GLO are so small that it would take many years to recover this amount, we hereby request that you issue your check to Lincoln Rock for $907.90

to effect reimbursement of the duplicate payments.

If you require copies of our checks and/or royalty reports for the two months involved, please call me at 312/446-6414.

Yours truly,

LINCOLN ROCK CORPORATION

Francis T. Muller
Vice President

FTM:pb

● SENDER: Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
   - ☒ Show to whom and date delivered ..... ¢
   - ☐ Show to whom, date, and address of delivery.. ¢
2. ☐ RESTRICTED DELIVERY ¢
   (The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL $

ARTICLE ADDRESSED TO: General Land Office
Energy Resources Dept., Stephen F.
Austin Bldg.,1700 N. Congress,
Austin, TX 78701

3. TYPE OF SERVICE:
   - ☐ REGISTERED ☐ INSURED
   - ☒ CERTIFIED ☐ COD
   - ☐ EXPRESS MAIL

ARTICLE NUMBER
P 242 258 541

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☒ Authorized agent

[signature]

DATE OF DELIVERY
8-25-86

POSTMARK

5. ADDRESSEE'S ADDRESS *(Only if requested)*

6. UNABLE TO DELIVER BECAUSE:

7a. EMPLOYEE'S INITIALS

(51)

M.F. 88352

Correspondence File
~~to~~ Lincoln Rock Corp

From

Dated 12-29-88

Garry Mauro
Commissioner
General Land Office

February 7, 1989

Lincoln Rock Corporation
Attn: Francis T. Muller
1850 Oak St. Room 2000
P.O. Box 8438
Northfield, ILL 60093-8438

Re: Notice of Underpayment on State Leases M-88352 & M-90005
Notice of Refund on State Leases M-87003 & M-87008

Dear Mr. Muller:

The Royalty Management and Compliance Division of the Texas General Land Office has completed a limited review of the above referenced leases operated by Lincoln Rock Corporation. Through this review, it was determined $1,022.03 in additional revenue has been underpaid to the State. This includes $560.73 in royalty, $295.00 in penalty, and $166.30 in interest, which has been computed through February 28, 1989 in accordance with Section 52.131 of the Texas Natural Resources Code and Tex. Rev. Civ. Stat. Ann., article 5069-1.03. Schedules supporting our royalty, penalty and interest calculations (Attachment I), and the procedures used for calculation of penalties and interest (Attachment II) are enclosed.

The amount underpaid to the State relates to the reporting periods August 1984, April 1985 and June 1986. The following is a summary of the underpayments noted in our review.

Our records show that royalty was not paid on gas coded vented/flared for August 1984 and gas coded lease and field fuel system for April 1985 on the RRC Form P-2 reports. Your lease agreement states under item 3(b) that royalty is due on gross production of gas. The August 1984 royalty has been recalculated at the unit royalty interest.

The L.A. Unit and State Lease M-90005 terminated for cessation of production as of August 1, 1987. Royalty is due on the 48 barrels of condensate ending stock.

In your letter dated December 29, 1988 you stated that Lincoln never received a response to their letter dated August 21, 1986 for a refund of $907.90 for oil royalty overpayments on State Leases M-87003 and M-87008. Lincoln is entitled to the refund of $907.90. You may apply the refund to this underpayment notice.

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

To ensure your company remains in good standing with the Land Office, please respond to this notice within 25 days of the above date. If your records show this royalty has been paid, please provide this office with the total amount of the checks and the approximate dates they were mailed. Any payments for this underpayment notice should be submitted separately from monthly royalty payments you may be remitting. You should not submit any MA-84 reports for correction of the delinquent amounts reported in this notice. In order to ensure proper credit, your payment should be mailed to my attention in the enclosed envelope, along with a copy of this letter.

This notice does not constitute an audit billing notice as defined in Section 52.135 of the Natural Resources Code and, consequently, does not preclude the General Land Office from conducting further examinations of these or other leases operated and/or reported by Lincoln Rock Corporation, or from examining these or other issues and time periods in a future inspection of your books, accounts, reports or other records.

If you have any questions, please call Deborah Bradley at (512) 463-5042.

Sincerely,

Walt Rosenbusch

Walt Rosenbusch, Director
Royalty Management & Compliance
Energy Resources

WR/DB/yrg

Enclosures

30-Jan-89

LINCOLN ROCK CORPORATION — ATTACHMENT I — AUDITOR: DLB

STATE LEASES M-088352 & M-090005 — RRC GAS ID # 110822

L. R. UNIT

WOLF (WOLFCAMP) FIELD

LOVING COUNTY, TEXAS — UNIT ROYALTY DECIMAL: 0.1625 — PENALTY DATE: 02/28/89

MONTH	RRC VOLUME (MCFS)	PRICE	BTU	GROSS VALUE	ROYALTY DUE	ROYALTY PAID	ADDITIONAL ROYALTY DUE	NUMBER OF DAYS LATE	PENALTY DUE	INTEREST DUE	TOTAL DUE
Aug-84	820.00 (A)	3.27 (B)	1.000	2,681.40	435.73	0.00	435.73	1597	235.29	130.80	801.82
Apr-85	33.00 (A)	2.70 (C)	1.091	97.21	15.80	0.00	15.80	1354	7.27	3.94	27.01
	853.00			$2,778.61	$451.53	$0.00	$451.53		$242.56	$134.74	$828.83

COMMENTS:

(A) VOLUMES TAKEN FROM THE RRC FORM P-2 CODED AS VENTED/FLARED OR ON LEASE USE.

(B) PRICE DERIVED FROM THE STATE OF TEXAS COMPTROLLERS GAS PRODUCERS REPORTS (FORM 60-250) OF COUNTY AVERAGE PRICE OF RAW GAS TO BE USED IN CASE OF ZERO SALES FOR VENTED/FLARED OR LEASE USE GAS.

(C) PRICE DERIVED FROM THE GAS CONTRACT BETWEEN LINCOLN, AS SELLER, AND UNITED TEXAS TRANSMISSION, AS BUYER.

(D) MINIMUM PENALTY IS COMPUTED BY TAKING THE NUMBER OF DAYS LATE DIVIDED BY 30 TO CALCULATE NUMBER OF PERIODS OUT. MULTIPLY THE NUMBER OF PERIODS OUT TIMES $5.00 TO CALCULATE THE MINIMUM PENALTY.
1597/30 = 54 PERIODS OUT X $5.00 = $270.00 MINIMUM PENALTY.

SUMMARY:

ROYALTY	$451.53
MIN PENALTY	270.00
INTEREST	134.74
TOTAL DUE	$856.27

30-Jan-89

LINCOLN ROCK CORPORATION — ATTACHMENT I — AUDITOR: DLB

STATE LEASES M-088352 & M-090005 — RRC GAS ID #: 110822

L. R. UNIT

WOLF (WOLFCAMP) FIELD

LOVING COUNTY, TEXAS — ROYALTY DECIMAL: 0.1625 — PENALTY DATE: 02/28/89

MONTH	RRC VOLUME (BBLS)	PRICE	GROSS VALUE	ROYALTY DUE	ROYALTY PAID	ADDITIONAL ROYALTY DUE	NUMBER OF DAYS LATE	PENALTY DUE	INTEREST DUE	TOTAL DUE
Jun-86	48.00 (A)	14.00 (B)	672.00	109.20	0.00	109.20	938	25.00	31.56	165.76
	48.00		672.00	109.20	0.00	109.20		25.00	31.56	165.76

COMMENTS:

(A) VOLUME DERIVED FROM GLO MA-84U REPORT AND RRC FORM P-2 - ENDING STOCK.

(B) PRICE DERIVED FROM UNOCAL OIL BULLETIN NO. 86-21, WEST TEXAS INTERMEDIATE.

(C) THE UNIT AND M-090005 TERMINATED FOR CESSATION OF PRODUCTION AS OF AUGUST 1, 1987.

SUMMARY:

ROYALTY	$109.20
PENALTY	25.00
INTEREST	31.56
TOTAL DUE	$165.76

SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES FOR DELINQUENT ROYALTIES AND DELINQUENT REQUIRED REPORTS OR DOCUMENTS

	DUE BEFORE 10-1-75 (Production Prior to 8-1-75)	DUE AFTER 10-1-75 AND BEFORE 9-1-85 (Production 8-1-75 thru 6-30-85)	DUE AFTER 9-1-85 (Production 7-1-85 Forward)
PENALTY			
o For delinquent royalty	None	The greater of 1% of the delinquent amount or $5.00 for each 30-day period of delinquency	For delinquencies of 30 days or less, the greater of 5% of the delinquent amount or $25.00. For delinquencies of more than than 30 days, the greater of 10% of the delinquent amount or $25.00
o For delinquent report, affidavit, or other document	None	$5.00 per document for each 30-day period of delinquency	$10.00 per document for each 30-day period of delinquency
INTEREST			
o For delinquent royalty	6% per yr., compounded daily; accrual begins 30 days after due date	6% per year, compounded daily; accrual begins 30 days after due date	12% per year, simple; accrual begins 60 days after due date

(1) Tex. Rev. Civ. Stat. Ann., Article 5069-1.03 and 31 TAC §3.11.

(2) Penalties are not assessed in cases of title dispute as to the state's portion of the royalty or to royalty in dispute as to fair market value except when fraud is involved, in which case the fraud penalty is applicable.

A royalty payment that is not accompanied by the required royalty affidavit identifying the GLO lease number is delinquent.

The State's power to forfeit a lease shall not be affected by the assessment or payment of any delinquency, penalty, or interest as provided in 31 TAC, §3.11.

(52.)

M.F. 88352

Correspondence File
To Lincoln Rock Corp.
~~From~~

Dated 2-7-89

LINCOLN ROCK CORPORATION
BOX 8438 NORTHFIELD, ILLINOIS 60093

CERTIFIED
P 762 699 956
MAIL



RETURN RECEIPT
REQUESTED

Mr. Walt Rosenbusch, Director
Royalty Management & Compliance
Energy Resources
General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

LINCOLN ROCK CORPORATION

BOX 8438 NORTHFIELD, ILLINOIS 60093 TELEPHONE: 312/446-6414

CERTIFIED MAIL
#P 762 699 956
RETURN RECEIPT REQUESTED

May 11, 1989

Mr. Walt Rosenbusch, Director
Royalty Management & Compliance
Energy Resources
General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

Dear Mr. Rosenbusch:

I apologize for not answering your letter of February 7, 1989, earlier. We needed additional information to make a correct response and we have only recently completed our investigation.

Your letter claimed royalty, penalties and interest due for 48 barrels of oil produced from the L. R. Unit lease under State Leases M-088352 and M-09005. However, we have determined that this volume should have been written off as BS&W rather than oil production and so there would be no royalty, penalties or interest due on that 48 barrels. To the best of my knowledge, the storage tank containing the BS&W is still on the lease location and you are welcome to verify the quality (or lack thereof) of the material in the tank.

The other matter to which we take objection is your calculation of penalties and interest due. You have agreed that we are due a refund of $907.90 which we requested by certified mail on August 21, 1986. The refund was for overpayments made in June 1985 ($482.12) and September 1985 ($425.78). If the GLO owed us $907.90, why are the penalties and interest set forth in your letter not calculated to the month of June 1985 when the amount due Lincoln Rock was greater than the amount due GLO? It seems to us that your calculation of penalties and interest is substantially overstated and should be recalculated to June of 1985 as set forth above. Furthermore, I believe we are entitled to interest on the amount owed us, if

not from the date of overpayment, then certainly from the 1986 date our request for refund was received by GLO.

We would appreciate it if you would recalculate our account in accordance with this letter and then issue your check for the full amount of the refund due Lincoln Rock Corporation.

Yours truly,

LINCOLN ROCK CORPORATION

Francis T. Muller
Vice President

FTM:acm

(53)

M.F. 88352

Correspondence File

~~To~~ Lincoln Rock Corp.

From

Dated 5-11-89

2.16.89

Garry Mauro
Commissioner
General Land Office

November 1, 1989

Lincoln Rock Corporation
Attn: Francis T. Muller
1850 Oak St. Room 2000
P.O. Box 8438
Northfield, ILL 60093-8438

RE: Notice of Underpayment on State Leases M-88352 & M-90005
Notice of Refund on State Leases M-87003 & M-87008

Dear Mr. Muller:

In response to your letter dated May 11, 1989, we concur that additional revenue is not due for the 48 barrels of oil in stock which was identified as BS&W.

Concerning the additional gas royalties due the Land Office for two of the subject leases and a refund or credit due Lincoln on the other two leases, please note that we must handle these issues independently. Statutorily and per our lease agreements, reviews for underpayment of royalty are completed on a lease by lease basis. Therefore, we have calculated additional revenue due for M-88352 and M-90005 separately from the overpayment of $907.90 on M-87003 and M-87008.

An updated schedule showing the new additional revenue owed of $873.73 (Attachment I), a copy of your May 11, 1989 letter (Attachment II), and the procedures used for calculation of penalties and interest (Attachment III) are enclosed.

After the additional royalty due is received, a State refund warrant will be issued to Lincoln in the amount of $907.90. Concerning the issue of calculation of interest on this refund, there are no statutory provisions authorizing the State to pay interest on overpaid royalties. Since there is an absence of such a provision, the State cannot pay Lincoln interest on the overpayment.

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

To ensure your company remains in good standing with the Land Office, please respond to this notice within 25 days of the above date. Any payments for this underpayment notice should be submitted separately from monthly royalty payments you may be remitting. You should not submit any MA-84 reports for correction of the delinquent amounts reported in this notice. In order to ensure proper credit, your payment should be mailed to my attention in the enclosed envelope, along with a copy of this letter.

This notice does not constitute an audit billing notice as defined in Section 52.135 of the Natural Resources Code nor does it include a market value analysis and, consequently, does not preclude the General Land Office from conducting further examinations of these or other leases operated and/or reported by Lincoln Rock Corporation, or from examining these or other issues and time periods in a future inspection of your books, accounts, reports or other records.

If you have any questions, please call Deborah Bradley at (512) 463-5042.

Sincerely,

Walt Rosenbusch.

Walt Rosenbusch, Director
Royalty Management & Compliance
Energy Resources

WR/DB/yrg

LINCOLN ROCK CORPORATION — ATTACHMENT I — AUDITOR: DLB

STATE LEASES M-088352 & M-090005 — RRC GAS ID # 110822

L. R. UNIT

WOLF (WOLFCAMP) FIELD

LOVING COUNTY, TEXAS — UNIT ROYALTY DECIMAL: 0.1625 — PENALTY DATE: 05/16/89

MONTH	RRC VOLUME (MCFS)	PRICE	BTU	GROSS VALUE	ROYALTY DUE	ROYALTY PAID	ADDITIONAL ROYALTY DUE	NUMBER OF DAYS LATE	PENALTY DUE	INTEREST DUE	TOTAL DUE
Aug-84	820.00 (A)	3.27 (B)	1.000	2,681.40	435.73	0.00	435.73	1674	244.01	138.01	817.75
Apr-85	33.00 (A)	2.70 (C)	1.091	97.21	15.80	0.00	15.80	1431	7.58	4.19	27.57
	853.00			$2,778.61	$451.53	$0.00	$451.53		$251.59	$142.20	$845.32

COMMENTS:

(A) VOLUMES TAKEN FROM THE RRC FORM P-2 CODED AS VENTED/FLARED OR ON LEASE USE.

(B) PRICE DERIVED FROM THE STATE OF TEXAS COMPTROLLERS GAS PRODUCERS REPORTS (FORM 60-250) OF COUNTY AVERAGE PRICE OF RAW GAS TO BE USED IN CASE OF ZERO SALES FOR VENTED/FLARED OR LEASE USE GAS.

(C) PRICE DERIVED FROM THE GAS CONTRACT BETWEEN LINCOLN, AS SELLER, AND UNITED TEXAS TRANSMISSION, AS BUYER.

(D) MINIMUM PENALTY IS COMPUTED BY TAKING THE NUMBER OF DAYS LATE DIVIDED BY 30 TO CALCULATE NUMBER OF PERIODS OUT. MULTIPLY THE NUMBER OF PERIODS OUT TIMES $5.00 TO CALCULATE THE MINIMUM PENALTY.
1597/30 = 56 PERIODS OUT X $5.00 = $280.00 MINIMUM PENALTY.

SUMMARY:

ROYALTY	$451.53
MIN PENALTY	280.00
INTEREST	142.20
TOTAL DUE	$873.73

LINCOLN ROCK CORPORATION

[illegible] NORTHFIELD [illegible] TELEPHONE 312-446-5414

CERTIFIED MAIL
#P 762 699 956
RETURN RECEIPT REQUESTED

May 11, 1989

Mr. Walt Rosenbusch, Director
Royalty Management & Compliance
Energy Resources
General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

Dear Mr. Rosenbusch:

I apologize for not answering your letter of February 7, 1989, earlier. We needed additional information to make a correct response and we have only recently completed our investigation.

Your letter claimed royalty, penalties and interest due for 48 barrels of oil produced from the L. R. Unit lease under State Leases M-088352 and M-09005. However, we have determined that this volume should have been written off as BS&W rather than oil production and so there would be no royalty, penalties or interest due on that 48 barrels. To the best of my knowledge, the storage tank containing the BS&W is still on the lease location and you are welcome to verify the quality (or lack thereof) of the material in the tank.

The other matter to which we take objection is your calculation of penalties and interest due. You have agreed that we are due a refund of $907.90 which we requested by certified mail on August 21, 1986. The refund was for overpayments made in June 1985 ($482.12) and September 1985 ($425.78). If the GLO owed us $907.90, why are the penalties and interest set forth in your letter not calculated to the month of June 1985 when the amount due Lincoln Rock was greater than the amount due GLO? It seems to us that your calculation of penalties and interest is substantially overstated and should be recalculated to June of 1985 as set forth above. Furthermore, I believe we are entitled to interest on the amount owed us, if

not from the date of overpayment, then certainly from the 1986 date our request for refund was received by GLO.

We would appreciate it if you would recalculate our account in accordance with this letter and then issue your check for the full amount of the refund due Lincoln Rock Corporation.

Yours truly,

LINCOLN ROCK CORPORATION

Francis T. Muller
Vice President

FTM:acm

ATTACHMENT III

SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES FOR DELINQUENT ROYALTIES AND DELINQUENT REQUIRED REPORTS OR DOCUMENTS

	DUE BEFORE 10-1-75 (Production Prior to 8-1-75)	DUE AFTER 10-1-75 AND BEFORE 9-1-85 (Production 8-1-75 thru 6-30-85)	DUE AFTER 9-1-85 (Production 7-1-85 Forward)
PENALTY (2)			
o For delinquent royalty	None	The greater of 1% of the delinquent amount or $5.00 for each 30-day period of delinquency	For delinquencies of 30 days or less, the greater of 5% of the delinquent amount or $25.00. For delinquencies of more than than 30 days, the greater of 10% of the delinquent amount or $25.00
o For delinquent report, affidavit, or other document	None	$5.00 per document for each 30-day period of delinquency	$10.00 per document for each 30-day period of delinquency
INTEREST (1)			
o For delinquent royalty	6% per yr., compounded daily; accrual begins 30 days after due date	6% per year, compounded daily; accrual begins 30 days after due date	12% per year, simple; accrual begins 60 days after due date

(1) Tex. Rev. Civ. Stat. Ann., Article 5069-1.03 and 31 TAC §3.11.

(2) Penalties are not assessed in cases of title dispute as to the state's portion of the royalty or to royalty in dispute as to fair market value except when fraud is involved, in which case the fraud penalty is applicable.

A royalty payment that is not accompanied by the required royalty affidavit identifying the GLO lease number is delinquent.

The State's power to forfeit a lease shall not be affected by the assessment or payment of any delinquency, penalty, or interest as provided in 31 TAC, §3.11.

(54)

M.F. 88352

Correspondence File

To Lincoln Rock Corp

From

Dated 11-1-89

VOLUME 88, PAGE 433, O&GL

124

BTA 8210 JV-P VERMEJO
8210-01 Vermejo #1

THE STATE OF TEXAS }
}
COUNTIES OF LOVING AND WARD }

A S S I G N M E N T

For a valuable consideration, the receipt of which is hereby acknowledged, BTA OIL PRODUCERS, a Texas General Partnership, hereinafter called "Assignor", does hereby bargain, sell, transfer, assign and convey unto the following Assignees, whose address is c/o BTA Oil Producers, 104 South Pecos, Midland, Texas, 79701, in the respective percentage interests shown:

Allby Associates	2.352926%
Lloyd Alpern Trust	1.176446%
Bernard E. Alpern Trust	3.529441%
George F. Baker, III, Special	2.352926%
Bardamar Partnership	2.352926%
Carlton Beal	0.196073%
Carlton Beal, Jr.	0.196073%
Barry Beal	0.196073%
Spencer Beal	0.196073%
Kelly Beal	0.196073%
Barry Beal, Jr.	0.196080%
Blank Living Investment Trust dated July 24, 1989	1.176480%
Lee Caldwell	1.176446%
Constance B. Cartwright	1.176480%
Jesse Climenko	1.176446%
Craig, Ltd.	1.098951%
James R. Currie	1.176446%
Robert M. Davenport	2.352926%
Judith H. Devenport, Trustee	0.053648%
Edel Two Interests	1.176446%
First City National Bank, Trustee for Trust #0417-02-03-04	4.705887%
First City National Bank, Midland, Trustee for Elmore A. Willets, Jr.	0.023882%
Forman Energy Corporation	2.352996%
Sharleen Formby	0.784296%
Marshall Formby Foundation	0.392150%
Gerald N. Frank	3.529441%
Richard & Karlene Garber	0.588258%
The Geeb Family Trust	1.176446%
The Glickman Revocable Living Trust Dated 10/25/91	3.529441%
P. R. Goldstein	0.746573%
Milton S. Gould	1.176446%
Louis Jackson	0.588223%
Sylvia F. Jackson	0.588223%
K&K Investments	1.176480%
KTEM Radio, Inc.	1.176480%
George Murphy	1.176446%
Arthur Murray Revocable Living Trust Agreement	1.176446%
NCNB Texas National Bank, Trustee for Trust #1430-1-09	4.117629%
NCNB Texas National Bank, Trustee for Trust #1430-2-09	4.117664%
NCNB Texas National Bank, Trustee for Trust #1430-3-09	2.352926%
NCNB Texas National Bank, Trustee for Trust #1430-4-09	2.352926%
NCNB Texas National Bank, Trustee for Trust #1430-5-09	2.352996%
NCNB Texas National Bank, Trustee for Trust #1492-10	1.176480%
Oxnard Investors	1.176480%
Pali Investors-1982	1.176480%
Chase Lincoln First Bank, N.A., Trustee for Trust U/W/O Guido P. Palma F/B/O Ellen H. Palma	3.529372%
Roger P. Palma	0.588258%
Saul Poliak Revocable Management Trust	3.529441%
The R Company	1.176480%

JAN 28 1992
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BTA 8210 JV-P VERMEJO
Assignment

RMS 1982 Ventures	1.176480%
J. M. Roth	0.429873%
George T. Scharffenberger	3.529372%
William A. Shea	1.176480%
Alan E. Shore	1.176446%
J. Ralph Stone and Lois Stone Trust	1.176446%
Robert J. Strasenburgh, II	1.176446%
Estate of Harold Toor	1.176480%
Trione Interest	1.176480%
Trobaugh Properties	3.529441%
Ruth Weinstein Mineral Trust U/D 25th Day of September, 1990	1.176446%
Carole Winter	0.588240%
Nancy Winter	0.588240%
Elizabeth Wolff	1.176446%
Ilsa B. Wolff Estate	3.529441%
Patricia Ann Wolff	1.176618%
	100.000000%

JAN 28 1992 022193

RECEIVED JAN 31 1992

an undivided 28.70% interest in all of the right, title and interest of BTA Oil Producers in and to the Oil and Gas Leases described in Exhibit "A" hereto covering the tracts of lands described therein, each Assignee herein to acquire a like interest in the personal property used or obtained in connection therewith, and the interest of each Assignee to be subject proportionately to 41.00% of the burden of Equipment Production Payment No. 351 dated November 1, 1983, by and between BTA Oil Producers and Caswel Minerals II, Ltd.

Also, for a valuable consideration, the receipt of which is hereby acknowledged, Assignor does hereby bargain, sell, transfer, assign and convey unto the following Assignees in the respective percentage interests shown:

Bernard E. Alpern Trust	0.980407%
Carlton Beal	19.271235%
Carlton Beal, Jr.	19.271235%
Barry Beal	19.271235%
Spencer Beal	19.271235%
Kelly Beal	19.271235%
Barry Beal, Jr.	0.114390%
Gerald N. Frank	1.176424%
HRK Equity Corporation	0.294106%
Trust U/W/O Samuel Klau	0.294106%
Roger P. Palma	0.784392%
	100.000000%

a 12.30% interest in the interest of BTA Oil Producers in and to the Oil and Gas Leases and lands described in Exhibit "A", attached hereto insofar as said leases covers the land specified in Exhibit "A", said interest shall bear no portion of the drilling, completion or equipping costs on any wells drilled on said leases, but is subject to 12.30% of all operating expenses attributable to the operation of any such wells.

Further, for a valuable consideration, the receipt of which is hereby acknowledged, Assignor does hereby bargain, sell, transfer, assign and convey unto the following Assignees in the respective percentage interests shown:

Carlton Beal	63.786754%
Carlton Beal, Jr.	7.956260%
Barry Beal	7.956260%
Spencer Beal	7.481683%
Kelly Beal	2.244412%
Barry Beal, Jr.	0.007107%
Keleen H. Beal	0.745763%
Richard and Karlene Garber	0.420356%
Lewis G. Johnson	0.032729%
Robert S. King	0.025576%
Chessley McKenzie	0.025576%
V. S. Salmon	0.025559%
Ralph E. Stark	0.068236%

JAN 28 1992

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BTA 8210 JV-P VERMEJO
ASSIGNMENT

NCNB Texas National Bank, Trustee for Trust #1430-1-09	2.600831%
NCNB Texas National Bank, Trustee for Trust #1430-2-09	2.600864%
NCNB Texas National Bank, Trustee for Trust #1430-3-09	1.340678%
NCNB Texas National Bank, Trustee for Trust #1430-4-09	1.340678%
NCNB Texas National Bank, Trustee for Trust #1430-5-09	1.340678%
	100.000000%

a 59.00% interest in the interest of BTA Oil Producers in each of the Oil and Gas Leases and lands described in Exhibit "A', insofar as said leases covers the land specified in Exhibit "A", and a like interest in the personal property used or obtained in connection therewith, such interest shall bear 59.00% of all drilling, completion and operating costs on any well drilled on said leases and shall bear 59.00% of the burden of Equipment Production payment No. 351 dated November 1, 1983, by and between BTA Oil Producers and Caswel Minerals II, Ltd.

All of the interests herein assigned are subject to the lands and leases described in Exhibit "A", and said interests being further subject to the following: (a) the royalty burdens payable under said leases and the overriding royalty burdens, if any, payable under said leases that are of record as of the date of this assignment, (b) that certain Joint Operating Agreement dated January 22, 1982, by and between BTA Oil Producers, as Operator and Bernard E. Alpern Trust, et al, as Non-Operators, (c) Assignment of Equipment Production Payment No. 351, dated November 1, 1983, from BTA Oil Producers to Caswel Minerals II, Ltd., (d) Pooling Agreement dated November 15, 1983, by and between BTA Oil Producers and Commissioner of General Land Office, State of Texas, et al, recorded in counterpart in Volume 71, Page 27 and Volume 72, Page 71, Loving County, Texas and in Volume 498, Page 657 and Volume 499, page 737, Ward County, Texas, (e) Letter Agreement dated October 3, 1983, by and between American Trading and Production Corporation and BTA Oil Producers, (f) Assignment dated March 19, 1985, effective July 17, 1984, from American Trading and Production Corporation, et al, to BTA Oil Producers, recorded in Book 79, Page 23, Loving County, Texas, (g) Letter Agreement dated June 27, 1983, by and between Beaconfield Corporation and BTA Oil Producers, (h) Assignment dated January 10, 1985, effective July 11, 1984, from Beaconfield Corporation to BTA Oil producers, recorded in Volume 76, Page 516, Loving County, Texas and Volume 510, Page 225, Ward County, Texas, (i) Letter Agreement dated April 7, 1983, by and between Dalton H. Cobb and BTA Oil Producers, (j) Letter Agreement dated April 7, 1983, by and between Kenneth H. Griffin and Gary G. Burnett, and BTA Oil Producers, (k) Letter Agreement dated June 3, 1983, by and between Larry R. Wollschlager and BTA Oil Producers, (l) Assignment dated January 8, 1985, effective June 17, 1984, from Kenneth H. Griffin, Gary G. Burnett, Dalton H. Cobb, and Larry R. Wollschlager to BTA Oil Producers, recorded in Volume 76, Page 427, Loving County, Texas, (m) Letter Agreement dated August 17, 1983, by and between Gulf Oil Corporation and BTA Oil Producers, (n) Letter Agreement dated June 7, 1983, by and between Curtis Pool and BTA Oil Producers, as amended, (o) Assignment dated January 3, 1985, from Curtis Pool to BTA Oil Producers, recorded in Volume 75, Page 678 and Volume 77, Page 756, Loving County, Texas, (p) Letter Agreement dated August 10, 1983, by and between TXO Production Corporation, et al and BTA Oil Producers, (q) Assignment dated March 29, 1985, effective August 10, 1984, from TXO Production Corporation, et al to BTA Oil Producers, recorded in Volume 77, Page 339, Loving County, Texas (r) that certain Joint Operating Agreement dated November 15, 1983, by and between BTA Oil Producers, as Operator and Gulf Oil Corporation, et al, as Non-Operators.

Should any Assignee fail to join in the drilling of any additional well drilled upon the above described lands pursuant to the terms and provisions of the herein described leases and agreements, then the interest of such Assignee in said leases and lands shall automatically terminate as to any and all undrilled proration units as allocated to said lands by proper governmental authority and such interest shall automatically revert to and vest in the other Assignees herein pursuant to the terms and provisions of the Joint Operating Agreement described above or to Assignor herein. Any such Assignee shall be obligated to execute a recordable assignment recognizing the termination of said Assignee's interest in said undrilled proration units and reassigning all of said interest to the other Assignees herein or to Assignor herein.

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BTA 8210 JV-P VERMEJO
ASSIGNMENT

Should Assignor be required under the terms and provisions of any assignment or agreement under and by virtue of which Assignor holds title to reassign all or any portion of the leases described in Exhibit "A" in order to avoid the necessity of conducting drilling or other operations, then any such reassignment from Assignor shall be effective to extinguish the interests of Assignees herein and Assignees shall no longer have any interest whatsoever in the leases or portions thereof covered by such reassignment.

DATED this 1st day of October, 1991, to be effective as of the date of first production from the lands described herein.

BTA OIL PRODUCERS

BY: Barry Beal
BARRY BEAL, Partner

THE STATE OF TEXAS }

COUNTY OF MIDLAND }

The foregoing instrument was acknowledged before me on this 1ST day of October, 1991, by BARRY BEAL, Partner, on behalf of BTA OIL PRODUCERS, a partnership.

Georgia Pruitt
Notary Public in and for
The State of Texas

GEORGIA PRUITT
Notary Public
STATE OF TEXAS
My Commission Expires
December 27, 1992

JAN 28 1992

022188

RECEIVED JAN 31 1992

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LEASE SCHEDULE

EXHIBIT "A" Page 1 of 3

ATTACHED TO AND MADE A PART OF ASSIGNMENT

STATE OF TEXAS COUNTY OF LOVING AND WARD

DATED October 1, 1991, Effective Date Of First Production, EXECUTED BY BTA OIL PRODUCERS
IN FAVOR OF ALLBY ASSOCIATES, ET AL

LEASE NO.	LESSOR	LESSEE	DATE	DESCRIPTION	BOOK	PAGE
6173	Nautilus Exploration, Inc., et al	BTA Oil Producers	4/07/83	W/4, N/4 Tract 7, Section 75, Block 33, H&TC Ry. Co. Survey	69	77
6174	Curtis Pool	BTA Oil Producers	01/03/85	W/4 of Lot 7, Section 75, Lots 9, 10, NE/2 of Lot 11, and NE/2 of Lot 12, Section 76, Block 33, H&TC Ry. Co. Survey	75	676
6175	Joanne Jorgensen Deatrick	Curtis Pool	01/21/80	INSOFAR AND ONLY INSOFAR AS SAID LEASE COVERS: W/4 of Lot 7, Section 75, Block 33, H&TC Ry. Co. Survey	56	532
6176	Herman Pierce Hubbard, et al	Curtis Pool	11/01/83	INSOFAR AND ONLY INSOFAR AS SAID LEASE COVERS: Lots 9, 10, NE/2 of Lot 11, and NE/2 of Lot 12, Section 76, Block 33, H&TC Ry. Co. Survey	70	416
6177	Gulf Oil Corporation	BTA Oil Producers	10/12/83	SW/57 acres of the NE/2 NE/2 and NE/2 SW/2 Section 75, Block 33, H&TC Ry. Co. Survey, Limited in depth from the surface to the base of the deepest formation found to be commercially productive in each well drilled, not to exceed the base of the Ellenburger formation or a depth of 21,500' beneath the surface, whichever is the lesser depth.	70 498	398 (Low) 640 (War)
6178	H. R. Beachum, Jr., et al	N. S. Marrow	02/19/79	Lots 9, 10, NE/2 of Lot 11 and NE/2 of Lot 12, Section 76, Block 33, H&TC Ry. Co. Survey, Limited in depth from the surface of the earth down to 17,022'	58	630

RECEIVED JAN 31 1992
JAN 28 1992
032189

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26423

7.
VOL. 596 PAGE

LEASE SCHEDULE

EXHIBIT "A" Page 2 of 3

ATTACHED TO AND MADE A PART OF ASSIGNMENT STATE OF TEXAS COUNTY OF LOVING AND WARD

DATED October 1, 1991, Effective Date Of First Production, EXECUTED BY BTA OIL PRODUCERS IN FAVOR OF ALLBY ASSOCIATES, ET AL

LEASE NO.	LESSOR	LESSEE	DATE	DESCRIPTION	BOOK	PAGE
6179	Felmont Oil Corporation	American Trading and Production Corporation	03/01/79	INSOFAR AND ONLY INSOFAR AS SAID LEASE COVERS: Lots 9, 10, NE/2 of Lot 11, and NE/2 of Lot 12, Section 76, Block 33, H&TC Ry. Co. Survey, Limited in depth from the surface of the earth down to 17,022'	56	109
6180	The State of Texas, Lease No. 88352	Beaconfield Corporation	10/05/82	INSOFAR AND ONLY INSOFAR AS SAID LEASE COVERS: SW/146 acres of NE/part of Section 76, Block 33, H&TC Ry. Co. Survey	66	214
6181	C. I. Buxton, II, et ux	Griffin & Burnett, Inc.	11/17/78	Lot 6 (SE/4 W/2 E/2) Section 75, Block 33, H&TC Ry. Co. Survey	53	160
6182	James Buxton, et ux	Griffin & Burnett, Inc.	11/17/78	Same as above	53	152
6183	Patricia Buxton Mills, et vir	Griffin & Burnett, Inc.	11/17/78	Same as above	53	156
6184	Mary Louise Kennedy	Texas Oil & Gas Corporation	02/26/79	Lot 5, Section 75, Block 33, H&TC Ry. Co. Survey, Limited in depth from below 7,000' below the surface of the earth down to 18,966'	53	603
6185	Albert F. Cleys, et ux	Texas Oil & Gas Corporation	02/26/79	SE/2 of Lot 7, Section 75, Block 33, H&TC Ry. Co. Survey, Limited in depth from below 7,000' below the surface of the earth down to 18,966'	53	642
6186	Edwin N. Asmann	Texas Oil & Gas Corporation	04/27/79	Lot 8, Section 75, Block 33, H&TC Ry. Co. Survey, Limited in depth from below 7,000' below the surface of the earth down to 18,966'	53	336

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JAN 28 1992
RECEIVED JAN 31 1992
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LEASE SCHEDULE

EXHIBIT "A" Page 3 of 3

ATTACHED TO AND MADE A PART OF ASSIGNMENT STATE OF TEXAS COUNTY OF LOVING AND WARD

DATED October 1, 1991, Effective Date Of First Production, EXECUTED BY BTA OIL PRODUCERS
IN FAVOR OF ALLBY ASSOCIATES, ET AL

LEASE NO.	LESSOR	LESSEE	DATE	DESCRIPTION	BOOK	PAGE
6187	Marquerite L. Kendall, et al	BTA Oil Producers	10/11/83	W/4 of Lot 7, Section 75, Block 33, H&TC Ry. Co. Survey	70	506

The above leases are a part of the BTA 8210 JV-P Vermejo Venture (Tract I).

26-42-2

FILED FOR RECORD ON THE 17 DAY OF Jan. A.D. 1992 AT 10:18 O'CLOCK A.M.
DULY RECORDED THIS THE 21 DAY OF Jan. A.D. 1992 AT 8:00 O'CLOCK A.M.
INSTRUMENT NO. 124

PAT V. FINLEY, County Clerk
Ward County, Texas
By: Natrell Cain Deputy
Natrell Cain

JAN 28 1992
RECEIVED JAN 31 1992

VOL. 596 PAGE 8

STATE OF TEXAS I

COUNTY OF WARD I

I, PAT V. FINLEY, County Clerk of Ward County, Texas hereby certify the foregoing to be a true and correct copy of Assignment styled: BTA Oil Producers -to- Allby Associates, et al

as the same appears on file in my office and as recorded in the Assnt. Records of Ward County, Texas in Volume 596, Page 1-8 No. 124.

TO CERTIFY WHICH, Witness my hand and seal of office this 21 day of January 19 92.

PAT V. FINLEY, County Clerk
Ward County, Texas

By Natrell Cain Deputy
Natrell Cain

JAN 28 1992

022188

RECEIVED JAN 31 1992

(50)

MF 88352
Item
To
From
Date 2-24-72

5-5-85

Texas General Land Office
Garry Mauro, Commissioner

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495
(512) 463-5001

February 26, 1992

Cheryl Bentley
BTA Oil Producers
104 South Pecos
Midland, Texas 79701-5021

RE: ASSIGNMENT FILING

Dear Ms. Bentley:

The General Land Office received the following instrument on February 24, 1992, and has filed it in Mineral File No. M-88352.

An Assignment of Oil and Gas Lease dated October 1, 1991, from BTA Oil Producers to Allby Associates, et al, recorded in Ward County, Texas.

Filing Fee: $10.00
Late Fee : $10.00
Total Fee : $20.00

The total amount of the fees received for the filing of the instrument listed above is $20.00, the receipt of which is acknowledged by the General Land Office.

Sincerely,

Joe Shannon, Landman
Lease Administration
Energy Resources
(512) 475-1533

JMS/tbs

Printed on recycled paper with soybean ink

(50)

MF 85335-2

Item

To

From

Date 2-26-92

ENERGEN
RESOURCES

April 27, 2016

Texas General Land Office
Attn: Mr. Daryl Morgan
1700 North Congress Avenue
Austin, Texas 78701-1495

RE: Pooling Agreement
Hogback State Unit 33-76 (GLO Unit No. 7842)
Section 76, Block 33, H&TC RR Survey
Loving, Reeves & Ward Counties, Texas

Dear Mr. Morgan:

Enclosed please find two (2) original State Pooling Agreements for the Hogback State Unit 33-76 (GLO Unit No. 7842) executed on behalf of Energen Resources Corporation and Ammonite Oil & Gas Corp.

Once the State has executed the agreements, please return to my attention. We will provide you with a recorded copy once it is available. Thank you for your help. If you have any questions concerning this matter, please call me at (205) 326-4395 or email me at rplumb@energen.com.

Yours very truly,

ENERGEN RESOURCES CORPORATION

ROBERT W. PLUMB
Land Advisor

(57)

File No. M-88552

_____ County

Ltr. From Enoyen

Date Filed: 4/29/16

George P. Bush, Commissioner

By _____

4-29-16

TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

May 2, 2016

Mr. Robert W. Plumb
Energen Resources Corporation
605 Richard Arrington, Jr. Blvd. North
Birmingham, Alabama 35203-2707

Re: Pooling Agreement
Hogback State Unit 33-76
GLO Unit No. 7842
Loving, Reeves and Ward Counties, Texas

Dear Mr. Plumb:

Enclosed is a duplicate original of the above referenced Pooling Agreement that has been executed by George P. Bush, Commissioner of the Texas General Land Office ("GLO"). We have retained the other original of the Pooling Agreement for our files. Please refer to the referenced GLO Unit No. when filing Royalty Reports with the GLO.

Thank you for your assistance with this matter, if you have any questions or need anything further, please feel free to call.

Sincerely,

J. Daryl Morgan, CPL
Energy Resources Division
(512) 305-9106

Enclosure

58

File No. M-88352

_____ County

Ltr. to Enviyen

Date Filed: 5/2/16

George P. Bush, Commissioner

By _____

DO NOT DESTROY

Texas General Land Office

UNIT AGREEMENT MEMO

UPA169076

Unit Number	*7842*				
Operator Name	*Energen Resources Corporation*			*Effective Date*	*03/29/2016*
Customer ID	*C000043130*			*Unitized For*	*Oil*
Unit Name	*Hogback State Unit 33-76*			*Unit Term*	
County 1	*Loving*	*RRC District 1*	*08*	*Old Unit Number*	*Inactive Status Date*
County 2	*Reeves*	*RRC District 2*	*08*		
County 3	*Ward*	*RRC District 3*	*08*		
County 4		*RRC District 4*			
Unit type	*Permanent*				
State Net Revenue Interest	*Oil*	*0.18397844*			
State Part in Unit		*0.73591375*			
Unit Depth	*Specified Depths*				
From Depth	*7772 TVD*				
To Depth	*14100 TVD*				

Well

Formation *Top of Bone Springs to Base of Wolfcamp*

Participation Basis *Surface Acreage*

If Excluions Apply: See Remarks

Lease Number	*Tract No*	*Lease Acres in Unit*	*Total Unit Acres*	*Tract Participation*	*O/G*	*Lease Royalty*	*NRI of Lease in Unit*	*Royalty Rate Reduction Clause*
MF088352	1	146.000000	454.397000	0.32130494	O/G	0.25000000	0.08032623	No
MF112431	2	185.000000	454.397000	0.40713297	O/G	0.25000000	0.10178324	No
MF116706	3	3.397000	454.397000	0.00747584	O/G	0.25000000	0.00186896	No

API Number

4230132852

Remarks:

Prepared By:	Jm	*Prepared Date:*	03/29/2016
GLO Base Updated By:	Jm	*GLO Base Date:*	03/29/2016
RAM Approval By:	DM	*RAM Approval Date:*	04/07/2016
GIS By:	MC	*GIS Date:*	5-9-16
Well Inventory By:	Jm	*WI Date:*	03/29/2016

Pooling Committee Report

To:	**School Land Board**	**UPA169076**
Date of Board Meeting:	**03/29/2016**	**Unit Number: 7842**
Effective Date:	**03/29/2016**	
Unit Expiration Date:		
Applicant:	**Energen Resources Corporation**	
Attorney Rep:		
Operator:	**Energen Resources Corporation,**	
Unit Name:	**Hogback State Unit 33-76**	
Field Name:	**PHANTOM (WOLFCAMP)**	

County: Loving
Reeves
Ward

Lease Type	Lease Number	Lease Royalty	Expiration Date	Lease Term	Lease Acres	Lease Acres In Unit	Royalty Participation
	MF088352	0.25000000	10/05/1985	3 years	146.000000	146.000000	0.08032623
R Fee	MF116706	0.25000000	07/01/2017	3 years	12.000000	3.397000	0.00186896
U Fee	MF112431	0.25000000	04/05/2016	5 years	185.000000	185.000000	0.10178324

Private Acres:	120.000000
State Acres:	334.397000
Total Unit Acres:	454.397000

Participation Basis:	Surface Acreage
Surface Acreage	
State Acreage:	73.59%
State Net Revenue Interest:	18.40%

Unit Type:	Unitized for:
Permanent	Oil
Term:	

RRC Rules:	Spacing Acres:
Yes	704 acres for a 7,500 foot lateral (FTP to LTP).

Working File Number: UPA169076

REMARKS:

- Energen Resources Corporation is requesting permanent oil and gas pooling from the top of the Bone Spring formation to the base of the Wolfcamp formation as seen in the Forest Oil Co. Catfish Unit No. 1 (API 42-301-30050) in order to test the Wolfcamp formation.
- The applicant plans to spud the first unit well on March 1, 2016 with a proposed total depth of 11,500 feet TVD. A 7,500 foot lateral is expected to be drilled.
- With Board apporval the State's unit royaty participation will be 18.40%.
- The State will participate on a unitized basis from the date of first production.
- The applicant agrees to drill a second unit well by or before the fourth anniversary of the spud date of the first unit or upon the expiration of the 8210 Vermejo Gas Unit or the unit will decrease in size to +/- 227 acres.

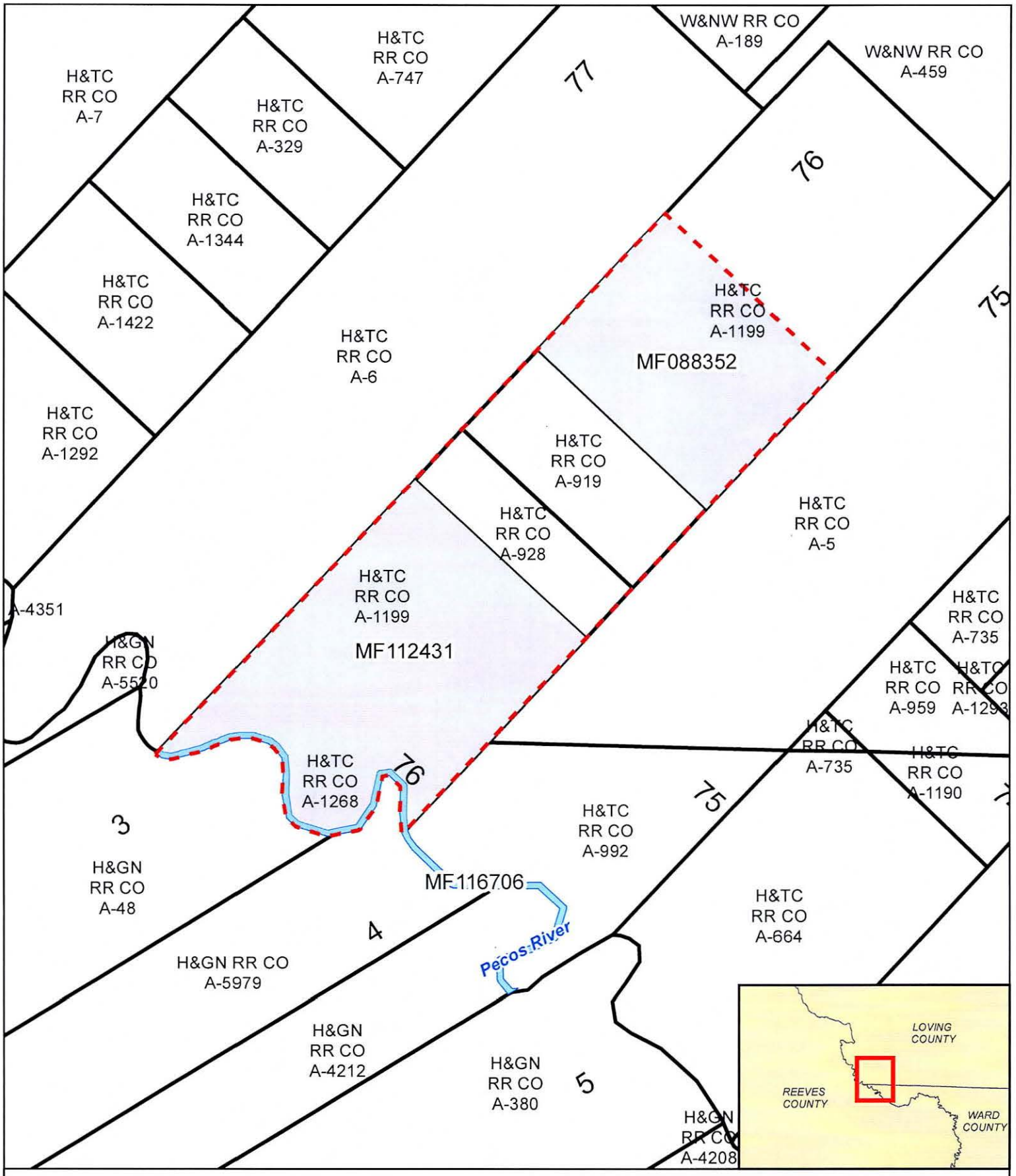
POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board approval of a permanent oil and gas unit under the above-stated provisions.

Mary Smith - Office of the Attorney General — Date: 3/8/16

Robert Hatter - General Land Office — Date: 3/08/16

Diane Morris - Office of the Governor — Date: 3-8-2016



Unit #7842
Energen Resources Corporation
Hogback State Unit 33-76
Phantom (Wolfcamp) Field
Loving, Ward & Reeves Counties, Texas

1,500 750 0 1,500 Feet

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

Map Generated by:
Mark Conway
IS/BAS/GIS
March 2016

POOLING AGREEMENT
ENERGEN RESOURCES CORPORATION
HOGBACK STATE UNIT 33-76
GLO UNIT NO. 7842
LOVING, REEVES AND WARD COUNTIES, TEXAS

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Energen Resources Corporation, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

PURPOSES: 1.

This Pooling Agreement ("Agreement") is made for the purposes of conservation and utilization of the pooled mineral, to prevent waste, to facilitate orderly development and to preserve correlative rights. To such end, it is the purpose of this Agreement to effect equitable participation within the unit formed hereby. This Agreement is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of the pooled mineral and in its interpretation and application shall, in all things, be subject thereto.

UNIT DESCRIPTION: 2.

The oil and gas leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C". The unit description is subject to the provisions of Paragraph 9.

MINERAL POOLED: 3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil including all hydrocarbons that may be produced from an oil well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the top of the Bone Spring Formation to the base of the Wolfcamp Formation being defined as the stratigraphic interval or its correlative equivalent occurring from 7,772 feet to 14,100 feet as seen on the Schlumberger gamma ray/sonic log of the Forrest Oil Company, Catfish Unit 1 Well, API# 42-301-30050("unitized interval").

POOLING AND EFFECT: 4.

The parties hereto commit all of their interests which are within the unit to the extent and as above described into said unit and unitize and pool hereunder the separate tracts described on the attached Exhibit "B", for and during the term hereof, so that such pooling or unitization shall have the following effect:

(a) The unit, to the extent as above described, 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. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional or horizontal well drilled under the unitized area from a surface location on adjacent or adjoining lands not included within the boundaries of the unitized area, such operations shall be considered to have been commenced on the unitized area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the unitized area and production of oil or gas from the unitized area through any directional or horizontal well surfaced on adjacent or adjoining land or drilling or reworking of any such well shall be considered production or drilling or reworking operations, as the case may be, on the unitized area for all purposes under this Agreement. Nothing in this Agreement is intended or shall be construed as granting to Lessee any leasehold interest, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, easements, or other rights which the lessee, operator or other interest owner in the unitized area may have lawfully acquired from the state or others.

(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, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.

(e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners.

(f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.

(g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than the number of acres included in the pooled unit, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to 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.

(h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.

(i) There shall be no obligation to drill internal offsets to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.

(j) Should this Agreement terminate for any cause, in whole or in part, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION: 5.

For the purpose of computing the share of production of the pooled mineral to which each interest owner shall be entitled from the pooled unit, there shall be allocated to each tract committed to said unit that pro rata portion of the pooled mineral produced from the pooled unit which the number of surface acres covered by each such tract and included in the unit bears to the total number of surface acres included in said unit, and the share of production to which each interest owner is entitled shall be computed on the basis of such owner's interest in the production so allocated to each tract.

TAKING ROYALTY IN KIND: 6.

Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this pooling or unitization agreement 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.

EFFECTIVE DATE: 7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of March 29, 2016.

TERM: 8.

This Agreement shall remain in effect so long as the pooled mineral is being produced from said unit, or so long as all leases included in the pooled unit are maintained in force by payment of delay rentals or shut-in oil or gas well royalties, by drilling or rework, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof, which are contained in any State lease covered by this Agreement.

SPECIAL TERMS AND CONDITIONS: 9.

Notwithstanding anything contained herein to the contrary, if a second unit well is not spud on or before the latter of four (4) years from the spud date of the first unit well or the termination date of the Pooling Agreement forming what is known as the 8210 Vermejo Gas Unit more particularly described in the Pooling Agreement on file in the Archives and Records of the Texas General Land Office in Mineral File No. M-88352, then effective on that date,

the pooled unit will be reduced in size by one-half from 454.397 acres to approximately 227 acres around the first unit well as shown on the plat attached as Exhibit "D".

STATE LAND: 10.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code having been duly considered, made and obtained.

DISSOLUTION: 11.

The unit covered by this Agreement may be dissolved by Lessee, his heirs, successors or assigns, by an instrument filed for record in Loving, Reeves and Ward Counties, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production or upon such other date as may be approved by the School Land Board and mutually agreed to by the undersigned parties, their successors or assigns.

RATIFICATION/WAIVER: 12.

Nothing in this Agreement, nor the approval of this Agreement by the School Land Board, nor the execution of this Agreement by the Commissioner shall: (1) operate as a ratification or revivor of any State lease that has expired, terminated, or has been released in whole or in part or terminated under the terms of such State lease or the laws applicable thereto; (2) constitute a waiver or release of any claim for money, oil, gas or other hydrocarbons, or other thing due to the State by reason of the existence or failure of such lease; (3) constitute a waiver or release of any claim by the State that such lease is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or failure of consideration; (4) constitute a confirmation or recognition of any boundary or acreage of any tract or parcel of land in which the State has or claims an interest; or (5) constitute a ratification of, or a waiver or release of any claim by the State with respect to any violation of a statute, regulation, or any of the common laws of this State, or any breach of any contract, duty, or other obligation owed to the State.

COUNTERPARTS: 13.

This Agreement may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

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

Date Executed 4/29/16

STATE OF TEXAS

By: _____
George P. Bush, Commissioner
General Land Office

Legal
Content
Geology
Executive

Date Executed 4/27/2016

ENERGEN RESOURCES CORPORATION

By: _____
David W. Bolton

Its: Vice President-Land

STATE OF ALABAMA §
§
COUNTY OF JEFFERSON §

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that David W. Bolton, whose name as Vice President - Land of Energen Resources Corporation, an Alabama corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this 27th day of April, 2016.

Jeremiah T. Penley
Notary Public

My Commission expires:

JEREMIAH TODD PENLEY
My Commission Expires
December 20, 2018

CERTIFICATE

I, Stephanie Crenshaw, 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 29th day of March, 2016, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, 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 29th day of April, 2016.

Stephanie Crenshaw
Secretary of the School Land Board

Date Executed 4.20.16

AMMONITE OIL & GAS CORP.

By: _____

Its: President

STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged before me on April 20, 2016, by William Osborn as President of Ammonite Oil & Gas Corp., a Texas corporation on behalf of said corporation.

CAROLINE Y DECK
MY COMMISSION EXPIRES
October 11, 2017

Caroline Deck
Notary Public in and for the State of Texas
Notary ID No. 12959056-6

EXHIBIT "A"

Attached to and made a part of that certain Pooling Agreement dated effective March 29, 2016 (GLO Unit No. 7842) for the Hogback State Unit 33-76 situated in Loving, Reeves and Ward Counties, Texas

1.	Lease Date:	October 5, 1982
	Lessor:	State of Texas
	Lessee:	Beaconfield Corporation
	Recording:	Volume 66, Page 214, Oil & Gas Lease Records, Loving County, Texas
	Lands:	Tract 1
2.	Lease Date:	March 1, 1979
	Lessor:	Felmont Oil Corporation
	Lessee:	American Trading and Production Corporation
	Recording:	Volume 56, Page 109, Oil & Gas Lease Records, Loving County, Texas
	Lands:	Tract 2
3.	Lease Date:	November 1, 1983
	Lessor:	Hermon Peirce Hubbard and Frances H. Kerr, Individually and as Independent Executrix of the Estate of William L. Kerr, Deceased
	Lessee:	Curtis Pool
	Recording:	Volume 70, Page 416, Oil & Gas Lease Records, Loving County, Texas
	Lands:	Tract 2
4.	Lease Date:	February 19, 1979
	Lessor:	H.R. Beachum, Jr. and W.B. Beachum, Individually and as Independent Executors of the Estate of H.R. Beachum, Deceased
	Lessee:	N.S. Marrow
	Recording:	Volume 58, Page 630, Oil & Gas Lease Records, Loving County, Texas
	Lands:	Tract 2
5.	Lease Date:	January 3, 1985
	Lessor:	Curtis Pool
	Lessee:	BTA Oil Producers
	Recording:	Volume 75, Page 676, Oil & Gas Lease Records, Loving County, Texas
	Lands:	Tract 2
6.	Lease Date:	April 5, 2011
	Lessor:	State of Texas
	Lessee:	Energen Resources Corporation
	Recording:	Volume 104, Page 252, Official Public Records, Loving County, Texas; Volume 908, Page 831, Official Public Records, Ward County, Texas
	Lands:	Tract 3

7.

Lease Date:	July 1, 2014
Lessor:	State of Texas
Lessee:	Ammonite Oil & Gas Corp.
Recording:	Instrument Number 2014-2093, Official Public Records, Loving County, Texas; Volume 1105, Page 22, Official Public Records, Reeves County, Texas
Lands:	Tract 4

END OF EXHIBIT "A"

EXHIBIT "B"

Attached to and made a part of that certain Pooling Agreement dated effective March 29, 2016 (GLO Unit No. 7842) for the Hogback State Unit 33-76 situated in Loving, Reeves and Ward Counties, Texas

Description of Lands:

Tract 1:	Southwest 146 acres of the Northeast part of Section 76, Block 33, H&TC Ry. Co. Survey, Loving County, Texas.
Tract 2:	All of Lots 9 and 10 and the NE/2 of Lots 11 and 12 of the J.B. Marshall Subdivision of Section 76, Block 33, H&TC Ry. Co. Survey, Loving County, Texas, according to the Plat of said Subdivision recorded in Volume 3, Page 618, Plat Records of Loving County, Texas, containing 120 acres, more or less.
Tract 3:	Southwest part of Section 76, Block 33, H&TC Ry. Co. Survey, Loving and Ward Counties, Texas, containing 185 acres, more or less.
Tract 4:	3.397 acres out of Tract 8-D of the Pecos River, Loving, Reeves and Ward Counties, Texas.

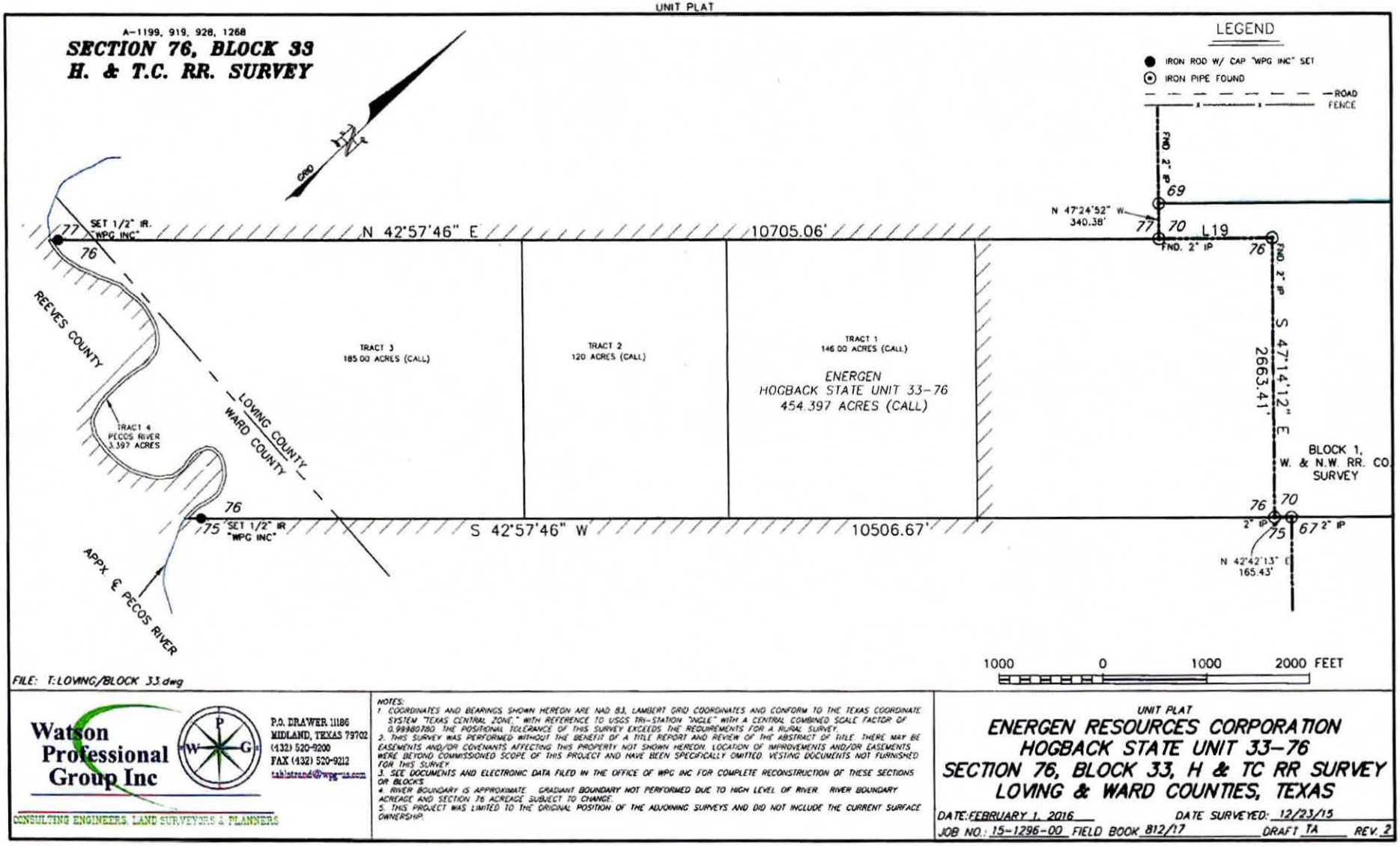
Tracts 1, 2, 3 and 4 combining to total 454.397 acres, more or less.

END OF EXHIBIT "B"

4·28·16

EXHIBIT "C"

Attached to and made a part of that certain Pooling Agreement dated effective March 29, 2016 (GLO Unit No. 7842) for the Hogback State Unit 33-76 situated in Loving, Reeves and Ward Counties, Texas



Watson Professional Group Inc
CONSULTING ENGINEERS, LAND SURVEYORS & PLANNERS
P.O. DRAWER 11186
MIDLAND, TEXAS 79702
(432) 520-9200
FAX (432) 520-9212
tahlstrand@wpg-us.com

NOTES:
1. COORDINATES AND BEARINGS SHOWN HEREON ARE NAD 83, LAMBERT GRID COORDINATES AND CONFORM TO THE TEXAS COORDINATE SYSTEM "TEXAS CENTRAL ZONE," WITH REFERENCE TO USGS TRI-STATION "INGLE" WITH A CENTRAL COMBINED SCALE FACTOR OF 0.99980780. THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
3. THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS AND/OR EASEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
3. SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF WPG INC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.
4. RIVER BOUNDARY IS APPROXIMATE. GRADIENT BOUNDARY NOT PERFORMED DUE TO HIGH LEVEL OF RIVER. RIVER BOUNDARY, ACREAGE AND SECTION 76 ACREAGE SUBJECT TO CHANGE.
5. THIS PROJECT WAS LIMITED TO THE ORIGINAL POSITION OF THE ADJOINING SURVEYS AND DID NOT INCLUDE THE CURRENT SURFACE OWNERSHIP.

UNIT PLAT

ENERGEN RESOURCES CORPORATION
HOGBACK STATE UNIT 33-76
SECTION 76, BLOCK 33, H & TC RR SURVEY
LOVING & WARD COUNTIES, TEXAS

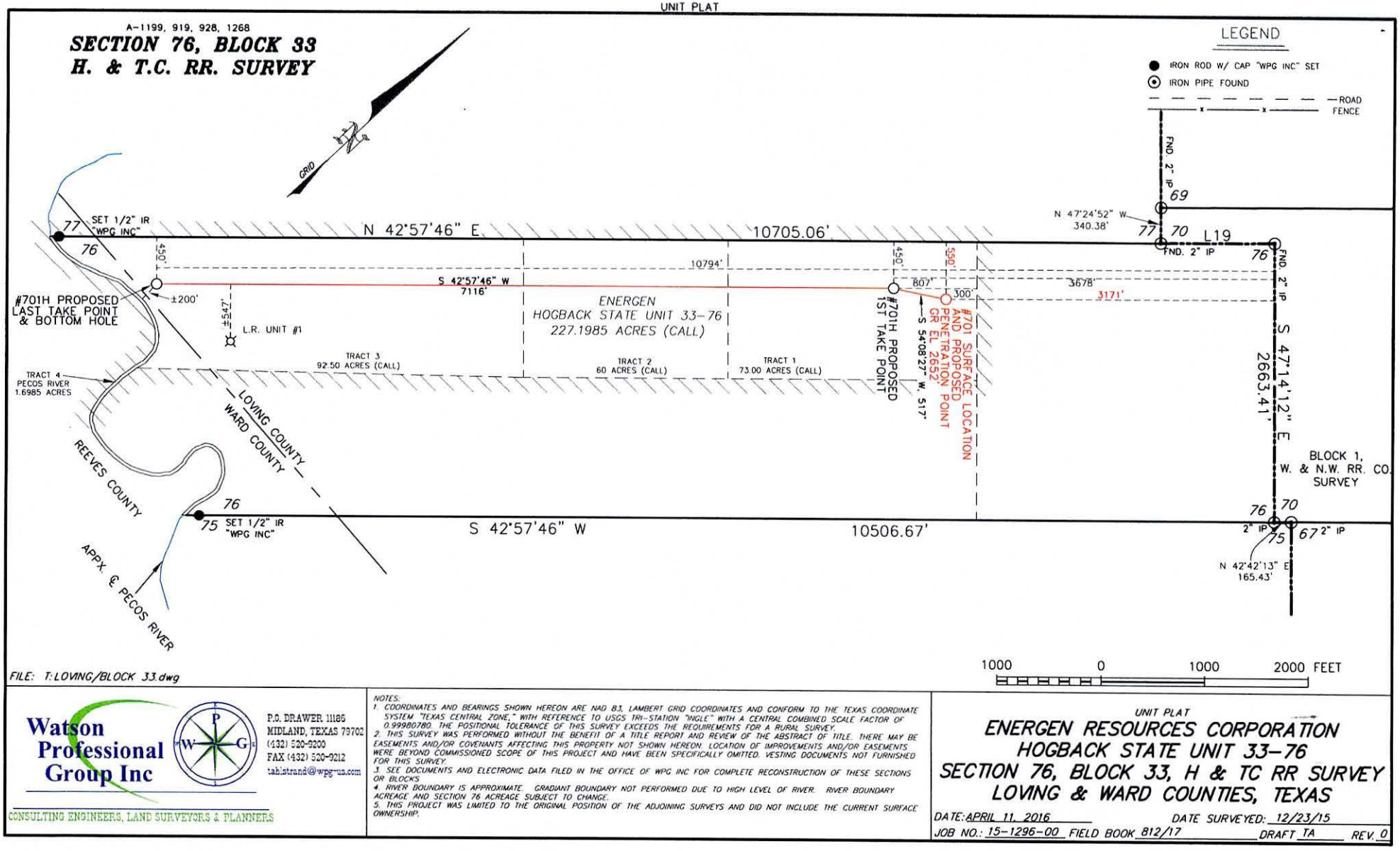
DATE: FEBRUARY 1, 2016 DATE SURVEYED: 12/23/15
JOB NO.: 15-1296-00 FIELD BOOK 812/17 DRAFT TA REV. 2

EXHIBIT "D"

4-29-16

Attached to and made a part of that certain Pooling Agreement dated effective March 29, 2016 (GLO Unit No. 7842) for the Hogback State Unit 33-76 situated in Loving, Reeves and Ward Counties, Texas

UNIT PLAT



FILE: T:LOVING/BLOCK 33.dwg

Watson Professional Group Inc

CONSULTING ENGINEERS, LAND SURVEYORS & PLANNERS

P.O. DRAWER 11186
MIDLAND, TEXAS 79702
(432) 520-9200
FAX (432) 520-9212
tahlstrand@wpg-us.com

NOTES:
1. COORDINATES AND BEARINGS SHOWN HEREON ARE NAD 83, LAMBERT GRID COORDINATES AND CONFORM TO THE TEXAS COORDINATE SYSTEM "TEXAS CENTRAL ZONE," WITH REFERENCE TO USGS TRI-STATION "INGLE" WITH A CENTRAL COMBINED SCALE FACTOR OF 0.99980780. THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
2. THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS AND/OR EASEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
3. SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF WPG INC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.
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UNIT PLAT
ENERGEN RESOURCES CORPORATION
HOGBACK STATE UNIT 33-76
SECTION 76, BLOCK 33, H & TC RR SURVEY
LOVING & WARD COUNTIES, TEXAS

DATE: APRIL 11, 2016 DATE SURVEYED: 12/23/15
JOB NO.: 15-1296-00 FIELD BOOK 812/17 DRAFT TA REV. 0

(59)

File No. M-88352

Pooling Agmt. Packet # 7842

Hogback State Unit 33-76

Date Filed: 5/2/16

George P. Bush, Commissioner

By _____

F-59-16

Daryl Morgan

From: Robert Plumb <Robert.Plumb@energen.com>
Sent: Wednesday, June 01, 2016 7:55 AM
To: Daryl Morgan
Subject: RE: Hogback State Unit 33-76 M-88352
Attachments: 1647_001.pdf

Daryl,

Attached please find a recorded copy of the captioned unit for your file.

Thanks,

Bobby

(60)

File No. M-88352

_____ County

E-Mail From Enoyen

Date Filed: 6/1/16

George P. Bush, Commissioner

By _____

16-06065
FILED FOR RECORD
REEVES COUNTY, TEXAS
ay 17, 2016 at 12:01:00 PM

2016-1454 POO
05/16/2016 01:21:44 PM Pages: 11 Fee: 62.00
District & County Clerk - Loving County, TX

16-1826 B: OPR V: 1076 P: 140 POO Pages: 10

POOLING AGREEMENT
ENERGEN RESOURCES CORPORATION
HOGBACK STATE UNIT 33-76
GLO UNIT NO. 7842
LOVING, REEVES AND WARD COUNTIES, TEXAS

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Energen Resources Corporation, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

PURPOSES: 1.

This Pooling Agreement ("Agreement") is made for the purposes of conservation and utilization of the pooled mineral, to prevent waste, to facilitate orderly development and to preserve correlative rights. To such end, it is the purpose of this Agreement to effect equitable participation within the unit formed hereby. This Agreement is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of the pooled mineral and in its interpretation and application shall, in all things, be subject thereto.

UNIT DESCRIPTION: 2.

The oil and gas leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C". The unit description is subject to the provisions of Paragraph 9.

MINERAL POOLED: 3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil including all hydrocarbons that may be produced from an oil well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the top of the Bone Spring Formation to the base of the Wolfcamp Formation being defined as the stratigraphic interval or its correlative equivalent occurring from 7,772 feet to 14,100 feet as seen on the Schlumberger gamma ray/sonic log of the Forrest Oil Company, Catfish Unit 1 Well, API# 42-301-30050("unitized interval").

POOLING AND EFFECT: 4.

The parties hereto commit all of their interests which are within the unit to the extent and as above described into said unit and unitize and pool hereunder the separate tracts described on the attached Exhibit "B", for and during the term hereof, so that such pooling or unitization shall have the following effect:

(a) The unit, to the extent as above described, 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. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional or horizontal well drilled under the unitized area from a surface location on adjacent or adjoining lands not included within the boundaries of the unitized area, such operations shall be considered to have been commenced on the unitized area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the unitized area and production of oil or gas from the unitized area through any directional or horizontal well surfaced on adjacent or adjoining land or drilling or reworking of any such well shall be considered production or drilling or reworking operations, as the case may be, on the unitized area for all purposes under this Agreement. Nothing in this Agreement is intended or shall be construed as granting to Lessee any leasehold interest, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, easements, or other rights which the lessee, operator or other interest owner in the unitized area may have lawfully acquired from the state or others.

(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, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.

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CLERKS OFFICE

(e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners.

(f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.

(g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than the number of acres included in the pooled unit, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to 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.

(h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.

(i) There shall be no obligation to drill internal offsets to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.

(j) Should this Agreement terminate for any cause, in whole or in part, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION: 5.

For the purpose of computing the share of production of the pooled mineral to which each interest owner shall be entitled from the pooled unit, there shall be allocated to each tract committed to said unit that pro rata portion of the pooled mineral produced from the pooled unit which the number of surface acres covered by each such tract and included in the unit bears to the total number of surface acres included in said unit, and the share of production to which each interest owner is entitled shall be computed on the basis of such owner's interest in the production so allocated to each tract.

TAKING ROYALTY IN KIND: 6.

Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this pooling or unitization agreement 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.

EFFECTIVE DATE: 7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of March 29, 2016.

TERM: 8.

This Agreement shall remain in effect so long as the pooled mineral is being produced from said unit, or so long as all leases included in the pooled unit are maintained in force by payment of delay rentals or shut-in oil or gas well royalties, by drilling or rework, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof, which are contained in any State lease covered by this Agreement.

SPECIAL TERMS AND CONDITIONS: 9.

Notwithstanding anything contained herein to the contrary, if a second unit well is not spud on or before the latter of four (4) years from the spud date of the first unit well or the termination date of the Pooling Agreement forming what is known as the 8210 Vermejo Gas Unit more particularly described in the Pooling Agreement on file in the Archives and Records of the Texas General Land Office in Mineral File No. M-88352, then effective on that date,

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the pooled unit will be reduced in size by one-half from 454.397 acres to approximately 227 acres around the first unit well as shown on the plat attached as Exhibit "D".

STATE LAND: 10.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code having been duly considered, made and obtained.

DISSOLUTION: 11.

The unit covered by this Agreement may be dissolved by Lessee, his heirs, successors or assigns, by an instrument filed for record in Loving, Reeves and Ward Counties, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production or upon such other date as may be approved by the School Land Board and mutually agreed to by the undersigned parties, their successors or assigns.

RATIFICATION/WAIVER: 12.

Nothing in this Agreement, nor the approval of this Agreement by the School Land Board, nor the execution of this Agreement by the Commissioner shall: (1) operate as a ratification or revivor of any State lease that has expired, terminated, or has been released in whole or in part or terminated under the terms of such State lease or the laws applicable thereto; (2) constitute a waiver or release of any claim for money, oil, gas or other hydrocarbons, or other thing due to the State by reason of the existence or failure of such lease; (3) constitute a waiver or release of any claim by the State that such lease is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or failure of consideration; (4) constitute a confirmation or recognition of any boundary or acreage of any tract or parcel of land in which the State has or claims an interest; or (5) constitute a ratification of, or a waiver or release of any claim by the State with respect to any violation of a statute, regulation, or any of the common laws of this State, or any breach of any contract, duty, or other obligation owed to the State.

COUNTERPARTS: 13.

This Agreement may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

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

Date Executed 4/29/16

STATE OF TEXAS

Legal
Content
Geology
Executive

By: _____
George P. Bush, Commissioner
General Land Office

Date Executed 4/27/2016

ENERGEN RESOURCES CORPORATION

By: _____
David W. Bolton
Its: Vice President-Land

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STATE OF ALABAMA §
§
COUNTY OF JEFFERSON §

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that David W. Bolton, whose name as Vice President - Land of Energen Resources Corporation, an Alabama corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this 27th day of April, 2016.

Jeremiah T. Penley
Notary Public

My Commission expires:

JEREMIAH TODD PENLEY
My Commission Expires
December 20, 2018

CERTIFICATE

I, Stephanie Crenshaw, 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 29th day of March, 2016, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, 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 29th day of April, 2016.

Stephanie Crenshaw
Secretary of the School Land Board

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COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

Date Executed 4.20.16

AMMONITE OIL & GAS CORP

By: _____

Its: President

STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged before me on April 20, 2016, by William Osborn as President of Ammonite Oil & Gas Corp., a Texas corporation on behalf of said corporation.

CAROLINE Y DECK
MY COMMISSION EXPIRES
October 11, 2017

Notary Public in and for the State of Texas
Notary ID No. 12959056-6

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

EXHIBIT "A"

Attached to and made a part of that certain Pooling Agreement dated effective March 29, 2016 (GLO Unit No. 7842) for the Hogback State Unit 33-76 situated in Loving, Reeves and Ward Counties, Texas

1.	Lease Date:	October 5, 1982
	Lessor:	State of Texas
	Lessee:	Beaconfield Corporation
	Recording:	Volume 66, Page 214, Oil & Gas Lease Records, Loving County, Texas
	Lands:	Tract 1
2.	Lease Date:	March 1, 1979
	Lessor:	Felmont Oil Corporation
	Lessee:	American Trading and Production Corporation
	Recording:	Volume 56, Page 109, Oil & Gas Lease Records, Loving County, Texas
	Lands:	Tract 2
3.	Lease Date:	November 1, 1983
	Lessor:	Hermon Peirce Hubbard and Frances H. Kerr, Individually and as Independent Executrix of the Estate of William L. Kerr, Deceased
	Lessee:	Curtis Pool
	Recording:	Volume 70, Page 416, Oil & Gas Lease Records, Loving County, Texas
	Lands:	Tract 2
4.	Lease Date:	February 19, 1979
	Lessor:	H.R. Beachum, Jr. and W.B. Beachum, Individually and as Independent Executors of the Estate of H.R. Beachum, Deceased
	Lessee:	N.S. Marrow
	Recording:	Volume 58, Page 630, Oil & Gas Lease Records, Loving County, Texas
	Lands:	Tract 2
5.	Lease Date:	January 3, 1985
	Lessor:	Curtis Pool
	Lessee:	BTA Oil Producers
	Recording:	Volume 75, Page 676, Oil & Gas Lease Records, Loving County, Texas
	Lands:	Tract 2
6.	Lease Date:	April 5, 2011
	Lessor:	State of Texas
	Lessee:	Energen Resources Corporation
	Recording:	Volume 104, Page 252, Official Public Records, Loving County, Texas; Volume 908, Page 831, Official Public Records, Ward County, Texas
	Lands:	Tract 3

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7. Lease Date: July 1, 2014
Lessor: State of Texas
Lessee: Ammonite Oil & Gas Corp.
Recording: Instrument Number 2014-2093, Official Public Records, Loving County, Texas; Volume 1105, Page 22, Official Public Records, Reeves County, Texas
Lands: Tract 4

END OF EXHIBIT "A"

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

EXHIBIT "B"

Attached to and made a part of that certain Pooling Agreement dated effective March 29, 2016 (GLO Unit No. 7842) for the Hogback State Unit 33-76 situated in Loving, Reeves and Ward Counties, Texas

Description of Lands:

Tract 1: Southwest 146 acres of the Northeast part of Section 76, Block 33, H&TC Ry. Co. Survey, Loving County, Texas.

Tract 2: All of Lots 9 and 10 and the NE/2 of Lots 11 and 12 of the J.B. Marshall Subdivision of Section 76, Block 33, H&TC Ry. Co. Survey, Loving County, Texas, according to the Plat of said Subdivision recorded in Volume 3, Page 618, Plat Records of Loving County, Texas, containing 120 acres, more or less.

Tract 3: Southwest part of Section 76, Block 33, H&TC Ry. Co. Survey, Loving and Ward Counties, Texas, containing 185 acres, more or less.

Tract 4: 3.397 acres out of Tract 8-D of the Pecos River, Loving, Reeves and Ward Counties, Texas.

Tracts 1, 2, 3 and 4 combining to total 454.397 acres, more or less.

END OF EXHIBIT "B"

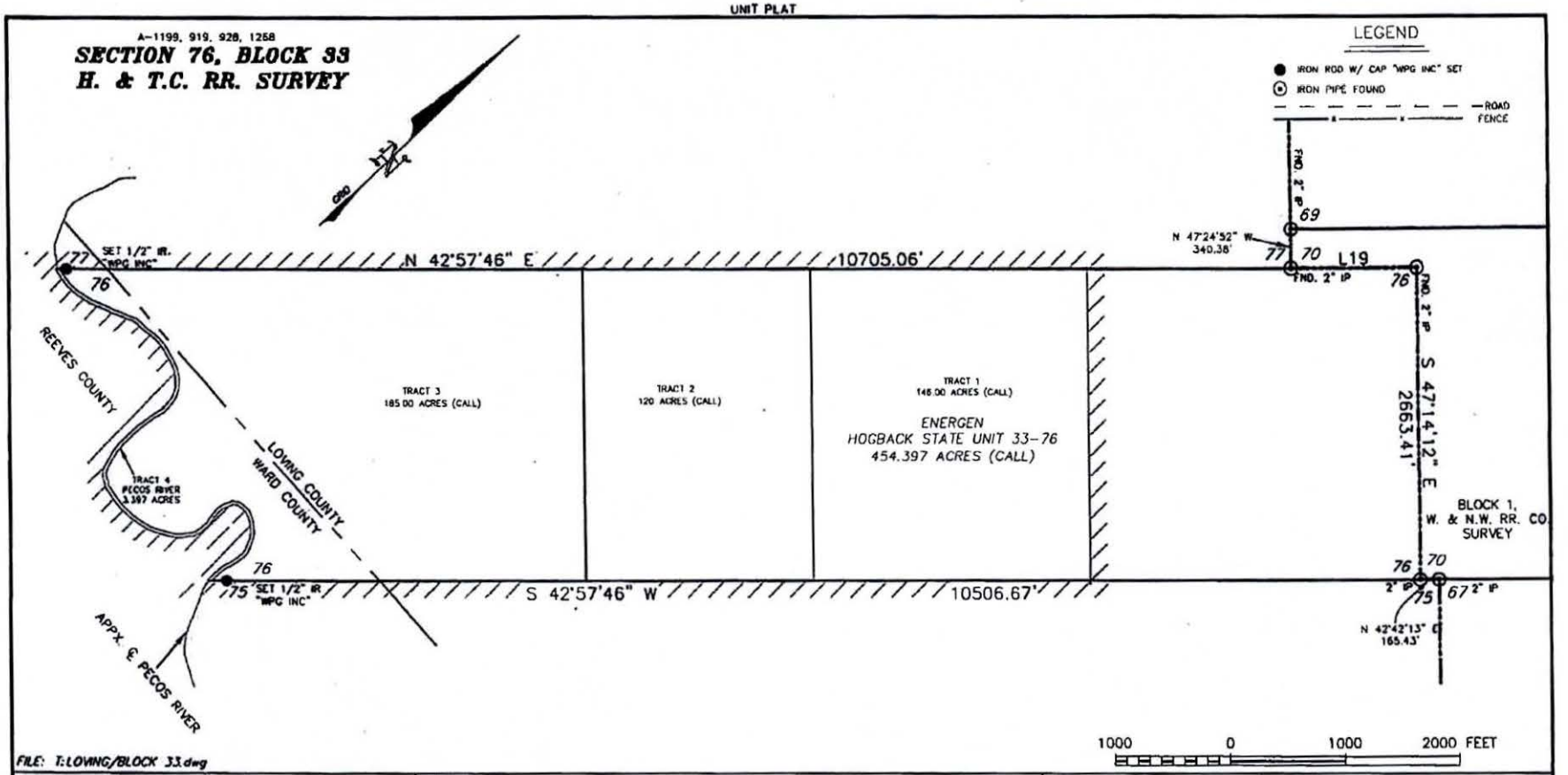
TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

4-28-16

EXHIBIT "C"

Attached to and made a part of that certain Pooling Agreement dated effective March 29, 2016 (GLO Unit No. 7842) for the Hogback State Unit 33-76 situated in Loving, Reeves and Ward Counties, Texas

UNIT PLAT



Watson Professional Group Inc
P.O. DRAWER 11186
MIDLAND, TEXAS 79702
(432) 520-9200
FAX (432) 520-9232
CONSULTING ENGINEERS, LAND SURVEYORS & PLANNERS

NOTES:
1. COORDINATES AND BEARINGS SHOWN HEREON ARE NAD 83, LAMBERT GRID COORDINATES AND CONFORM TO THE TEXAS COORDINATE SYSTEM "TEXAS CENTRAL ZONE," WITH REFERENCE TO USGS TH-STATION "MOLE" WITH A CENTRAL COMBINED SCALE FACTOR OF 0.99980780. THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
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UNIT PLAT
ENERGEN RESOURCES CORPORATION
HOGBACK STATE UNIT 33-76
SECTION 76, BLOCK 33, H & TC RR SURVEY
LOVING & WARD COUNTIES, TEXAS

DATE: FEBRUARY 1, 2016 DATE SURVEYED: 12/23/15
JOB NO.: 15-1296-00 FIELD BOOK 812/17 DRAFT TA REV. 2

THE STATE OF TEXAS ★ REEVES COUNTY ★

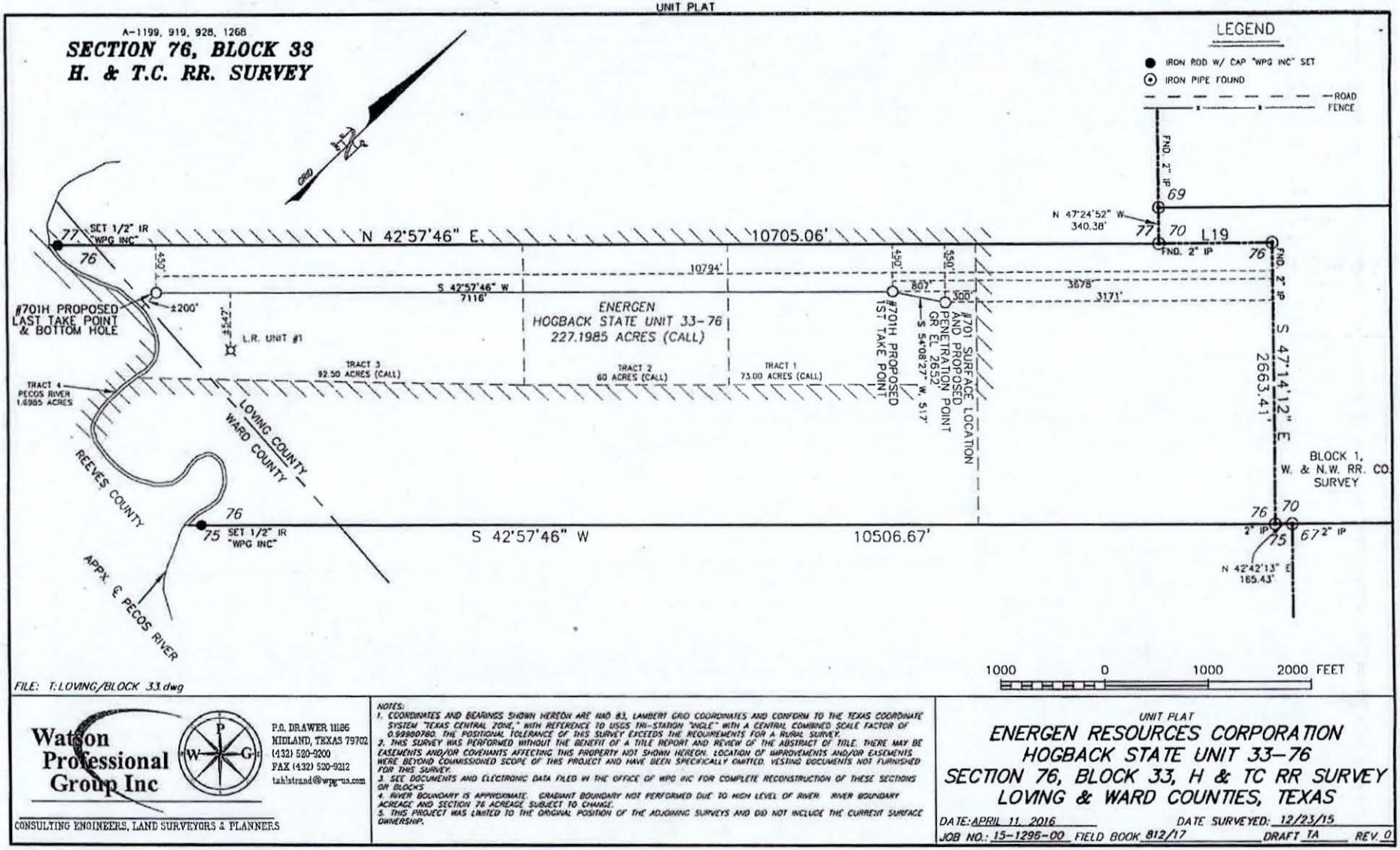
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REEVES COUNTY
CLERKS OFFICE

EXHIBIT "D"

4-29-16

Attached to and made a part of that certain Pooling Agreement dated effective March 29, 2016 (GLO Unit No. 7842) for the Hogback State Unit 33-76 situated in Loving, Reeves and Ward Counties, Texas

UNIT PLAT



FILE: T:\LOVING\BLOCK 33.dwg

Watson Professional Group Inc
CONSULTING ENGINEERS, LAND SURVEYORS & PLANNERS
P.O. DRAWER 1186
MIDLAND, TEXAS 79702
(432) 520-9200
FAX (432) 520-9212
tahlstrand@wpg-us.com

NOTES:
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UNIT PLAT
ENERGEN RESOURCES CORPORATION
HOGBACK STATE UNIT 33-76
SECTION 76, BLOCK 33, H & TC RR SURVEY
LOVING & WARD COUNTIES, TEXAS

DATE: APRIL 11, 2016 DATE SURVEYED: 12/23/15
JOB NO.: 15-1295-00 FIELD BOOK 812/17 DRAFT TA REV. 0

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

I, Mozelle Carr, Clerk of the County Court, in and for said County, do hereby certify that the within instrument in writing, dated 03/29/2016 with its certification of authentication, was filed in my office 05/16/2016 at 01:21 PM and recorded 05/16/2016 in the OFFICIAL PUBLIC RECORDS of Loving County, Texas with Instrument Number 2016-1454. Witness my Hand and Seal of Said Court, at office in Mentone, Texas, on date and year last above written.

COUNTY COURT LOVING COUNTY, TEXAS

Mozelle Carr

MOZELLE CARR, County Clerk
Loving County Texas

THE STATE OF TEXAS REEVES COUNTY

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COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

Inst No. 16-06065
DIANNE O. FLOREZ
COUNTY CLERK
2016 May 17 at 12:01 PM
REEVES COUNTY, TEXAS
By: MA Mary Cruz, DEPUTY

(61)

File No. M-88357

Recorded Hoyt Unit County

Date Filed: 6/1/16

George P. Bush, Commissioner

By

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Florez, Clerk of the County Court in and for said County and State do hereby certify that the foregoing is a true and correct copy of Pooling Agreement dated May 17, filed for record in my office this 17 day of May at 12:01p M, under Clerk's File No. 16-06065, to be recorded in the OFFICIAL Public Records Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas this 17 day of May, 2016.

By Myra Aranda, Deputy.

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

ENERGEN
RESOURCES

February 10, 2017

Texas General Land Office
Attn: Mr. Matthew Scott
1700 North Congress Avenue
Austin, Texas 78701-1495

RE: Consent to Perform On-Lease Gas Lift Operations
State Fee OGL (2) – MF-088352 & MF-112431, State River OGL – MF-116706
Hogback State Unit 33-76 – Unit 7842
Hogback State Unit 33-76 #701H
Section 76, Block 33, H&TC RR Co. Survey and 3.397 acres of the Pecos River
Loving, Reeves and Ward Counties, Texas

Dear Mr. Scott:

Energen Resources Corporation, as Operator of the captioned well and pursuant to the terms of the captioned State Oil and Gas Leases, hereby requests approval to perform on-lease gas lift operations involving said Oil and Gas Leases.

Thank you for your time and consideration of this request. Please call me at (205) 326-4395 if you have any questions or if you need any additional information.

Yours very truly,

ENERGEN RESOURCES CORPORATION

ROBERT W. PLUMB
Land Advisor

62

No. MF088352

LOVING County

REQUEST TO USE GAS LIFT

Date Filed: 3/30/17

George P. Bush, Commissioner

M T SCOTT

5.12.15

TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

February 24, 2017 Certified Mail: 7016 2070 0000 7391 7871

Mr. Robert W. Plumb
Land Advisor
Energen Resources Corporation
605 Richard Arrington, Jr. Boulevard North
Birmingham, AL 35203-2707

RE: Your Application Dated 2/10/2017 for Authority to Utilize Gas Produced on the Leased Premises for Gas Lift Purposes as Applicable to the Hogback State Unit SE 33-76 Lease, Fee Leases MF088352 and MF112431, and Pecos River 52.076 MF116706, GLO Unit 7842, Loving, Reeves and Ward Counties, Texas.

Dear Mr. Peacock:

General Land Office staff has reviewed your letter dated February 24, 2017 that requested permission to utilize on-lease gas for gas lift operations on the referenced lease. Energen Resources does not utilize makeup or buy-back gas in the gas lift system serving the GLO Unit 7842 lease/unit wells.

Pursuant to the terms of the applicable State lease, please be advised that the request to recycle gas on the leased premises is approved subject to the following conditions:

1. Lessee shall install and utilize square-edged orifice meters and continuously meter the gas lift supply to each well and the gas that passes through any other gas lift supply and distribution meter.
2. The gas BTU content and component analysis obtained at each lease/unit gas meter shall be determined by gas sample chromatographic analysis.

If you have questions, please contact me at (512) 475-2230, or by FAX at (512) 475-1543. My e-mail address is matthew.scott@glo.state.tx.us

Sincerely,

Matthew T. Scott, P.E.
Petroleum Engineer
Energy Resources/Mineral Leasing

cc: Robert Hatter, Deputy Director of Energy Resources

(63)

File No. MF088352

LOVING County

AGREE TO GASLIFT

Date Filed: 3/30/2017

George P. Bush, Commissioner

By MTSCOTT