

MF094311

<i>State Lease</i>	<i>Control</i>	<i>Base File</i>	<i>County</i>
MF094311	56-029973		BRAZOS

<i>Survey</i>	HIGHWAYS & PUBLIC TRANSPORTATION DE
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Block

Block Name

Township

Section/Tract

Land Part

<i>Part Description</i>	HIGHWAY RIGHT-OF-WAY
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<i>Acres</i>	23.95
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<i>Depth Below</i>	<i>Depth Above</i>	<i>Depth Other</i>
0	0	See Lease

<i>Name</i>	UNION PACIFIC RESOURCES
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<i>Lease Date</i>	11/20/1990
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<i>Primary Term</i>	2 yrs
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<i>Bonus (\$)</i>	\$3,283.50
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<i>Rental (\$)</i>	\$0.00
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<i>Lease Royalty</i>	0.2000
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Leasing: _____

Analyst: _____

Maps: _____

GIS: _____

UNION PACIFIC RESOURCES

-M
F
0
9
4
3
1
1

2074

14.45 UNIT ACRES

2207

9.50 UNIT ACRES

Pass To:

Legal DU
Rental 7/2
Min. A/c _____
Min. Map GA

HIGHWAY ROW LEASE

M-94311

COUNTY (CODE) : BRAZOS
SURVEY : WILLIAM MATTHIS A-37
BLOCK : _____
TOWNSHIP : _____
SECTION : _____
PART : _____
ACRES : 21.89 23.95 (per poolings)
DEPTH LIMITS : _____
BASE FILE (S) : _____
CONTROL NO. (S) : 56-02997-3

LESSEE : UNION PACIFIC RESOURCES CO.
DATE : NOVEMBER 20, 1990
PRIMARY TERM : TWO YEARS
BONUS : \$3,283.50
ROYALTY : 1/5
RENTALS : PAID-UP

- 1 Lease 11-20-90 pm
- 2 Application 9-20-90 pm
- 3 Ltr. From Highway Dept 11-9-90 pm
- 4 Memo to SLB 11-20-90 pm
- 5 Ltr. to J.W. Winzeler 11-26-90 pm
- 6 Ltr From Union Pacific 12-13-90 pm
- 7 Transmittal Letter to Union Pacific 1-2-91 pm
- 8 Designation of Unit (Longhorn) 9-14-92
- 9 FAX FROM UPRC 5-3-93
- 10 Division Order 5-7-93
11. Division Order 7-27-93
12. Resignation of Unit (Woyhawk)
13. Designation of Unit (Sausage Unit)
14. DIVISION ORDER 10/15/91

Scanned SM 5/11/16

- 15) TERMINATION LETTER 10/4/17

scanned PJ 5-4-2018

(See MF091332 #41, Assign #10629

Anastasio (4) Admiral et al 7-23-18

Scanned PJ 8-15-2018

HROW Lease
Revised 7/90

14.45
262

PAID-UP

**OIL AND GAS LEASE NO. M-94311
GENERAL LAND OFFICE
AUSTIN, TEXAS**

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress, Austin, Texas, 78701, hereinafter called "Lessor", hereunto authorized by the School Land Board, pursuant to the provisions of Chapters 32, 34 and 52 of the Natural Resources Code (hereinafter called N.R.C.), and amendments thereto, and all applicable rules promulgated by the School Land Board, and Union Pacific Resources Company, whose address is P.O. Box 7, Ft. Worth, Texas 76101-0007, hereinafter called "Lessee". #100031777

1. Lessor, in consideration of Three Thousand Two Hundred Eighty Three and 50/100 Dollars (\$3,283.50), receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of Brazos, State of Texas, and is described as follows:

21.89 acres of land, more or less, situated in the William Matthis Survey, Abstract No. 37, Brazos County, Texas, more particularly described in Exhibit "A" attached hereto and made a part hereof together with a plat, attached hereto as Exhibit "B", depicting said right-of-way and surrounding area for purposes of illustration only.

For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 21.89 acres, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. PRIMARY TERM: This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of two (2) years from November 20, 1990, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. ROYALTIES: As royalty Lessee covenants and agrees:

(a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its well, the equal one-fifth (1/5) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such one-fifth (1/5) part of such oil at the wells as of the day it is run to the pipe line or storage tanks;

(b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by lessee, one-fifth (1/5) of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one-fifth (1/5) of such gas and casinghead gas.

(c) If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred.

(d) Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but shall not be required to settle labor trouble or to market gas upon unacceptable terms.

(e) If at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check of lessee, as royalty, the sum of \$21.89 . Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the

provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

(f) 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. If Lessee pays his royalty on or before thirty (30) days after the royalty payment was due, the Lessee owes a penalty of 5% on the royalty or \$25.00, whichever is greater. A royalty payment which is over thirty (30) days late shall accrue a penalty of 10% of the royalty due or \$25.00, whichever is greater. In addition to a penalty, royalties shall accrue interest at a rate of 12% per year; such interest will begin accruing when the royalty is sixty (60) days overdue. Affidavits and supporting documents which are not filed when due shall incur a penalty in an amount set by the General Land Office administrative rule which is effective on the date when the affidavits or supporting documents were due. The Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that

portion of the royalty in dispute as to fair market value. The State shall have first lien upon all oil and gas produced from the area covered by this lease to secure the payment of all unpaid royalty and other sums of money that may become due to the State hereunder.

(g) Notwithstanding any other provisions of this lease, Lessor's royalty herein shall be a free royalty. Lessor shall not be required to pay and Lessor's royalty shall not be reduced on account of or charged with any costs of making the products produced hereunder ready and available for market including, but not limited to, the costs of transporting, compressing, dehydrating, operating, storing, treating, or processing (excluding any processing taking place in an off-premises processing plant) oil, gas or other gaseous liquid hydrocarbons.

(h) Anything contained in Paragraph 3 above to the contrary notwithstanding, it is understood and agreed that Lessor shall receive the same price for his royalty gas as received by Lessee under any bona fide gas sales contract entered into by Lessee with an independent third party purchaser. Notwithstanding the royalty provisions contained in Paragraph 3 hereof, it is provided that if gas produced from said land is processed in an absorption or extraction plant, or other similar plant for the recovery of the liquid or liquefiable hydrocarbons therefrom, then in lieu of the gas royalty provided for in paragraph 3, Lessor shall have and shall be entitled to receive twenty percent (20%) of the net proceeds received by Lessee from the sale of such plant products as its royalty and in addition thereto Lessor shall be paid twenty percent (20%) of the net proceeds received by Lessee from all residue gas sold from this lease at the plant as its royalty; provided, however, that if Lessee in good faith contracts with another party for the recovery of such liquid or liquefiable hydrocarbons, Lessor shall have and be entitled to twenty percent (20%) of the net proceeds received by Lessee under the processing contract by which such liquid or liquefiable hydrocarbons are recovered from said gas, and in addition thereto, Lessor shall be paid as royalty twenty percent (20%) of the net proceeds received by Lessee from all residue gas sold from this lease.

4. POOLING: (a) Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons. Units pooled for oil hereunder shall not exceed 160 acres each in area, and units pooled for gas hereunder shall not exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed by governmental

regulations. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, as operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) the proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force for so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

(b) Neither unit production of oil or gas, nor unit operations, nor payment of shut-in royalties from a unit gas well, shall serve to hold the lease in force as to any area outside the unit, regardless of whether the production, maintenance of a shut-in gas well, or operations are actually located on the State tract or not.

5. RELEASE: 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 the prescribed filing fee. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

6. REWORK: If at any time or times during the primary term operations are conducted on said land and if all operations are discontinued, this lease shall thereafter terminate at the end of the primary term or on the ninetieth day after discontinuance of all operations, whichever is the later date, unless on such later date either (1) Lessee is conducting operations or (2) the shut-in well provisions of paragraph 3 or the provisions of paragraph 9 are applicable. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil or gas, or production of oil or gas in paying quantities.

7. MINERAL USE: Lessee shall have the use, free from royalty, of oil and gas produced from said land in all operations hereunder.

8. NOTICE: In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is cancelled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered

at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

9. FORCE MAJEURE: If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term shall be extended until ninety (90) days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

10. LESSER ESTATE CLAUSE: If this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessors interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease bears to the whole and undivided fee simple estate therein.

11. ASSIGNMENTS: This lease may be transferred at any time. All transfers must reference the lease by file number and must be recorded in the county where the land covered hereby 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 N.R.C. Section 52.026, accompanied by the prescribed filing fee. Every transferee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original Lessee or any prior transferee of the lease, including any liabilities to the State for unpaid royalties.

12. WELL INFORMATION: Lessee agrees to forthwith furnish Lessor, upon written request, with copies of all drilling logs, electrical logs, cores and core records and other information pertaining to all wells drilled by lessee either on the leased premises or acreage pooled therewith, when requested to do so. Said information shall remain confidential as required by statute.

13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of

said land shall be by means of a directional well located off the leased premises, or by pooling of said land with other land, lease or leases as hereinabove provided.

14. COMPENSATORY ROYALTY: Lessee shall pay a compensatory royalty if this lease is not being held by production on the leased premises, by production from a pooled unit, or by payment of shut-in royalties in accordance with the terms of this lease, and if oil or gas is sold or delivered in paying quantities from a well located within 2500 feet of the leased premises and completed in a producible reservoir underlying the area leased hereunder or in any case in which drainage is occurring. Such compensatory royalty shall be paid at the royalty rate provided in this lease based on the value of production from the well as provided in the lease on which such well is located. The compensatory royalty shall be paid in the same proportion that the acreage of this lease has to the acreage of the proration unit surrounding the draining well plus the acreage of this lease. The compensatory royalty shall be paid monthly to the Commissioner of the General Land Office on or before the last day of the month after the month in which the oil or gas is sold and delivered from the well causing the drainage or from the well located within 2500 feet of the leased premises and completed in a producible reservoir under this lease. Notwithstanding anything herein to the contrary, compensatory royalty payable hereunder shall be no less than an amount equal to \$43.78, and shall maintain this lease in effect for so long as such payments are made as provided herein.

15. FORFEITURE: If Lessee shall fail or refuse to make payment of any sum within thirty (30) 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 refuse the proper authority access to the records pertaining to operations, or if 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 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. However, nothing herein shall be construed as waiving the automatic termination of this lease by operations of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land

Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative hereto.

16. RAILROAD COMMISSION: No natural gas or casinghead gas, including both associated and non-associated 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 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

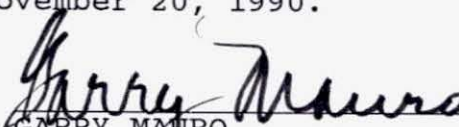
(f) no person who resides in this state and who relies on natural gas or casinghead gas to provide in whole or part his existing needs for fuel or raw material requires the natural gas or casinghead gas to meet those needs; provided, however, after notice and hearing as provided in Title 3 of the N.R.C., the Railroad Commission of Texas may grant exceptions to these provisions of Subchapter H of Chapter 52 of the N.R.C. if it finds and determines that enforcement of such provisions:

(1) would cause physical waste as defined in Title 3 of the N.R.C.; or

(2) would unreasonably deny to the Lessee an opportunity to produce economically hydrocarbons from the land subject to this lease.

IN TESTIMONY WHEREOF, witness the signature of the Commissioner of the General Land Office, under the seal of the General Land Office, effective as of November 20, 1990.

Approved _____
Audit _____
Legal _____
Geology _____
Execution _____


GARRY MAURO
COMMISSIONER OF THE GENERAL LAND OFFICE
OF THE STATE OF TEXAS

Brazos County
CSJ 116-4-2, 4 and 5
116-5-
S.H. 21
No. 302

Exhibit "A"

Being 21.89 acres of land, more or less, situated in the William Matthis Survey, Abstract No. 37. Said 21.89 acres being all of the same land conveyed to the State by the following listed deeds:

Grantor	Volume	Page
1. Dominik Salsisa, et al	79	304
2. Mary Henderson	79	275
3. Will Randle	79	351
4. Boots Randle, et al	79	330
5. Brazos Vanisco	79	327

and also being only a portion of the same land conveyed to the State by a deed from Brazos Vanisco as recorded in Volume 79, Page 326. All deeds stated herein being duly recorded in the Deed Records of Brazos County, Texas and being more particularly described as follows, to-wit;

Beginning at a point located on the east line of the William Matthis Survey, Abstract No. 37, and also being the west line of the James Curtis Jr. Survey, Abstract No. 12, where it intersects the north right of way line of S.H. 21;

Thence S 45° 00' 00" W along said survey line, a distance of 170.00 feet crossing the centerline of S.H. 21 at Engineer's Centerline Station Number 227+55.00 and continuing on for a total distance of 340.00 feet to a point located on the south right of way line of said highway;

Thence S 79° 48' 00" W along said south right of way line parallel to and 110 feet from the said centerline, a distance of 2,800 feet to a point located 110 feet south and perpendicular distance from Engineer's Centerline Station Number 198+00.00;

Thence S 75° 00' 00" W along said south right of way line, a distance of 200.00 feet to a point located 120.00 feet south and perpendicular distance from Engineer's Centerline Station Number 196+00.00;

Thence S 79° 48' 00" W along said south right of way line, a distance of 1,020.00 feet crossing the centerline of the Little Brazos River, located 120.00 feet south and perpendicular distance from Engineer's Centerline Station Number 185+81.00 and continuing on for a total distance of 1,450.00 feet to a point located 120.00 feet south and perpendicular distance from Engineer's Centerline Station Number 181+50.00;

Brazos County
CSJ 116-4-2, 4 and 5
116-5
S.H. 21
No. 302

-2-

Thence N 10° 12' 00" W, departing from the south right of way line of S.H. 21, a distance of 240.00 feet to a point located on the north right of way line of said highway;

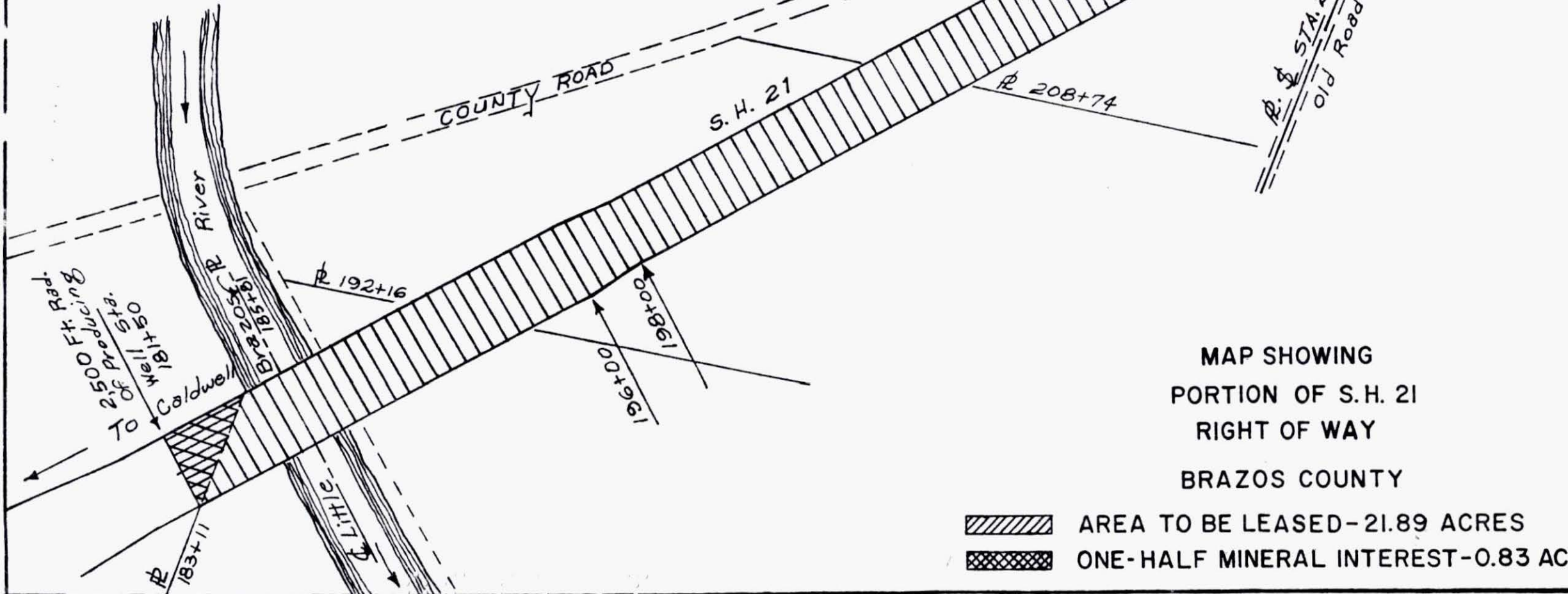
Thence N 79° 48' 00" E along said north right of way line, a distance of 450.00 feet crossing the centerline of the Little Brazos River and continuing on for a total distance of 1,450.00 feet to a point located 120.00 feet north and perpendicular distance from Engineer's Centerline Station Number 196+00.00;

Thence N 85° 00' 00" E along the said north right of way line, a distance of 200.00 feet to a point located 110.00 feet north and perpendicular distance from Engineer's Centerline Station Number 198+00.00;

Thence N 79° 48' 00" E along the said north right of way line, a distance of 3,070.00 feet to a point located on the east line of the William Matthis Survey, Abstract No. 37. Said point also being the point of beginning of the tract herein described and contains 21.89 acres of land, more or less, and being as indicated on the official right of way map which is on file with the Department of Highways and Public Transportation and is identified under Control Numbers 116-4-2, 4 and 5 and 116-5.

Exhibit "B"

William Matthis Survey Abstract 37



MAP SHOWING
 PORTION OF S.H. 21
 RIGHT OF WAY
 BRAZOS COUNTY

-  AREA TO BE LEASED - 21.89 ACRES
-  ONE-HALF MINERAL INTEREST - 0.83 AC.

M-94311

①

Lease

November-20, 1990

1

Jim Brandt & Associates, Inc.

*2110 Morton League
Richmond, Texas 77469
(713) 342-7125*

September 20, 1990

Garry Mauro, Commissioner
Texas General Land Office
1700 N. Congress Avenue, Room 640
Austin, Texas 78701

Re: Written Application to lease acreage in right-of-way tract where the State of Texas owns the minerals located under the tract in accordance with Suggested Procedures for Leasing State Highway Right-of-Way Tracts, Revised October, 1987

Dear Sir,

I represent Union Pacific Resources Company and I am interested in obtaining an Oil, Gas and Mineral Lease on minerals owned by the State of Texas under a portion of State Highway 21 in Brazos County, Texas.

Exhibit "A" attached hereto is a Written Application, with explanations, maps and deeds clearly showing the right-of-way tract that the applicant proposes to lease in accordance with Section II. "Initiating the Leasing Process" (a)(1) of the "Suggested Procedures for Leasing State Highway Right-of-Way Tracts, Revised October, 1987". This tract will hereinafter be referred to as the "Subject Acreage".

Exhibit "B" attached hereto covers the Adjacent Mineral Owners and definition of adjacent mineral owners referenced under Section II. "Initiating the Leasing Process" (a)(2) and Section III "Notifying Adjacent Mineral Owners" (a) of the "Suggested Procedures for Leasing State Highway Right-of-Way Tracts, Revised October, 1987".

Exhibit "C" attached hereto is an Affidavit stating that there was no well capable of producing in paying quantities within 2500 feet of the right-of-way tract boundaries as of January 1, 1985 as defined under Section II. "Initiating the Leasing Process" (a)(3) of the "Suggested Procedures for Leasing State Highway Right-of-Way Tracts, Revised October, 1987"

Please find attached hereto a check in amount of \$ 100.00 dollars as the processing fee payable to the Commissioner of the General Land Office.

The following list describes Exhibit "D" thru Exhibit "N" attached hereto being the "Written Waiver of Statutory Notice" ; all of the Oil, Gas and Mineral Leases adjacent to

the "subject acreage", one assignment to Union Pacific Resources Company from Black Creek Production Company, four (4) "Affidavits of Consideration Paid for Oil, Gas and Mineral Lease" for each lease, executed by the landman who acquired each respective lease and finally a plat which clearly indicates the lease ownership of all tracts adjacent to the "Subject Acreage".

These exhibits are requirements as defined under the "Suggested Procedures for Leasing State Highway Right-of-Way Tracts, Revised October, 1987" Section II "Initiating the Leasing Process" (b) (1),(2),(3),and(4).

Exhibit "D" Written Waiver of Statutory Notice executed by J.W. Winzeler, Agent for Union Pacific Resources Company.

Exhibit "E" Certified Copy of a Oil, Gas and Mineral Lease dated March 12, 1990 from Brazos Farms Ltd., an Illinois Corporation, et al, to Black Creek Production Company covering 981.776 acres of land, more or less, with a 2 year primary term and a 1/5 royalty, recorded in Volume 1204 at page 306 of the Official Records of Brazos County, Texas.

Exhibit "F" Certified Copy of Assignment of the above described Brazos Farm Ltd., et al Oil Gas and Mineral Lease from Black Creek Production Company to Union Pacific Resources Company dated April 18, 1990 recorded in Volume 1204, at page 324 of the Official Records of Brazos County, Texas

Exhibit "G" Original Affidavit of Consideration Paid for Oil, Gas and Mineral Lease dated August 24, 1990 and executed by Joel D. Guedry covering Oil, Gas and Mineral Lease from Brazos Farms, Ltd, et al to Black Creek Production Company and assigned to Union Pacific Resources Company.

Exhibit "H" Certified Copy of a Oil, Gas and Mineral Lease dated February 13, 1990 from Myrtle Killingsworth Layton to Union Pacific Resources Company covering 70.00 acres of land, more or less, with a 3 year primary term and a 1/5 royalty, recorded in Volume 1206 at page 272 of the Official Records of Brazos County, Texas.

Exhibit "I" Original Affidavit of Consideration Paid for Oil, Gas and Mineral Lease dated August 16, 1990 and executed by Dale A. Hennigar covering Oil, Gas and Mineral Lease from Myrtle Killingsworth Layton to Union Pacific Resources Company.

Exhibit "J" Certified Copy of a Oil, Gas and Mineral Lease dated February 13, 1990 from Lawrence Towles to Union Pacific Resources Company covering 70.00 acres of land, more or less, with a 3 year primary term and a 1/5 royalty, recorded in Volume 1181 at page 50 of the Official Records of Brazos County, Texas.

Exhibit "K" Original Affidavit of Consideration Paid for Oil, Gas and Mineral Lease dated August 16, 1990 and executed by Dale A. Hennigar covering Oil, Gas and Mineral Lease from Lawrence Towles to Union Pacific Resources Company.

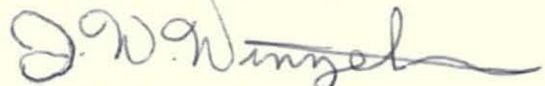
Exhibit "L" Certified Copy of a Oil, Gas and Mineral Lease dated February 6, 1990 from Dorothy Salpetro and Pete Sausage to Union Pacific Resources Company covering 146.50 acres of land, more or less, with a 3 year primary term and a 1/5 royalty, recorded in Volume 1174 at page 758 of the Official Records of Brazos County, Texas.

Exhibit "M" Original Affidavit of Consideration Paid for Oil, Gas and Mineral Lease dated August 15, 1990 and executed by J.W. Winzeler covering Oil, Gas and Mineral Lease from Dorothy Salpetro and Pete Sausage to Union Pacific Resources Company.

Exhibit "N" a plat which clearly indicates the lease ownership of all tracts adjacent to the "Subject Acreage"

Please accept all of the above described documents as Union Pacific Resources Companies written application to lease acreage in a right-of-way tract where the State of Texas owns the minerals located under the tract. I have reviewed this complete package with Tracey T. Yakints in the Mineral Division of the General Land Office to conform with "Suggested Procedures for Leasing State Highway Right-of-Way Tracts, Revised October, 1987". If you have any questions or problems, please feel free to contact me at the College Station Hilton (409) 693-7500. I am usually there Monday thru Friday. Send any and all correspondence in reference to this application to me in care of Jim Brandt and Associates. Please contact me if there is any additional information needed or if I can be of any assistance in this matter.

Very truly yours,



J.W. Winzeler, CPL
Agent for Union Pacific
Resources Company

450400

FILED

OIL, GAS AND MINERAL LEASE

90 AUG 20 PM 2:35

THIS AGREEMENT made this 12th day of March, 19 90, between

Brazos Farm Ltd., an Illinois Corporation, and M.U.S.A. Ltd., an Illinois Corporation; both with authority to do business in Texas.

Lessor (whether one or more), whose address is: P.O. Box 3460, Bryan, Texas 77805
and BLACK CREEK PRODUCTION COMPANY, 800 Tully, #250, Houston, Texas 77079, Lessee, WITNESSETH:

1. Lessor, in consideration of *Ten and no/100 Dollars***** Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned); together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Brazos, State of Texas, and is described as follows:

which is more particularly described in the attached Exhibit "A", referent to which is herein made for all purposes.

All royalties payable hereunder shall be based upon twenty percent (20%) of production and wherever the fraction 1/8 occurs in this printed form, twenty percent (20%) shall be deemed to have been substituted therefor. Under paragraph 2, the primary term is a two (2) year paid-up lease rather than a 10 year primary term.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 981.776 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of two (2) years from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipe line to which lessee may connect its wells, the equal ~~one-eighth~~ 20% part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such ~~one-eighth~~ 20% part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear ~~one-eighth~~ 20% of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor on gas and casinghead gas produced from said land (1) when sold by lessee, one-eighth of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one-eighth of such gas and casinghead gas; (c) ~~To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessor's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton.~~ If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-ins, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, ~~but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee.~~ If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to ~~one dollar (\$1.00)~~ 20% for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the N/A Bank

at N/A, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of lessee to release as provided in paragraph 5 hereof, except that lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. ~~Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.~~

5. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than from lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. ~~No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the lessor.~~ Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by lessor or lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. ~~In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. If this lease is cancelled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.~~

10. ~~Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever.~~ Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but lessor agrees that lessee shall have the right at any time to pay or reduce same for lessor, ~~either before or after maturity~~, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of lessee, the primary term hereof shall be extended until ~~the first anniversary date hereof occurring ninety (90) or more~~ days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

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

BLACK CREEK Production Co-
Joel D. Guedry, Chairman

LESSOR SS. OR TAX I.D. NO.

LESSOR Lessee SS. OR TAX I.D. NO.

ACKNOWLEDGEMENT

STATE OF
COUNTY OF

This instrument was acknowledged before me on the _____ day of _____, 19____, by _____

Notary Public, State of Texas
Notary's name (printed):

Notary's commission expires:

ACKNOWLEDGEMENT

STATE OF
COUNTY OF

This instrument was acknowledged before me on the _____ day of _____, 19____, by _____

Notary Public, State of Texas
Notary's name (printed):

Notary's commission expires:

CORPORATE ACKNOWLEDGEMENT

STATE OF
COUNTY OF

This instrument was acknowledged before me on the 17th day of MARCH, 1990, by Joel Guedry of Black Creek Production Co. a Texas corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):

Notary's commission expires:



VOL 1204 PAGE 307

Producers 88 (7/69) - Paid Up with 640 Acres Pooling Provision

Oil, Gas and Mineral Lease

FROM _____ TO _____

Dated _____, 19____

No. Acres _____ County, _____

Term _____

This instrument was filed for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office.

By _____ County Clerk _____, Deputy

When recorded return to _____

FOUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659-3159

BRAZOS FARM LTD., and M.U.S.A. LTD.,
both Illinois Corporations with
authority to do business in Texas

By: Stefano de Asarta
STEFANO de ASARTA, President

BRAZOS FARM LTD., and M.U.S.A. LTD.,
both Illinois Corporations with
authority to do business in Texas

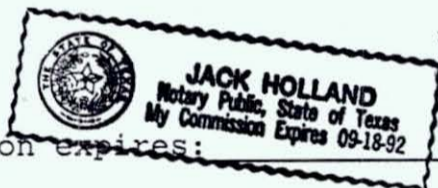
By: Laura de Asarta
LAURA de ASARTA, Secretary

THE STATE OF TEXAS)
)
COUNTY OF)

CORPORATE ACKNOWLEDGEMENT

BEFORE ME, the undersigned authority, on this day personally appeared Stefano de Asarta, the President of BRAZOS FARM LTD., and M.U.S.A. LTD., both Illinois Corporations with authority to do business in Texas, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of said corporation and that he executed the same as the act of said corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 17th day of March, 1990.



Jack Holland
Notary Public in and for
the State of Texas

My commission expires: _____

THE STATE OF TEXAS)
)
COUNTY OF)

CORPORATE ACKNOWLEDGEMENT

BEFORE ME, the undersigned authority, on this day personally appeared Laura de Asarta, the Secretary of BRAZOS FARM LTD., and M.U.S.A. LTD., both Illinois Corporations with authority to do business in Texas, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of said corporation and that he executed the same as the act of said corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 17th day of March, 1990.



Jack Holland
Notary Public in and for
the State of Texas

My commission expires: _____

ADDENDUM

The following agreements shall supersede and govern the printed form text of this lease to the contrary, and shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, representatives, successors and assigns.

11. It is specifically understood and agreed that this lease covers only oil, gas, sulphur, and associated liquid or liquefiable hydrocarbons (excluding coal or lignite); but this lease does not cover or include any other minerals, with all other minerals being reserved to the Lessor herein.

12. It is expressly agreed and understood that after the primary term hereof, Lessee's right to maintain this lease in force after the primary term by shut-in gas well payments under Paragraph 3 shall not continue for any one shut-in period of more than one (1) consecutive year, or in recurring periods after the primary term not to exceed two (2) years in the aggregate. With regard to Lessee's right to maintain this lease by shut-in payments for recurring periods not to exceed two (2) years in the aggregate, it is intended by Lessor and Lessee that the provisions of this paragraph will maintain this lease in force in those situations beyond the reasonable control of Lessee, including, but not limited to (a) failure of any purchaser to take gas production or (b) shut-in as a result of Lessee's obligation to make-up production under any applicable regulations. OG 9A

13. With respect to the actual operations conducted by Lessee upon surface of the leased premises, it is agreed by and between Lessor and Lessee as follows:

(a) Weather permitting, within one hundred twenty (120) days after the cessation of Lessee's use thereof, Lessee will level all mounds, fill all pits, ruts and other excavations (first allowing sufficient time for sand to dry out), and remove all deleterious materials and substances that might cause injury to persons, crops or livestock, and restore the surface to as near its condition upon the execution of the lease as may be reasonably done. Lessee further agrees that it will use its best efforts to prevent the escape of salt, oil, noxious waters or substances. ~~Less~~ ^{Lessee} agrees to maintain all approaches, cattle guards, gates and roadways upon the leased premises used in connection with Lessee's operations in a good state of repair and, furthermore, Lessee will promptly cause to be repaired and restored any damage thereto caused by or resulting from Lessee's operations. Lessee further agrees to bury all pipelines constructed upon the leased premises by Lessee to a depth of at least forty-eight (48) inches when requested to do so in writing by Lessor. OG 9A

(b) Weather permitting, within thirty (30) days after the completion of any well drilled upon the leased premises by Lessee, Lessee shall clean up the well site and remove from said lands any and all oil spilled, junk materials, pieces of iron, pipes, steel or other debris and foreign materials.

(c) Lessee agrees to use reasonable care in the conduct of all operations upon the leased premises to prevent injury or damage to cattle, livestock, buildings or other property of Lessor's situated on the surface thereof, or to Lessor's water wells and tanks located thereon, and Lessee agrees to pay Lessor for all damages to cattle, crops, buildings, livestock, fences, tanks and water wells, and all grass, growing crops and other improvements situated upon the surface of said premises resulting from Lessee's operations hereunder.

(d) Lessee agrees that no drilling operations will be conducted within one thousand five hundred (1,500) feet of the center of the house known as the Brazos Varisco home Place which is located in the Southwest portion of the William Mathis Survey, A-37, between the Brazos River and the Little Brazos River.

(e) Lessee agrees to conduct his operations upon the leased premises so as to cause no unreasonable interference with the farming or ranching operations of Lessor.

(f) It is agreed and understood that no employee, representative or contractor of Lessee, or any other person allowed to come upon said lands by Lessee shall be permitted to hunt, fish, swim, camp or picnic on said lands, and no dog, gun, firearms, fishing equipment or other sporting paraphernalia will be permitted on the premises. If for sufficient cause in addition to the foregoing shown by lessor any of Lessee's representatives or employees are or become objectionable to Lessor, Lessor may give telephone notice thereof directly to Joel Guedry, as Lessee's representatives for contact (713) 496-1849 and, if Lessee does not voluntarily remove or exclude any such party from said lands within twenty-four (24) hours after receipt of such notice, Lessor shall have the right to eject such party from said lands and thereafter prohibit such party from thereafter entering upon said lands. ~~Lessee~~ shall make a good faith effort to insure that all employees and contractors know of the limitations and responsibilities of Lessee under this lease. B SA

(g) Lessee agrees that it will use only such entrances and roadways for entering upon and leaving said lands and such routes, roadways and approaches in going upon, over or about said lands as are designated for its normal lease use by Lessor who agrees, upon request and in consultation with Lessee, to designate a reasonable route for Lessee's purposes consistent with terrain, preservation of improvements and the conduct of Lessor's ranching and farming operations. Lessee further agrees for itself and for all persons entering or leaving said lands in connection with Lessee's operations hereunder that it shall keep all outside and interior gates along the route or routes designated for Lessee's use securely closed except immediately before and immediately after each separate use, and further agrees that it will promptly repair any gate, fence or other improvement that may suffer damages or injury by reason of Lessee's operations. Lessee further agrees that it will maintain approaches, cattle guards and ranch roadways used in connection with its operations in a good state of repair and will promptly cause to be repaired and restored any damages thereto occasioned by or resulting from Lessee's operations. Lessee agrees to keep the construction of new roads to a minimum and, in connection with any roads built by Lessee, agrees to construct such diversion terraces as may be reasonable and necessary and suggested by the U.S. Soil Conservation Service to prevent soil erosion. As to such existing roads as may be designated for Lessee's use, Lessee shall be responsible for and obligated to maintain such roads in a passable condition for use by Lessee and Lessor.

(h) Lessee will not cut or go over any fence or fences of Lessor in connection with any operations on the said lands without first obtaining Lessor's express consent thereto; however, such consent shall not be unreasonably withheld. If Lessor consents to the cutting of a fence, the cut must be made at the place designated by Lessor; and Lessee shall, prior to cutting any fence, brace the existing fence adequately on both sides of the proposed cut so that when the fence is cut there will be no slackening of the wires. If the cut in such fence is an outside fence of lessor, Lessee agrees to promptly replace

the fence so cut, or, at Lessor's election, Lessee shall install and maintain an adequate pipe gate of the same type in general use on Lessor's ranch in such opening (which Lessee shall keep locked at all times when not in use). If the cut is made in an inside fence of Lessor, Lessee agrees to install a pipe gate of the same type in general use on Lessor's ranch, or cattle guard, whichever shall be designated by Lessor, in such opening. Such gates and cattle guards shall not be removed unless requested by Lessor, but shall become the property of Lessor, and shall be maintained by Lessee so long as Lessee may use same.

(i) Prior to erecting any storage tanks, pipelines, compressor stations or other usual lease facilities required by Lessee for producing oil and gas and operating this lease, Lessee shall advise Lessor of Lessee's intentions. Lessor and Lessee will then mutually select the site or sites for locating such equipment and pipelines, taking into consideration the ranching and farming operations of Lessor and Lessee's needs in conducting its operations under the terms of this lease in a reasonable manner. Prior to commencing operations, Lessee shall notify Lessor of each well site location and shall coordinate the exact staked location with Lessor's representative so as to minimize impaired drainage and undue interference with Lessor's farming operations consistent with good geological practices and in compliance with the recommendations of the U.S. Soil Conservation Service (through its designated agent) for soil conservation and water drainage management.

(j) In the conduct of seismic exploratory operations under this lease, all shot holes will be kept a sufficient distance away from Lessor's water wells so as not to cause any damage thereto, and in no event shall any shot holes be drilled nearer than one thousand (1,000) feet to any water well or dwelling without the express written consent of Lessor. In the event any of Lessor's water wells or dwellings shall be damaged or ruined as a result of such exploratory operations, Lessee agrees to drill and equip a new water well, repair said well or shall be liable to Lessor for the damages occasioned thereby. With regard to seismic operations conducted by use of explosives within 1,000 feet of any water well, should such water well cease to produce water, or produce salt water or show damages within six (6) months of detonation of such explosives, it shall be presumed that such water well was damaged by such explosives and Lessee shall repair or ~~or~~ replace such water well as herein provided. Lessee agrees to promptly plug all shot holes with a cement plug set at least forty-eight (48) inches below the surface, to rake and pile all debris and restore the surface of the lands to substantially the same condition as it was before the commencement of such operations, and to construct terraces across any roads made by Lessee on said lands in such manner as may be necessary to prevent erosion. Lessee will notify Lessor prior to entering said lands in order that any tenants can be notified of such operations and will submit a plat showing the location of any proposed seismic lines and crossings. If Lessee or its subcontractors conduct any seismographic or other exploratory operations on the leased premises, Lessee shall pay to Lessor the sum of \$200.00 for each shot hole drilled. Payment of the \$200.00 provided herein shall not relieve Lessee of his obligation to restore the surface. CSA

(k) In those instances where consent of Lessor is required under this lease before Lessee may commence or proceed with operations, it is agreed that so long as Lessor withholds consent after receipt of Lessee's request for consent, the primary term or the continuous development provisions of Paragraph 14, hereof, whichever is applicable, shall be tolled and deferred until such time as such consent is given. Lessee agrees to notify Lessor pursuant to subparagraph (m) below at least two (2) weeks before the expiration of the primary term or any subsequent continuous drilling period in order to coordinate drilling activities for the drilling of the first or next successive well under the terms hereof.

(1) For each surface acre used by Lessee, Lessee agrees to pay to the surface owners the sum of \$2,000.00 per acre or proportionate part ~~thereof~~ ^{thereof} actually used in Lessee's surface activities excluding the location of pipelines used for transport of production from this lease. Lessee shall additionally pay the surface owner an additional one time damage payment of \$5,000.00 per well site in advance of commencing operations on each well site. For each surface acre used by Lessee for permanent roads constructed by Lessee in its operations hereunder Lessee agrees to pay to the surface owner the sum of \$2,000.00 per acre or proportionate part thereof actually used for such roads. CSA

(m) All notices required to be given under the terms of this lease shall be hand delivered or mailed by Certified U.S. Mail, proper postage affixed, Return Receipt Requested, given or addressed to:

If to Lessor:

Stefano de Asarta
1400 Herman, #2C
Houston, Texas 77004
(713) 523-8411

If to Lessee:

Joel Guedry
800 Tully, Suite 250
Houston, Texas 77079
(713) 496-1849

In addition, Lessee shall telephone Mr. de Asarta (713-523-8411) with any notice required under the terms hereof on the date written note is sent. Mr. de Asarta or his designated agent is designated by Lessor as its attorney-in-fact to provide any written consent or agreement required under the terms of this lease. Lessee shall at all times provide at least three (3) persons to whom notice may be given pursuant to the terms of this agreement. In the event any of the three persons listed hereinabove shall, for any reason, relinquish this responsibility as a party to receive notice, then Lessee shall have the duty within ten (10) days of such relinquishment to notify Lessor by Certified Mail of a successor party for notice. Lessee agrees that such parties for notice shall only be employees of Lessee, the operator of this lease.

Any party shall have the right to change such notification address or agent by notifying the other party of such change in writing; provided, however, Lessee shall not have the right to designate a new agent for notice who is not a fulltime employee of Lessee.

14. If at the expiration of the primary term of this lease Lessee is engaged in drilling operations on a well situated on said lands, or on lands pooled therewith to the extent pooling is permitted under Paragraph 21, or shall have completed a well on said lands or lands pooled therewith to the extent pooling is permitted under Paragraph 21, within the primary term (whether such well be a dry hole, a producing well, or a well capable of producing gas, but shut-in), then this lease shall automatically continue in force and effect as to all acreage described herein for an additional one hundred eighty (180) days beyond the end of the above stated primary term. Lessee may thereafter continue this lease in force and effect as to all acreage described herein for successive periods of one hundred eighty (180) days, each, by conducting continuous development operations as defined below on the subject lease or on lands pooled herewith to the extent pooling is permitted under Paragraph 21. Lessee shall be deemed to be conducting continuous development operations so long as Lessee shall commence operations for drilling of one new well during each one

hundred eighty (180) day period (subject to cumulation as specified below) and the drilling of each such well (whether such well be a dry hole, a producing well, or a well capable of producing gas, but shut-in), shall entitle Lessee to an extension of this lease, as to all lands covered hereby, for an additional one hundred eighty (180) days from the end of the preceding one hundred eighty (180) day period or from the date this lease would otherwise expire. Each one hundred eighty (180) day extension shall be cumulative, such that Lessee shall be entitled to a full one hundred eighty (180) day extension for each well drilled even though two or more wells may be drilled during any one (1) period of one hundred eighty (180) days. By way of example and not taking into consideration any provisions of this lease by which the obligations of this lease may be tolled, if Lessee has drilled a well during the primary term or is engaged in operations on a well at the expiration of the primary term and Lessee should subsequently commence operations on another new well thirty (30) days after the expiration of the primary term, then Lessee shall not be required to commence operations on a third well in order to keep this lease in full force and effect as to all acreage described herein until three hundred sixty (360) days from the expiration date of the original primary term. If at any time Lessee fails to maintain the lease in force and effect by conducting continuous development operations then this lease shall automatically terminate SAVE AND EXCEPT as to eighty (80) acres surrounding each oil well and one hundred sixty (160) acres surrounding each gas well where such oil wells or gas wells are producing (or being maintained as provided herein by drilling or reworking operations, or the payment of shut-in gas royalty) from formations occurring at depths from the surface to 11,000 feet subsurface and, SAVE AND EXCEPT as to one hundred sixty (160) acres surrounding each oil well and six hundred forty (640) acres surrounding each gas well, where such oil wells or gas wells are producing (or being maintained as provided herein by drilling or reworking operations, or the payment of shut-in gas royalty) from formations occurring at depths greater than 11,000 feet subsurface, or, with regard to any such well, the maximum number of acres prescribed by the Railroad Commission of Texas, or any other governmental authority having jurisdiction for obtaining maximum allowable, whichever is the greatest amount of acreage. As to acreage retained around producing wells the applicable provisions of this lease shall control; provided, however, nothing in the printed form concerning pooling shall control over this paragraph. In the event this lease shall terminate as to a part of the lease premise, Lessee shall retain and be entitled to the rights of ingress and egress and such other rights and easements under and by virtue of this lease as may be necessary or desirable to explore, develop and operate the interests of Lessee in the retained portions of the lease premises.

Q 97A

15. With respect to the payment of royalties from production of oil and gas produced from the lease premises, it is agreed by and between Lessor and Lessee that accounting and payment to Lessor of such royalties shall commence on or before ninety (90) days after Lessor delivers to Lessee a division order or other instrument certifying Lessor's fractional interest in oil and gas produced from the leased premises, whichever is the later date. Thereafter all accounting and payments of royalties on production shall be made on or before the last day of the second calendar month following the calendar month in which such production was sold. Unless the failure of Lessee to timely commence royalty payments as provided herein is due to a legitimate title problem, the delay of royalty owners in executing and returning to Lessee appropriate and necessary title curative instruments (but not division orders whose contents alter, amend, or add to this lease agreement), or some other circumstances reasonably beyond the control of Lessee,

Lessee shall pay interest on the amount of delinquent royalty at eighteen percent (18%) per annum or the highest interest rate then permitted by law, whichever is lesser, calculated from the date due until actually paid. In the event title matters are shown to exist which necessitate curative work, royalties payable shall be suspended only to the extent that they are adversely affected by such title problem or dispute. Division Orders which alter, add to, or amend any provisions or language in this lease shall not be used as a basis for suspending royalty payments; and any payments suspended for such reason shall accrue interest as provided above.

Acceptance by Lessor of royalties which are past due shall not act as a waiver or estoppel of its right to receive or recover any and all interest due thereon under the provisions hereof unless the written acceptance or acknowledgment by Lessor to Lessee expressly so provides. Any tender or payment to Lessor of a sum less than the total amount due to Lessor hereunder which is made or intended to be made as an offer of settlement or accord and satisfaction by or on behalf of Lessee must be accompanied by a Notice of Settlement Offer, so denominated, addressed to each Lessor. Any such offer of settlement submitted solely by the tender of a check containing language of settlement or accord and satisfaction printed or otherwise inserted thereon shall not be deemed an offer of settlement or accord and satisfaction, unless preceded by such a Notice of Settlement Offer. Lessee shall pay all reasonable attorney's fees incurred by lessor in connection with any lawsuit in which Lessor is successful in recovering any royalties or interest due to Lessee's failure to pay royalties within the period set forth hereinabove. Lessor may, at Lessor's election, require accounting and payment of royalties to lessor directly from the purchaser of production rather than from Lessee.

16. After the first assignment which requires no consent, it is expressly agreed and understood that Lessee or its assignee shall not assign any rights to operate under this lease to any third party without the express written consent of Lessor, it being the intention of the parties hereto that Lessee or its initial assignee shall remain as the operator under the lease for so long as the lease or any part thereof is in full force and effect unless Lessor agrees in writing to the transfer of such operatorship to a third party. For the purposes of this paragraph, "third party" shall be defined as any person or entity which is not a subsidiary of Lessee or its initial assignee or one which is not controlled by Lessee. The terms of this paragraph shall not be construed to limit in any way, Lessee's right to assign non-operating working interests, overriding royalties and other such interest to any third party; provided, however, that it is not intended hereby that Lessee be permitted to assign the entire working interest such that the original Lessee is functioning as a mere contract operator for third parties and at all times while this lease is in force Lessee or his subsidiaries or its initial assignee shall retain an economic interest of not less than twenty percent (20%) in said lease. For purposes of this paragraph, Lessee shall mean BLACK CREEK PRODUCTION COMPANY, INC., or its initial assignee, Individually or his heirs or estate.

17. Following the termination of Lessee's continuous development operations as provided above, whether such continuous development operations terminate due to Lessee's having fully developed the leased premises or whether such continuous development operations terminate due to the Lessee's failure to fully develop the leased premises within the time requirements of Paragraph 14 hereof, this lease shall remain in force and effect as to all formations and horizons beneath those

portions of the leased premises which Lessee shall have maintained in force and effect under this lease in accordance with Paragraph 14 for a period of five (5) years. Following the expiration of such five year period, this lease shall terminate as to all formations and horizons deeper than 100 feet below the deepest depth drilled by Lessee prior to the expiration of such five (5) year period.

18. Anything contained in Paragraph 3 above to the contrary notwithstanding, it is understood and agreed that Lessor shall receive the same price for his royalty gas as received by Lessee under any bona fide gas sales contract entered into by Lessee with an independent third party purchaser. Notwithstanding the royalty provisions contained in Paragraph 3 hereof, it is provided that if gas produced from said land is processed in an absorption or extraction plant, or other similar plant for the recovery of the liquid or liquefiable hydrocarbons therefrom, then in lieu of the gas royalty provided for in Paragraph 3, Lessor shall have and shall be entitled to receive twenty percent (20%) of the net proceeds received by Lessee from the sale of such plant products as its royalty and in addition thereto Lessor shall be paid twenty percent (20%) of the net proceeds received by Lessee from all residue gas sold from this lease at the plant as its royalty; provided, however, that if Lessee in good faith contracts with another party for the recovery of such liquid or liquefiable hydrocarbons, Lessor shall have and be entitled to twenty percent (20%) of the net proceeds received by Lessee under the processing contract by which such liquid or liquefiable hydrocarbons are recovered from said gas, and in addition thereto, Lessor shall be paid as royalty twenty percent (20%) of the net proceeds received by Lessee from all residue gas sold from this lease.

19. At all times and from time to time Lessor reserves the right to take any royalty, payable hereunder, in kind. In such event Lessor further reserves the right to erect separate facilities and pipelines adjacent to Lessee's storage, compression, or pumping facilities, and upon Lessee's well site, to store and market any royalty oil, gas distillate or condensate so taken. It is understood between Lessor and Lessee that upon obtaining production Lessee will be entering into contracts for the sale of its production of oil and gas. Under the presently existing conditions Lessee and Lessor expect that production of gas will be sold under the terms of contracts of approximately one (1) year in duration and production of oil will be sold under the terms of contracts thirty (30) days in duration. Within sixty (60) days prior to the expiration of any contract period, Lessee agrees to notify Lessor in writing of the negotiation or renewal of any contract for the sale of gas. Upon receipt of such written notice from Lessee, Lessor shall have thirty (30) days to elect to begin taking gas in kind. If such election is not made by Lessor within said thirty day period, it shall be deemed that Lessor is agreeable to taking its royalty in cash after the sale of production by Lessor with the price received by Lessee under said contract deemed to be the market value of such gas. For contracts on the sale of oil, Lessor shall have the right to take oil in kind after giving Lessee thirty (30) days written notice.

20. In the event a well or wells producing oil or gas in paying quantities shall be brought-in, in a formation or horizon which Lessee has not tested or has not procured production in paying quantities within the leased premises, said offset well being located on adjacent lands within six hundred sixty (660) feet from the leased premises; in that event, Lessee agrees to drill offset wells on the leased premises within one (1) year from the effective date of this lease. Payment of royalties or shut-in gas royalties hereunder shall not relieve Lessee of its obligation to drill offset wells as provided herein; provided nevertheless, however, if Lessee should elect not to drill or

cause to be drilled such well, it shall have no obligation to do so provided Lessee releases in favor of Lessor in recordable form this lease insofar as it covers and affects the stratigraphic equivalent of the zone or formation in which such well may have been completed and is producing and insofar as it covers and affects sufficient acreage as may be required to obtain a full production allowable for a well which may be completed in such zone or formation. This paragraph shall not be construed as a presumption that drainage is not occurring from distances greater than 660 feet from the leased premises and further, this paragraph shall not be construed as a presumption that Lessee does not have a duty to reasonably develop the leased premises or protect correlative rights.

21. The leased premises shall not be pooled ^{or} unitized with other lands except upon first securing the written consent of Lessor. Lessor shall have the right to deny pooling or unitization if Lessee fails to include all undeveloped acreage within the leased premises in any proposed unit or if, in the opinion of Lessor, the proposed pooling or unitization would detrimentally affect Lessor's financial interest in royalties as opposed to some other proposed pooling or unitization. In the event such consent is granted, units pooled for oil shall not substantially exceed eighty (80) acres each in area plus a tolerance of ten percent (10%) thereof, provided that should any governmental authority having jurisdiction over said property require or prescribe the creation of units larger than those specified, for obtaining increased production allowable, units thereafter created may conform substantially in size with those required or prescribed by such governmental regulations. In the event any governmental authority having jurisdiction shall permit Lessee to add tolerance acreage, Lessee shall be allowed to add such tolerance acreage only after obtaining Lessor's written consent. At such time as Lessee shall have developed the leased premises to the maximum density permitted under applicable spacing rules, Lessee shall be permitted, without further consent from Lessee, to pool any remaining excess or tolerance acreage under this lease with other leases or lands in order to utilize all remaining acreage covered by this lease. BPA

Unless Lessors shall have given prior written consent to the contrary, none of the leased premises shall ever be included by Lessee within a unit for oil, a unit for gas, or a unit for oil and gas wherein, as to each and every producing horizon, zone, strata or formation, Lessors, their heirs, successors or assigns, do not share in production of oil and gas from the date of first production to the date that production ceases to remain such unit in force and effect.

22. Lessee agrees to furnish Lessor, within sixty (60) days after the termination of all or any portion of this lease, duly executed and acknowledged instruments releasing or evidencing the termination of this lease as to any portion of the leased premises that shall have terminated. In the event Lessee shall fail to provide a release in recordable form of terminated acreage within sixty (60) days after written request by Lessor, Lessee shall be liable to Lessor for all damages and attorneys fees occasioned by Lessor in removing the obstructing leasehold interest from Lessor's title.

23. This lease is not intended to and does not include the right and privilege of Lessee to erect and maintain refining facilities, or any other extraction, treatment plant other than ordinary leasehold facilities for the recovery of oil, gas, sulphur, and other associated hydrocarbons from this lease. All leasehold facilities shall be only those reasonably necessary for production and recovery of such substances such as wellhead equipment, separators, tank batteries and flowlines unless Lessee has first negotiated for and obtained written permission from the Lessor. Lessee shall obtain prior written consent of Lessor for the construction of any other structures on the leased premises.

24. Should Lessee construct a well location upon any commercially recoverable gravel deposit situated upon said lands, then Lessee shall pay Lessor, the fair market value, to be negotiated between Lessor and an independent gravel company, not affiliated with either Lessor or Lessee, for all gravel which, due to Lessee's well location cannot be mined and produced up to a maximum of \$25,000 per well site, or, in the alternative, at Lessor's option, Lessee shall enter into a gravel lease agreement with Lessor for the mining and removal of the commercially recoverable gravel underlying the lands covered by this lease, such lease to be on terms customary in the area of said lands. Lessee shall provide Lessor and the gravel company access to all core sample data in Lessee's possession.

25. Notwithstanding any other provisions of this lease, Lessor's royalty herein shall be a free royalty. Lessor shall not be required to pay and Lessor's royalty shall not be reduced on account of or charged with any costs of making the products produced hereunder ready and available for market including, but not limited to, the costs of transporting, compressing, dehydrating, operating, storing, treating, or processing (excluding any processing taking place in an off-premises processing plant) oil, gas or other gaseous liquid hydrocarbons. Lessor shall, however, bear and pay his proportionate part of all taxes.

26. During the term of this lease Lessor and its authorized representatives shall at all times have full right of ingress and egress to the leased premises for the purpose of inspecting drilling or producing operations and for any and all other purposes which Lessor may consider necessary or advisable. Lessor and its representatives shall also have the right, at Lessee's offices during regular business hours, to inspect, examine, and make copies of and extract from such of Lessee's books, records, accounts, contracts commitments and agreements as relate to the leased premises, operations thereon, or production therefrom.

27. Upon written request by Lessor, Lessee agrees at all times to allow Lessor, or Lessor's authorized representatives, to review, free of cost, full and complete information acquired by Lessee from Lessee's efforts, with respect to (a) all operations on the leased premises by Lessee and (b) the production of oil, liquid hydrocarbons, gas and their respective constituent products therefrom including, but not limited to, samples of all cores, results of drillstem tests, electrical logs and all other information of every kind and character bearing on any and all formations in the leased premises or productivity thereof. Lessor specifically agrees to keep confidential such information.

28. "Drilled", "drilling", "operations", or "drilling operations" is defined in this lease as a drilling rig "spudded in" and "turning to the right" on a drill site with tools and equipment sufficient to drill to a depth set forth in Lessee's application to the Railroad Commission of Texas for permit (but Lessee shall have no obligation to drill to such depth) and shall thereafter continue such drilling operations in a good faith effort as a reasonable, prudent operator to obtain a well capable of producing in paying quantities.

29. It is hereby understood and agreed between Lessor and Lessee that after the completion of each well on the herein leased premise that Lessee shall not transport products from that well after dark without prior consent.

30. Notwithstanding anything contained herein to the contrary, all vehicles associated with Lessee's operations on the herein leased premises shall travel at a speed of 15 miles per hour or less.

31. Lessor and Lessee have executed a Memorandum of Lease contemporaneously with the execution of this lease, and Lessor and Lessee agree that such Memorandum of Lease, which makes reference to this lease, may be recorded in the appropriate records of the County in which said lands are located in lieu of the recording of this lease in its entirety. The recording of said Memorandum of Lease shall be binding upon Lessor and Lessee, and their respective heirs, successors, legal representatives and assigns, the same as if this lease was filed of record in its complete text.

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

Stefano de Asarta

STEFANO de ASARTA, President
of BRAZOS FARM LTD. and
M.U.S.A. LTD., both Illinois
Corporations with authority
to do business in Texas

LAURA de ASARTA, Secretary and
Treasurer of BRAZOS FARM LTD.
and M.U.S.A. LTD., both
Illinois Corporations with
authority to do business in
Texas

49BC90

EXHIBIT "A"

Attached to and made a part of that certain Oil, Gas and Mineral Lease between Brazos Farm Ltd. and M.U.S.A. Ltd., Lessors and Black Creek Production Company, Inc., Lessee dated February 27, 1990.

Being 1419.276 acres, more or less, out of the G. Bayne Survey, A-70; T. R. Mosley Survey, A-183; W. Mathis Survey, A-37 and the J. Curtis, Jr. Survey, A-12, and being the same land described in Deed dated November 30, 1977, from Dorothy Varisco Donaho and Antoinette Varisco Guido, Joint Independent Executrices of the Estate of Brazos A. Varisco, Deceased and Lucille Varisco, a widow, to M.U.S.A. Limited and Brazos Farm Limited, and recorded in Volume 386, Page 164, Deed Records of Brazos County, Texas.

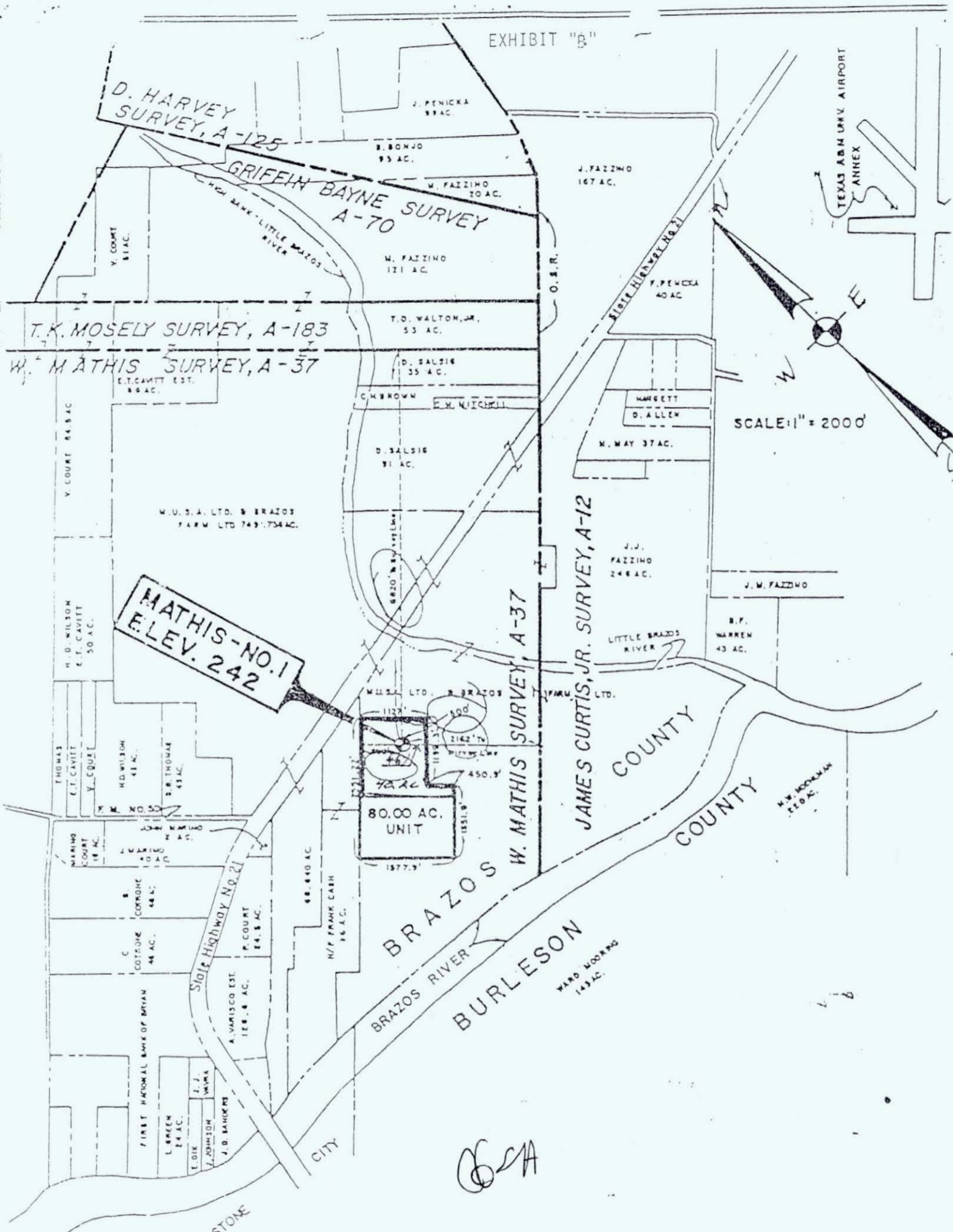
SAVE AND EXCEPT the following acreage:

1. 80 acres, more or less, Mathis No. 1 production unit held by Haber Oil Company, Inc. as set out in Exhibit "B".
2. 80 acres, more or less, Curtis No. 1 production unit held by Haber Oil Company, Inc. as set out in Exhibit "C".
3. 80 acres, more or less, Bayne No. 1 production unit held by Haber Oil Company, Inc. as set out in Exhibit "D".
4. 160 acres, more or less, Brazos Farms Ltd. No. 4 production unit as set out in Exhibit "E".
5. 37.5 acres, more or less, held by Oil & Gas Lease to Union Pacific.

49BC90

CG SA

EXHIBIT "B"



**MATHIS-NO.1
E. LEV. 242**

**80.00 AC.
UNIT**



SURVEYED NOVEMBER, 1935

RECEIVED
R.R.C. OF TEXAS
NOV 25 1985
AUSTIN, TEXAS

WELL LOCATION

MATHIS - NO. 1

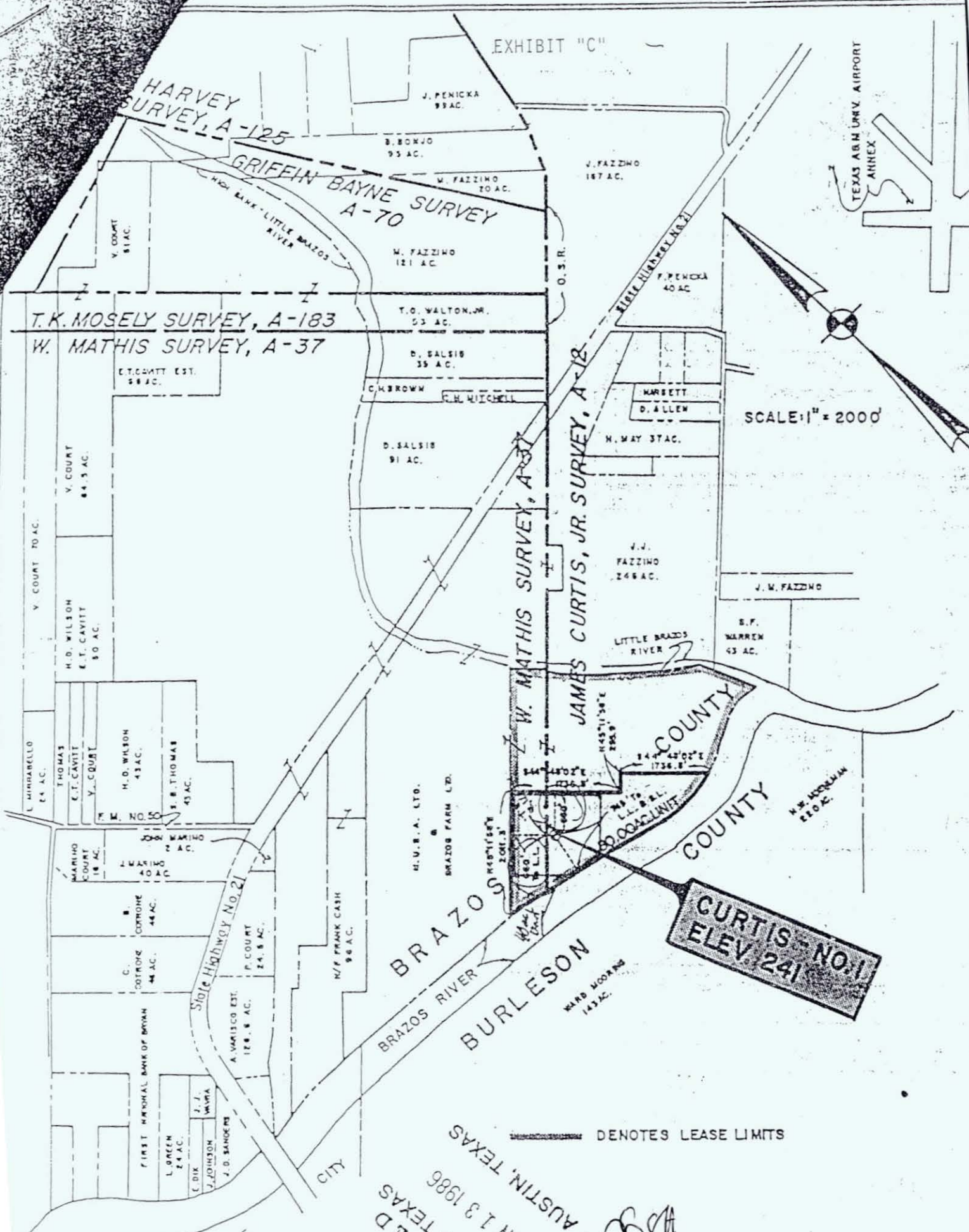
HABER OIL COMPANY INC.
W. MATHIS SURVEY, A-37
BRAZOS COUNTY, TEXAS

BY: *S.M.K.*
S.M. KLING R.P.S. NO 2003

VOL 1204 PAGE 320 Scale: 1" = 2000'

November, 1985

EXHIBIT "C"



SCALE: 1" = 2000'

**CURTIS - NO. 1
ELEV. 241**

DENOTES LEASE LIMITS

RECEIVED
R.R.C. OF TEXAS
JAN 13 1986
AUSTIN, TEXAS

Handwritten initials/signature

WELL LOCATION

CURTIS - NO. 1

HABER OIL COMPANY INC.
W. MATHIS SURVEY, A-37
JAMES CURTIS, JR. SURVEY, A-12
BRAZOS COUNTY, TEXAS



REVEYED JANUARY, 1986

Gary B. Neill

GARY B. NEILL - R.P.S. NO. 3964

SCALE: 1" = 2000'

JANUARY, 1986

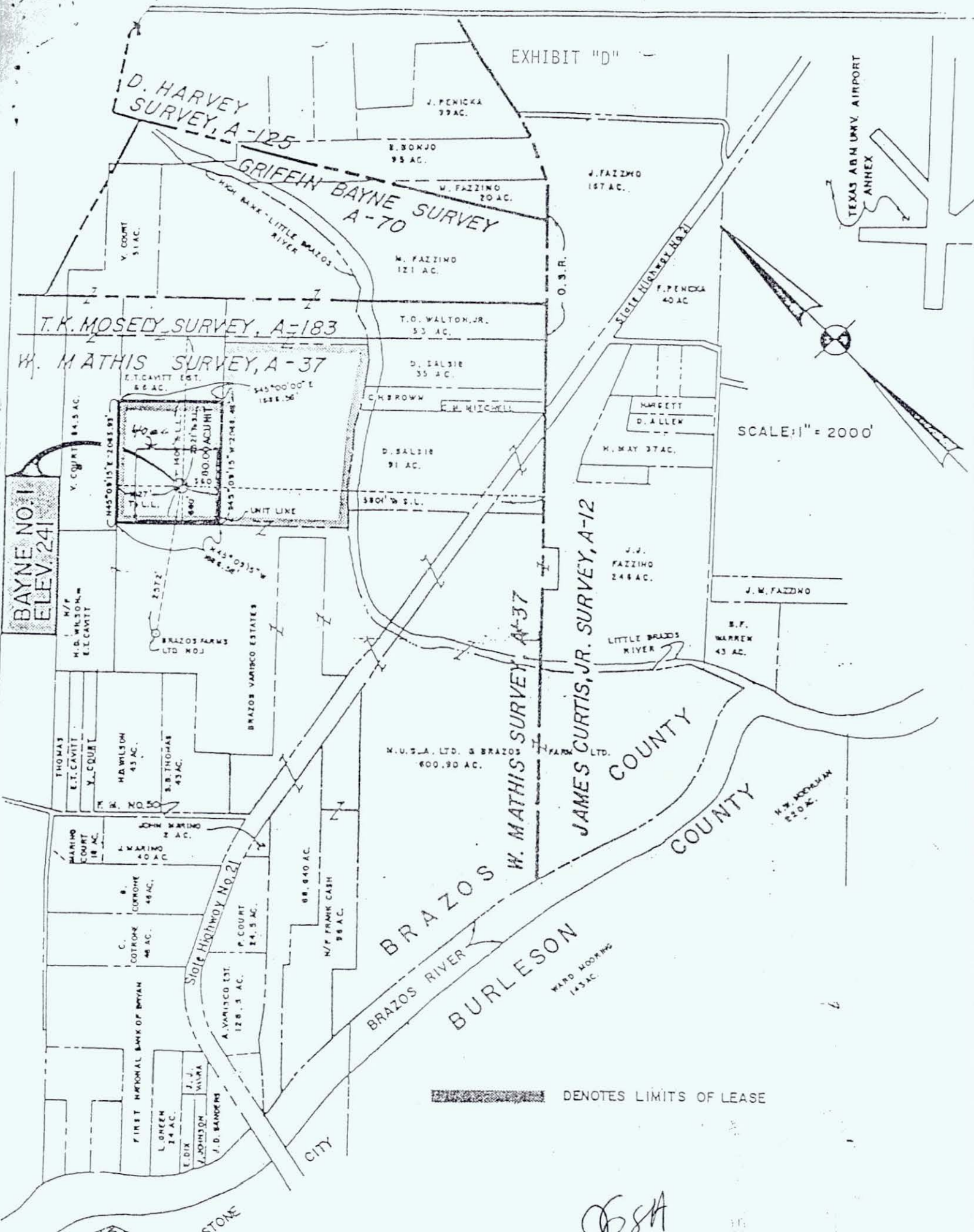


EXHIBIT "D"

TEXAS A&M UNIV. AIRPORT ANNEX

SCALE: 1" = 2000'

BAYNE NO. 1
ELEV. 241

JAMES CURTIS, JR. SURVEY, A-12

W. MATHIS SURVEY, A-37

BRAZOS RIVER

BURLESON COUNTY

DENOTES LIMITS OF LEASE

GSA



WELL LOCATION
BAYNE - NO. 1

HABER OIL COMPANY INC.
W. MATHIS SURVEY, A-37
BRAZOS COUNTY, TEXAS

SURVEYED DECEMBER, 1985

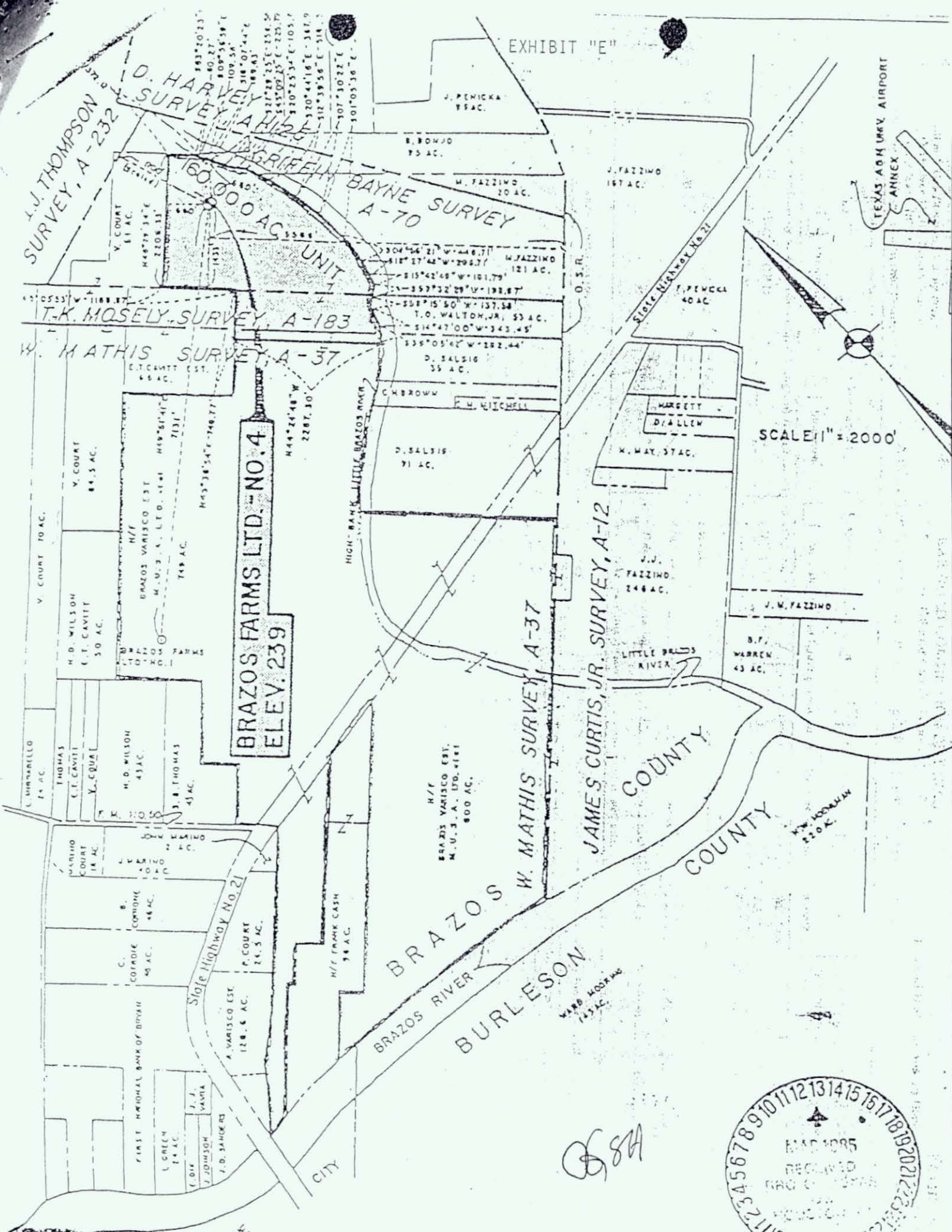
Gary B. Neill

VOL. 1204 PAGE 322

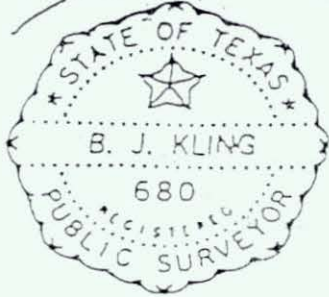
BY: GARY B. NEILL - R.P.S. NO. 3964

SCALE: 1" = 2000' DECEMBER, 1985

EXHIBIT "E"



SCALE 1" = 2000'



SURVEYED AUGUST, 1984

WELL LOCATION
BRAZOS FARMS LTD. - NO. 4

WAYMAN W. BUCHANAN
 GRIFFIN BAYNE SURVEY, A-70
 T. K. MOSELY SURVEY, A-183
 W. MATHIS SURVEY, A-37
 BRAZOS COUNTY, TEXAS

SCALE 1" = 2000'

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B. J. Kling
 BY: B. J. KLING - R.P.S. NO. 680

THE STATE OF TEXAS)
COUNTY OF BRAZOS)

I, Frank Boriskie, County Clerk of Brazos County, Texas do hereby certify that the foregoing is a true and correct copy of the original as the same appears of record in Vol. 1204, Page 306 in Official Records of said County on file in my office.

ATTEST 8-21-90

Frank Boriskie, County Clerk
Brazos County, Texas

By Arthur Floyd, Deputy

450904

90 AUG 28 PM 4:13
FILED
Brazos County, Texas
C. H. ...
D. ...

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 13th day of February

Myrtle Killingsworth Layton

Lessor (whether one or more), whose address is: 3428 Farm Hill Dr., Falls Church Virginia 22044 76101-0007
and Union Pacific Resources Company P.O. Box 7 Ft. Worth, Texas, Lessee, WITNESSETH:

1. Lessor, in consideration of Ten Dollars and Other Valuable Consideration----- Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Brazos, State of Texas, and is described as follows:

70.00 acres of land, more or less located in the William Mathis Survey, A-37 and being the same land described in a deed dated November 27, 1928 from Elizabeth W. James to William Triggs and recorded in Volume 73, Page 104 of the Deed Records of Brazos County, Texas.

Wherein the word and figure ten (10) years appear below in Paragraph 2, these same words and figure are deemed to read three (3) years.

Wherein the words and fractions one-eighth (1/8) appear below in Paragraph 3, these words and fractions are deemed to read one-fifth (1/5)

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 70.00 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of ten (10) years from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipe line to which lessee may connect its wells, the equal one-eighth part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one-eighth part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one-eighth of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor on gas and casinghead gas produced from said land (1) when sold by lessee, one-eighth of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one-eighth of such gas and casinghead gas; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-ins, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive

the royalties which would be paid under this lease if the wells were producing, and may be deposited in the

First Virginia Bank 119 W. Broad St. Falls Church, Virginia 22046 Bank

at _____, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of lessee to release as provided in paragraph 5 hereof, except that lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than from lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by lessor or lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. If this lease is cancelled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but lessor agrees that lessee shall have the right at any time to pay or reduce same for lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

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

Myrtle Killingsworth Layton
Myrtle Killingsworth Layton
SS# [REDACTED]

LESSOR SS. OR TAX I.D. NO. LESSOR SS. OR TAX I.D. NO.

ACKNOWLEDGEMENT

STATE OF Virginia
COUNTY OF FAIRFAX

This instrument was acknowledged before me on the
by Myrtle Killingsworth Layton

25th day of August, 1990

Christopher D. Koman
Notary Public, State of Texas Virginia
Notary's name (printed): Christopher D. Koman
Notary's commission expires: May 2, 1992

ACKNOWLEDGEMENT

STATE OF
COUNTY OF

This instrument was acknowledged before me on the
by

day of, 19

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires: CORPORATE ACKNOWLEDGEMENT

STATE OF
COUNTY OF

This instrument was acknowledged before me on the
by
of
a
corporation, on behalf of said corporation.

day of, 19

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

VOL 1206 PAGE 273

Oil, Gas and Mineral Lease

FROM

TO

Russel Longmire
693-7500
leave message to
pick up & need cert.
copy.

STATE OF TEXAS)
COUNTY OF BRAZOS)

I, Frank D. McKee, County Clerk of Brazos County, Texas
do hereby certify that the foregoing is a true and
correct copy of the original as the same appears of record
in Vol. 1206, Page 772 in Official Records of said
County on file in my office.

WITNESSED my hand and seal this 8-29-90

Frank D. McKee, County Clerk
Brazos County, Texas

By Loren McCreary, Deputy

444173

OIL, GAS AND MINERAL LEASE

FILED

THIS AGREEMENT made this 13th day of February 1987 between
Lawrence Towles, devisee u/w/o Elizabeth
Towles, deceased

lessor (whether one or more), whose address is: 9449 Briar Forest, #3107, Houston, Texas 77063.
and Union Pacific Resources Company, P.O. Box 7, Ft. Worth, TX 76101-0007

1. Lessor, in consideration of TEN and No/100 (\$10.00) & ogvc Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Brazos State of Texas, and is described as follows:

70 acres of land, more or less, out of and a part of the William Mathis Survey, A-37, Brazos County, Texas, and being the same land more particularly described in the deed dated November 27, 1928 from Elizabeth W. James to William Triggs, recorded in Volume 73 at Page 104 of the Deed Records of Brazos County, Texas, to which reference is herein made for descriptive purposes.

Wherein the words and figures ten (10) years appear below in Paragraph 2, these same words and figures are deemed to read three (3) years.

Wherein the words and fractions one-eighth (1/8) appear below in Paragraph 3, these same words and fractions are deemed to read one-fifth (1/5).

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a Preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 70.0 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of ten (10) years from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipe line to which lessee may connect its wells, the equal one-eighth part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one-eighth part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one-eighth of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor on gas and casinghead gas produced from said land (1) when sold by lessee, one-eighth of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one-eighth of such gas value at the well or mine at lessee's election, except that on sulphur mined and marketed or utilized by lessee from said land, one-tenth either in kind or for obtaining maximum allowable from any well to be drilled, drilled, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of lessee to release as provided in paragraph 5 hereof, except that lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

receive the royalty which would be paid under this lease if the wells were producing, and may be deposited in the Bank 1 Westchase at P. O. Box 42025, Houston, Texas 77242

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilled, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of lessee to release as provided in paragraph 5 hereof, except that lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than from lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

Brazos

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by lessor or lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. If this lease is cancelled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but lessor agrees that lessee shall have the right at any time to pay or reduce same for lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

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

Lawrence Towles
 Lawrence Towles, devisee u/w/o
 Elizabeth Towles, deceased
 Soc. Sec.

STATE OF TEXAS
 COUNTY OF HARRIS

INDIVIDUAL ACKNOWLEDGMENT—TEXAS OR NEW MEXICO

Before me, the undersigned authority, on this day personally appeared Lawrence Towles, devisee u/w/o Elizabeth Towles, deceased

known to me to be the person whose name is ~~(are)~~ subscribed to the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed for the purposes and consideration therein expressed.

Given under my hand and seal of office this 16 day of February, 1992.
 My Commission Expires 1-8-90
 KAREN F. FANCHER
 NOTARY PUBLIC, STATE OF TEXAS
 MY COMMISSION EXPIRES 1-8-92

Karen F. Fancher
 Notary Public in and for the State of Texas
Karen F. Fancher
 Notary's Printed Name

STATE OF _____
 COUNTY OF _____

INDIVIDUAL ACKNOWLEDGMENT—TEXAS OR NEW MEXICO

Before me, the undersigned authority, on this day personally appeared _____

known to me to be the person whose name is (are) subscribed to the foregoing instrument, and acknowledged to me that _____ executed the same as _____ free act and deed for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 19____.
 My Commission Expires _____

 Notary Public in and for the State of Texas
 Notary's Printed Name

STATE OF _____
 COUNTY OF _____

HUSBAND AND WIFE ACKNOWLEDGMENT—TEXAS OR NEW MEXICO

Before me, the undersigned authority, on this day personally appeared _____ and _____ husband and wife, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 19____.
 My Commission Expires _____

 Notary Public in and for the State of Texas
 Notary's Printed Name

Producers 88 (7-89) - Paid Up
 With 640 Acre Pooling Provision

Oil, Gas and Mineral Lease

FROM _____ TO _____
 Dated _____, 19____
 No. Acres _____ County _____
 Term _____

This instrument was filed for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and duly recorded in Book _____ Page _____ of the _____ records of this office.
 County Clerk _____ Deputy _____
 When recorded return to _____

WHEN RECORDED RETURN TO:
 Union Pacific Resources Co.
 Attn: Land Administration
 P.O. Box 7, MS 3300
 Fort Worth, TX 76101-0007

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VOL 1181 PAGE 51

STATE OF TEXAS)
COUNTY OF BRAZOS)

I, Frank Horskie, County Clerk of Brazos County, Texas do hereby certify that the foregoing is a true and correct copy of the original as the same appears of record in Vol. 1181, Page 50 in Deed Records of said County on file in my office.

ATTEST 9-12-90

Frank Horskie, County Clerk
Brazos County, Texas

By Flora L. Workman, Deputy

442420

OIL, GAS AND MINERAL LEASE FOR RECORD 3

THIS AGREEMENT made this 6th day of February AT 1:40 O'CLOCK P.M. between Dorothy Salpetro and Pete Sausage

FRANK BORISKIE
BRAZOS COUNTY CLERK

By *Frank McJannet*

lessor (whether one or more), whose address is: 304 W. 31st St. Bryan, Tx. 77803 76101-0007 and UNION PACIFIC RESOURCES COMPANY P.O. BOX 7, FT WORTH, TX., lessee, WITNESSETH:

1. Lessor, in consideration of TEN DOLLARS AND OTHER VALUABLE CONSIDERATION Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessor the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of BRAZOS State of TEXAS and is described as follows:

See Exhibit "A" attached hereto and made a part hereof for a description of the lands covered by this lease.

Notwithstanding anything in this lease to the contrary, royalty on oil and gas shall be one-fifth (1/5) of the oil and gas produced and saved under the terms of this lease, and, wherever in Paragraph 3 of this lease the fraction one-eighth (1/8) appears, same shall be deemed to read one-fifth (1/5).

See Exhibit "B" attached hereto and made a part hereof for additional provisions to this lease.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain

146.50 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of THREE (3) years from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipe line to which lessee may connect its wells, the equal one-eighth part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one-eighth of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor on gas and casinghead gas produced from said land (1) when sold by lessee, one-eighth of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one-eighth of such gas and casinghead gas; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the

P.S. First National Bank - Bryan
D.S. Bryan TX 77803 Bank

at *Bryan TX 77803*, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 3 hereof. In the event of assent of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of lessee to release as provided in paragraph 5 hereof, except that lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than from lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by lessor or lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. If this lease is cancelled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but lessor agrees that lessee shall have the right at any time to pay or reduce same for lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

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

STATE OF _____ INDIVIDUAL ACKNOWLEDGMENT—TEXAS OR NEW MEXICO
 COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared _____

known to me to be the person whose name is (are) subscribed to the foregoing instrument, and acknowledged to me that _____
 executed the same as _____ free act and deed for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 19____.

My Commission Expires _____

Notary Public in and for the State of Texas

Notary's Printed Name

STATE OF _____ INDIVIDUAL ACKNOWLEDGMENT—TEXAS OR NEW MEXICO
 COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared _____

known to me to be the person whose name is (are) subscribed to the foregoing instrument, and acknowledged to me that _____
 executed the same as _____ free act and deed for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 19____.

My Commission Expires _____

Notary Public in and for the State of Texas

Notary's Printed Name

STATE OF _____ HUSBAND AND WIFE ACKNOWLEDGMENT—TEXAS OR NEW MEXICO
 COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared _____

and _____ husband and wife, known to me to be the persons whose names are
 subscribed to the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed for the purposes and
 consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 19____.

My Commission Expires _____

Notary Public in and for the State of Texas

Notary's Printed Name

VOL 1174 PAGE 786

Producers 88 (7-69) - Paid Up
 With 640 Acres Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM

TO

Dated _____, 19____

No. Acres _____

County _____

Term _____

This instrument was filed for record on the _____

day of _____, 19____, at _____

o'clock _____ M., and duly recorded in

Book _____, Page _____

of the _____ records of this office.

County Clerk _____

By _____, Deputy

When recorded return to

WHEN RECORDED RETURN TO:
 Union Pacific Resources Co.
 Attn: Land Administration
 P.O. Box 7, MS 3300
 Fort Worth, TX 76101-0007

EXHIBIT "A"

Attached to and made a part of that certain Oil, Gas and Mineral Lease dated February 6, 1990 from Dorothy Salpetro and Pete Sausage to Union Pacific Resources Company.

146.50 acres of land, more or less, located in the William Mathis League, Abstract 37 and described in two (2) tracts as follows.

Tract 1 111.50 acres of land, more or less, and being the same land described as the "First Tract", "Third Tract", "Fourth Tract" and "Fifth Tract" described in a deed dated November 13, 1928 from M.S Dansby to Dominic Salsiccia et al and recorded in Volume 72, Page 614 of the Deed Records of Brazos County, Texas

Tract 2 35.00 acres of land, more or less, and being the same land described in a deed dated November 3, 1881 from J. A. Beard and Davis & Beall to William Mazy recorded in Volume V, Page 513 of the Deed Records of Brazos County, Texas

Signed for Identification:

Dorothy Salpetro
Dorothy Salpetro

Pete Sausage
Pete Sausage

EXHIBIT "B"

Attached to and made a part of that certain Oil, Gas and Mineral Lease dated February 6, 1990 from Dorothy Salpetro and Pete Sausage to Union Pacific Resources Company

12. It is understood and agreed after the end of the primary term of this lease and upon the written request of the Lessor, Lessee its successors or assigns shall promptly deliver to Lessor a recordable release as to such portion or portions of this lease which have been forfeited by Lessee its successors or assigns under the terms of this agreement.

13. Notwithstanding anything to the contrary herein contained, Lessee is hereby granted the right to pool or combine the land covered by this lease, or any part or parts thereof, as to all strata or any stratum, with any other land, as to all strata or stratum, for the production of oil or gas. Pooling in one or more instances shall not exhaust the right of Lessee hereunder to pool this lease or a portion thereof into other or different units. Units pooled for oil hereunder shall not exceed eighty (80) acres each, and units pooled for gas hereunder shall not exceed six hundred forty (640) acres each, provided that if any federal or state law, executive order, rule or regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable base in whole or in part on acreage per well, then any such unit may consist of that minimum number of additional acres which will permit the allocation to such unit and the well thereon of the maximum producing allowable. To effect a unit or units Lessee shall file a written unit designation and surveyors plat outlining any such unit and describing the participating tracts in the county conveyance records in which the premises are located. A copy of the unit designation shall be furnished to Lessor within thirty (30) days after it is filed in the appropriate county records. Drilling or reworking operations and production on any part of the pooled acreage shall be treated for all purposes hereof (except the payment of royalties on such production) as if such drilling or reworking operations were upon or such production was from the land described in this lease whether the well or wells be located on the land covered by this lease or not. For the purpose of computing the royalties and other payments out of production to which the owners of such interest shall be entitled on production of oil and gas, or either of them, from any such pooled unit, there shall be allocated to the land covered by this lease and included in such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on a acreage basis, thus there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers each separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each separate tract) and included in the unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production whether it be oil and gas, or either of them so allocated to the land covered by this lease and included in the unit just as though such production were from such land. In the event only a part, or parts, of the land covered by this lease instrument is pooled or unitized with other land, or lands, so as to form a pooled unit, or units, operations on or production from such unit or units, will maintain this lease in force only as to the land included in such unit or units. This lease, as to the land not included in such unit or units, may be maintained in force and effect by drilling or reworking operations on such acreage or production therefrom, in accordance with the terms and provisions of this lease.

14. At the end of each drilling operation, the Lessee shall proceed with reasonable diligence to restore the surface of the leased premises to as near its original condition as practicable, and shall pay Lessor in full for all damages to crops, livestock, land or improvements situated on the leased premises caused by Lessee's operations.

AD.S. PS.
D.S. P.S.

15. Lessee shall commence payment of any and all royalties on the production of oil and/or gas that are owed to Lessor within 90 days after said royalties become due and payable and if Lessee does not commence making said royalty payments within said 90 day period and continue such monthly payments thereafter, then in that event, Lessee shall pay interest on said unpaid royalties at the rate of 10% per annum or the then highest rate allowed by law. As to each well drilled hereunder, royalty payments shall not become due and payable until Lessor shall have returned to Lessee on a duly executed Division Order directing payment of such royalties.

16. Notwithstanding anything to the contrary, this lease shall cover only oil, gas and substances actually produced in association with oil and/or gas from oil and/or gas wells drilled and producing under and pursuant to this lease on the leased premises or on lands pooled therewith; no other minerals or substances shall be covered hereby.

17. Notwithstanding anything to the contrary, this lease shall not be assigned by Lessee in whole or in part without the prior written consent of the Lessor.

18. It is understood and agreed that Lessee's right to maintain this lease solely by virtue of the shut-in gas well royalty payment provided for in Paragraph 3 hereof is hereby limited to a period of no longer than two (2) consecutive years (or for lesser periods which aggregate together two (2) years) after the end of the primary term of this lease.

19. The Lessee shall not have the use of Lessors surface water or water wells for drilling or production purposes.

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

Dorothy Salpetro
Dorothy Salpetro

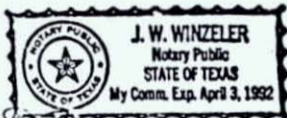
Pete Sausage
Pete Sausage

SS# [REDACTED]

SS# [REDACTED]

State of Texas
County of Brazos

This instrument was acknowledged before me on the 7 day of February 1990 by Dorothy Salpetro.

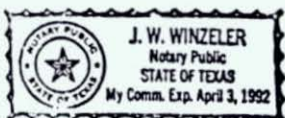


4-3-92
My Commission Expires

J. W. Winzeler
Notary Public State of Texas
J. W. Winzeler
Notary's Printed Name

State of Texas
County of Brazos

This instrument was acknowledged before me on the 7 day of February 1990 by Pete Sausage.



4-3-92
My Commission Expires

J. W. Winzeler
Notary Public State of Texas
J. W. Winzeler
Notary's Printed Name

7-

THE STATE OF TEXAS
COUNTY OF BRAZOS

I, Frank Boriskie, County Clerk of Brazos County, Texas do hereby certify that the foregoing is a true and correct copy of the original as the same appears of record in Vol. 1174, Page 785 *Official* in the records of said County on file in my office.

ATTEST: 8-17-90

Frank Boriskie, County Clerk
Brazos County, Texas

By Candy Cochran, Deputy

EXHIBIT "A"

EXHIBIT "A"

WRITTEN APPLICATION SHOWING THE BOUNDARIES AND DIMENSIONS OF THE RIGHT OF WAY WHICH APPLICANT PROPOSES TO LEASE FROM THE STATE OF TEXAS

APPLICANT : Union Pacific Resources Company
P.O. Box 7
Ft. Worth, Texas 76101-0007

Plat 1 attached shows a portion of the Plat prepared by the Texas Highway Department showing Highway 21 as it was deeded to the State of Texas in the early 1930's. This plat shows the boundaries and dimensions of State Highway 21 and the owners and acreages that were deeded to the State of Texas for the construction of State Highway 21.

Plat 2 attached hereto is a plat prepared by B.J. Kling, Registered Public Surveyor showing the Brazos Farms Ltd. No. 2 Well Location which was a well capable of producing in paying quantities on January 1, 1985.

The point of beginning of the tract for the Oil, Gas and Mineral Lease herein proposed begins 2500 feet in a easterly direction from the Well Location of the Brazos Farms Ltd #2 and continues in a easterly direction to the point being the boundary line between the W. Mathis Survey Abstract 37 and the James Curtis Survey, Abstract 12 Brazos County, Texas. This land will hereinafter be referred to as the "subject acreage" and is shaded in blue on both Plat 1 and Plat 2 as attached and defined under Section II." Initiating the Leasing Process" (a)(2) of the "Suggested Procedures for Leasing State Highway Right-of-Way Tracts, Revised October, 1987".

Please find attached the following listed deeds whereby the State of Texas acquired that portion of State Highway 21 which Union Pacific Resources Company proposes to lease.

Deed "A" a certified copy of a deed dated February 19, 1931 from Dominik Salsisia, et al to the State of Texas covering 9.2 acres of land, more or less, recorded in Volume 79, Page 304 of the Deed Records of Brazos County, Texas

Deed "B" a certified copy of a deed dated February 5, 1931 from Mrs M.A. Robertson to the State of Texas covering 8.61 acres of land, more or less, recorded in Volume 79, Page 275 of the Deed Records of Brazos County, Texas

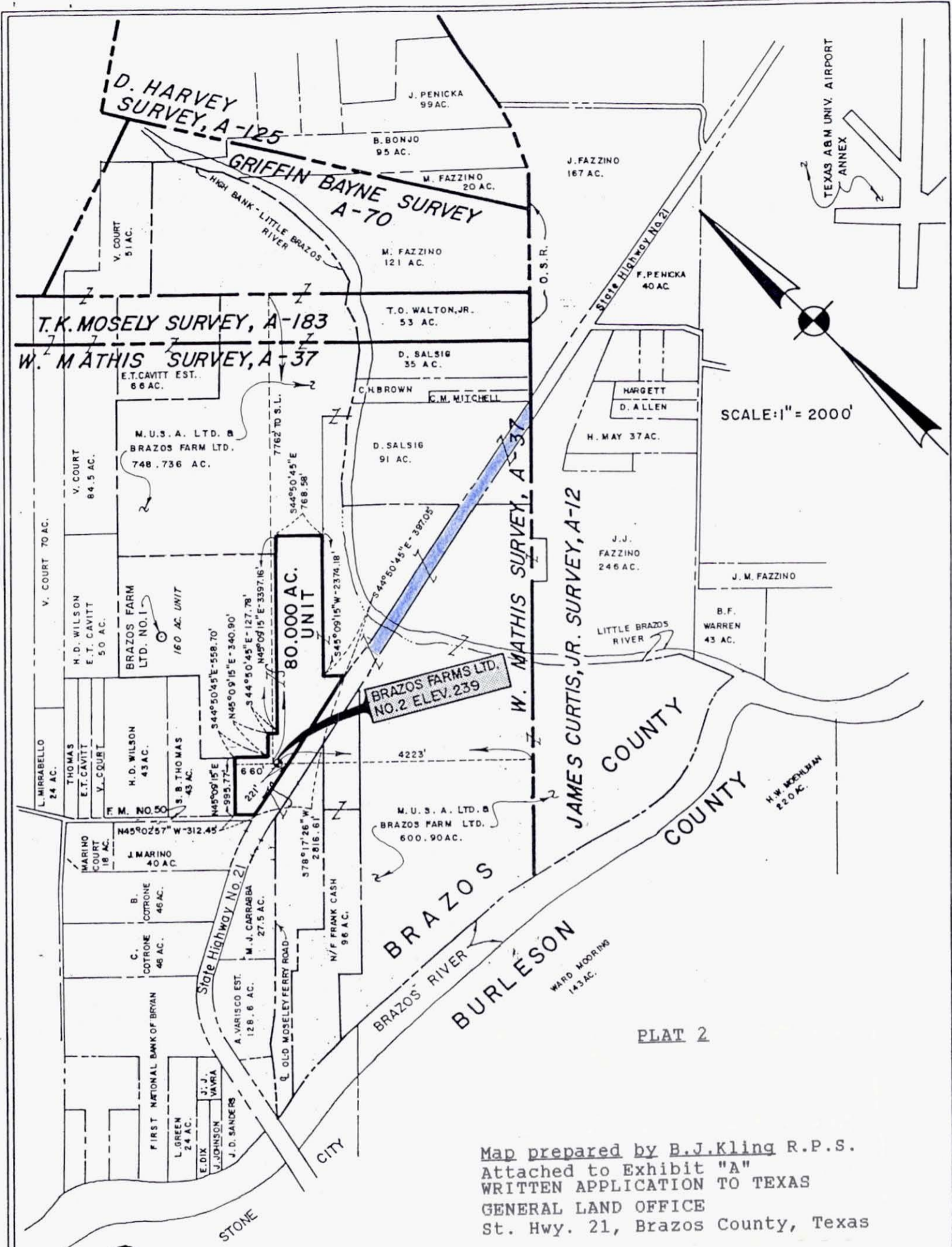
Deed "C" a certified copy of a deed dated August 13, 1931 from Will Randle to the State of Texas covering 2.5 acres of land, more or less recorded in Volume 80, Page 351 of the Deed Records of Brazos County, Texas

Deed "D" a certified copy of a deed dated February 6, 1931 from Boots Randle, et al to the State of Texas covering 2.5 acres of land, more or less recorded in Volume 79, Page 330 of the Deed Records of Brazos County, Texas

Deed "E" a certified copy of a deed dated February 4, 1931 from Brazos Varisco to the State of Texas covering .75 acre of land, more or less, recorded in Volume 79, Page 327 of the Deed Records of Brazos County, Texas

Deed "F" a certified copy of a deed dated February 4, 1931 from Brazos Varisco to the State of Texas covering 4.97 acres of land, more or less recorded in Volume 79, Page 326 of the Deed Records of Brazos County, Texas. The subject acreage as hereinabove described only affects a triangular tract on the most easterly side of the above described 4.97 acres of land, more or less. This triangular tract is calculated to be 220 feet by 300 feet by 372.022 feet being 33000 square feet and comprising .75758 acres of land, more or less.

The sum of the acreage in Deeds "A" thru "F" as applicable calculates to be 21.81758 acres of land, more or less. This amount is that acreage hereinabove referred to as the "Subject Acreage" and is shown by plat and by the respective deed where it was conveyed to the State of Texas.



PLAT 2

Map prepared by B.J.Kling R.P.S.
 Attached to Exhibit "A"
 WRITTEN APPLICATION TO TEXAS
 GENERAL LAND OFFICE
 St. Hwy. 21, Brazos County, Texas



REVISED TO 80 AC. UNIT
 FEB. 15, 1985

WELL LOCATION
BRAZOS FARMS LTD. - NO. 2

WAYMAN W. BUCHANAN
 W. MATHIS SURVEY, A-37
 BRAZOS COUNTY, TEXAS

SURVEYED JULY, 1984

SCALE: 1" = 2000' JULY, 1984

BY: *B.J. Kling*
 B. J. KLING - R.P.S. NO. 680

feet to a point which is 50 feet from the center of the proposed highway;

Thence S 61 - 28 W along a line parallel to and 50 feet from the center of the proposed highway a distance of 750 feet to a fence line; Thence S 45 degrees E along said fence line a distance of 106 feet to the place of beginning.

Containing 3.43 acres.

And it is further agreed that the said Brazos County Texas Build 4 wire fence in consideration of the benefits above set out, will remove from the property above described such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its assigns:

And I hereby bind myself heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand, this the 6th day of February, A.D. 1931.

W. I. McCulloch

THE STATE OF TEXAS |

COUNTY OF BRAZOS | BEFORE ME, Ruby Buchanan a Notary Public in and for said county and State, on this day personally appeared W. I. McCulloch, 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.

Given under my hand and seal of office, this the 6 day of February A.D. 1931.

(SEAL)

Ruby Buchanan, Notary Public, Brazos County, Texas.

The foregoing is a true copy of the original instrument which was filed for record on the 6th day of March A.D. 1931 at 11:30 o'clock a.m. and duly recorded on the 10th day of March A.D. 1931 at 12 o'clock a.m. to which I certify

Jess B. McGee, C. C. C. B. C.

Jess B. McGee Deputy

THE STATE OF TEXAS |

COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That we, Dominik Salsisa & Annie Mae Salsisa, Tony Scarpinato, Lena Scarpinato, of the County of Brazos State of Texas, for and in consideration of the sum of (\$10.00) and other valuable considerations to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is here by acknowledged and confessed, have Granted, Sold and conveyed, and do by these presents, Grant, sell and convey unto the State of Texas, the following described tract or parcel of land situated in the County of Brazos State of Texas, being more particularly described as follows:

A tract of land out of the Wm. Matthis Survey to be used for right of way purposes and described as follows:

Beginning at a point on the East fence of the Scappinto property being also the West fence of the Old San Antonio Road said point being 230 feet from the South fence of the present road to Bryan Junction and 110 feet from the center of the proposed highway;

Thence S 79 - 48 W along a line parallel to and 110 feet from the center of the proposed highway a distance of 1570 feet to a fence line;

Thence N 45 degrees W along said fence line a distance of 350 feet to a point which is 110 feet from the center of the proposed highway;

Thence N 79 - 48 E along a line parallel to and 110 feet from the center of the proposed

highway;

Thence N 79 - 48 E along a line parallel to and 110 feet from the center of the proposed highway a distance of 2120 feet a survey line;

Thence S 45 degrees W along said survey line a distance of 340 feet to the place of beginning.

Containing 9.2 acres.

And it is further agreed that the said Brazos County Will build fences in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property.

To have and to hold the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its assigns:

And we hereby bind ourselves heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness our hands, this the 19th day of February, A.D. 1931.

Dominik Salsisa
her
Annie Mae X Salsisa
mark
his
Tony X Scarpinato
mark

Lena Scarpinato

THE STATE OF TEXAS|

COUNTY OF BRAZOS | BEFORE ME, Brazos Varisco, a Notary Public in and for said county and State, on this day personally appeared Dominik Salsisa & Tony Scarpinato 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.

Given under my hand and seal of office, this the 19th day of February, A.D. 1931.

(SEAL)

Brazos Varisco, Notary Public, Brazos County, Texas.

THE STATE OF TEXAS|

* | BEFORE ME, Brazos Varisco a notary Public in and for said county and State, on this day personally appeared Annie Mae Salsisa & Lena Scarpinato wife of Domineck Salsisa & Tony Scarpinato known to me to be the persons whose names are subscribed to the foregoing instrument, and having been examined by me privily and apart from their husbands and having the same fully explained to them they the said Anni Mae Salsisa & Lena Scarpinato acknowledges such instrument to be their act and deed, and declared that they had willingly signed the same for the purposes and consideration therein expressed, and that they did not wish to retract it.

Given under my hand and seal of office, this the 19th day of February A.D. 1931.

(SEAL)

Brazos Varisco, Notary Public, Brazos County, Texas.

The foregoing is a true copy of the original instrument which was filed for record on the 6th day of March A.D. 1931 at 11:30 o'clock a.m. and duly recorded on the 10th day of March A.D. 1931 at 1:20 o'clock p.m. to which I certify

Jess B. McGee, C. C., C. B. C.

Mrs. J. P. ... Deputy

THE STATE OF TEXAS|

COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That We, John Phillips and Ida Phillips of the County of Brazos State of Texas, for and in consideration of the sum of

A

STATE OF TEXAS
COUNTY OF BRAZOS

I, Frank Boriskie, County Clerk of Brazos County, Texas
do hereby certify that the foregoing is a true and
correct copy of the original as the same appears of
record in Vol. 79, Page 304 in Alled Records of
said County on file in my office.

ATTEST 9-19-1950
Frank Boriskie, County Clerk

Brazos County, Texas
By Mary Ann Ward, Deputy

STATE HIGHWAY DEPARTMENT OF TEXAS NUMBER 5

RIGHT-OF-WAY DEED

STATE OF TEXAS |

COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That, I, Mrs. M.A. Robertson, of the County of Brazos, State of Texas, for and in consideration of the sum of (\$10.00) and other valuable considerations to me in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have GRANTED, SOLD and CONVEYED, and do by these presents GRANT, SELL AND CONVEY unto the State of Texas the following described tract or parcel of land situated in the county of State of Texas, being more particularly described as follows;

A tract of land out of Block 4, Lots 3 and 4 McCollough Addition to be used for right of way purposes and described as follows: Begin ning at a point on the East line of Lot 3 said point being 50 feet from the denter of the proposed highway and 79 feet from the Sandy Point road; Thence Southwest along the East Line of Lot 3 a distance of 125 feet; Thence N. 81-30 W a distance of 68 feet to the North Line of 26th Street; Thence along the North line of 26th street a distance of 30 feet to the extreme West corner of Set 4; Thence along the West side of Lot 4 a distance of 104 feet; Thence S 81-30 E a distance of 135 feet to the place of beginning.

And it is further agreed that the said State of Texas in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its assigns:

And I, Mrs. M.A. Robertson hereby binds myself and heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand, this the 5th day of Feby, A.D. 1931.

Mrs. M.A. Robertson

STATE OF TEXAS |

COUNTY OF BRAZOS |

Before me, Hardy Newton, a notary public in and for said county and State on this day personally appeared Mrs. M. A. Robertson, known to me (or proved to me on the oath of.....) 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.

Given under my hand and seal of office, this the 5th day of Feby A.D. 1931.

(SEAL) Hardy Newton, Notary Public in and for Brazos County, Texas.

The foregoing is a true copy of the original instrument which was filed for record on the 6th day of March A.D. 1931 at 11:30 o'clock a.m. and duly recorded on the 6th day of March A.D. 1931 at 1:30 o'clock p.m. to which I certify

C. C. C. B. C.

79/275

Number 46 STATE HIGHWAY DEPARTMENT OF TEXAS RIGHT-Of-WAY DEED

STATE OF TEXAS |

COUNTY OF BRAZOS () KNOW ALL MEN BY THESE PRESENTS: That I, Mary R. Henderson acting herein by my attorney in fact J.L. Henderson, of the County of Brazos, State of Texas, for and in consideration of the sum of Ten and no/100 and other valuable consideration to

me in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have GRANTED, SOLD AND CONVEYED, and do by these presents GRANT, SELL AND CONVEY unto the State of Texas the following described tract or parcel of land situated in the county of Brazos, State of Texas, being more particularly described as follows: A tract of land out of the Williams Matthis Survey to be used for right of way purposes and described as follows: Beginning at a point on the North-east boundary line of the Henderson property said point being 420 feet from the South fence line of the present road and 110 feet from the center of the proposed highway: Thence S 45 degrees E along a fence line a distance of 350 feet to a point which is 110 feet from the center of the proposed highway; Thence S 79- 48 W along a line parallel to and 110 feet from the center of the proposed highway a distance of 1200 feet; Thence S 75 degrees W a distance of 200 feet to a point which is 120 feet from the center of the proposed highway; Thence S 79-48 W along a line parallel to and 120 feet from the center of the proposed highway a distance of 220 ft to a fence; Thence N 45 degrees E a distance of 400 feet to a point which is 120 feet from the center of the proposed highway; Thence N 79-48 E along a line parallel to and 120 feet from the center of the proposed highway a distance of 530 feet; Thence N 85 degrees a distance of 200 feet to a point which is 110 feet from the center of the proposed highway; Thence N 79-48 E along a line parallel to and 110 feet from the center of the proposed highway a distance of 950 feet to the place of beginning

Containing 8.61 acres.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its assigns:

And I,hereby binds my heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand, this the 9th day of Feby A.D. 1931.

Mary R. Henderson

by F.L. Henderson, Attorney-in-fact.

State of TEXAS |
COUNTY OF BRAZOS |

Before me, the undersigned authority a notary public in and for said county and State, on this day personally appeared F.L. Henderson, 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 9th day of Feby A.D. 1931.

(SEAL) Sam C. Hoyle, Jr., Notary Public, Brazos County, Texas.

The foregoing is a true copy of the original instrument which was filed for record on the 6th day of March A.D. 1931 at 11:30 o'clock a.m. and duly recorded on the 6th day of March A.D. 1931 at 2 o'clock p.m. to which I certify

James B. Miller
C. C. C. B. C.

Number 28 STATE HIGHWAY DEPARTMENT OF TEXAS RIGHT-OF-WAY DEED

STATE OF TEXAS |

COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That I, Mrs, Mary Kosarek of the County of Brazos, State of Texas, for and in consideration of the sum of (\$10.00) to me in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is here by acknowledged and confessed, have GRANTED, SOLD and CONVEYED, and do by these presents GRANT, SELL AND CONVEY unto the State of Texas the following described tract of parcel of land situated in the county of, State of Texas, being more particularly described

B

THE STATE OF TEXAS
COUNTY OF BRAZOS

I, Frank Boriskie, County Clerk of Brazos County, Texas do hereby certify that the foregoing is a true and correct copy of the original as the same appears of record in Vol. 29, Page 275 in Need Records of said County on file in my office.

ATTEST 9-19-1990
Frank Boriskie, County Clerk
Brazos County, Texas
By Mary Ann Ward, Deputy



DEED "C"

The State of Oklahoma]

County of Kiawa | Before me, C. M. Portwood a Notary Public in and for said County and State, on this day personally appeared Jim Smith 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.

Given under my hand and seal of office, this the 21 day of March A.D. 1931.

(SEAL)

C. M. Portwood, Notary Public Kiawa County Okla.

My com. expires March 26, 1932.

The State of Oklahoma]

- | Before me, C. M. Portwood a Notary Public in and for said county and State, on this day personally appeared Lillie Smith wife of Jim Smith known to me to be the person whose name is subscribed to the foregoing instrument and having been examined by me privily and apart from her husband and having the same fully explained to her, she the said Lillie Smith acknowledges such instrument to be her act and deed and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this the 21 day of March A.D. 1931.

(SEAL)

Notary Public, Kiawa County Okla.

My com. expires March 26th, 1932.

The foregoing is a true copy of the original instrument which was filed for record on the 17th day of Sept. A.D. 1931 at 4 o'clock p.m. and duly recorded on the 18th day of Sept. A.D. 1931 at 11:40 o'clock a.m. to which I certify

Jess B. McGee, C. C. C. B. C.

Mrs. L. P. Newton Deputy

THE STATE OF TEXAS]

COUNTY OF BRAZOS () KNOW ALL MEN BY THESE PRESENTS: That I, Will Randle of the County of Brazos State of Texas, for and in consideration of the sum of (\$10.00) and other valuable considerations, to me in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is here by acknowledged and confessed, have Granted, sold and conveyed, and do by these presents Grant, sell and convey unto the State of Texas, the following described tract or parcel of land situated in the County of Brazos State of Texas, being more particularly described as follows:

A tract of land out of the Wm. Matthis survey to be used for right of way purposes and described as follows:

Beginning at a point on the East fence line of the Randle property said point being 400 feet from the North corner of the Randle property and 120 feet from the center of the proposed highway; Thence S; 45 degrees E. along said fence line a distance of 400 feet to a point which is 120 feet from the center of the proposed highway; Thence S. 79 - 48 W. along a line parallel to and 120 feet from the center of the proposed highway a distance of 800 feet to the center of Little Brazos River

Thence due North along the center of the Little Brazos River a distance of 240 feet to a point which is 120 feet from the center of the proposed highway;

Thence N. 79 - 48 E. along a line parallel to and 120 feet from the center of the center of the proposed highway a distance 470 feet to a fence line and the place of beginning.

Containing 2.5

and it is further agreed that the said Will Randle in consideration of the benefits above set out, will remove from the property above described, such fences, buildings

and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its assigns:

And I hereby binds myself my heirs executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand this 13 day of August, A.D. 1931.

Will Randle

THE STATE OF TEXAS|

COUNTY OF BRAZOS | BEFORE ME, F. L. Henderson a Notary Public in and for said county and State, on this day personally appeared Will Randle 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.

Given under my hand and seal of office, this the 13 day of August, A.D. 1931.

(SEAL) F. L. Henderson, Notary Public, Brazos County, Texas.

The foregoing is a true copy of the original instrument which was filed for record on the 17th day of Sept. A.D. 1931 at 4 o'clock p.m. and duly recorded on the 18th day of Sept. A.D. 1931 at 12 o'clock a.m. to which I certify

Jess B. McGee, C. O. C. B. C.

Mrs. L. Newton Deputy

THE STATE OF TEXAS|

COUNTY OF BRAZOS | BEFORE ME, the undersigned, a Notary Public in and for Brazos County, Texas, on this day personally appeared J. J. Jones and J. W. Batts, both known to me to be credible persons, who, upon being by me first duly sworn, did depose and say upon oath, each for himself, as follows:

"I have resided in Brazos County, Texas, for more than thirty years, and am familiar with the land in the Samuel McGown Survey, Abstract No. 156, and especially with a tract of 100 acres therein, owned for many years by Charles C. Foster and wife Hannah Foster, who are now dead.

I knew G. S. Parker, John W. Coulter, J. W. English, A.D. McConnico, Thomas F. Castles, and H. H. Harrington, who were the grantees in a certain oil and gas lease executed by Charles C. Foster and his wife Hannah Foster, dated May 2, 1901, and recorded in Volume 23, page 348, of Brazos County deed records, where the said 100 acres was leased for a period of one year, and which lease also provided for renewal payments in case no well was drilled thereon within the first year. I personally know that no well was ever drilled or begun on said land, and am sure that no rentals were ever paid on the said lease; and I know that for many years now no one of said grantees or any one claiming under them has asserted any rights in or to said land because of said lease; and that the lease has long since lapsed.

WITNESS this 17th day of September, 1931.

J. J. Jones,

J. W. Batts

Subscribed and sworn to this 17th day of September A.D. 1931.

A. S. Ware, Notary Public in and for
Brazos County, Texas.

(SEAL)

THE STATE OF TEXAS|

COUNTY OF BRAZOS | BEFORE ME, the undersigned a Notary Public in and for Brazos County,

THE STATE OF TEXAS
COUNTY OF BRAZOS

I, Frank Boriskie, County Clerk of Brazos County, Texas
do hereby certify that the foregoing is a true and
correct copy of the original as the same appears of
record in Vol. 80, Page 357 in Deed Records of
said County on file in my office.

ATTEST 9-19-1990

Frank Boriskie, County Clerk
Brazos County, Texas

By Marylorn Ward, Deputy

DEED "D"

on the 6th day of March A.D. 1931 at 11:30 O'clock a.m. and duly recorded on the 7th day of March A.D. 1931 at 3:30 o'clock p.m. to which I certify

James M. G...
C. C. C. B. C.

Number 47

STATE HIGHWAY DEPARTMENT OF TEXAS | RIGHT-OF-WAY DEED

STATE OF TEXAS |

79/330

COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That We, Boots Randle, Mary Currie, a feme sole, Ever Line Maco and Henry Maco, of the County of Brazos, State of Texas, for and in consideration of the sum of One Dollar and other valuable consideration to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is here by acknowledged and confessed, have GRANTED, SOLD and CONVEYED, and do by these presents GRANT, SELL AND CONVEY unto the State of Texas the following described tract or parcel of land situated in the county of Brazos, State of Texas, being more particularly described as follows:

A tract of land out of the Wm. Matthis survey to be used for right of way purposes and described as follows: Beginning at a point on the East fence line of the Randle property said point being 400 feet from the North corner of the Randle property and 120 feet from the center of the proposed highway; Thence S 45 degrees E along said fence line a distance of 400 feet to a point which is 120 feet from the center of the proposed highway; Thence S 79-48 W along a line parallel to and 120 feet from the center of the proposed highway a distance of 800 feet to the center of Little Brazos River; Thence due North along the center of the Little Brazos River a distance of 240 feet to a point which is 120 feet from the center of the proposed highway; Thence 79-48 E along a line parallel to and 120 feet from the center of the proposed highway a distance of 470 feet to a fence line and the place of beginning.

Containing 2.5 acres.

And it is further agreed that the said State of Texas in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property, and will build fences on said right of way.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its assigns:

And we hereby bind ourselves, our heirs, executors and administrators to brever warrant and defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness our hands, this the 6th day of February, A.D. 1931.

Witnesses: Boots Randle x his mark

M.F. Dansby Mary Currie x her mark

J.W. Batts Ever Line Maco

Henry Maco

STATE OF TEXAS |

COUNTY OF BRAZOS | Before me, J.W. Batts a notary public in and for said county and State, on this day personally appeared Boots Randle and Mary Currie, known to me to be the persons whose names are subscribed to the foregoing instruments, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 6th day of February A.D. 1931.

(SEAL) J.W. Batts, Notary Public, Brazos County, Texas.

THE STATE OF TEXAS |

COUNTY OF BRAZOS | BEFORE ME, J.G. Minkert a notary public in and for Brazos County, Texas

on this day personally appeared Henry Masco and Everline Masco, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed and the said Everline Masco wife of the said Henry Masco, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Everline Masco acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE This 7th day of February A.D. 1931.

(SEAL) J.G. Minkert, Notary Public, Brazos County, Texas.

The foregoing is a true copy of the original instrument which was filed for record on the 6th day of March A.D. 1931 at 11:30 o'clock a.m. and duly recorded on the 7th day of March A.D. 1931 at 4:30 o'clock p.m. to which I certify

J. C. C. B. C.
 J. C. C. B. C.

THE STATE OF TEXAS|

COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That I, Janie Thurman, joined herein by my husband, James Thurman, of the County of Brazos State of Texas, for and in consideration of the sum of Ten and No/100 (\$10.00) Dollars to me in hand paid by Ross Boatcallie as follows: Cash in hand paid the receipt of which is hereby acknowledged; have granted, sold and conveyed, and by these presents do Grant, sell and convey, unto the said Ross Boatcallie, of the County of Brazos State of Texas all of my right, title and interest in and to that certain tract or parcel of land lying and being situated in the S.F. Austin No. 10 league Abstract No. 63, Brazos County, Texas, more particularly described as follows:

All that certain tract or parcel of land described in deed from Willis Vanhook and wife Elmira Vanhook to Bettie Randle, by deed dated May 7, 1906, and recorded in Volume 26, page 445, of the Brazos County Deed Records, and being also described in deed from Bettie Randle to Maggie Thurman by deed dated May 7, 1906, and recorded in Volume 26, page 462, of the Brazos County Deed Records, Save and except two small tracts conveyed by the grantors herein as follows:

FIRST: Being 13/100 of an acre of land to the State of Texas, by deed dated July 2, 1930, and recorded in Volume 77, page 583, of the Brazos County Deed Records.

SECOND: To Sam Hucho, by deed recorded in Volume 78, page 195, of the Brazos County Deed Records;

To all of which said above mentioned deeds and their record reference is here made for all purposes; and said above described tract of land being inherited by Maggie Thurman from her mother Bettie Randle;

And the herein and hereby conveyed tracts being described as follows, to wit:

FIRST TRACT: Beginning at the most easterly corner of a tract of land conveyed to R. W. Thurman, by M. L. Parker, by deed dated March 15, 1929, and recorded in Volume 73, page 487, of the Brazos County Deed Records; Thence North 33 East 6 varas and corner a stake in the West line of Highway No. 6: Thence along Highway No. 6, South 49½ East 24½ varas; South 47 East 40 varas and corner at a stake; Thence South 85-3/4 West 79-4/10 varas and corner in Thurman line; Thence North 33 East along said Thurman line 53 varas to the Place of Beginning,

SECOND TRACT: Beginning at the most easterly corner of the above described first tract; Thence South 46 East along the right of way line of Highway No. 6, 9 varas a stake in said line for the Beginning Corner of this tract; Thence South 10½ East 41-3/10

THE STATE OF TEXAS
COUNTY OF BRAZOS

I, Frank Boriskie, County Clerk of Brazos County, Texas do hereby certify that the foregoing is a true and correct copy of the original as the same appears of record in Vol. 79, Page 330 in Deed Records of said County on file in my office.

ATTEST 9-19-1990
Frank Boriskie, County Clerk
Brazos County, Texas

By Marylorn Ward, Deputy

DEED "E"

defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand, this the 4th day of February, A.D. 1931.

Brazos A. Varisco

STATE OF TEXAS |

COUNTY OF BRAZOS | Before me, J.G. Minkert, a notary public in and for said county and State, on this day personally appeared Brazos A. Varisco, 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.

Given under my hand and seal of office, this the 7th day of February A.D. 1931.

(SEAL) J.G. Minkert, Notary Public, Brazos County, Texas.

The foregoing is a true copy of the original instrument which was filed for record on the 6th day of March A.D. 1931 at 11:30 o'clock a.m. and duly recorded on the 7th day of March A.D. 1931 at 1:30 o'clock p.m. to which I certify

Jacob B. Minkert
C. C. C. B. C.

STATE HIGHWAY DEPARTMENT OF TEXAS RIGHT-OF-WAY DEED

STATE OF TEXAS)

COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That I, Brazos Varisco, of the County of Brazos, State of Texas, for and in consideration of the sum of (\$10.00) and other consideration to me in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is here by acknowledged and confessed, have GRANTED, SOLD and CONVEYED, and do by these presents GRANT, SELL AND CONVEY unto the State of Texas the following described tract or parcel of land situated in the county of Brazos, State of Texas, being more particularly described as follows: A tract of land out of the Wm. Mattnis Survey to be used for right of way purposes and described as follows: Beginning at a point marking North corner of the Varisco property where same joins the Joe Trigg property said point being 120 feet from the center of the proposed highway; thence N 79-48 E along a line parallel to and 120 feet from the center of the proposed highway a distance of 150 feet to the center of the little Brazos river; thence due South along the center of the little Brazos river a distance of 240 feet to a point which is 120 feet from the center of the proposed highway; thence S 79-48 W along a line parallel to and 120 feet from the center of the proposed highway a distance of 430 feet to a fence line; thence N 45 degrees E along said fence line a distance of 380 feet to the place of beginning.

Containing 0.75 Acres.

is

And it/further agreed that the said Brazos County in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments therunto in anywise belonging unto the said State of Texas and its assigns:

And I hereby bind myself, heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand, this the 4th day of February, A.D. 1931.

Brazos A. Varisco

STATE OF TEXAS |

COUNTY OF BRAZOS | Before me, J.G. Minkert a notary public in and for said county and State, on this day personally appeared Brazos A. Varisco 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.

Given under my hand and seal of office, this the 7th day of February A.D. 1931.

(SEAL) J.G. Minkert, Notary Public, Brazos County, Texas.

The foregoing is a true copy of the original instrument which was filed for record on the 6th day of March A.D. 1931 at 11:30 o'clock a.m. and duly recorded on the 7th day of March A.D. 1931 at 2:30 o'clock p.m. to which I certify

J.G. Minkert
C. C. C. B. C.

Number 7

STATE HIGHWAY DEPARTMENT OF TEXAS RIGHT-OF-WAY DEED

STATE OF TEXAS |

COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That I, Mrs. J. A. Upright, of the County of Brazos, State of Texas, for and in consideration of the sum of (\$5.00) to me in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is here by acknowledged and confessed, have GRANTED, SOLD and CONVEYED, and do by these presents GRANT, SELL AND CONVEY unto the State of Texas the following described tract or parcel of land situated in the county ofState of Texas, being more particularly described as follows: A tract of land out of lot 7, Block 4, McCollough Addition to be used for right of way purposes and described as follows: Beginning at a point on the East line of lot 7 said point being 16 feet from the North line of 26th street and 50 feet from the center of the proposed highway; thence along said East line a distance of 16 feet to the North line of 26th street; thence along the North line of 26th Street a distance of 17.5 feet; thence approximately due East a distance of 25 feet to the place of beginning.

And it is further agreed that the said State of Texas in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereincumbrances thereunto in anywise belonging unto the said State of Texas and its assigns:

And I hereby bind myself, my heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand, this the 6th day of February A.D. 1931.

Witnesses: Mrs. J.A. Upright

A.S. McSwain + Her mark

J.W. Batts

STATE OF TEXAS |

COUNTY OF BRAZOS | Before me, J.W. Batts a notary public in and for said county and State, on this day personally appeared Mrs. J.A. Upright, a feme sole, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 6th day of Febry A.D. 1931.

(SEAL) J.W. Batts, Notary Public, Brazos County, Texas.

The foregoing is a true copy of the original instrument which was filed for record on the 6th day of March A.D. 1931 at 11:30 o'clock a.m. and duly recorded on the 7th day of March A.D. 1931 at 3 o'clock p.m. to which I certify

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THE STATE OF TEXAS
COUNTY OF BRAZOS

I, Frank Boriskie, County Clerk of Brazos County, Texas do hereby certify that the foregoing is a true and correct copy of the original as the same appears of record in Vol. 79, Page 327 in Wed Records of said County on file in my office.

ATTEST 9-19-1990
Frank Boriskie, County Clerk
Brazos County, Texas

By Mary Ann Ward, Deputy

DEED "F"

person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand, this the 6th day of February, A.D. 1931.

L.N. Yeager

STATE OF TEXAS |

COUNTY OF GRIMES | Before me, J.B. Leigh a notary public in and for said county and State, on this day personally appeared L.N. Yeager, known to me (or proved to me on the oath or...) 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.

Given under my hand and seal of office, this the 14 day of February A.D. 1931.

(SEAL) J.B. Leigh, Notary Public, Grimes County, Texas.

The foregoing is a true copy of the original instrument which was filed for record on the 6th day of March A.D. 1931. at 11:30 o'clock am and duly recorded March 7th A.D. 1931 at 1 o'clock p.m. to which I certify

J. B. Leigh
C. C. C. B. C.

79/326

Number 49

STATE HIGHWAY DEPARTMENT OF TEXAS RIGHT-OF-WAY DEED

STATE OF TEXAS |

COUNTY OF BRAZOS() KNOW ALL MEN BY THESE PRESENTS: That I, Brazos Varisco, of the County of Brazos, State of Texas, for and in consideration of the sum of (\$10.00) and other valuable considerations to me in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have GRANTED, SOLD and CONVEYED, and do by these presents GRANT,SELL AND CONVEY unto the State of Texas, the following described tract or parcel of land situated in the county of Brazos, State of Texas, being more particularly described as follows: A tract of land out of the Wm Mattnis Survey to be used for right of way purposes and described as follows: Beginning at a point which marks the North corner of the Brazos Varisco tract where same joins the Joe Trigg property said point being 120 feet from the center of the proposed highway: Thence S 79-48 W along a line parallel to and 120 feet from the center of the proposed highway a distance of 400 feet: Thence S 85 degrees W a distance of 400 feet to a point which is 155 feet from the center of the proposed highway: Thence S 79-48 W along a line parallel to and 120 feet from the center of the proposed highway a distance of 200 feet to a fence line: Thence S 45 degrees E along said fence line marking the West boundary line of the Trigg property a distance of 370 feet: Thence N 75 degrees E a distance of 400 feet to a point which is 120 feet from the center of the proposed highway; Thence N 79-48 E along a line parallel to and 120 feet from the center of the proposed highway a distance of 100 feet: Thence N 45 degrees E along a fence line a distance of 200 feet to the place of beginning.

Containing 4.97 acres.

It is understood and is a part of this consideration that the State will allow me to connect my fences to bridge to prevent cattle from going from road to my pasture and allow my cattle to pass under the bridge from one part of my pasture to the other. Also one approach on the north side of the road.

And it is further agreed that the said Brazos County in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its assigns:

And I hereby binds myself, heirs, executors and administrators to forever warrant and

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defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand, this the 4th day of February, A.D. 1931.

Brazos A. Varisco

STATE OF TEXAS |

COUNTY OF BRAZOS | Before me, J.G. Minkert, a notary public in and for said county and State, on this day personally appeared Brazos A. Varisco, 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.

Given under my hand and seal of office, this the 7th day of February A.D. 1931.

(SEAL) J.G. Minkert, Notary Public, Brazos County, Texas.

The foregoing is a true copy of the original instrument which was filed for record on the 6th day of March A.D. 1931 at 11:30 o'clock a.m. and duly recorded on the 7th day of March A.D. 1931 at 1:30 o'clock p.m. to which I certify

Jess B. Minkert
C. C. C. B. C.

STATE HIGHWAY DEPARTMENT OF TEXAS RIGHT-OF-WAY DEED

STATE OF TEXAS |

COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That I, Brazos Varisco, of the County of Brazos, State of Texas, for and in consideration of the sum of (\$10.00) and other consideration to me in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is here by acknowledged and confessed, have GRANTED, SOLD and CONVEYED, and do by these presents GRANT, SELL AND CONVEY unto the State of Texas the following described tract or parcel of land situated in the county of Brazos, State of Texas, being more particularly described as follows: A tract of land out of the Wm. Matthis Survey to be used for right of way purposes and described as follows: Beginning at a point marking North corner of the Varisco property where same joins the Joe Trigg property said point being 120 feet from the center of the proposed highway; thence N 79-48 E along a line parallel to and 120 feet from the center of the proposed highway a distance of 150 feet to the center of the Little Brazos River; thence due South along the center of the Little Brazos River a distance of 240 feet to a point which is 120 feet from the center of the proposed highway; thence S 79-48 W along a line parallel to and 120 feet from the center of the proposed highway a distance of 400 feet to a fence line; thence N 45 degrees E along said fence line a distance of 380 feet to the place of beginning.

Containing 0.90 Acres.

And it^{is} further agreed that the said Brazos County in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments therunto in anywise belonging unto the said State of Texas and its assigns:

And I hereby bind myself, heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand, this the 4th day of February, A.D. 1931.

Brazos A. Varisco

STATE OF TEXAS |

COUNTY OF BRAZOS | Before me, J.G. Minkert a notary public in and for said county and State, on this day personally appeared Brazos A. Varisco known to me to be the person

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THE STATE OF TEXAS
COUNTY OF BRAZOS

I, Frank Boriskie, County Clerk of Brazos County, Texas
do hereby certify that the foregoing is a true and
correct copy of the original as the same appears of
record in Vol. 79, Page 326 in Book Records of
said County on file in my office.

ATTEST 9-19-1990

Frank Boriskie, County Clerk
Brazos County, Texas

By Marydell Ward, Deputy

EXHIBIT "B"

EXHIBIT "B"

ADJACENT MINERAL OWNERS

Union Pacific Resources is currently the owner and holder of oil and gas leases on lands which are adjacent to the right-of-way and adjoining said right-of-way. Certified Copies of those leases are attached under different Exhibits.

EXHIBIT "C"

AFFIDAVIT STATING THAT THERE WAS NO WELL CAPABLE OF
PRODUCING IN PAYING QUANTITIES WITHIN 2500 FEET OF
THE RIGHT-OF-WAY TRACT BOUNDARIES AS OF JANUARY 1, 1985

State of Texas

KNOW ALL MEN BY THESE PRESENTS

County of Brazos

Before me the undersigned authority, a Notary Public, on this day personally appeared J.W. Winzeler, known to me to be a credible and reputable person, and who, after being duly sworn upon his oath deposes and says:

My name is J.W. Winzeler, and my mailing address is P.O. Box 570791 Houston, Texas 77057. I am personally well familiar with certain tracts of land located adjacent to State Highway 21 in Brazos County, Texas. My knowledge of the herein described tracts is based on information obtained from various deeds recorded in the Deed Records of Brazos County, Texas; certain plats obtained from the Highway Department of the State of Texas, and a plat obtained from B.J. Kling, Registered Public Surveyor. This land is hereinafter further described and shown as the "Subject Acreage" on the attached Plat labeled Exhibit "A" attached hereto and made a part hereof.

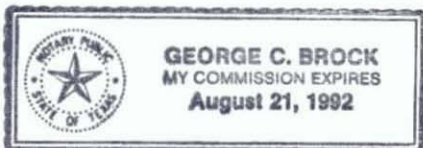
The purpose of this affidavit is to satisfy a requirement of the "Suggested Procedures for Leasing State Highway Right-of-Way Tracts, Revised October, 1987" under Section II "Initiating the Leasing Process" (a),(3). I know of my own knowledge based on the information as outlined above, that there was no well capable of producing in paying quantities within 2500 feet of the "Subject Acreage" boundaries as herein described as of January 1, 1985.

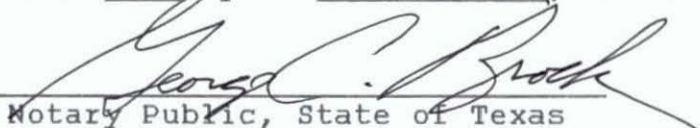
So Ends Affiants Statement.



J.W. Winzeler

SUBSCRIBED AND SWORN to before me this 20TH day of SEPTEMBER, 1990.





Notary Public, State of Texas

GEORGE C. BROCK

Notary's Printed Name

My Commission Expires 8/21/92

State of Texas

County of Brazos

This instrument was acknowledged before me the 20TH day of SEPTEMBER 1990, by J.W. WINZELER



George C. Brock
Notary Public, State of Texas

GEORGE C. BROCK
Notary's Printed Name
My Commission Expires 8/21/92

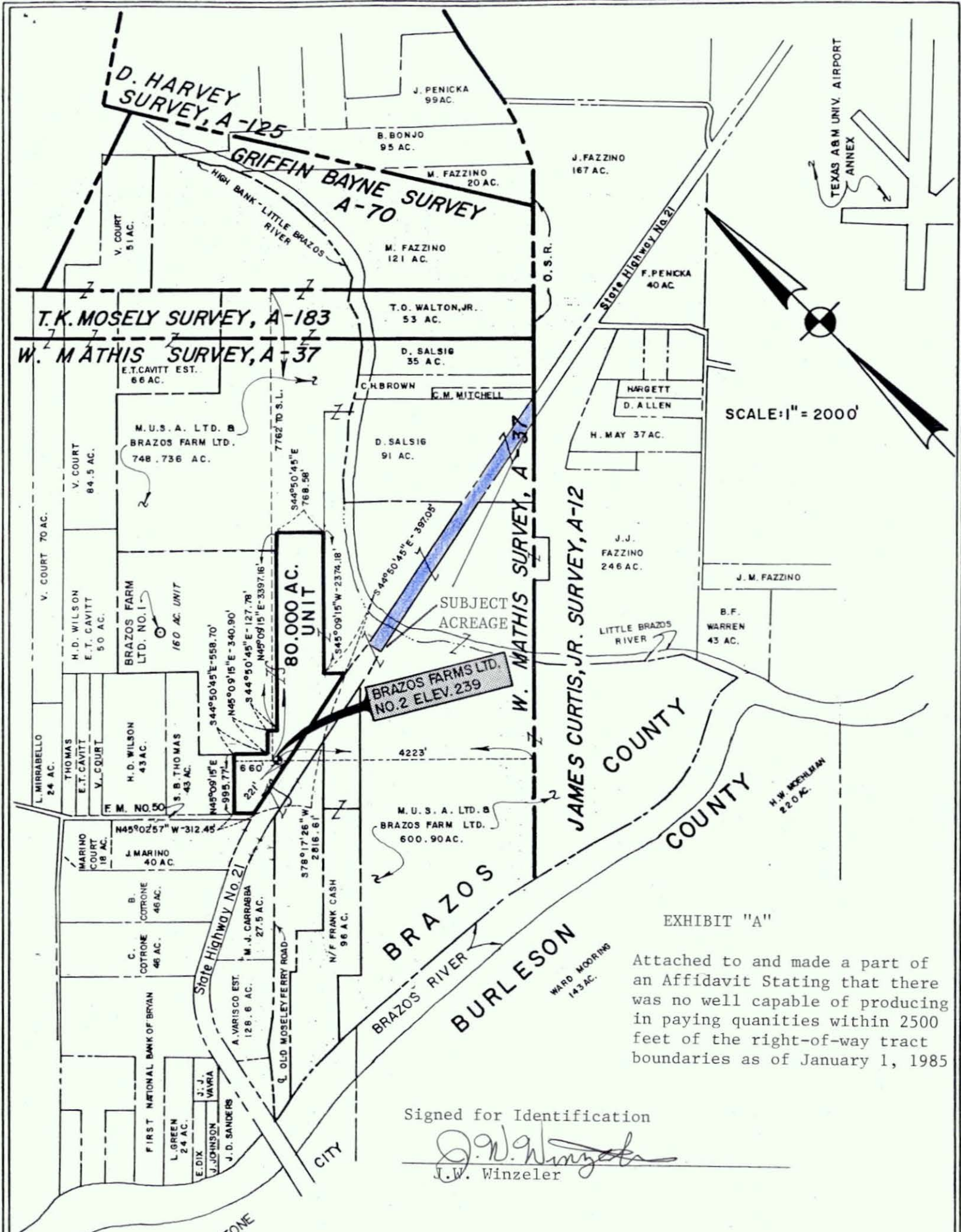


EXHIBIT "A"

Attached to and made a part of an Affidavit Stating that there was no well capable of producing in paying quantities within 2500 feet of the right-of-way tract boundaries as of January 1, 1985

Signed for Identification

J.W. Winzeler
 J.W. Winzeler



REVISED TO 80 AC. UNIT
 FEB. 15, 1985

SURVEYED JULY, 1984

B.J. Kling
 BY: B.J. KLING - R.P.S. NO. 680

WELL LOCATION
BRAZOS FARMS LTD. - NO. 2

WAYMAN W. BUCHANAN
 W. MATHIS SURVEY, A-37
 BRAZOS COUNTY, TEXAS

SCALE: 1" = 2000' JULY, 1984

EXHIBIT "D"

J.W. WINZELER • Oil and Gas Properties

September 18, 1990

1018 Nantucket, #1
Houston, Texas 77057
713 468-1166

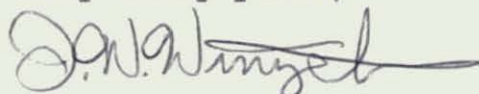
Garry Mauro, Commissioner
Texas General Land Office
1700 N. Congress, Room 640
Austin, Texas 78701

Re: Waiver of Statutory Notice in accordance with Suggested
Procedures for Leasing State Highway Right-of-Way Tracts,
Revised October, 1987 Section II "Initiating the Leasing
Process" (b) (1).

Dear Sir,

In accordance with Section II (b) (1) of the Suggested
Procedures for Leasing State Right-of-way Tracts, Revised
October 1987, Union Pacific Resources Company hereby waives
its right to receive statutory notice to which it is entitled
regarding the attached Application to lease a State Highway
right-of-way tract.

Very truly yours,



J.W. Winzeler, Agent for Union
Pacific Resources Company

EXHIBIT "E"

EXHIBIT "F"

ASSIGNMENT OF OIL & GAS LEASE

FILED

90 AUG 20 10 2:35

THE STATE OF TEXAS)
COUNTY OF HARRIS)

KNOW ALL MEN BY THESE PRESENTS:

Sara McNeil

That the undersigned, Black Creek Production Company, 800 Tully, Suite 250, Houston, Texas 77079 (herein referred to as "Assignor"), for and in consideration of the sum of Ten and no/100 Dollars (\$10.00) cash to it in hand paid by UNION PACIFIC RESOURCES COMPANY, 801 Cherry Street, Fort Worth, Texas 76102-6803 (herein referred to as "Assignee") and other good and valuable consideration, receipt of all which is hereby acknowledged, and subject to the terms, conditions, covenants, obligations, and reservations hereafter set out, has GRANTED, SOLD, TRANSFERRED, CONVEYED, ASSIGNED, AND DELIVERED unto the said assignee those certain oil and gas lease as follows:

1. That certain lease dated March 12, 1990 between Brazos Farm Ltd., an Illinois Corporation, and M.U.S.A. Ltd., an Illinois Corporation, both with authority to do business in Texas, Lessors, and Black Creek Production Company, Lessee covering 981.776 acres, more or less, as situated in Brazos County, Texas and more particularly described in Exhibit "A" attached herewith for reference purposes and recorded in Vol. 1204, Page 306 of the Brazos County Deed Records.

As a further consideration for this assignment, Black Creek Production Company, Assignor, reserves unto itself, it's heirs, and assigns, a four percent (4%) overriding royalty of all oil and gas, including casinghead gas or other gaseous substances produced from the above set out lease. It is the intention of the Assignor to assign a overall net revenue lease of 76% of all the oil and gas produced from aforementioned lease. Assignor specifically empowers Assignee to pool and unitize its reserve overriding royalty on the same terms and conditions as it is authorized to pool and unitize the Lessors' royalty under the provisions of the aforementioned lease.

This Assignment is made and accepted subject to all of the terms, provisions, and conditions contained or referred to within the above referenced Oil, Gas, and Mineral Lease.

CA

TO HAVE AND TO HOLD the above referenced Oil, Gas, and Mineral Lease and Oil, Gas, and Mineral Leasehold Estates unto Assignee, its successors and assigns, together with all and singular the rights and appurtenances thereto in anywise belonging, forever.

This Assignment is further made and accepted without warranty of title, either express or implied, except for claims of persons claiming by, through, and under assignor.

The terms and provisions hereof shall extend to and be binding upon the parties hereto and their respective successors and assigns.

EXECUTED this 18th day of April, 1990.

BLACK CREEK PRODUCTION COMPANY, INC.

By: Joel Guedry, Chairman
Joel Guedry, Chairman

CORPORATE ACKNOWLEDGMENT

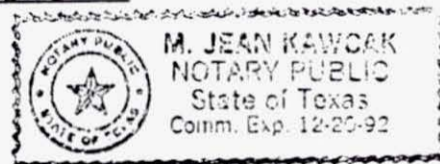
STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the 18th day of April, 1990, by Joel Guedry, Chairman of Black Creek Production Company, a Texas Corporation, on behalf of said corporation.

M. Jean Kawcak
Notary Public

My commission expires: 12-20-92



66BC90

EXHIBIT "A"

Attached to and made a part of that certain Oil, Gas and Mineral Lease Assignment between Black Creek Production Company, Inc., Assignor, and Union Pacific Resources Company, Assignee, dated April 18, 1990.

Being 1419.276 acres, more or less, out of the G. Bayne Survey, A-70; T. R. Mosley Survey, A-183; W. Mathis Survey, A-37 and the J. Curtis, Jr. Survey, A-12, and being the same land described in Deed dated November 30, 1977, from Dorothy Varisco Donaho and Antoinette Varisco Guido, Joint Independent Executrices of the Estate of Brazos A. Varisco, Deceased and Lucille Varisco, a widow, to M.U.S.A. Limited and Brazos Farm Limited, and recorded in Volume 386, Page 164, Deed Records of Brazos County, Texas.

SAVE AND EXCEPT the following acreage:

1. 80 acres, more or less, Mathis No. 1 production unit held by Haber Oil Company, Inc. as set out in Exhibit "B".
2. 80 acres, more or less, Curtis No. 1 production unit held by Haber Oil Company, Inc. as set out in Exhibit "C".
3. 80 acres, more or less, Bayne No. 1 production unit held by Haber Oil Company, Inc. as set out in Exhibit "D".
4. 160 acres, more or less, Brazos Farms Ltd. No. 4 production unit as set out in Exhibit "E".
5. 37.5 acres, more or less, held by Oil & Gas Lease.

49BC90



EXHIBIT "G"

AFFIDAVIT OF CONSIDERATION PAID
FOR OIL, GAS AND MINERAL LEASE

State of Texas

KNOW ALL MEN BY THESE PRESENTS

County of Brazos

Before me the undersigned authority, a Notary Public, on this day personally appeared Joel D. Guedry, known to me to be a credible and reputable person, and who, after being duly sworn upon his oath deposes and says:

My name is Joel D. Guedry, and my mailing address is 800 Tully Road #250 Houston, Texas 77079. I am personally well familiar with a certain Oil, Gas and Mineral Lease, dated March 12, 1990 from Brazos Farms Ltd. an Illinois Corporation, and M.U.S.A. Ltd, an Illinois Corporation; both with authority to do business in Texas, as Lessors, whose address is P.O. Box 3460 Bryan, Texas 77805, and that said lease was executed and delivered to Black Creek Production Company, as Lessee, whose address is 800 Tully # 250 Houston, Texas 77079.

Whereas, said lease and all rights and privileges thereunder are now owned by Union Pacific Resources Company whose address is P.O. Box 7, Ft. Worth, Texas 76101-0007.

This oil, gas and mineral lease is recorded in Volume 1204 at Page 306 of the Deed Records of Brazos County, Texas and covers certain lands in the G. Bayne Survey, Abstract 70, T.R. Mosley Survey, Abstract 183, W. Mathis Survey, Abstract 37 and the J. Curtis, Jr. Survey, Abstract 12, in Brazos County, Texas, briefly described as follows, to-wit:

Being 1419.276 acres of land, more or less, out of the G. Bayne Survey, Abstract 70, T.R. Mosley Survey, Abstract 183, W. Mathis Survey, Abstract 37, and the J. Curtis Survey, Abstract 12, and being the same land described in a Deed dated November 30, 1977, from Dorothy Varisco Donaho and Antoinette Varisco Guido, as Joint Independent Executrixes of the Estate of Brazos A. Varisco, Deceased, and Lucille Varisco to M.U.S.A. Limited and Brazos Farms Limited, recorded in Volume 386, Page 164 of the Deed Records of Brazos County, Texas.

Save and Except the following acreage:

1. 80.00 acres of land, more or less, Mathis No. 1 production unit held by Haber Oil Company, Inc., and set out as Exhibit "B" (as attached to the above described Oil, Gas and Mineral Lease.)
2. 80.00 acres of land, more or less, Curtis No. 1 production unit held by Haber Oil Company, Inc. and set out as Exhibit "C" (as attached to the above described Oil, Gas and Mineral Lease.)
3. 80.00 acres of land, more or less, Bayne No. 1 production unit held by Haber Oil Company, Inc. and set out as Exhibit "D" (as attached to the above described Oil, Gas and Mineral Lease.)
4. 160.00 acres of land, more or less, Brazos Farms Ltd. No. 4 production unit and set out as Exhibit "E" (as attached to the above described Oil, Gas and Mineral Lease.)

5. 37.5 acres of land, more or less held by an Oil, Gas and Mineral Lease to Union Pacific (Union Pacific Resources Company)(as attached to the above described Oil, Gas and Mineral Lease.)

said land being more fully described in said lease, reference to said lease and to the record thereof, being here made for all purposes; and,

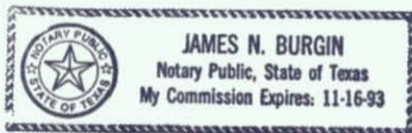
The purpose of this affidavit is to set out the total consideration paid for said Oil, Gas and Mineral Lease as described hereinabove as a requirement for "Highway Leasing Procedures" as obtained from the Texas General Land Office, Austin, Texas. Black Creek Production Company, as Lessee, paid one hundred and fifty dollars and no/100(\$ 150.00) per net mineral acre for the above described Oil, Gas and Mineral Lease. The total amount of consideration paid for the above described lease is one hundred forty seven thousand two hundred sixty six dollars and 40/100(\$ 147,66.40). I know of my own knowledge that the amount stated above is the correct and actual amount paid for the above described Oil, Gas and Mineral Lease.

So Ends Affiants Statement.

Joel D. Guedry
Joel D. Guedry

SUBSCRIBED AND SWORN to before me this 29 day of August, 1990.

James N. Burgin
Notary Public, State of Texas



JAMES N. BURGIN
Notary's Printed Name

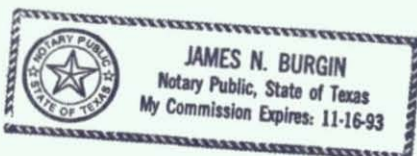
My Commission Expires 11-16-93

State of Texas

County of Harris

This instrument was acknowledged before me the 29 day of August, 1990, by Joel D. Guedry.

James N. Burgin
Notary Public, State of Texas



JAMES N. BURGIN
Notary's Printed Name

My Commission Expires 11-16-93

EXHIBIT "H"

EXHIBIT "I"

AFFIDAVIT OF CONSIDERATION PAID
FOR OIL, GAS AND MINERAL LEASE

State of Texas

KNOW ALL MEN BY THESE PRESENTS

County of Brazos

Before me the undersigned authority, a Notary Public, on this day personally appeared Dale A. Hennigar, known to me to be a credible and reputable person, and who, after being duly sworn upon his oath deposes and says:

My name is Dale A. Hennigar, and my mailing address is 7600 Kirby #601 Houston, Texas 77030. I am personally well familiar with a certain Oil, Gas and Mineral lease, dated February 13, 1990 from Myrtle Killingsworth Layton, as Lessor, whose address is 3428 Farm Hill Drive, Falls Church, Virginia 22044, and that said lease was executed and delivered to Union Pacific Resources Company, as Lessee, whose address is P.O. Box 7 Ft Worth, Texas 76101-0007. This oil, gas and mineral lease is recorded in Volume 1206, at Page 272 of the Deed Records of Brazos County, Texas and covers certain lands in the William Mathis League Abstract 37, in Brazos County, Texas, briefly described as follows, to-wit:

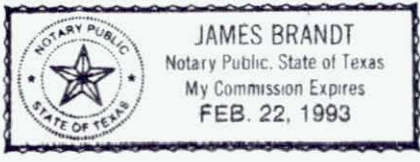
70.00 acres of land, more or less, located in the William Mathis League Abstract 37 and being the same land described in a deed dated November 27, 1928 from Elizabeth W. James to William Triggs and recorded in Volume 73, Page 104 of the Deed Records of Brazos County, Texas

The purpose of this affidavit is to set out the total consideration paid for said Oil, Gas and Mineral Lease as described hereinabove as a requirement for " Highway Leasing Procedures" as obtained from the Texas General Land Office, Austin, Texas. Union Pacific Resources Company, as Lessee, paid one hundred dollars and no/100 (\$100.00) per net mineral acre for the above described Oil, Gas and Mineral Lease. The total amount of consideration paid for the above described lease is one thousand seven hundred and fifty dollars and no/100 (\$ 1750.00). I know of my own knowledge that the amount stated above is the correct and actual amount paid for the above described Oil, Gas and Mineral Lease.

So Ends Affiants Statement.


Dale A. Hennigar

SUBSCRIBED AND SWORN to before me this 16th day of August, 1990.



James Brandt
Notary Public, State of Texas

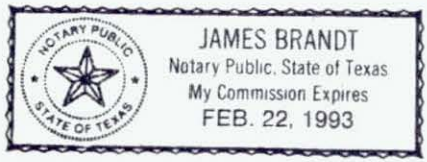
JAMES BRANDT
Notary's Printed Name

My Commission Expires 2/22/93

State of Texas

County of Brazos

This instrument was acknowledged before me the 16th day of August, 1990, by Dale A. Hennigar.



James Brandt
Notary Public, State of Texas

JAMES BRANDT
Notary's Printed Name

My Commission Expires 2/22/93

EXHIBIT "J"

EXHIBIT "K"

AFFIDAVIT OF CONSIDERATION PAID
FOR OIL, GAS AND MINERAL LEASE

State of Texas

KNOW ALL MEN BY THESE PRESENTS

County of Brazos

Before me the undersigned authority, a Notary Public, on this day personally appeared Dale A. Hennigar, known to me to be a credible and reputable person, and who, after being duly sworn upon his oath deposes and says:

My name is Dale A. Hennigar, and my mailing address is 7600 Kirby #601 Houston, Texas 77030. I am personally well familiar with a certain Oil, Gas and Mineral lease, dated February 13, 1990 from Lawrence Towles, as Lessor, whose address is 9449 Briar Forest #3107 Houston, Texas 77063, and that said lease was executed and delivered to Union Pacific Resources Company, as Lessee, whose address is P.O. Box 7 Ft Worth, Texas 76101-0007. This oil, gas and mineral lease is recorded in Volume 1181, at Page 50 of the Deed Records of Brazos County, Texas and covers certain lands in the William Mathis League Abstract 37, in Brazos County, Texas, briefly described as follows, to-wit:

70.00 acres of land, more or less, located in the William Mathis League Abstract 37 and being the same land described in a deed dated November 27, 1928 from Elizabeth W. James to William Triggs and recorded in Volume 73, Page 104 of the Deed Records of Brazos County, Texas

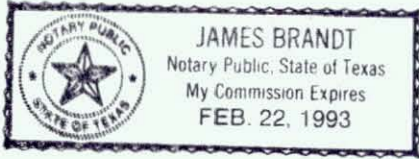
The purpose of this affidavit is to set out the total consideration paid for said Oil, Gas and Mineral Lease as described hereinabove as a requirement for " Highway Leasing Procedures" as obtained from the Texas General Land Office, Austin, Texas. Union Pacific Resources Company, as Lessee, paid one hundred dollars and no/100 (\$100.00) per net mineral acre for the above described Oil, Gas and Mineral Lease. The total amount of consideration paid for the above described lease is one thousand seven hundred and fifty dollars and no/100 (\$ 1750.00). I know of my own knowledge that the amount stated above is the correct and actual amount paid for the above described Oil, Gas and Mineral Lease.

So Ends Affiants Statement.



Dale A. Hennigar

SUBSCRIBED AND SWORN to before me this 16th day of August, 1990.



James Brandt
Notary Public, State of Texas

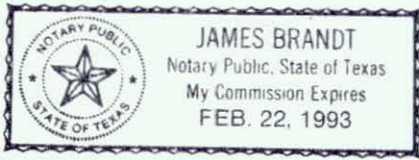
JAMES BRANDT
Notary's Printed Name

My Commission Expires 2/22/93

State of Texas

County of Brazos

This instrument was acknowledged before me the 16th day of August, 1990, by Dale A. Hennigar.



James Brandt
Notary Public, State of Texas

JAMES BRANDT
Notary's Printed Name

My Commission Expires 2/22/93

EXHIBIT "L"

EXHIBIT "M"

AFFIDAVIT OF CONSIDERATION PAID
FOR OIL, GAS AND MINERAL LEASE

State of Texas

KNOW ALL MEN BY THESE PRESENTS

County of Brazos

Before me the undersigned authority, a Notary Public, on this day personally appeared J.W. Winzeler, known to me to be a credible and reputable person, and who, after being duly sworn upon his oath deposes and says:

My name is J.W. Winzeler, and my mailing address is P.O. Box 570791 Houston, Texas 77057. I am personally well familiar with a certain Oil, Gas and Mineral lease, dated February 6th, 1990 from Dorothy Salpetro and Pete Sausage, as Lessors, whose address is 304 West 31st Street Bryan, Texas 77803, and that said lease was executed and delivered to Union Pacific Resources Company, as Lessee, whose address is P.O. Box 7 Ft Worth, Texas 76101-0007. This oil, gas and mineral lease is recorded in Volume 1174, at Page 785 of the Deed Records of Brazos County, Texas and covers certain lands in the William Mathis League Abstract 37, in Brazos County, Texas, briefly described as follows, to-wit:

146.50 acres of land, more or less, located in the William Mathis League Abstract 37 and described in two (2) tracts as follows:

Tract 1 111.50 acres of land, more or less and being the same land described as the "First Tract", "Third Tract", "Forth Tract" and "fifth Tract" described in a deed dated November 13, 1928 from M.S. Dansby to Dominic Salsicca, et al recorded in Volume 72 at page 614 of the Deed Records of Brazos County, Texas.

Tract 2 35.00 acres of land, more orless, and being the same land described in a deed dated November 3, 1881 from J.A. Beard and Davis & Beall to William Mazy recorded in Volume V, Page 513 of the Deed Records of Brazos County, Texas

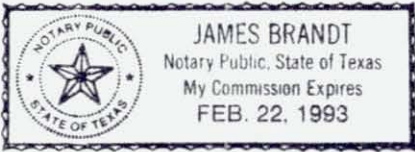
The purpose of this affidavit is to set out the total consideration paid for said Oil, Gas and Mineral Lease as described hereinabove as a requirement for " Highway Leasing Procedures" as obtained from the Texas General Land Office, Austin, Texas. Union Pacific Resources Company, as Lessee, paid one hundred dollars and no/100 (\$100.00) per net mineral acre for the above described Oil, Gas and Mineral Lease. The total amount of consideration paid for the above described lease is fourteen thousand six hundred and fifty dollars and no/100 (\$ 14,650.00). I know of my own knowledge that the amount stated above is the correct and actual

amount paid for the above described Oil, Gas and Mineral Lease.

So Ends Affiants Statement.

J.W. Winzeler
J.W. Winzeler

SUBSCRIBED AND SWORN to before me this 15th day of August, 1990.



James Brandt
Notary Public, State of Texas
JAMES BRANDT
Notary's Printed Name
My Commission Expires 2/22/93

State of Texas

County of Harris

This instrument was acknowledged before me the 15th day of August, 1990, by J.W. WINZELER

James Brandt Notary Public,
State of Texas
JAMES BRANDT
Notary's Printed Name
My Commission Expires 2/22/93

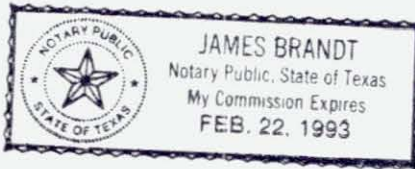
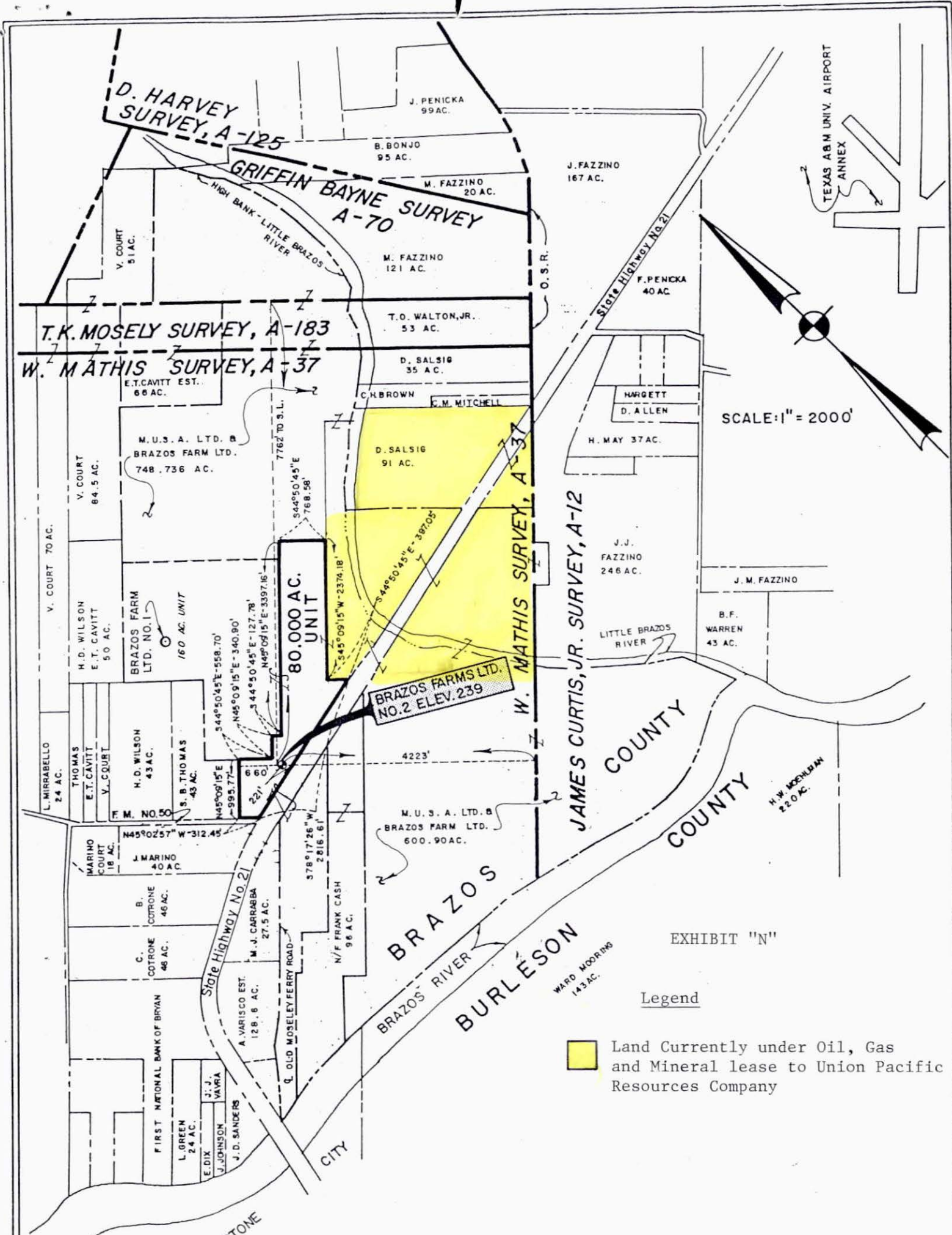


EXHIBIT "N"



SCALE: 1" = 2000'

EXHIBIT "N"

Legend

Land Currently under Oil, Gas and Mineral lease to Union Pacific Resources Company

REVISED TO 80 AC. UNIT
FEB. 15, 1985



SURVEYED JULY, 1984

B. J. Kling
BY: B. J. KLING - R.P.S. NO. 680

WELL LOCATION

BRAZOS FARMS LTD. - NO. 2

WAYMAN W. BUCHANAN
W. MATHIS SURVEY, A-37
BRAZOS COUNTY, TEXAS

SCALE: 1" = 2000' JULY, 1984

Jim Brandt & Associates, Inc.

*2110 Morton League
Richmond, Texas 77469
(713) 342-7125*

October 19, 1990

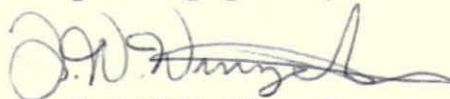
Tracey T. Yakints
Texas General Land Office
1700 N. Congress Avenue, Room 640
Austin, Texas 78701

Re: Title Opinion Supplementing Written Application to lease acreage in right-of-way tract where the State of Texas owns the minerals located under the tract in accordance with Suggested Procedures for Leasing State Highway Right-of-Way Tracts, Revised October, 1987

Dear Tracey,

Please find attached the Title Opinion from the Offices of Haynes and Boone as we discussed covering that portion of State Highway 21, Brazos County, Texas which Union Pacific Resources Company proposes to lease in our application dated September 20, 1990. If you have any questions or need any additional information, I can be reached at the College Station Hilton 409-693-7500 or at my office 713-468-1166. That should complete all the material necessary for processing our "Application to Lease". Hope all is well with you and yours!!!

Very truly yours,



J.W. (JIM) Winzeler
Agent for Union Pacific
Resources Company

HAYNES AND BOONE

ATTORNEYS AND COUNSELORS AT LAW

1600 SMITH STREET SUITE 3700
HOUSTON, TEXAS 77002-3445
TELEPHONE 713/547-2000
TELECOPY 713/547-2600

AUSTIN
DALLAS
FORT WORTH
HOUSTON
SAN ANTONIO

WRITER'S DIRECT DIAL NUMBER

(713) 547-2010

10061.24

October 8, 1990

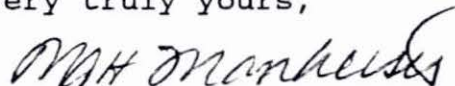
Mr. Jim McNeil
Union Pacific Resources Company
P. O. Box 7
Fort Worth, Texas 76101-0007

Re: Written Application to lease acreage in
Right-of-Way Tract, Brazos County, Texas

Dear Mr. McNeil:

Per the instructions of Jim Winzeler, enclosed find our opinion to be delivered to the State of Texas for your application to lease the State highway tracts adjacent to the Brazos Farm Ltd. and Sausage Tracts. Please feel free to contact me after you have had a chance to review.

Very truly yours,



Matthew A. Thanheiser

Enclosure
h-0574x

cc: Mr. D. Brad Clinkenbeard

VIA TELECOPY - (409) 846-7361
THE COLLEGE STATION HILTON
Mr. J. W. Winzeler
Jim Brandt & Associates, Inc.
2110 Morton League
Richmond, Texas 77469

HAYNES AND BOONE

ATTORNEYS AND COUNSELORS AT LAW

1600 SMITH STREET SUITE 3700
HOUSTON, TEXAS 77002-3445
TELEPHONE 713/547-2000
TELECOPY 713/547-2600

AUSTIN
DALLAS
FORT WORTH
HOUSTON
SAN ANTONIO

WRITER'S DIRECT DIAL NUMBER

(713) 547-2010

10061.24

October 8, 1990

Union Pacific Resources Company
P.O. Box 7
Fort Worth, Texas 76101-0007

Attention: Mr. Jim McNeil

Re: Union Pacific Resources Company's prospective
State of Texas Highway No. 21 Lease, Brazos
County, Texas

DRILLING TITLE OPINION

DESCRIPTION OF LANDS

Tract 1: 9.20 acres of land, more or less,
described by metes and bounds in a deed dated
February 19, 1931 from Dominik Salsissa, et al. to
the State of Texas recorded in Volume 79, Page 304,
Deed Records, Brazos County, Texas.

Tract 2: 8.61 acres of land, more or less,
described by metes and bounds in a deed dated
February 9, 1931 from Mary R. Henderson to the State
of Texas recorded in Volume 79, Page 275, Deed
Records, Brazos County, Texas.

Tract 3: 2.50 acres of land, more or less,
described by metes and bounds in a deed dated
February 7, 1931 from Boots Randle, et al. to the
State of Texas recorded in Volume 79, Page 330, Deed
Records, Brazos County, Texas.

Tract 4: 0.75 acres of land, more or less,
described by metes and bounds in a deed dated
February 4, 1931 from Brazos A. Varisco to the State
of Texas recorded in Volume 79, Page 327, Deed
Records, Brazos County, Texas.

Union Pacific Resources Company
October 8, 1990
Page 2

Tract 5: 4.97 acres of land, more or less, described by metes and bounds in a deed dated February 4, 1931 from Brazos A. Varisco to the State of Texas recorded in Volume 79, Page 326, Deed Records, Brazos County, Texas.

Containing 26.03 acres, more or less (the "Subject Lands").

MATERIALS EXAMINED

1. Drilling Title Opinion dated July 11, 1990, prepared by Haynes and Boone for Union Pacific Resources Company covering its prospective Brazos Farm, Ltd., et al. 1024.076 acre lease, Brazos County, Texas from the sovereignty of the soil through June 1, 1990 at 8:00 a.m.
2. Drilling Title Opinion dated August 9, 1990, prepared by Haynes and Boone for Union Pacific Resources Company covering its Sausage et al. 146.50 acre lease, Brazos County, Texas from the sovereignty of the soil through June 1, 1990 at 8:00 a.m.
3. Materials examined in rendering the above two (2) Drilling Title Opinions.
4. Affidavit of identity dated July 28, 1990, concerning Myrtle Killingsworth Layton, sworn to by Lawrence Towles, unrecorded.
5. Copy of Brazos County Right-of-Way Map of State Highway No. 21, FAP620-A, B and C.

OWNERSHIP

Based upon our examination of the materials referenced above, and subject to the comments, requirements and limitations hereinafter set forth, we find title to the Subject Lands to be vested as of June 1, 1990 at 8:00 a.m. as follows:

1. Surface

* The State of Texas

All

Union Pacific Resources Company
October 8, 1990
Page 3

2. Executive Rights and Mineral Fee

As to Tracts 1, 2, 3 and 4 of the Subject Lands

* The State of Texas ALL

As to Tract 5 of the Subject Lands

The State of Texas 1/2

Myrtle Killingsworth Layton
and Elizabeth Robinson Towles 1/2

* See Comment and Requirement No. 3, below with respect to ownership of Tract 3.

ENCUMBRANCES

1. Unreleased Oil and Gas Leases

A. Lessor: Myrtle Killingsworth Layton

Lessee: Wayman W. Buchanan

Date: September 25, 1984

Recorded: Volume 730, Page 452, Official Records

Lands Covered: 70 acres, more or less, being more particularly described in that certain deed dated December 23, 1907, from Georgia P. Lockhart to J. P. Phillips et al., recorded in Volume 32, page 266, Deed Records, Brazos County, Texas.

Primary Term: 1 year

B. Lessor: Elizabeth Robinson Towles

Lessee: Wayman W. Buchanan

Date: September 25, 1984

Recorded: Volume 730, Page 454, Official Records

Lands Covered: 70 acres, more or less, being more particularly described in that certain deed dated December 23, 1907, from Georgia P. Lockhart to J. P. Phillips et al., recorded in Volume 32, page 266, Deed Records, Brazos County, Texas.

Primary Term: 1 year

Union Pacific Resources Company
October 8, 1990
Page 4

COMMENTS AND REQUIREMENTS

COMMENT NO. 1: The Subject Lands are located in a survey granted by the State of Coahuila and Texas to William Mathis on July 18, 1824 (Volume 137, Page 436).

REQUIREMENT NO. 1: None; advisory only.

COMMENT NO. 2: This opinion is based upon title as examined in the prior title opinions referenced above, which opinions were based upon runsheets purporting to cover tracts out of which the Subject Lands were conveyed in the year 1931.

These conveyances were as follows:

Tract 1: 9.20 acres of land conveyed on February 19, 1931 from Dominik Salsissa, et al. to the State of Texas (Volume 79, Page 304).

Tract 2: 8.61 acres of land conveyed on February 9, 1931 from Mary R. Henderson to the State of Texas (Volume 79, Page 275).

Tract 3: 2.50 acres of land convey on February 7, 1931 from Boots Randle, et al. to the State of Texas (Volume 79, Page 330) and on May, 1931 from Will Randle to the State of Texas (Volume 80, Page 351).

Tract 4: 0.75 acres of land conveyed on February 4, 1931 from Brazos A. Varisco to the State of Texas (Volume 79, Page 326).

Tract 5: 4.97 acres of land conveyed on February 4, 1931 from Brazos A. Varisco to the State of Texas (Volume 79, Page 326).

On November 27, 1928, Elizabeth W. James, Individually and as Independent Executrix of the Estate of W. T. James, conveyed a 70 acre tract to William Trigg(s), reserving therein one-half (1/2) of the oil, gas and other minerals (Volume 73, Page 104). From the map furnished for our review, it appears that Tract 5, was carved out of this 70 acre tract. Therefore, we have shown the ownership of the mineral fee and executive rights to Tract 5 as being owned one-half (1/2) by the State of Texas and one-half (1/2) by the apparent successors-in-interest to Elizabeth W. James.

Union Pacific Resources Company
October 8, 1990
Page 5

Elizabeth H. James died in 1936 and her will was probated in Harris County, Texas under Cause No. 23,480 and a copy of her will is recorded in Brazos County, Texas (Volume 100, Page 418). Her will devised her interest in this 70 acre tract in equal shares to her daughters and granddaughter as follows: Ruby Robinson (widow of Henry C. Robinson, Jr.), Vivian Schulter (wife of M. H. Schulter), Corrine James, Laura James and Corrine James and Laura James, Trustees for the benefit of Myrtle Jean Killingsworth, until she reaches the age of 21. Myrtle Killingsworth Layton and Elizabeth Robinson Towles, apparently the successor-in-interest to one or all of the remaining parties, executed oil, gas and mineral leases to Wayman W. Buchanan covering this 70 acre tract on September 25, 1984, being the leases listed as item A. and B. in the Encumbrances section of this opinion. For the purposes of this opinion, we have assumed, subject to the following requirement, that the 1/2 mineral interest in this 70 acre tract shown of record to be owned by the parties listed above has been transferred to Myrtle Killingsworth Layton and Elizabeth Robinson Towles.

REQUIREMENT NO. 2: Obtain documentary evidence in recordable form sufficient to indicate that Ruby Robinson, Vivian Schulter, Corrine James and Laura James have transferred their undivided interests in the 70 acre tract to Elizabeth Robinson Towles and/or Myrtle Jean Killingsworth.

COMMENT NO. 3: Tract 3 was conveyed to the State of Texas in two deeds, the first dated February 7, 1931 and executed by Boots Randle, Mary Currie, and Ever Line Maco and her husband, Henry Maco (Volume 79, Page 330) and the second dated August 13, 1931 and executed by Will Randle (Volume 80, Page 351).

Tract 3 was derived from a larger, 39 acre tract conveyed by B.H. Davis and T. J. Beall to Robert Armstrong by deed dated July 8, 1879 (Volume T, Page 230). There is no record connection between Robert Armstrong and Boots Randle et al., except a statement in a later deed (Volume 85, Page 94) that the 39 acres was inherited by Bill Randle, as an heir of Mary Armstrong and Bob Armstrong, deceased. We are unable to determine if Bill Randle is one and the same person as Will Randle, one of the grantors above.

Title to the remainder of the 39 acre tract adjacent to Tract 3 is now apparently owned by Brazos Farm Ltd., M.U.S.A. Ltd., Franco da Conturbia, Lucille Varisco, Dorothy Varisco Donaho and Antoinette Varisco Guido in the percentages shown on pages 8 and 9 of prior title opinion no. 1, above. However, this title is based, in part, upon the assumption that the current owners of those lands and their predecessors in title

Union Pacific Resources Company
October 8, 1990
Page 6

have exercised possession and control of such land of a quality and duration to satisfy the statute of limitations. Since there exists authority that the State of Texas cannot avail itself to the benefits of title through limitation statutes [see Whatley v. Patten, 31 S.W. 60 (Tex. Civ. App. 1895, writ ref'd.)], we are unable to state with certainty that the State acquired the full fee simple title to Tract 3. While we have shown title to Tract 3 in the State, you should satisfy the following requirement.

REQUIREMENT NO. 3A: Obtain documentary evidence in recordable form sufficient to indicate that Boots Randle, Mary Currie, Ever Line Maco and her husband, Henry Maco, and Will Randle were, in 1931, the only successors in interest to Bob Armstrong and his wife, Mary Armstrong, in the 39 acre tract described above.

Alternatively, and in the event you are unable to satisfy Requirement No. 3A, above, you should comply with the following requirement.

REQUIREMENT NO. 3B: You should not conduct drilling operations on, through or under Tract 3 of the Subject Lands in your development of such tract and acreage adjacent thereto.

COMMENT NO. 4: The unreleased oil and gas leases listed in the Encumbrances section of this opinion should be released of record, or in the alternative, you should obtain affidavits regarding the production of oil and gas from the lands covered by those leases for the past six (6) years, which affidavits should indicate that those leases would have expired by their own terms.

REQUIREMENT NO. 4: As stated above.

LIMITATIONS

This opinion does not cover: (i) minerals other than oil, gas, and associated hydrocarbons; (ii) the location of the property on the ground, questions of boundary, conflicts with adjacent surveys or matters of area; (iii) the genuineness, authenticity, or enforceability of any instruments relied upon; or (iv) any other matters not discoverable with ordinary professional care by methods of examination described. Notwithstanding the references in this opinion to the apparent surface ownership, no opinion is rendered regarding the ownership of surface rights.

HAYNES AND BOONE

Union Pacific Resources Company
October 8, 1990
Page 7

This opinion is rendered solely for the benefit of the addressee for its presentation to the General Land Office of the State of Texas and may not be relied upon by any other person or entity for any purpose.

Please contact Matt Thanheiser at (713) 547-2010 if you have any questions or comments concerning this opinion or the comments and requirements set forth herein.

Very truly yours,

Haynes and Boone
HAYNES AND BOONE

cc: D. Brad Clinkenbeard

h-0549V/10061.24



M-94311

②

Application

September 20, 1990

10-52-30



161

COMMISSION
ROBERT H. DEDMAN, CHAIRMAN
RAY STOKER, JR.
WAYNE B. DUDDLESTEN

STATE DEPARTMENT OF HIGHWAYS
AND PUBLIC TRANSPORTATION

P.O. BOX 5075
AUSTIN, TEXAS 78763-5075
(512) 835-0801

ENGINEER-DIRECTOR
ARNOLD W. OLIVER, P.E.

November 9, 1990

CONTACT: D-15

Mr. Garry Mauro
Commissioner
General Land Office
Petroleum and Mineral Division
1700 North Congress Avenue
Austin, Texas

Dear Commissioner Mauro:

We have reviewed the proposed oil and gas leases and the following requests for preferential lease is considered sufficiently documented to be presented to the Public School Land Board for approval:

<u>County</u>	<u>Nominator</u>	<u>Bonus</u>	<u>Royalty</u>	<u>Primary Term</u>	<u>Delay Rental</u>
Brazos	Union Pacific Resources Co.	\$150.00	1/5	3 years	\$00.00 Paid Up

Attached are three copies of the field notes and sketches for the proposed leases. If additional information is needed, please contact Jimmy Perry at (512) 835-0803.

Sincerely,

Gary Bernethy
Gary Bernethy, P.E.
Right of Way Engineer

Attachments

Brazos County
CSJ 116-4-2, 4 and 5
116-5-
S.H. 21
No. 302

Exhibit "A"

Being 21.89 acres of land, more or less, situated in the William Matthis Survey, Abstract No. 37. Said 21.89 acres being all of the same land conveyed to the State by the following listed deeds:

Grantor	Volume	Page
1. Dominik Salsisa, et al	79	304
2. Mary Henderson	79	275
3. Will Randle	79	351
4. Boots Randle, et al	79	330
5. Brazos Vanisco	79	327

and also being only a portion of the same land conveyed to the State by a deed from Brazos Vanisco as recorded in Volume 79, Page 326. All deeds stated herein being duly recorded in the Deed Records of Brazos County, Texas and being more particularly described as follows, to-wit;

Beginning at a point located on the east line of the William Matthis Survey, Abstract No. 37, and also being the west line of the James Curtis Jr. Survey, Abstract No. 12, where it intersects the north right of way line of S.H. 21;

Thence S 45° 00' 00" W along said survey line, a distance of 170.00 feet crossing the centerline of S.H. 21 at Engineer's Centerline Station Number 227+55.00 and continuing on for a total distance of 340.00 feet to a point located on the south right of way line of said highway;

Thence S 79° 48' 00" W along said south right of way line parallel to and 110 feet from the said centerline, a distance of 2,800 feet to a point located 110 feet south and perpendicular distance from Engineer's Centerline Station Number 198+00.00;

Thence S 75° 00' 00" W along said south right of way line, a distance of 200.00 feet to a point located 120.00 feet south and perpendicular distance from Engineer's Centerline Station Number 196+00.00;

Thence S 79° 48' 00" W along said south right of way line, a distance of 1,020.00 feet crossing the centerline of the Little Brazos River, located 120.00 feet south and perpendicular distance from Engineer's Centerline Station Number 185+81.00 and continuing on for a total distance of 1,450.00 feet to a point located 120.00 feet south and perpendicular distance from Engineer's Centerline Station Number 181+50.00;

Brazos County
CSJ 116-4-2, 4 and 5
116-5
S.H. 21
No. 302

-2-

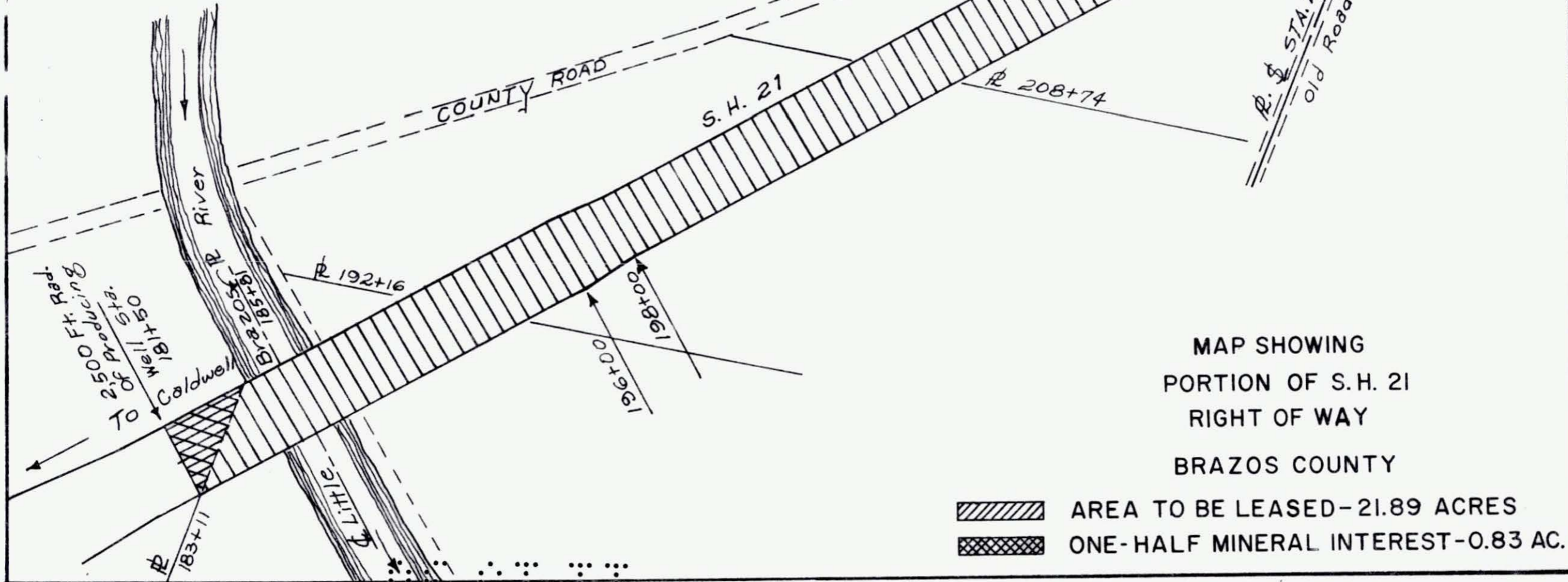
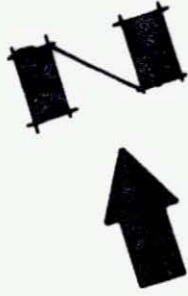
Thence N 10° 12' 00" W, departing from the south right of way line of S.H. 21, a distance of 240.00 feet to a point located on the north right of way line of said highway;

Thence N 79° 48' 00" E along said north right of way line, a distance of 450.00 feet crossing the centerline of the Little Brazos River and continuing on for a total distance of 1,450.00 feet to a point located 120.00 feet north and perpendicular distance from Engineer's Centerline Station Number 196+00.00;

Thence N 85° 00' 00" E along the said north right of way line, a distance of 200.00 feet to a point located 110.00 feet north and perpendicular distance from Engineer's Centerline Station Number 198+00.00;

Thence N 79° 48' 00" E along the said north right of way line, a distance of 3,070.00 feet to a point located on the east line of the William Matthis Survey, Abstract No. 37. Said point also being the point of beginning of the tract herein described and contains 21.89 acres of land, more or less, and being as indicated on the official right of way map which is on file with the Department of Highways and Public Transportation and is identified under Control Numbers 116-4-2, 4 and 5 and 116-5.

William Matthis Survey Abstract 37



MAP SHOWING
PORTION OF S.H. 21
RIGHT OF WAY
BRAZOS COUNTY

-  AREA TO BE LEASED-21.89 ACRES
-  ONE-HALF MINERAL INTEREST-0.83 AC.

M-94311 (3)

Ltr From Highway D.

November 9, 1990

11-13-90

GENERAL LAND OFFICE

GARRY MAURO
COMMISSIONER
MEMORANDUM

DATE: November 20, 1990

TO: School Land Board
FROM: Petroleum and Minerals
SUBJECT: Application To Lease Highway Right-of-Way

APPLICANT: Union Pacific Resources Co.

REFERENCE: Being 21.89 acres of land, more or less, situated in the William Matthis Survey, Abstract 37, in Brazos County, Texas.

The following terms were provided for in adjacent leases:

	High	Low
Bonus/Acre:	\$150.00	\$100.00
Royalty:	1/5	1/5
Delay Rental:	\$0.00 Paid-up	\$0.00 Paid-up
Primary Term:	2 years	3 years

The application has been reviewed by the Petroleum and Minerals Division and the State Department of Highways and Public Transportation. Subchapter F, chapter 32 of the Texas Natural Resources Code requires approval of the application to lease upon the following terms:

Bonus/Acre:	\$150.00 per acre
Royalty:	1/5
Delay Rental:	\$0.00 (paid-up)
Primary Term:	2 years

Union Pacific Resources Co. hold leases adjoining both sides of the above captioned highway right-of-way, thus, the applicant is entitled to a lease of the entire referenced 21.89 acres. The applicant has submitted a title opinion showing the state owns the entire mineral estate in the highway right-of-way and has submitted all other pertinent information required by the School Land Board rules.

M-94311 (4)

Memo to SLB

November 20, 1990

Garry Mauro
Commissioner
General Land Office



November 26, 1990

Mr. J. W. Winzeler, CPL
Jim Brandt & Associates, Inc.
2110 Morton League
Richmond, Texas 77469-1229

Re: Application to lease highway right-of-way
Union Pacific Resources Company
21.89 acres, William Matthis Survey, Abstract 37, Brazos
County, Texas

Dear Mr. Winzeler:

The application by Union Pacific Resources Company to lease highway right-of-way for oil and gas was approved by the School Land Board on November 20, 1990, with the following conditions:

- o \$150 per acre bonus
- o 1/5 royalty
- o \$0.00 (paid-up) per acre delay rentals
- o primary term of 2 years.

Upon receipt of the bonus consideration of \$3,283,50 and a separate check for \$49.25 which represents the 1 1/2% sales fee, the lease will be forwarded to you upon completion.

Sincerely,

A handwritten signature in cursive script, appearing to read "Daryl Morgan".

Daryl Morgan
Oil & Gas Section
Legal Services Division
(512) 463-5311

cc: Mr. Carlton Bernhard
State Dept. of Highways & Public Transportation
P.O. Box 5075, West Austin Station
Austin, Texas 78763-5075

M-94311 (5)

Ltr to J. W. Winzler

November 26, 1990

December 13, 1990

General Land Office
1700 North Congress Avenue
Austin, Texas 78701

Attn: Mr. Daryl Morgan
Oil & Gas Section
Legal Services Division

RE: Application to lease highway right-of-way
Union Pacific Resources Company
21.89 acres, William Matthis Survey, Abstract 37,
Brazos County, Texas

*Room
630*

Dear Mr. Morgan:

Enclosed please find check #5197642 in the amount of \$3,283.50 and check #5197643 in the amount of \$49.25 representing the bonus consideration and sales fee for the above referenced property. Please sign the enclosed copy of this letter indicating your receipt of the checks and return to my attention in the enclosed envelope.

Thank you for your assistance in this matter.

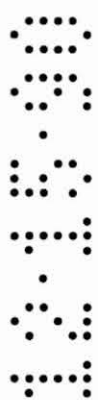
Sincerely,

Susie W. Fountain

Susie W. Fountain
Land Specialist

Enclosures

RECEIVED BY: _____
Date: _____





SEND INQUIRIES TO: P.O. BOX 2995
FORT WORTH, TEXAS 76113-2995

FORM FS-003 (06-89)

10-000-3566510

U P RESOURCES CO

05197642

VOUCHER NUMBER	INVOICE NUMBER	PURCHASE ORDER	INVOICE DATE	AMOUNT	DISCOUNT	NET AMOUNT
242145	CR242145 <i>171 141</i>		12-03-90	3,283.50	.00	3,283.50 91018599
TOTALS				3,283.50	.00	3,283.50

05197642

M-94311

(6)

Ltr. From Union Pacific

December 13, 1990





January 2, 1991

Ms. Susie W. Fountain
Land Specialist
Union Pacific Resources
P. O. Box 7
Fort Worth, Texas 76101-0007

Re: Oil and Gas Lease No. M-94311
21.89 acres, Brazos County, Texas

Dear Ms. Fountain:

Pursuant to the application of Union Pacific Resources to lease the captioned 21.89 acre highway tract, we are enclosing a lease covering such land. The lease will serve as a receipt for the amount of the bonus.

The lease requires operators to submit certain information relative to production and related activities. In addition, when the lessee files various forms with the Texas Railroad Commission and the Department of Energy, he is requested to submit copies of these forms to the General Land Office. Examples of these forms are:

- o W-1 Application to Drill, Deepen, or Plug Back with Plat;
- o W-2 Oil Well Potential Test, Completion or Recompletion Report and Log;
- o W-3 Plugging Record;
- o G-1 Gas Well Back Pressure Test Completion/Recompletion Report and Log;
- o G-5 Gas Well Classification Report;
- o G-10 Gas Well Status Report;
- o W-10 Oil and Well Status Report;
- o W-12 Inclination Report;
- o W-15 Cementing Affidavit;
- o L-1 Electrical Logs (any scale and within fifteen days after they are made);
- o W-12 Directional Surveys;
- o P-12 Certificate of Pooling Authority
- o F-1 NGPA Supplemental Application; and
- o FERC-121 Application for Determination.

Furthermore, if this land and/or lease is included in a unit, please furnish us with a copy of the written designation of unit filed in the county records.

The lessee's cooperation in complying with the reporting requirements outlined above will be greatly appreciated, and will contribute to the General Land Office's efforts to effectively manage the State of Texas' oil and gas resources.

Please do not hesitate to contact my office if you need any assistance in the future, or if you have questions concerning the State leases that you operate.

Sincerely,



Daryl Morgan
Oil & Gas Section
Legal Services Division
(512) 463-5311

ME/DM/lg

cc: Mr. Carlton Bernhard
State Department of Highways & Public Transportation
P.O. Box 5075, West Austin Station
Austin, Texas 78763-5075

Enclosure

M-94311 (7)

Transmittal Ltr to
Union Pacific

January 2, 1991

...

020751

DO NOT DESTROY

GLO-36-10-84

-MEMO-

41 00003/777

Operator UPRC

Unit Name Longhorn Unit

County Brazos

Effective Date ⁰³ 3-31-91

Unitized for: Oil Gas Oil & Gas

1. M.F. No. 094311

Area H ROW Tr. _____

Sec. _____ Blk. _____ Survey _____

~~18.61~~
 $\frac{406.06}{.046525} \times \frac{1}{5} = .9305$ %
 $.20 = .009305$

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:

INACTIVE

461713
FILED

91 MAR 22 AM 11:17

Mary Ann Wood CO. CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS
BY *J. A. Sultan* DEPUTY

DESIGNATION OF UNITLONGHORN UNIT

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, being the owner of valid and subsisting oil, gas and mineral leases listed in Exhibit "A", attached hereto and made a part hereof, insofar as said oil, gas and mineral leases cover and affect the land and depths described on Exhibit "B", attached hereto and made a part hereof, do, by virtue of the authority conferred by the terms of such oil, gas and mineral leases and all amendments and corrections thereto, hereby pool, consolidate, combine and unitize said oil, gas and mineral leases, the leasehold rights, overriding royalty and royalty interests therein and thereunder, for the purpose of drilling for, development and production of oil, gas and liquid hydrocarbons (including condensate, distillate and other liquids). The unit (hereinafter "Unit") shall be comprised of the land and interval described on the attached Exhibit "B", as depicted on the Plat attached hereto as Exhibit "C".

If at any time any tract of land or interest within the Unit is not properly pooled or unitized hereby or is not otherwise committed to the Unit, such fact shall not affect, terminate, impair, or invalidate the Unit as to any interest properly pooled or unitized hereby or otherwise.

This Designation of Unit covers all production from the land and depths described on the attached Exhibit "B" which is produced from any well drilled to the unitized interval underlying the Unit area. Production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion which the number of surface acres in each of such tracts bears to the total number of surface acres in the Unit.

The undersigned reserves the right to amend this Designation of Unit from time to time, and at any time, in order to correct any error herein or to include in this Unit any newly acquired interests within the Unit boundaries or to enlarge the Unit area in accordance with the applicable rules and regulations of any governmental regulatory body or agency having jurisdiction insofar as such right is granted in the subject leases, by appropriate amendments or instruments correcting or committing any such interest to this Unit.

By execution of this Designation of Unit, the undersigned does not exhaust its right to pool the leases and lands hereinabove described with other leases and lands as to any other minerals, horizon or strata covered thereby, and it expressly reserves to itself, its assignees, or successors in interest, the right and power to pool or unitize the above described leases and lands with any other leases, lands, horizons or strata in the vicinity and so far as the power, right and authority to do so is granted in the subject leases and various agreements and so long as such power and authority is exercised in accordance with applicable rules and regulations of any governmental regulatory body or agency having jurisdiction.

VOL 1244 PAGE 798

This Unit may not be ratified or joined in by any party who is not named hereinbelow without the consent of the parties hereto.

The Unit hereby created shall become effective when a copy of this Declaration is filed for record in the office of the county and state aforesaid, and shall remain in force as long as the pooled minerals are being produced from the Unit, or so long as the leases covering the Unit are maintained in force by payment or tender of shut-in royalties or by other means, in accordance with the terms of said leases.

IN WITNESS WHEREOF, this Designation of Unit is executed on this 21st day of March, 1991.

UNION PACIFIC RESOURCES COMPANY

By: Debra Johnson *DSC*
Attorney-in-Fact *HEM*
WJ
TB

STATE OF TEXAS
COUNTY OF TARRANT

This instrument was acknowledged before me on the 21st day of MARCH, 1991, by DEBRA JOHNSON, the Attorney-in-Fact of UNION PACIFIC RESOURCES COMPANY, a Delaware corporation, on behalf of said corporation.



Jeanne F. Veach
Notary Public in and for the
State of Texas
My commission expires: _____

EXHIBIT "A"

Attached to and made a part of that certain "Designation Of Unit - Longhorn Unit" dated March 81st, 1991.

Lessor: Brazos Farm Ltd.
Lessee: Black Creek Production Company
Dated: March 12, 1990
Filed: Oil and Gas Lease Records, Brazos County, Texas
Recorded: Volume 1204, Page 306

Lessor: Myrtle Killingsworth Layton
Lessee: Union Pacific Resources Company
Dated: February 13, 1990
Filed: Oil and Gas Lease Records, Brazos County, Texas
Recorded: Volume 1206, Page 272

Lessor: Lawrence Towels
Lessee: Union Pacific Resources Company
Dated: February 13, 1990
Filed: Oil and Gas Lease Records, Brazos County, Texas
Recorded: Volume 1181, Page 50

Lessor: State of Texas
Lessee: Union Pacific Resources Company
Dated: November 20, 1990
Filed: Oil and Gas Lease Records, Brazos County, Texas
Recorded: Volume 1232, Page 179

EXHIBIT "B"

Attached to and made a part of that certain "Designation Of Unit - Longhorn Unit" dated March 21st, 1991.

400.00 Acre Tract
 Longhorn Unit Well No. 1
 Union Pacific Resources Company
 William Mathis Survey, A-37
 James Curtis, Jr. Survey, A-12
 Brazos County, Texas

Field notes of a 400.00 acre tract or parcel of land, lying and being situated in the William Mathis Survey, Abstract No. 37 and in the James Curtis, Jr. Survey, Abstract No. 12, of Brazos County, Texas, and being all of the two tracts described in a certain Oil, Gas and Mineral Lease from Dorothy Salpetro and Pete Sausage, recorded in Volume 1174, Page 785, of the Official Records of Brazos County, Texas, and being the same lands described in the deed to Dominic Salsiccia, recorded in Volume 72, Page 614, and the deed to William Mazy, recorded in Volume V, Page 513, both in the Deed Records of Brazos County, and also being part of the called 1019.276 acres described in the certain Oil, Gas and Mineral Lease from Brazos Farms Ltd., an Illinois Corp. and M.U.S.A. Ltd., an Illinois Corp. recorded in Volume 1204, Page 306, of the Official Records of Brazos County, said lease being part of the called 1419.276 acres described in the deed to M.U.S.A. Limited and Brazos Farms Limited, recorded in Volume 386, Page 164, of the Brazos County Deed Records, this 400 acre tract also being part of the State Highway 21 right-of-way described in that certain Oil, Gas and Mineral Lease from the State of Texas, recorded in Volume 1232, Page 179, of the Official Records of Brazos County, the 400.00 acre tract being more particularly described as follows:

BEGINNING at a cross-tie fence corner found on the southeast line of the William Mathis Survey, at the south corner of a certain called 22.5 acre tract described in the beforementioned Salpetro and Sausage lease, same being the middle east corner of the Brazos Farms called 1419.276 acre tract;

THENCE with a southeast line of the called 1419.276 acre tract for the following calls, bearings referenced to true north obtained by solar observation:

S 44° 45' 48" W 563.20 feet to a cross-tie corner post,
 S 38° 38' 31" E 246.08 feet to a fence corner post,
 S 44° 09' 58" W 674.45 feet to a cross-tie corner post,
 N 45° 46' 13" W 228.45 feet to a cross-tie corner post,
 S 56° 03' 55" W 112.96 feet to an angle post,
 S 45° 35' 22" W 79.87 feet to a point;

THENCE N 45° 25' 30" W across the called 1419.276 acre tract and State Highway 21, for a distance of 2649.23 feet end corner in the centerline of the Little Brazos River;

THENCE up the centerline of said river, for the following calls:

N 08° 47' 25" E 211.03 feet,
 N 09° 22' 38" E 419.15 feet,
 N 47° 49' 04" E 371.22 feet,
 N 83° 31' 59" E 95.04 feet;

THENCE N 45° 19' 11" W across the called 1419.276 acre tract and a called 70 acre parcel of same, described in a deed to William Triggs, recorded in Volume 73, Page 104, of the Brazos County Deed Records, for a distance of 3890.21 feet to a point on a northwest line of the 1419.276 acre tract;

400.00 Acre Tract
 Longhorn Unit Well No. 1
 Union Pacific Resources Company
 William Mathis Survey, A-37
 James Curtis, Jr. Survey, A-12
 Brazos County, Texas
 Page 2

THENCE with the northwest and northeast lines of the called 1019.276 acre lease tract for the following calls:

N 44° 40' 48" E 272.47 feet,
 S 45° 19' 12" E 1686.58 feet,
 N 44° 40' 48" E 2068.46 feet,
 S 45° 28' 26" E 18.90 feet,
 N 45° 10' 28" E 973.08 feet,
 S 44° 53' 14" E 2417.30 feet to a point on the centerline
 of the Little Brazos River;

THENCE down the centerline of said river for the following calls:

S 30° 05' 15" W 288.01 feet,
 S 43° 50' 09" W 207.18 feet,
 S 46° 34' 25" W 206.39 feet,
 S 73° 03' 11" W 182.55 feet,
 S 74° 06' 54" W 296.76 feet;

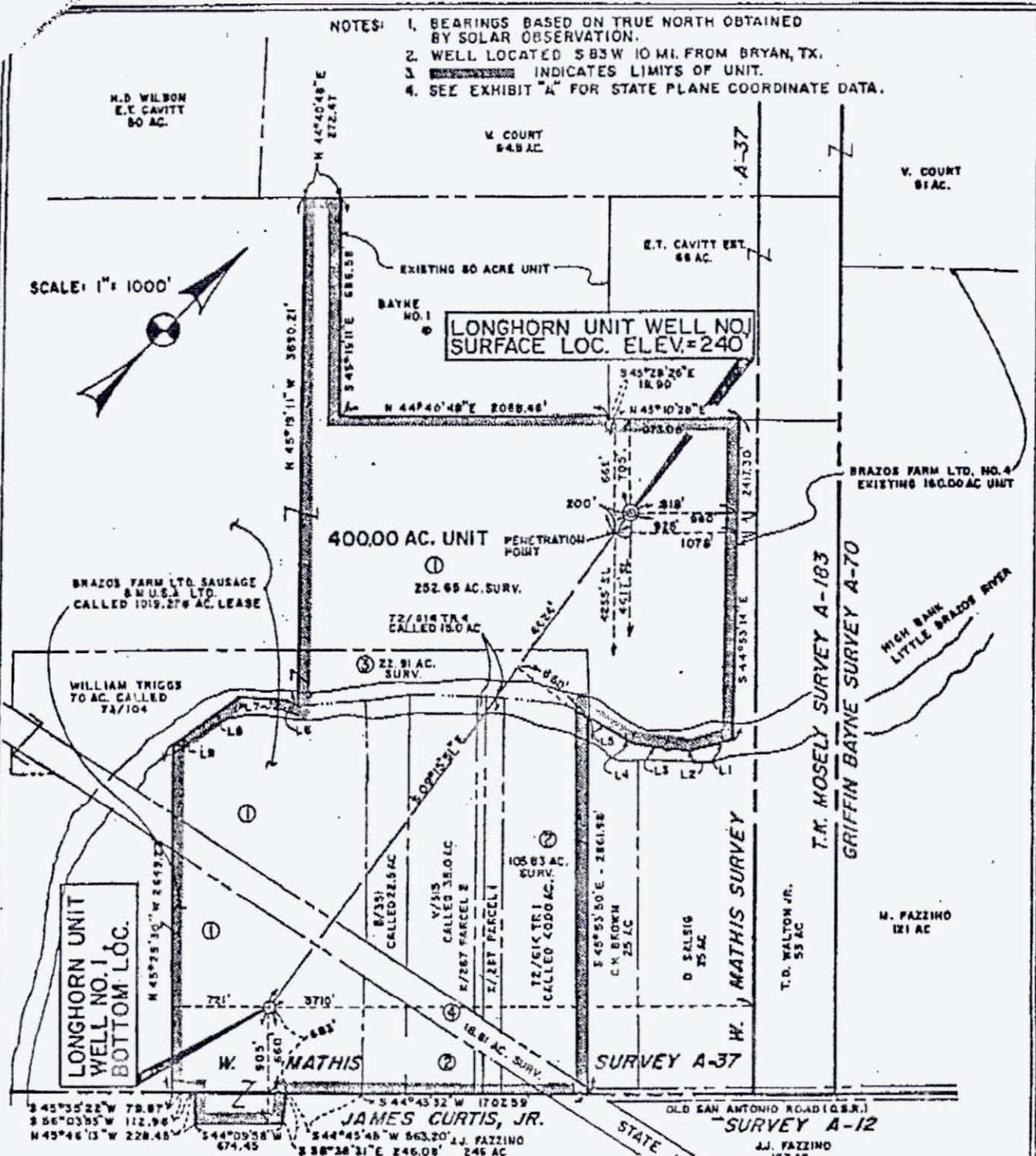
THENCE S 45° 53' 50" E with the northeast line of the Salpetro and Sausage lease, for a distance of 2861.98 feet to a point on the southeast line of the William Mathis Survey, lying within the right-of-way of State Highway 21, near its intersection with Old San Antonio Road (OSR);

THENCE S 44° 43' 32" W with said survey line and the east and southeast line of the state right-of-way lease and Salpetro lease, respectively, for a distance of 1707.59 feet to the PLACE OF BEGINNING, containing 400.00 acres of land, more or less.

LIMITED TO THE BUDA LIMESTONE FORMATION, as found between 7,650 feet and 7,704 feet in the Amoco Cash #1 Well, which is located 1,093 feet from the SE Line and 5,464 feet from the NW Line of the William Mathis Survey, A-37, Brazos County, Texas.

Revised 1/29/91

uv-2:a:\uprclong



NOTES: 1. BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION.
 2. WELL LOCATED 5.83 W 10 MI. FROM BRYAN, TX.
 3. ~~XXXXXXXXXX~~ INDICATES LIMITS OF UNIT.
 4. SEE EXHIBIT "A" FOR STATE PLANE COORDINATE DATA.

SCALE: 1" = 1000'

MEANDERS OF LITTLE BRAZOS RIVER

LINE	BEARING	DISTANCE
L1	S 30°05'15" W	288.01'
L2	S 43°50'09" W	207.18'
L3	S 46°34'25" W	206.39'
L4	S 73°03'11" W	182.55'
L5	S 74°06'54" W	296.76'
L6	N 83°51'39" E	95.04'
L7	N 47°49'04" E	371.22'
L8	N 09°22'38" E	419.15'
L9	N 08°47'25" E	211.03'

TRACT	LEASE	ACREAGE IN UNIT
①	BRAZOS FARM LTD.	252.65
②	PETE SAUSAGE	105.83
③	WILLIAM TRIGGS	22.91
④	STATE HWY. R.O.W.	18.61
TOTAL UNIT		400.00

EXHIBIT "C"
 Attached to and made a part of that certain "Designation Of Unit - Longhorn Unit" dated March 21st, 1991.



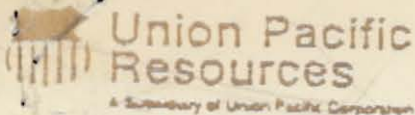
SURVEYED DECEMBER, 1990
Gary B. Neill
 BY: GARY B. NEILL, R.P.L.S. NO. 3964

WELL LOCATION
LONGHORN UNIT WELL NO. 1
 UNION PACIFIC RESOURCES COMPANY
 W. MATHIS SURVEY, A-37
 JAMES CURTIS, JR., SURVEY, A-12
 BRAZOS COUNTY, TEXAS
 SCALE: 1" = 1000'
 DECEMBER, 1990

KLING ENGINEERING AND SURVEYING
 BRYAN, TEXAS

VOL. 1244 PAGE 803

8
M-94311
Designation of
Pooled Unit
9-14-92 ~~A~~



M-94311

RECEIVED

MAR 12 91

ENERGY RESOURCES

FACSIMILE TRANSMISSION

UNION PACIFIC RESOURCES COMPANY
P. O. BOX 7
FORT WORTH, TX 76101

DATE: 3-12-91 TIME: 11:15TO: TRACI WALKERLOCATION: General Land Office FAX #: 512/463-5233
Room #1-640FROM: Jim McNeil PHONE #: 817/877-6706

DEPARTMENT: _____

NUMBER OF PAGES: (includes cover sheet) (7)REMARKS: Longhorn #1 - Buda formation, well TD Today
Jayhawk #1 - Austin Chalk formation, Spud by end of week
If you have any questions, please call.

In case of difficulty with transmission or to confirm receipt of telecopy,
operators can be reached at the following numbers:

(817) 877-7831

(817) 877-7839

TELECOPY #: (817) 877-7801

400.00 Acre Tract
 Longhorn Unit Well No. 1
 Union Pacific Resources Company
 William Mathis Survey, A-37
 James Curtis, Jr. Survey, A-12
 Brazos County, Texas

Field notes of a 400.00 acre tract or parcel of land, lying and being situated in the William Mathis Survey, Abstract No. 37 and in the James Curtis, Jr. Survey, Abstract No. 12, of Brazos County, Texas, and being all of the two tracts described in a certain Oil, Gas and Mineral Lease from Dorothy Salpetro and Pete Sausage, recorded in Volume 1174, Page 785, of the Official Records of Brazos County, Texas, and being the same lands described in the deed to Dominic Salsiccia, recorded in Volume 72, Page 614, and the deed to William Mazy, recorded in Volume V, Page 513, both in the Deed Records of Brazos County, and also being part of the called 1019.276 acres described in the certain Oil, Gas and Mineral Lease from Brazos Farms Ltd., an Illinois Corp. and M.U.S.A. Ltd., an Illinois Corp. recorded in Volume 1204, Page 306, of the Official Records of Brazos County, said lease being part of the called 1419.276 acres described in the deed to M.U.S.A. Limited and Brazos Farms Limited, recorded in Volume 386, Page 164, of the Brazos County Deed Records, this 400 acre tract also being part of the State Highway 21 right-of-way described in that certain Oil, Gas and Mineral Lease from the State of Texas, recorded in Volume 1232, Page 179, of the Official Records of Brazos County, the 400.00 acre tract being more particularly described as follows:

BEGINNING at a cross-tie fence corner found on the southeast line of the William Mathis Survey, at the south corner of a certain called 22.5 acre tract described in the beforementioned Salpetro and Sausage lease, same being the middle east corner of the Brazos Farms Sausage called 1419.276 acre tract;

THENCE with a southeast line of the called 1419.276 acre tract for the following calls, bearings referenced to true north obtained by solar observation:

S 44° 45' 48" W 563.20 feet to a cross-tie corner post,
 S 38° 38' 31" E 246.08 feet to a fence corner post,
 S 44° 09' 58" W 674.45 feet to a cross-tie corner post,
 N 45° 46' 13" W 228.45 feet to a cross-tie corner post,
 S 56° 03' 55" W 112.96 feet to an angle post,
 S 45° 35' 22" W 79.87 feet to a point;

THENCE N 45° 25' 30" W across the called 1419.276 acre tract and State Highway 21, for a distance of 2649.23 feet and corner in the centerline of the Little Brazos River;

THENCE up the centerline of said river, for the following calls:

N 08° 47' 25" E 211.03 feet,
 N 09° 22' 38" E 419.15 feet,
 N 47° 49' 04" E 371.22 feet,
 N 83° 31' 59" E 95.04 feet;

THENCE N 45° 19' 11" W across the called 1419.276 acre tract and a called 70 acre parcel of same, described in a deed to William Triggs, recorded in Volume 73, Page 104, of the Brazos County Deed Records, for a distance of 3890.21 feet to a point on a northwest line of the 1419.276 acre tract;

400.00 Acre Tract
Longhorn Unit Well No. 1
Union Pacific Resources Company
William Mathis Survey, A-37
James Curtis, Jr. Survey, A-12
Brazos County, Texas
Page 2

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N 44° 40' 48" E 2068.46 feet,
S 45° 28' 26" E 18.90 feet,
N 45° 10' 28" E 973.08 feet,
S 44° 53' 14" E 2417.30 feet to a point on the centerline
of the Little Brazos River;


THENCE down the centerline of said river for the following calls:

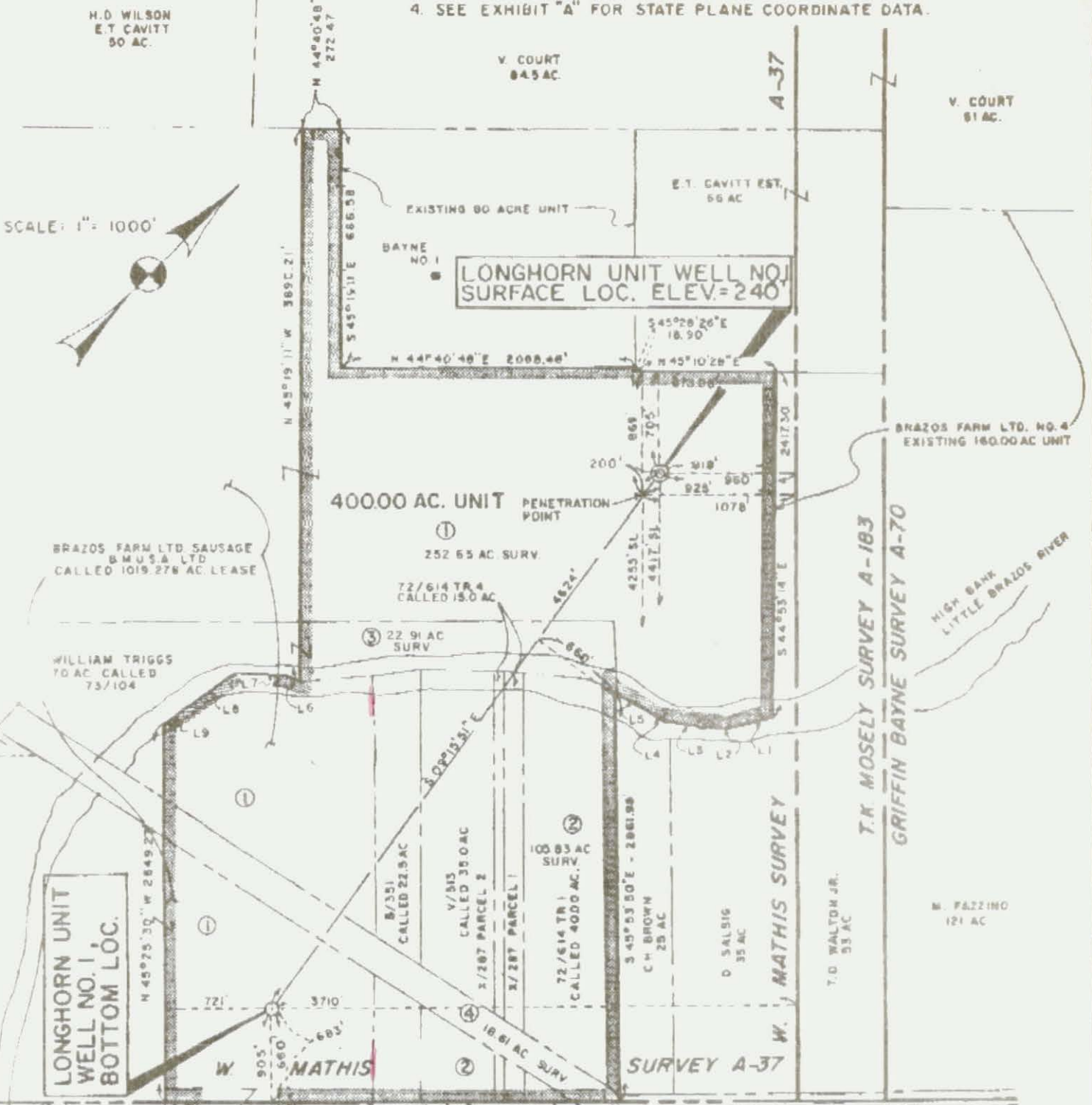
S 30° 05' 15" W 288.01 feet,
S 43° 50' 09" W 207.18 feet,
S 46° 34' 25" W 206.39 feet,
S 73° 03' 11" W 182.55 feet,
S 74° 06' 54" W 296.76 feet;

THENCE S 45° 53' 50" E with the northeast line of the Salpetro and Sausage lease, for a distance of 2861.98 feet to a point on the southeast line of the William Mathis Survey, lying within the right-of-way of State Highway 21, near it's intersection with Old San Antonio Road (OSR);

THENCE S 44° 43' 32" W with said survey line and the east and southeast line of the state right-of-way lease and Salpetro lease, respectively, for a distance of 1707.59 feet to the PLACE OF BEGINNING, containing 400.00 acres of land, more or less.

uv-2:a:\uprclong

- NOTES
1. BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION.
 2. WELL LOCATED 5.83 W 10 MI. FROM BRYAN, TX.
 3.  INDICATES LIMITS OF UNIT.
 4. SEE EXHIBIT "A" FOR STATE PLANE COORDINATE DATA.



MEANDERS OF LITTLE BRAZOS RIVER

LINE	BEARING	DISTANCE
L 1	S 30°05'15" W	288.01'
L 2	S 43°50'09" W	207.18'
L 3	S 46°34'25" W	206.39'
L 4	S 73°03'11" W	182.55'
L 5	S 74°06'54" W	296.76'
L 6	N 83°51'39" E	95.04'
L 7	N 47°49'04" E	371.22'
L 8	N 09°22'38" E	419.15'
L 9	N 08°47'25" E	211.03'

TRACT	LEASE	ACREAGE IN UNIT
①	BRAZOS FARM LTD	252.65
②	PETE SAUSAGE	105.83
③	WILLIAM TRIGGS	22.91
④	STATE HWY. ROW	18.61
TOTAL UNIT		40000

01-02-91 REVISED BOTTOM LOCATION.



WELL LOCATION
LONGHORN UNIT WELL NO. 1

UNION PACIFIC RESOURCES COMPANY
W. MATHIS SURVEY, A-37
JAMES CURTIS, JR., SURVEY, A-12
BRAZOS COUNTY, TEXAS

SURVEYED DECEMBER, 1990

BY: *Gary B. Neill*
GARY B. NEILL, R.P.L.S. NO. 3964

SCALE: 1" = 1000' DECEMBER, 1990

⑨ M-94311
Fax fr OPRC
Filed 5-3-93

PROPERTY NUMBER: 010417 PRODUCT(S): CRUDE OIL, GAS *m-94311*
 PROPERTY NAME: BRAZOS FARMS - SAUSAGE UNIT #1 COUNTY/PARISH: BRAZOS
 OPERATOR: UNION PACIFIC RESOURCES STATE: TEXAS
 LEGAL DESCRIPTION: 357.51 ACRES OUT OF WILLIAM MATHIS SURVEY, A-37,
 UNIT DESIGNATION DATED 12/10/91, VOL 1387, PG 10.

STATE OF TEXAS
 % COMMISSION GEN. LAND OFFICE
 1700 N CONGRESS AVENUE
 STEPHEN F. AUSTIN BLDG.
 AUSTIN TX 78701

005772101001

100 200

IMPORTANT: YOU MUST PROVIDE YOUR SOCIAL SECURITY OR TAX ID NUMBER. YOUR SIGNATURE AND THOSE OF TWO WITNESSES MUST ALSO BE PROVIDED. YOUR SIGNATURE CONFIRMS THE INTEREST IDENTIFIED BELOW TO OWNER #0057721-01 DOI ID# 001, AND BINDS YOU TO THE TERMS ON THE REVERSE SIDE OF THIS DOCUMENT. FURTHER, YOU HEREBY CERTIFY UNDER PENALTIES OF PERJURY, AS REQUIRED BY THE INTERNAL REVENUE CODE, THAT THE NUMBER SHOWN ON THIS FORM IS YOUR CORRECT TAX ID NUMBER. PLEASE RETURN THE EXECUTED DIVISION ORDER TO UNION PACIFIC RESOURCES CO. P.O. BOX 2993, FORT WORTH, TEXAS 76113-2993. THIS DIVISION ORDER SHALL BE EFFECTIVE AS OF 7:00 A.M. ON THE FIRST DAY OF NOVEMBER 1991.

 OWNER SIGNATURE(S)/CORPORATE TITLE

 SIGNATURE OF WITNESS #1

 SOCIAL SECURITY OR TAX ID #

 SIGNATURE OF WITNESS #2

NEW ADDRESS (IF CHANGED)

OWNER NUMBER	DOI/ID	OWNER NAME	INTEREST TYPE	INTEREST PAID BY UPRC
0057721 01	001	STATE OF TEXAS	RI	0.005314

INTEREST TYPE LEGEND:

WI - WORKING INTEREST OR - OVERRIDING ROYALTY RI - ROYALTY INTEREST
 PP - PRODUCTION PAYMENT TP - TOTAL PRODUCTION

UNION PACIFIC RESOURCES COMPANY

TO: Union Pacific Resources Company,
P.O.Box 2993
Fort Worth, Texas 76113-2993

1. **OIL** : Oil shall include crude oil, condensate and other liquid hydrocarbons marketed in conjunction with the production of oil and gas. The price of all oil marketed shall be a posted per barrel field price for similiar oil for the field where produced or as established under applicable contract, less A) trucking, barging or pipeline expenses, if any, to the point of delivery designated by the purchaser; B) the cost of any treatment necessary to render such oil merchantable; C) any proper deduction for water, dirt, sediment and other impurities; and D) corrections for temperature and gravity made in accordance with established rules prevailing at the time and place of delivery. All oil marketed under the terms of this division order shall become the property of the purchaser to whom it is marketed by Union Pacific Resources Co. (UPRC) when delivered to such purchaser or when delivered into any pipeline or to any person, firm or corporation designated by such purchaser to receive or transport said oil for its account.
2. **GAS** : Gas shall include natural gas, gas liquids, casinghead gas, associated gaseous hydrocarbons and plant by-products marketed in conjunction with the production of oil and gas. The settlement for all gas produced and marketed from the property shall be made on the basis of measurements in accordance with industry standards and shall be priced in accordance with the applicable gas sales contract or processing agreement, less any fair and reasonable charges for, but not limited to, A) compression, B) processing, C) making it merchantable, and D) transportation, if sold or taken off the property.
3. **COMMINGLING** : If production from the property is commingled with production from other properties, a portion of the total shall be allocated to the property on the basis of lease meter readings or any other method generally accepted in the industry.
4. **UNITIZATION** : In the event the production from the property is pooled, unitized or communitized with one or more other properties by voluntary agreement, declaration, operation of law, or by action of a governmental authority with jurisdiction, the oil and/or gas allocated to the property from the total oil and/or gas produced and marketed from the pooled, unitized or communitized area shall be deemed for all purposes to have been actually produced from the property.
5. **TITLES** : If any dispute or question arises concerning title to the interest of the owner(s) in the property or the proceeds from the sale of production therefrom, UPRC shall be furnished, at its request, such evidence of title as it may require. Until such evidence of title is furnished and such dispute or question is resolved to the satisfaction of UPRC, or until satisfactory indemnity is furnished to UPRC, UPRC is authorized to withhold proceeds due the owner(s) of the disputed or questioned interest. If any action or suit is filed in any state or federal court or administrative body affecting an owner(s) interest or proceeds due, owner(s) shall immediately provide written notice to UPRC stating the court or administrative body in which the action is filed and the title of the action.
6. **CHANGE OF OWNERSHIP** : Owner(s), their heirs, representatives, successors or assigns, shall timely notify UPRC, at the address above, of each change in the person or entity entitled to receive payment hereunder. No transfer of ownership or change in the person or entity entitled to receive payment, however effected, shall be binding upon UPRC until it has received, at no expense to UPRC: A) a properly recorded instrument or instruments evidencing such transfer or change; B) such further evidence as UPRC may require; and C) a properly executed division order/transfer order executed by all parties in interest. Furthermore, owner(s) relieve UPRC from the responsibility and liability for determining when and whether such owner's interest shall change or revert to or otherwise become owned by another party. Owner(s) shall indemnify UPRC and hold UPRC harmless from any and all claims, causes of action, damages or losses including, but not limited to, court costs and reasonable attorney's fees which may arise or result to any owner in the event of a change of ownership for which timely and sufficient notice is not received by UPRC. The accounting for all such transfers or changes of interests shall be as of 7:00 AM on the first day of the calendar month following the month in which notice is received by UPRC.
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8. **TAXES AND ASSESSMENTS** : UPRC shall deduct, as required by applicable law, from any proceeds due an owner, any or all production, severance, ad valorem, excise, sales, and other or dissimilar taxes. Any charges or assessments or any interest or penalties in connection therewith, now or hereafter levied, assessed or placed on such proceeds or an owners interest by a governmental authority will also be deducted.
9. **SETTLEMENT** : Settlement shall be made monthly to owner(s). If the proceeds payable to an owner in any one month amount to less than twenty-five dollars (\$25.00), UPRC may, at its option, accrue such proceeds and proceeds of subsequent months, until the amounts accrued total twenty-five dollars (\$25.00).
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DIVISION ORDER

LV

PROPERTY NUMBER: 010417 PRODUCT(S):CRUDE OIL,GAS
 PROPERTY NAME: BRAZOS FARMS - SAUSAGE UNIT #1 COUNTY/PARISH: BRAZOS
 OPERATOR: UNION PACIFIC RESOURCES STATE: TEXAS
 LEGAL DESCRIPTION: 357.51 ACRES OUT OF WILLIAM MATHIS SURVEY, A-37,
 UNIT DESIGNATION DATED 12/10/91, VOL 1387, PG 10.

STATE OF TEXAS 005772101001
 % COMMISSION GEN. LAND OFFICE
 1700 N CONGRESS AVENUE
 STEPHEN F. AUSTIN BLDG. 100 200
 AUSTIN TX 78701

THIS IS YOUR COPY. PLEASE RETAIN FOR YOUR RECORDS.
 IMPORTANT: YOU MUST PROVIDE YOUR SOCIAL SECURITY OR TAX ID NUMBER. YOUR SIGNATURE AND THOSE OF TWO WITNESSES MUST ALSO BE PROVIDED. YOUR SIGNATURE CONFIRMS THE INTEREST IDENTIFIED BELOW TO OWNER #0057721-01 DOI ID# 001, AND BINDS YOU TO THE TERMS ON THE REVERSE SIDE OF THIS DOCUMENT. FURTHER, YOU HEREBY CERTIFY UNDER PENALTIES OF PERJURY, AS REQUIRED BY THE INTERNAL REVENUE CODE, THAT THE NUMBER SHOWN ON THIS FORM IS YOUR CORRECT TAX ID NUMBER. PLEASE RETURN THE EXECUTED DIVISION ORDER TO UNION PACIFIC RESOURCES CO. P.O. BOX 2993, FORT WORTH, TEXAS 76113-2993. THIS DIVISION ORDER SHALL BE EFFECTIVE AS OF 7:00 A.M. ON THE FIRST DAY OF NOVEMBER 1991.

 OWNER SIGNATURE(S)/CORPORATE TITLE SIGNATURE OF WITNESS #1

 SOCIAL SECURITY OR TAX ID # SIGNATURE OF WITNESS #2

NEW ADDRESS (IF CHANGED)					
OWNER NUMBER	DOI/ID	OWNER NAME	INTEREST TYPE	INTEREST PAID BY UPRC	
2226822	01 001	GURPREET SINGH	OR	0.002391	
2226834	01 001	C.F. EWELL, TRUSTEE	OR	0.004781	
2226846	01 001	CAROLYN GUEDRY	OR	0.001195	
2226858	01 001	MARK GUEDRY, TRUST	OR	0.004781	
2228517	01 001	JOHN H. MOON JR.	OR	0.001195	
2231032	01 001	HARDY FIELDS	OR	0.004782	

INTEREST TYPE LEGEND:
 WI - WORKING INTEREST OR - OVERRIDING ROYALTY RI - ROYALTY INTEREST
 PP - PRODUCTION PAYMENT TP - TOTAL PRODUCTION

UNION PACIFIC RESOURCES COMPANY

TO: Union Pacific Resources Company,
P.O.Box 2993
Fort Worth, Texas 76113-2993

1. **OIL** : Oil shall include crude oil, condensate and other liquid hydrocarbons marketed in conjunction with the production of oil and gas. The price of all oil marketed shall be a posted per barrel field price for similiar oil for the field where produced or as established under applicable contract, less A) trucking, barging or pipeline expenses, if any, to the point of delivery designated by the purchaser; B) the cost of any treatment necessary to render such oil merchantable; C) any proper deduction for water, dirt, sediment and other impurities; and D) corrections for temperature and gravity made in accordance with established rules prevailing at the time and place of delivery. All oil marketed under the terms of this division order shall become the property of the purchaser to whom it is marketed by Union Pacific Resources Co. (UPRC) when delivered to such purchaser or when delivered into any pipeline or to any person, firm or corporation designated by such purchaser to receive or transport said oil for its account.
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3. **COMMINGLING** : If production from the property is commingled with production from other properties, a portion of the total shall be allocated to the property on the basis of lease meter readings or any other method generally accepted in the industry.
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5. **TITLES** : If any dispute or question arises concerning title to the interest of the owner(s) in the property or the proceeds from the sale of production therefrom, UPRC shall be furnished, at its request, such evidence of title as it may require. Until such evidence of title is furnished and such dispute or question is resolved to the satisfaction of UPRC, or until satisfactory indemnity is furnished to UPRC, UPRC is authorized to withhold proceeds due the owner(s) of the disputed or questioned interest. If any action or suit is filed in any state or federal court or administrative body affecting an owner(s) interest or proceeds due, owner(s) shall immediately provide written notice to UPRC stating the court or administrative body in which the action is filed and the title of the action.
6. **CHANGE OF OWNERSHIP** : Owner(s), their heirs, representatives, successors or assigns, shall timely notify UPRC, at the address above, of each change in the person or entity entitled to receive payment hereunder. No transfer of ownership or change in the person or entity entitled to receive payment, however effected, shall be binding upon UPRC until it has received, at no expense to UPRC: A) a properly recorded instrument or instruments evidencing such transfer or change; B) such further evidence as UPRC may require; and C) a properly executed division order/transfer order executed by all parties in interest. Furthermore, owner(s) relieve UPRC from the responsibility and liability for determining when and whether such owner's interest shall change or revert to or otherwise become owned by another party. Owner(s) shall indemnify UPRC and hold UPRC harmless from any and all claims, causes of action, damages or losses including, but not limited to, court costs and reasonable attorney's fees which may arise or result to any owner in the event of a change of ownership for which timely and sufficient notice is not received by UPRC. The accounting for all such transfers or changes of interests shall be as of 7:00 AM on the first day of the calendar month following the month in which notice is received by UPRC.
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Union Pacific Resources

A Subsidiary of Union Pacific Corporation

OWNER NUMBER	DOI/ID	NAME	INTEREST TYPE	INTEREST PAID BY UPRC
0057721 01 001		STATE OF TEXAS	RI	0.005314
2223362 01 001		DOROTHY VARISCO DONAHO	RI	0.022231
2223386 01 001		M U S A LTD.	RI	0.007022
2223398 01 001		ANTOINETTE VARISCO GUIDO	RI	0.022231
2223429 01 001		BRAZOS FARMS, LTD.	RI	0.016884
2226715 01 001		RACHEL FERGUSON BELL	RI	0.000335
2226727 01 001		JAMES E. FERGUSON	RI	0.000335
2226739 01 001		W. JEAN FERGUSON	RI	0.000335
2226741 01 001		MARION F. ELLICOTT AND HALLIE ELLICOTT	RI	0.000335
2226753 01 001		SAM H. FERGUSON	RI	0.000335
2226765 01 001		NANCY FERGUSON GALLUP	RI	0.000335
2226777 01 001		TOM S. HENDERSON JR.	RI	0.000335
2226789 01 001		FRANCIS LAW HENDERSON	RI	0.000335
2226791 01 001		MARGUERITE H. RENEKER	RI	0.000335
2226808 01 001		BRADY B. TYSON	RI	0.000168
2226810 01 001		HARRIET TYSON	RI	0.000168
2237626 01 001		MYRTLE KILLINGSWORTH LAYTON	RI	0.003204
2237638 01 001		CHARLES LAWRENCE TOWLES JR.	RI	0.001602
2237640 01 001		ANN TOWLES VREUGDE	RI	0.001602
2237652 01 001		PETE SAUSAGE	RI	0.039515
2237664 01 001		DOROTHY S. SALPETRO	RI	0.039515
2237676 01 001		FRANCO DA CONTURBIA	RI	0.023906
2256621 01 001		ALLEAN MASON	RI	0.001958
2256633 01 001		CHRISTINE E. MASON	RI	0.000653

INTEREST TYPE LEGEND:

WI - WORKING INTEREST OR - OVERRIDING ROYALTY RI - ROYALTY INTEREST
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UNION PACIFIC RESOURCES COMPANY

TO: Union Pacific Resources Company.
P.O.Box 2993
Fort Worth, Texas 76113-2993

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Union Pacific Resources

A Subsidiary of Union Pacific Corporation

PAGE 3
PROPERTY NUMBER 010417

OWNER NUMBER	DOI/ID	NAME	INTEREST TYPE	INTEREST PAID BY UPRC
2256645 01	001	SAMUEL L. MASON	RI	0.000653
2256657 01	001	ELLEANOR D. MASON	RI	0.000653
2256669 01	001	JOHNNY A. BROWN	RI	0.009706
1536001 01	001	UNION PACIFIC RESOURCES CO.	WI	0.740050
1536001 01	002	UNION PACIFIC RESOURCES CO.	WI	0.040825

INTEREST TYPE LEGEND:

WI - WORKING INTEREST

OR - OVERRIDING ROYALTY

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UNION PACIFIC RESOURCES COMPANY

TO: Union Pacific Resources Company.
P.O.Box 2993
Fort Worth, Texas 76113-2993

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RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION



KENT HANCE, CHAIRMAN
JOHN SHARP, COMMISSIONER
JAMES E. (JIM) NUGENT,
COMMISSIONER

DAVID M. GARLICK
DIRECTOR

JAMES W. WALKER, JR.
DIRECTOR, PRODUCTION ALLOCATION

1701 N. CONGRESS

CAPITOL STATION - P.O. BOX 12967 AUSTIN, TEXAS 78711-2967

(512) 463-7288

December 10, 1990

UNION PACIFIC RESOURCES COMPANY
PO BOX 7, MS 3407%J R CARTER JR
FORT WORTH TX 76101-0007

RE: DIRECTIONAL DEVIATION

PERMIT #: 381966

LEASE: BRAZOS FARM LTD.-SAUSAGE UNIT

WELL #: 1

FIELD: GIDDINGS (AUSTIN CHALK-3)

COUNTY: BRAZOS

SURFACE LOCATION:

LEASE: 500.00 F N'LYNW

E 732.00 F N'LYNE

SURVEY: 881.00 F NE

E 4622.00 F SE

BOTTOM HOLE LOCATION:

LEASE: 706.00 F N'LY INT. SE

E 500.00 F E'LYSW

SURVEY: 1672.00 F SE

E 2454.00 F NE

GENTLEMEN:

This will be your authority in accordance with Statewide Rule 11 to directionally drill the subject well. Please bear in mind that this well will be directionally drilled at your own risk and no allowable will be assigned until this office is in receipt of a certified directional survey report made and filed in the manner prescribed in Statewide Rules 11 and 12 showing that exact surface location and bottomhole location of the well, together with a certified plat to adequate scale showing correct surface location and other pertinent information in order to determine exact bottomhole location.

A drilling permit for the well is being issued subject to review after receipt of all completion forms, together with such evidence as is necessary to show the exact bottomhole location of the deviated well. A copy of this permit must be furnished to the person in charge of directional control of the well, so such person will know the permitted bottomhole location to which the well is projected. Completion forms should be accompanied by a letter of transmittal giving reference to this letter as authority to directionally deviate the well. This procedure should be followed regardless of whether the well is completed either as a producer or as a dry hole.

Yours very truly,

MIMI WINETROUB
PRODUCTION AND PRORATION

cc: RRC - District Office HOUSTON
Production and Proration

03

Surface

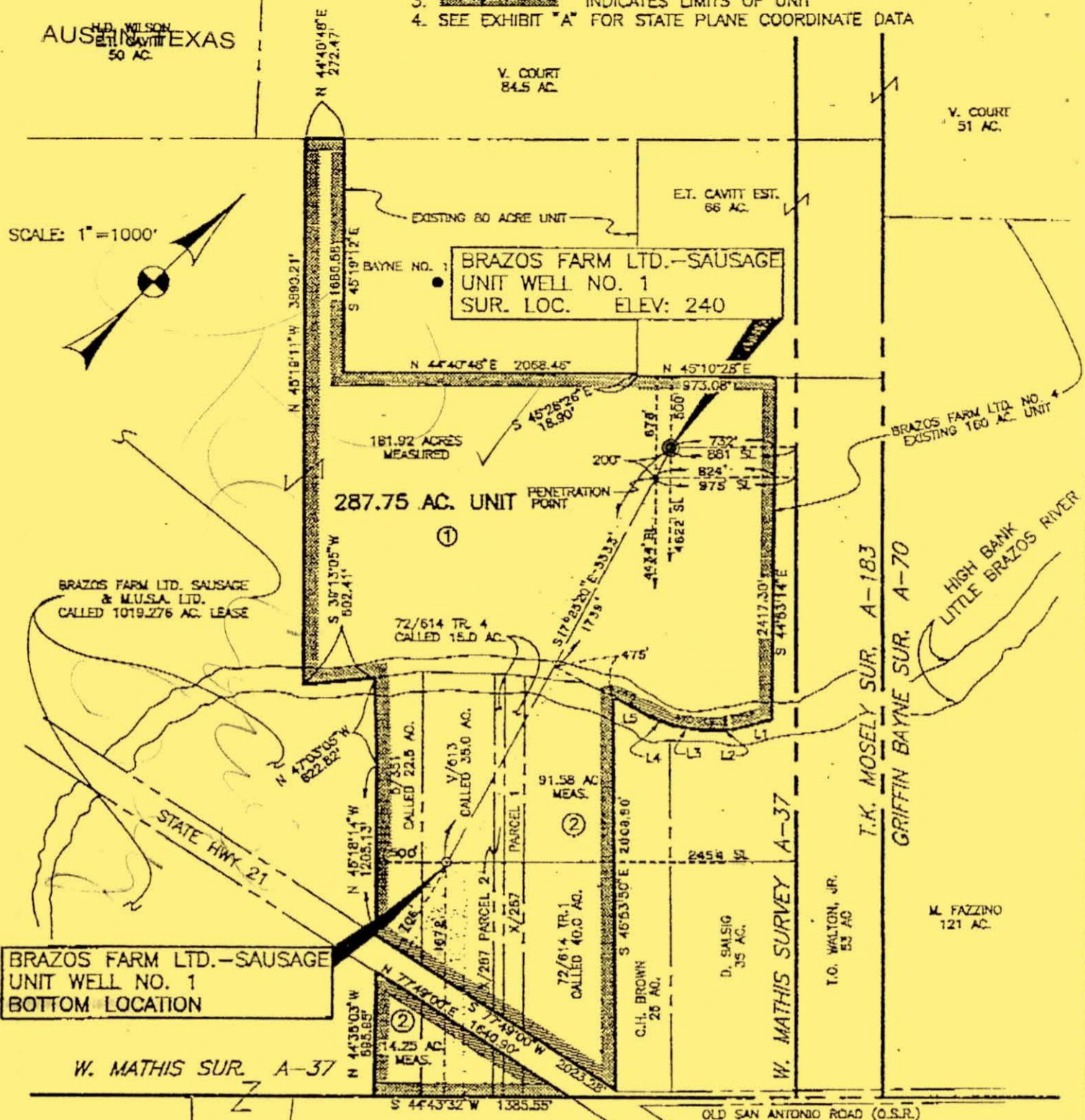
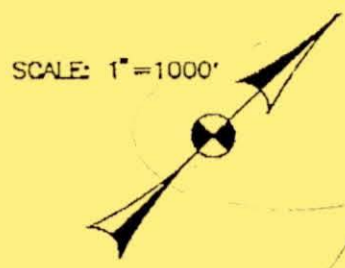
RECEIVED
R.R.C. - O&G

DEC 05 1990

AUSTIN, TEXAS
H.D. WILSON
50 AC.

1. BEARINGS BASED ON TRUE NORTH... OBTAINED BY SOLAR OBSERVATION
2. WELL LOCATED S 83°W 10 MI. FROM BRYAN
3. [Hatched Area] INDICATES LIMITS OF UNIT
4. SEE EXHIBIT "A" FOR STATE PLANE COORDINATE DATA

SCALE: 1"=1000'



MEANDERS OF L. BRAZOS RIVER

LINE	BEARING	DISTANCE
1	S 30°05'15" W	288.01'
2	S 43°50'09" W	207.18'
3	S 46°34'25" W	206.39'
4	S 73°03'11" W	182.55'
5	S 74°06'54" W	296.76'

TRACT	LEASE	ACREAGE IN UNIT
①	BRAZOS FARM LTD.	181.92
②	PETE SAUSAGE	105.83
TOTAL ACREAGE=		287.75

WELL LOCATION
**BRAZOS FARM LTD.-SAUSAGE
UNIT WELL NO. 1**

UNION PACIFIC RESOURCES COMPANY
W. MATHIS SURVEY, A-37
BRAZOS COUNTY, TEXAS

SURVEYED NOV., 1990

Laura J. Abernathy, Agent
BY: S.M. KLING R.P.L.S. NO. 2003

SCALE: 1"=1000'

NOVEMBER, 1990

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

CERTIFICATE OF POOLING AUTHORITY

I, J.R.Carter, Jr., being of lawful age, being familiar with the matter, and having full knowledge of the facts set out, do state:

(1) That the acreage claimed for the purpose of establishing a pooled drilling or proration unit under applicable orders of the Railroad Commission of Texas, for the

NAME OF OPERATOR: UNION PACIFIC RESOURCES COMPANY

NAME OF POOLED UNIT: Brazos Farm Ltd.-Sausage Unit WELL NO. 1

FIELD: Giddings (Austin Chalk-3) Brazos COUNTY, TEXAS,

contains 287.75 acres, that with respect to such pooled unit, as it is hereafter described, parties now owning a mineral interest or mineral interests (including royalty interests, working interests, or other mineral interests) therein either (1) acquired such interest as they now have subject to the provisions of an instrument or instruments now in effect and which permit the pooling of said interests or (2) have, by virtue of the execution of an instrument or instruments the provisions of which are now in effect, pooled such of said interests as they now own therein, in such manner that all of such pooled unit shall be considered by the Commission as one base tract as if all rights with respect thereto has been acquired under a single contract.

(2) That the pooled unit described in the preceding paragraph is made up of and contains the hereafter described individual tracts of land no part of which is embraced within any other pooled unit in the same field and which, by virtue of the pooling agreements referred to in the preceding paragraph, are now contained within the pooled unit herein described.

(3) That where a non-pooled undivided interest exists in any of the individual tracts pooled, that certain non-pooled interest is noted in the margin of this instrument beside the tract description to identify the existence of the non-pooled interests in that tract:

(OVER)

RECEIVED
R.R.C. - O&G

DEC 05 1980

AUSTIN, TEXAS

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 12867, Capitol Station, Austin, Texas 78711

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

K39
Form W-1
Rev. 9-1-81
483-080
lime

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

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

Purpose of filing (mark appropriate boxes):
 Drill Deepen (below casing) Deepen (within casing) Plug Back Re-Enter

(Horizontal) Directional Well Sidetrack Amended Permit (enter permit no. at right & explain fully in Remarks)

Enter here, if assigned: **APN No. 42041-31474**
 Permit No. _____
 Rule 37 Case No. _____

1. Operator's Name (exactly as shown on Form P-5, Organization Report) **UNION PACIFIC RESOURCES COMPANY**
 3. RRC Operator No. **876645** 4. RRC District No. **03** 5. County of Well Site **Brazos**

2. Address (including city and zip code) **P.O. Box 7 - MS 3407 Fort Worth, Texas 76101-0007**
 6. Lease Name (32 spaces maximum) **Brazos Farm Ltd. - Sausage Unit** 7. RRC Lease/ID No. _____ 8. Well No. **1** 9. Total Depth **11600'**

10. Location
 Section _____ Block _____ Survey **SL & TL: W. Mathis** Abstract No. A **37**
 This well is to be located **10** miles in a **WSW** direction from **Bryan, Texas**
 which is the nearest town in the county of the well site.

11. Distance from proposed location to nearest town or city **475** ft. 12. Number of contiguous acres in lease, pooled unit, or unitized tract **287.75** (OUTLINE ON PLAT)

13. FIELD NAME (Exactly as shown on RRC production schedule). List all established and wildcard 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 (R.)	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 or in this reservoir? If so, explain in Remarks.	19. Distance from proposed location to nearest applied for, permitted or completed well. this lease or in this 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
Giddings (Austin Chalk-3)	11600'	467/1200	160/80	287.65	No	N/A	Oil	1
34733500								

13. Perpendicular surface location from two nearest designated lines:
 • Unit **500' FN'LYNW & 732' FN'LYNE**
 • Survey **881' FNEL & 4622' FSEL**

If a directional well, show also projected bottom-hole location:
 • Unit **706' FN'LY Int. SEI & 500' FN'LYNW**
 • Survey **1672' FSEL & 2454' FNEL**

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? Yes No
 If not, and if the well requires a Rule 37 or 38 exception, see instructions for Rule 37.

Remarks: **HORIZONTAL DRAINOLE**
 Penetration point location: **678' FN'LYNW & 824' FN'LYNE** of unit; **975' FNEL & 4434' FSEL** of survey.

Signature: **J.R. Carter, Jr.** Name and title of operator's representative
 Date: **12-05-90** Tel. Area Code Number: **817-877-7950**

P-12 attached
218888
July 11, 1990
381966

127

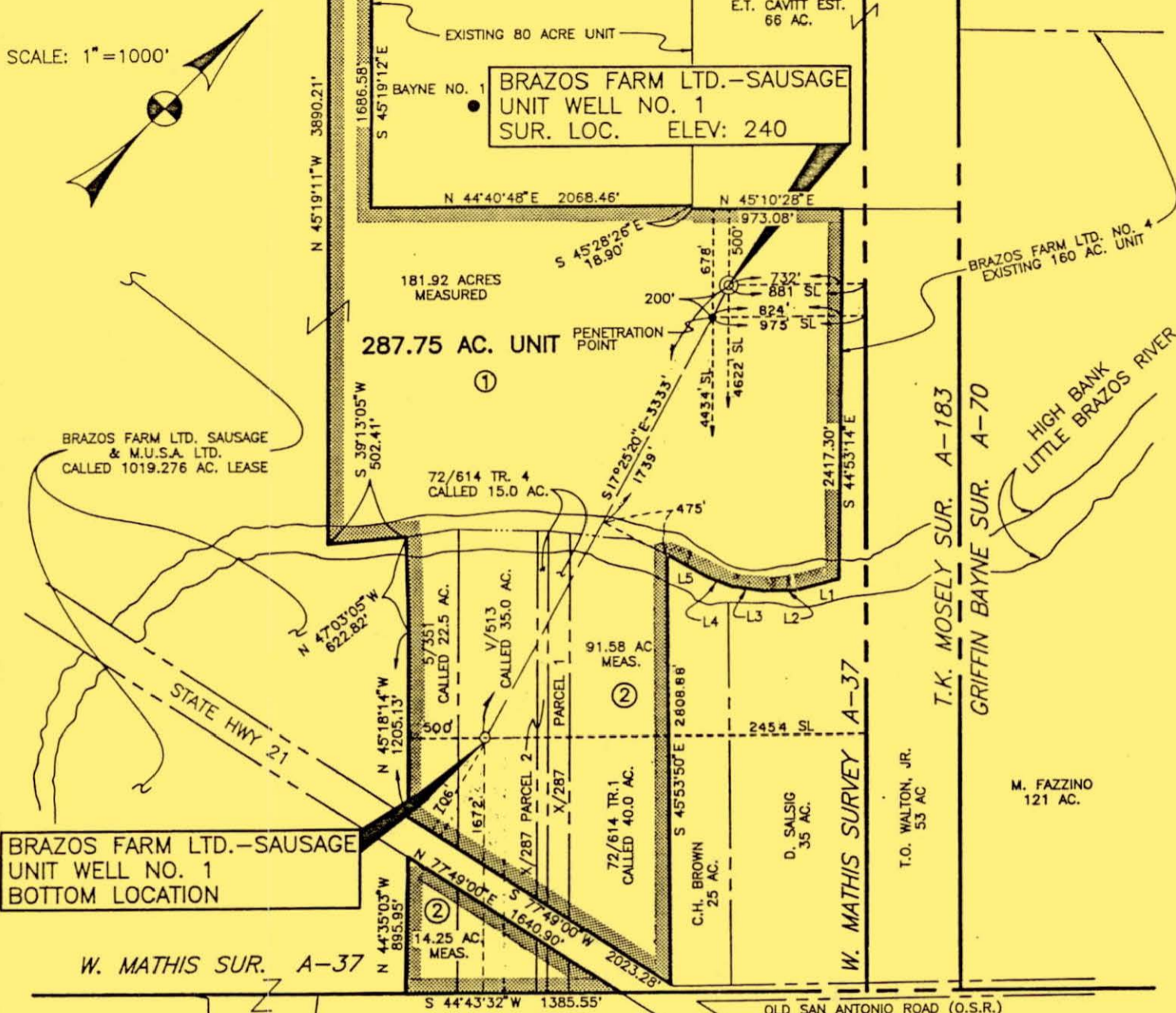
1. BEARINGS BASED ON TRUE NORTH DETERMINED BY SOLAR OBSERVATION
2. WELL LOCATED S 83°W 10 MI. FROM BRYAN
3. [Hatched Area] INDICATES LIMITS OF UNIT
4. SEE EXHIBIT "A" FOR STATE PLANE COORDINATE DATA

H.D. WILSON
E.T. CAVITT
50 AC.

V. COURT
84.5 AC.

V. COURT
51 AC.

SCALE: 1"=1000'



BRAZOS FARM LTD.-SAUSAGE
UNIT WELL NO. 1
BOTTOM LOCATION

MEANDERS OF L. BRAZOS RIVER

LINE	BEARING	DISTANCE
1	S 30°05'15"W	288.01'
2	S 43°50'09"W	207.18'
3	S 46°34'25"W	206.39'
4	S 73°03'11"W	182.55'
5	S 74°06'54"W	296.76'

TRACT	LEASE	ACREAGE IN UNIT
①	BRAZOS FARM LTD.	181.92
②	PETE SAUSAGE	105.83
		TOTAL ACREAGE=287.75

WELL LOCATION

BRAZOS FARM LTD.-SAUSAGE
UNIT WELL NO. 1

UNION PACIFIC RESOURCES COMPANY
W. MATHIS SURVEY, A-37
BRAZOS COUNTY, TEXAS

SURVEYED NOV., 1990

BY: S.M. KLING R.P.L.S. NO. 2003

SCALE: 1"=1000'

NOVEMBER, 1990

RECEIVED
R.R.C. - 086
DEC 07 1990
AUSTIN, TEXAS

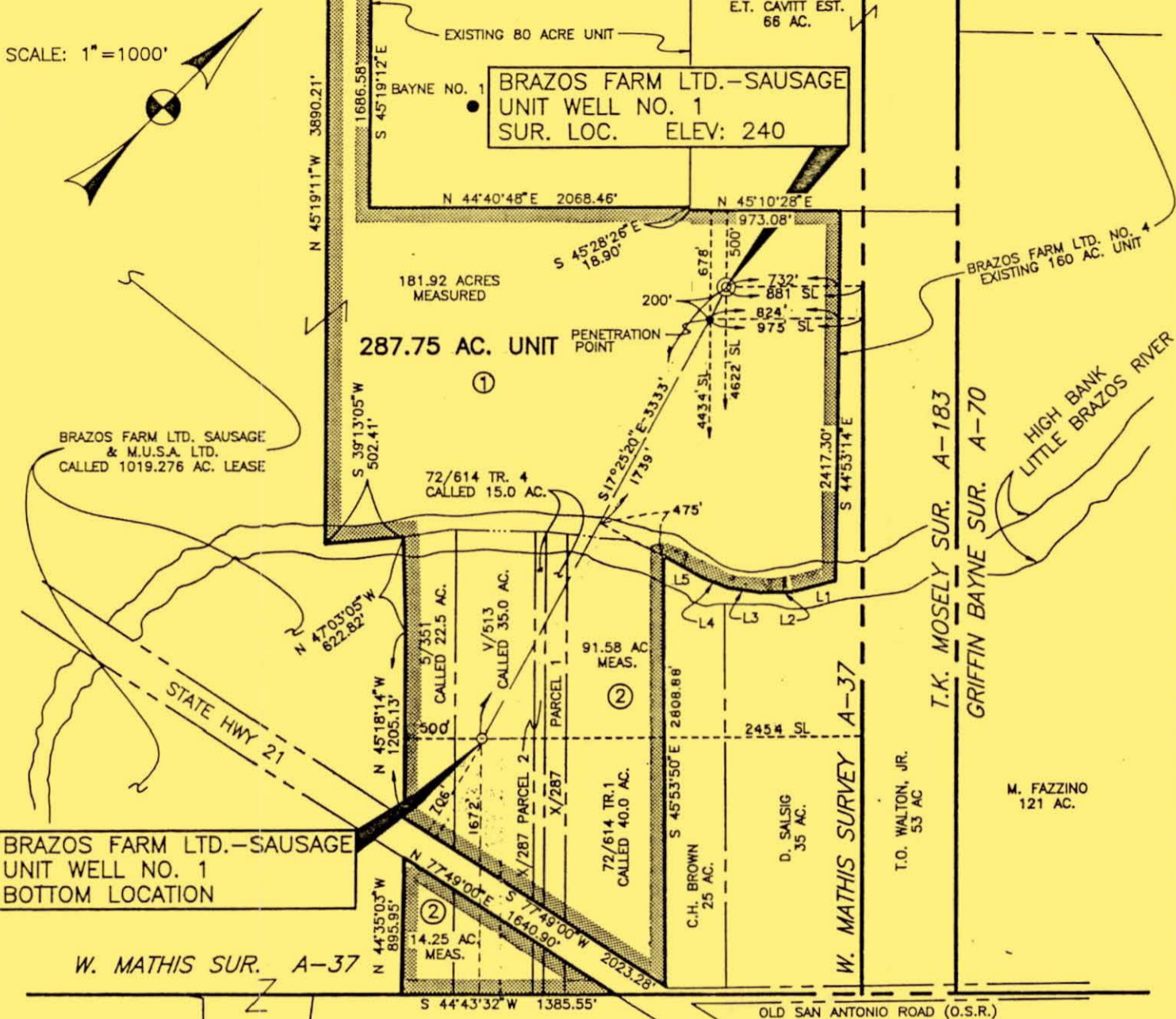
1. BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
2. WELL LOCATED S 83°W 10 MI. FROM BRYAN
3. [Hatched Area] INDICATES LIMITS OF UNIT
4. SEE EXHIBIT "A" FOR STATE PLANE COORDINATE DATA

H.D. WILSON
E.T. CAVITT
50 AC.

V. COURT
84.5 AC.

V. COURT
51 AC.

SCALE: 1" = 1000'



BRAZOS FARM LTD.-SAUSAGE
UNIT WELL NO. 1
BOTTOM LOCATION

BRAZOS FARM LTD.-SAUSAGE
UNIT WELL NO. 1
SUR. LOC. ELEV: 240

287.75 AC. UNIT

BRAZOS FARM LTD. NO. 4
EXISTING 160 AC. UNIT

HIGH BANK
LITTLE BRAZOS RIVER

W. MATHIS SUR. A-37

JAMES CURTIS, JR. SUR. A-12

J.J. FAZZINO
246 AC.

J.J. FAZZINO
167 AC.

OLD SAN ANTONIO ROAD (O.S.R.)

MEANDERS OF L. BRAZOS RIVER

LINE	BEARING	DISTANCE
1	S 30°05'15"W	288.01'
2	S 43°50'09"W	207.18'
3	S 46°34'25"W	206.39'
4	S 73°03'11"W	182.55'
5	S 74°06'54"W	296.76'

TRACT	LEASE	ACREAGE IN UNIT
①	BRAZOS FARM LTD.	181.92
②	PETE SAUSAGE	105.83
TOTAL ACREAGE=		287.75



WELL LOCATION

BRAZOS FARM LTD.-SAUSAGE
UNIT WELL NO. 1

UNION PACIFIC RESOURCES COMPANY

W. MATHIS SURVEY, A-37
BRAZOS COUNTY, TEXAS

BY: S.M. KLING R.P.L.S. NO. 2003

SCALE: 1" = 1000'

NOVEMBER, 1990

RECEIVED
R.R.C. - O&G
DEC 07 1990
AUSTIN, TEXAS

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

CERTIFICATE OF POOLING AUTHORITY

I, J.R.Carter, Jr., being of lawful age, being familiar with the matter, and having full knowledge of the facts set out, do state:

(1) That the acreage claimed for the purpose of establishing a pooled drilling or proration unit under applicable orders of the Railroad Commission of Texas, for the

NAME OF OPERATOR: UNION PACIFIC RESOURCES COMPANY

NAME OF POOLED UNIT: Brazos Farm Ltd.-Sausage Unit WELL NO. 1

FIELD: Giddings (Austin Chalk-3), Brazos COUNTY,

TEXAS, contains 287.75 acres; that with respect to such pooled unit, as it is hereafter described, parties now owning a mineral interest or mineral interests (including royalty interests, working interests, or other mineral interests) therein either (1) acquired such interest as they now have subject to the provisions of an instrument or instruments now in effect and which permit the pooling of said interests or (2) have, by virtue of the execution of an instrument or instruments the provisions of which are now in effect, pooled such of said interests as they now own therein, in such manner that all of such pooled unit shall be considered by the Commission as one base tract as if all rights with respect thereto has been acquired under a single contract.

(2) That the pooled unit described in the preceding paragraph is made up of and contains the hereafter described individual tracts of land no part of which is embraced within any other pooled unit in the same field and which, by virtue of the pooling agreements referred to in the preceding paragraph, are now contained within the pooled unit herein described.

(3) That where a non-pooled undivided interest exists in any of the individual tracts pooled, that certain non-pooled interest is noted in the margin of this instrument beside the tract description to identify the existence of the non-pooled interests in that tract:

(OVER)

RECEIVED
R.R.C. - O&G
DEC 07 1990
AUSTIN, TEXAS

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

Current W-1
RAILROAD COMMISSION OF TEXAS
 Oil and Gas Division

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

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

Read Instructions on Back

one

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

Enter here, if assigned:
 API No. **42-04131474g**
 Permit No. **381966**
 Rule 37 Case No.

1. Operator's Name (exactly as shown on Form P-5, Organization Report) UNION PACIFIC RESOURCES COMPANY 12/7/90		3. RRC Operator No. 876645	4. RRC District No. 03	5. County of Well Site Brazos	
2. Address (including city and zip code) P.O. Box 7 - MS 3407 Fort Worth, Texas 76101-0007		6. Lease Name (32 spaces maximum) Brazos Farm Ltd.-Sausage Unit		7. RRC Lease/ID No.	8. Well No. 1
		10. Location • Section _____ Block _____ Survey SL & TL: W. Mathis Abstract No. A-37 • This well is to be located 10 miles in a WSW direction from Bryan, Texas which is the nearest town in the county of the well site.		9. Total Depth 11600'	

11. Distance from proposed location to nearest lease or unit line **475** ft. 12. Number of contiguous acres in lease, pooled unit, or unitized tract **287.75** (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.)	21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir.	
							OIL	GAS
Giddings (Austin Chalk-3) 34733500	11600'	467/1200	160/80	287.75	No	N/A	Oil RECEIVED	0
							R.R.C. - O&G	
							DEC 07 1990	

22. Perpendicular surface location from two nearest designated lines:
 • ~~XXX~~/Unit **500' FN'LYNWL & 732' FN'LYNEL**
 • Survey/Section **881' FNEL & 4622' FSEL**
 If a directional well, show also projected bottom-hole location:
 • ~~XXX~~/Unit **706' FN'LY Int. SEL & 500' FE'LYSML**
 • Survey/Section **1672' FSEL & 2454' FNEL**

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? Yes No
 If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37.

Remarks: **HORIZONTAL DRAINOLE**
 Penetration point location: **678' FN'LYNWL & 824' FN'LYNEL** of unit; **975' FNEL & 4434' FSEL** of survey.

I certify that information stated in this application is true and complete, to the best of my knowledge.
 Signature: **J.R. Carter, Jr.** Date: **12-05-90**
 Name and title of operator's representative: **J.R. Carter, Jr./Regulatory Manager**
 Tel.: **817-877-7950**

• RRC Use Only •

218888 7/11/90 **381966**
382081

041-31474

M-94311 (10)

DIVISION ORDER

5/7/93

M-94311 (10)

DIVISION ORDER

5/7/93



Union Pacific Resources

A Subsidiary of Union Pacific Corporation

DIVISION ORDER

DATE: 07/20/93

NCT

PROPERTY NUMBER: 052104 PRODUCT(S): CRUDE OIL
B

PROPERTY NAME: LONGHORN UNIT #1

COUNTY/PARISH: BRAZOS

OPERATOR: UNION PACIFIC RESOURCES

STATE: TEXAS

LEGAL DESCRIPTION: 400 ACRES OUT OF THE WILLIAM MATHIS SURVEY, A-37
AND THE JAMES CURTIS, JR. SURVEY, A-12.

STATE OF TEXAS
% COMMISSION GEN. LAND OFFICE
1700 N CONGRESS AVENUE
STEPHEN F. AUSTIN BLDG.
AUSTIN TX 78701

005772101001

100

THIS IS YOUR COPY. PLEASE RETAIN FOR YOUR RECORDS.
IMPORTANT: YOU MUST PROVIDE YOUR SOCIAL SECURITY OR TAX ID NUMBER. YOUR SIGNATURE AND THOSE OF TWO WITNESSES MUST ALSO BE PROVIDED. YOUR SIGNATURE CONFIRMS THE INTEREST IDENTIFIED BELOW TO OWNER #0057721-01 DOI ID# 001, AND BINDS YOU TO THE TERMS ON THE REVERSE SIDE OF THIS DOCUMENT. FURTHER, YOU HEREBY CERTIFY UNDER PENALTIES OF PERJURY, AS REQUIRED BY THE INTERNAL REVENUE CODE, THAT THE NUMBER SHOWN ON THIS FORM IS YOUR CORRECT TAX ID NUMBER. PLEASE RETURN THE EXECUTED DIVISION ORDER TO UNION PACIFIC RESOURCES CO. P.O. BOX 2993, FORT WORTH, TEXAS 76113-2993. THIS DIVISION ORDER SHALL BE EFFECTIVE AS OF 7:00 A.M. ON THE FIRST DAY OF MARCH 1991.

OWNER SIGNATURE(S)/CORPORATE TITLE

SIGNATURE OF WITNESS #1

SOCIAL SECURITY OR TAX ID #

SIGNATURE OF WITNESS #2

NEW ADDRESS (IF CHANGED)

OWNER NUMBER	DOI/ID	OWNER NAME	INTEREST TYPE	INTEREST PAID BY UPRC
0057721 01	001	STATE OF TEXAS	RI	0.009305

INTEREST TYPE LEGEND:

WI - WORKING INTEREST OR - OVERRIDING ROYALTY RI - ROYALTY INTEREST
PP - PRODUCTION PAYMENT TP - TOTAL PRODUCTION

UNION PACIFIC RESOURCES COMPANY

TO: Union Pacific Resources Company.
P.O.Box 2993
Fort Worth, Texas 76113-2993

1. **OIL** : Oil shall include crude oil, condensate and other liquid hydrocarbons marketed in conjunction with the production of oil and gas. The price of all oil marketed shall be a posted per barrel field price for similiar oil for the field where produced or as established under applicable contract, less A) trucking, barging or pipeline expenses, if any, to the point of delivery designated by the purchaser; B) the cost of any treatment necessary to render such oil merchantable; C) any proper deduction for water, dirt, sediment and other impurities; and D) corrections for temperature and gravity made in accordance with established rules prevailing at the time and place of delivery. All oil marketed under the terms of this division order shall become the property of the purchaser to whom it is marketed by Union Pacific Resources Co. (UPRC) when delivered to such purchaser or when delivered into any pipeline or to any person, firm or corporation designated by such purchaser to receive or transport said oil for its account.
2. **GAS** : Gas shall include natural gas, gas liquids, casinghead gas, associated gaseous hydrocarbons and plant by-products marketed in conjunction with the production of oil and gas. The settlement for all gas produced and marketed from the property shall be made on the basis of measurements in accordance with industry standards and shall be priced in accordance with the applicable gas sales contract or processing agreement, less any fair and reasonable charges for, but not limited to, A) compression, B) processing, C) making it merchantable, and D) transportation, if sold or taken off the property.
3. **COMMINGLING** : If production from the property is commingled with production from other properties, a portion of the total shall be allocated to the property on the basis of lease meter readings or any other method generally accepted in the industry.
4. **UNITIZATION** : In the event the production from the property is pooled, unitized or communitized with one or more other properties by voluntary agreement, declaration, operation of law, or by action of a governmental authority with jurisdiction, the oil and/or gas allocated to the property from the total oil and/or gas produced and marketed from the pooled, unitized or communitized area shall be deemed for all purposes to have been actually produced from the property.
5. **TITLES** : If any dispute or question arises concerning title to the interest of the owner(s) in the property or the proceeds from the sale of production therefrom, UPRC shall be furnished, at its request, such evidence of title as it may require. Until such evidence of title is furnished and such dispute or question is resolved to the satisfaction of UPRC, or until satisfactory indemnity is furnished to UPRC, UPRC is authorized to withhold proceeds due the owner(s) of the disputed or questioned interest. If any action or suit is filed in any state or federal court or administrative body affecting an owner(s) interest or proceeds due, owner(s) shall immediately provide written notice to UPRC stating the court or administrative body in which the action is filed and the title of the action.
6. **CHANGE OF OWNERSHIP** : Owner(s), their heirs, representatives, successors or assigns, shall timely notify UPRC, at the address above, of each change in the person or entity entitled to receive payment hereunder. No transfer of ownership or change in the person or entity entitled to receive payment, however effected, shall be binding upon UPRC until it has received, at no expense to UPRC: A) a properly recorded instrument or instruments evidencing such transfer or change; B) such further evidence as UPRC may require; and C) a properly executed division order/transfer order executed by all parties in interest. Furthermore, owner(s) relieve UPRC from the responsibility and liability for determining when and whether such owner's interest shall change or revert to or otherwise become owned by another party. Owner(s) shall indemnify UPRC and hold UPRC harmless from any and all claims, causes of action, damages or losses including, but not limited to, court costs and reasonable attorney's fees which may arise or result to any owner in the event of a change of ownership for which timely and sufficient notice is not received by UPRC. The accounting for all such transfers or changes of interests shall be as of 7:00 AM on the first day of the calendar month following the month in which notice is received by UPRC.
7. **WARRANTIES** : Owner(s) hereby warrants and agrees to forever defend the title to such owner's interest including that owner's share in proceeds from sales. The operator and other working interest owners severally represent that all oil and/or gas produced and marketed from the property has been or will be produced in compliance with all applicable federal, state and local laws, rules and regulations.
8. **TAXES AND ASSESSMENTS** : UPRC shall deduct, as required by applicable law, from any proceeds due an owner, any or all production, severance, ad valorem, excise, sales, and other or dissimilar taxes. Any charges or assessments or any interest or penalties in connection therewith, now or hereafter levied, assessed or placed on such proceeds or an owners interest by a governmental authority will also be deducted.
9. **SETTLEMENT** : Settlement shall be made monthly to owner(s). If the proceeds payable to an owner in any one month amount to less than twenty-five dollars (\$25.00), UPRC may, at its option, accrue such proceeds and proceeds of subsequent months, until the amounts accrued total twenty-five dollars (\$25.00).
10. **EXECUTION** : This document shall be binding upon all signatory parties, their heirs, representatives, successors or assigns.



Union Pacific Resources

A Subsidiary of Union Pacific Corporation

DIVISION ORDER

DATE: 07/20/93

NCT

PROPERTY NUMBER: 052104 PRODUCT(S):GAS
F

PROPERTY NAME: LONGHORN UNIT #1

COUNTY/PARISH: BRAZOS

OPERATOR: UNION PACIFIC RESOURCES

STATE: TEXAS

LEGAL DESCRIPTION: 400 ACRES OUT OF THE WILLIAM MATHIS SURVEY, A-37
AND THE JAMES CURTIS, JR. SURVEY, A-12.

STATE OF TEXAS
% COMMISSION GEN. LAND OFFICE
1700 N CONGRESS AVENUE
STEPHEN F. AUSTIN BLDG.
AUSTIN TX 78701

005772101001

200

IMPORTANT: YOU MUST PROVIDE YOUR SOCIAL SECURITY OR TAX ID NUMBER. YOUR SIGNATURE AND THOSE OF TWO WITNESSES MUST ALSO BE PROVIDED. YOUR SIGNATURE CONFIRMS THE INTEREST IDENTIFIED BELOW TO OWNER #0057721-01 DOI ID# 001, AND BINDS YOU TO THE TERMS ON THE REVERSE SIDE OF THIS DOCUMENT. FURTHER, YOU HEREBY CERTIFY UNDER PENALTIES OF PERJURY, AS REQUIRED BY THE INTERNAL REVENUE CODE, THAT THE NUMBER SHOWN ON THIS FORM IS YOUR CORRECT TAX ID NUMBER. PLEASE RETURN THE EXECUTED DIVISION ORDER TO UNION PACIFIC RESOURCES CO. P.O. BOX 2993, FORT WORTH, TEXAS 76113-2993. THIS DIVISION ORDER SHALL BE EFFECTIVE AS OF 7:00 A.M. ON THE FIRST DAY OF MARCH 1991.

OWNER SIGNATURE(S)/CORPORATE TITLE

SIGNATURE OF WITNESS #1

SOCIAL SECURITY OR TAX ID #

SIGNATURE OF WITNESS #2

NEW ADDRESS (IF CHANGED)

OWNER NUMBER	DOI/ID	OWNER NAME	INTEREST TYPE	INTEREST PAID BY UPRC
0057721 01	001	STATE OF TEXAS	RI	0.009305

INTEREST TYPE LEGEND:

WI - WORKING INTEREST OR - OVERRIDING ROYALTY RI - ROYALTY INTEREST
PP - PRODUCTION PAYMENT TP - TOTAL PRODUCTION

UNION PACIFIC RESOURCES COMPANY

TO: Union Pacific Resources Company.
P.O.Box 2993
Fort Worth, Texas 76113-2993

1. **OIL** : Oil shall include crude oil, condensate and other liquid hydrocarbons marketed in conjunction with the production of oil and gas. The price of all oil marketed shall be a posted per barrel field price for similiar oil for the field where produced or as established under applicable contract, less A) trucking, barging or pipeline expenses, if any, to the point of delivery designated by the purchaser; B) the cost of any treatment necessary to render such oil merchantable; C) any proper deduction for water, dirt, sediment and other impurities; and D) corrections for temperature and gravity made in accordance with established rules prevailing at the time and place of delivery. All oil marketed under the terms of this division order shall become the property of the purchaser to whom it is marketed by Union Pacific Resources Co. (UPRC) when delivered to such purchaser or when delivered into any pipeline or to any person, firm or corporation designated by such purchaser to receive or transport said oil for its account.
2. **GAS** : Gas shall include natural gas, gas liquids, casinghead gas, associated gaseous hydrocarbons and plant by-products marketed in conjunction with the production of oil and gas. The settlement for all gas produced and marketed from the property shall be made on the basis of measurements in accordance with industry standards and shall be priced in accordance with the applicable gas sales contract or processing agreement, less any fair and reasonable charges for, but not limited to, A) compression, B) processing, C) making it merchantable, and D) transportation, if sold or taken off the property.
3. **COMMINGLING** : If production from the property is commingled with production from other properties, a portion of the total shall be allocated to the property on the basis of lease meter readings or any other method generally accepted in the industry.
4. **UNITIZATION** : In the event the production from the property is pooled, unitized or communitized with one or more other properties by voluntary agreement, declaration, operation of law, or by action of a governmental authority with jurisdiction, the oil and/or gas allocated to the property from the total oil and/or gas produced and marketed from the pooled, unitized or communitized area shall be deemed for all purposes to have been actually produced from the property.
5. **TITLES** : If any dispute or question arises concerning title to the interest of the owner(s) in the property or the proceeds from the sale of production therefrom, UPRC shall be furnished, at its request, such evidence of title as it may require. Until such evidence of title is furnished and such dispute or question is resolved to the satisfaction of UPRC, or until satisfactory indemnity is furnished to UPRC, UPRC is authorized to withhold proceeds due the owner(s) of the disputed or questioned interest. If any action or suit is filed in any state or federal court or administrative body affecting an owner(s) interest or proceeds due, owner(s) shall immediately provide written notice to UPRC stating the court or administrative body in which the action is filed and the title of the action.
6. **CHANGE OF OWNERSHIP** : Owner(s), their heirs, representatives, successors or assigns, shall timely notify UPRC, at the address above, of each change in the person or entity entitled to receive payment hereunder. No transfer of ownership or change in the person or entity entitled to receive payment, however effected, shall be binding upon UPRC until it has received, at no expense to UPRC: A) a properly recorded instrument or instruments evidencing such transfer or change; B) such further evidence as UPRC may require; and C) a properly executed division order/transfer order executed by all parties in interest. Furthermore, owner(s) relieve UPRC from the responsibility and liability for determining when and whether such owner's interest shall change or revert to or otherwise become owned by another party. Owner(s) shall indemnify UPRC and hold UPRC harmless from any and all claims, causes of action, damages or losses including, but not limited to, court costs and reasonable attorney's fees which may arise or result to any owner in the event of a change of ownership for which timely and sufficient notice is not received by UPRC. The accounting for all such transfers or changes of interests shall be as of 7:00 AM on the first day of the calendar month following the month in which notice is received by UPRC.
7. **WARRANTIES** : Owner(s) hereby warrants and agrees to forever defend the title to such owner's interest including that owner's share in proceeds from sales. The operator and other working interest owners severally represent that all oil and/or gas produced and marketed from the property has been or will be produced in compliance with all applicable federal, state and local laws, rules and regulations.
8. **TAXES AND ASSESSMENTS** : UPRC shall deduct, as required by applicable law, from any proceeds due an owner, any or all production, severance, ad valorem, excise, sales, and other or dissimilar taxes. Any charges or assessments or any interest or penalties in connection therewith, now or hereafter levied, assessed or placed on such proceeds or an owners interest by a governmental authority will also be deducted.
9. **SETTLEMENT** : Settlement shall be made monthly to owner(s). If the proceeds payable to an owner in any one month amount to less than twenty-five dollars (\$25.00), UPRC may, at its option, accrue such proceeds and proceeds of subsequent months, until the amounts accrued total twenty-five dollars (\$25.00).
10. **EXECUTION** : This document shall be binding upon all signatory parties, their heirs, representatives, successors or assigns.



Texas General Land Office
Garry Mauro, Commissioner

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495
(512) 463-5001

July 27, 1993

Division Order Department
Union Pacific Resources
P.O. Box 2993
Fort Worth, TX 76113-2993

RE: Mineral File No. M-94311
Dear Sir or Madam:

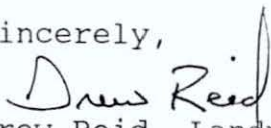
This letter acknowledges the Division Order prepared by your company for execution by the individual royalty owners.

The statutes provide for the royalties that the State receives. It is not the policy of the General Land Office to execute division orders.

The General Land Office, insofar as permitted under the law, acquiesces in the sale of the oil and gas to you under the lease, as prescribed by law and under the terms and conditions set out in the lease covering the land in question.

We have filed the division order in the mineral file referenced above. If you have any questions, please feel free to call me at (512) 463-5042.

Sincerely,


Drew Reid, Landman
Lease Administration
Energy Resources

DR/dr

M-94311 (11)

DIVISION ORDER

7/27/93

7-27-93
Division Order

M-94311

(11)

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

PA05-129

Unit Number 2074
Operator Name ANADARKO E&P COMPANY LP Effective Date 3/21/1991
TaxID: [REDACTED] Unitized For Oil & Gas
Unit Name Jayhawk Unit Well #1 Unit Term 0 Months

County1 Brazos
County2
County3
RRC District: 03
Unit Type: Permanent
State Royalty Interest: 0.010905
State Part in Unit: 0.054525

Old Unit Number Inactive Status Date
0
0
0
0
0

Unit Depth Below Well:
Below Depth 7312 Formation: Austin Chalk
Above Depth 7518 Participation Basis: Surface Acreage
[If Exclusions Apply: See Remarks]

MF Number MF094311 Tract Number 2
Lease Acres 14.45 / Total Unit Acres 262 =

Tract Participation: 0.054525 X
Lease Royalty 0.2 = Manual Tract Participation: [] 0.054525 See Remark
Tract Royalty Participation 0.010905 Manual Tract Royalty: [] 0.010905

Tract Royalty Reduction No
Tract Royalty Rate 0
Tract On-Line Date:

API Number

RRC Number

Remarks:

State owns 100% mineral interest in 14.12 acres and 50% mineral interest in 0.33 acres in this unit.

Prepared By:

M

Prepared Date:

8-16-05

GLO Base Updated By:

M. Silva

GLOBase Date:

8-17-05

RAM Approval By:

J. King

RAM Approval Date:

8-22-05

GIS By:

GIS Date:

Mineral Maps By:

Mineral Maps Date:

From: "McCord, Lynne" <Lynne_McCord@anadarko.com>
To: "White, Dorothy" <Dorothy_White@anadarko.com>, <Tracey.Throckmorton@GLO.STATE.TX.US>
Date: 8/3/2005 1:06:23 PM
Subject: RE: Jayhawk Unit 1 (MF-094311) Unit # 2074 (Well # 1962501) Brazos County, Texas

Tracey - our records reflect the following ownership for the State of Texas:

100% MI owned in 14.12 acres and 50% MI owned in .33 acres which calculates as follows in the unit:

$\frac{1}{2} \times \frac{.33}{262} \times \frac{1}{5}$ (RI) plus $\frac{14.12}{262} \times \frac{1}{5} = .0109050$

Lynne S. McCord, CDOA

Land Administration ATL 3021

832-636-7983

832-636-5743 - fax

*Verified
 - State owns 50% mineral
 interest in the .33 acres
 in this unit
 MW
 8-16-05*

From: White, Dorothy
 Sent: Wednesday, August 03, 2005 11:27 AM
 To: McCord, Lynne
 Subject: FW: Jayhawk Unit 1 (MF-094311) Unit # 2074 (Well # 1962501) Brazos County, Texas

Lynne,

Could you please verify the State of Texas interest in Jayhawk well# 1962501?

Below is what the States shows is in their files.

Thank you.
 Dorothy White
 832-636-7625
 832-636-5583 (Fax)
 Anadarko Petroleum Corp.

From: Tracey Throckmorton [mailto:Tracey.Throckmorton@GLO.STATE.TX.US]
 Sent: Wednesday, August 03, 2005 11:10 AM
 To: White, Dorothy
 Subject: Re: Jayhawk Unit 1 (MF-094311) Unit # 2074 (Well # 1962501) Brazos County, Texas

Our records show the same as yours

Tract participation = 0.055153

Tract royalty = 0.0110306

Tracey Throckmorton
Geologist
Energy Resources/Mineral Leasing Division
Texas General Land Office
(512) 475-1500
tracey.throckmorton@glo.state.tx.us

>>> "White, Dorothy" <Dorothy_White@anadarko.com> 8/3/2005 9:53 AM >>>

Tracey,
Would you please verify what you have setup in your system for Jayhawk Unit 1 MF-094311, Unit # 2074?
My records show Tract % of 0.055153 (14.45/262) with 20% Royalty.
Do you agree?

Thank you.
Dorothy White
832-636-7625
832-636-5583 (Fax)
Anadarko Petroleum Corp.

Anadarko Confidentiality Notice:

This electronic transmission and any attached documents or other writings are intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. If you have received this communication in error, please immediately notify sender by return e-mail and destroy the communication. Any disclosure, copying, distribution or the taking of any action concerning the contents of this communication or any attachments by anyone other than the named recipient is strictly prohibited.

DO NOT DESTROY

GLO-36-10-84

-MEMO-

41 000031770

Operator Union PACIFIC Resources

Unit Name JAY HAWK Unit Well # 1

County ⁰³ Brazos

Effective Date _____

Unitized for: Oil _____ Gas _____ Oil & Gas

1. M.F. No. 094311

Area HEOW Tr. 2

Sec. _____ Blk. _____ Survey _____

14.45

262.00 x 1/5 1.1031 %
.055153 .200000 .011031

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:

-465678
FILED

91 MAY 22 AM 10:36

Mary Ann Smith, CLERK
BRAZOS COUNTY COURTHOUSE
LAW OFFICES
BY: J. A. Williams, DEPUTYDESIGNATION OF UNITJAYHAWK UNITSTATE OF TEXAS §
COUNTY OF BRAZOS §

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, being the owner of valid and subsisting oil, gas and mineral leases listed in Exhibit "A", attached hereto and made a part hereof, insofar as said oil, gas and mineral leases cover and affect the land and depths described on Exhibit "B", attached hereto and made a part hereof, do, by virtue of the authority conferred by the terms of such oil, gas and mineral leases and all amendments and corrections thereto, hereby pool, consolidate, combine and unitize said oil, gas and mineral leases, the leasehold rights, overriding royalty and royalty interests therein and thereunder, for the purpose of drilling for, development and production of oil, gas and liquid hydrocarbons (including condensate, distillate and other liquids). The unit (hereinafter "Unit") shall be comprised of the land and interval described on the attached Exhibit "B", as depicted on the Plat attached hereto as Exhibit "C".

If at any time any tract of land or interest within the Unit is not properly pooled or unitized hereby or is not otherwise committed to the Unit, such fact shall not affect, terminate, impair, or invalidate the Unit as to any interest properly pooled or unitized hereby or otherwise.

This Designation of Unit covers all production from the land and depths described on the attached Exhibit "B" which is produced from any well drilled to the unitized interval underlying the Unit area. Production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion which the number of surface acres in each of such tracts bears to the total number of surface acres in the Unit.

The undersigned reserves the right to amend this Designation of Unit from time to time, and at any time, in order to correct any error herein or to include in this Unit any newly acquired interests within the Unit boundaries or to enlarge the Unit area in accordance with the applicable rules and regulations of any governmental regulatory body or agency having jurisdiction insofar as such right is granted in the subject leases, by appropriate amendments or instruments correcting or committing any such interest to this Unit.

The undersigned also reserves the right to amend this Designation of Unit to include and lands as to any other minerals, horizon or strata covered thereby, and it expressly reserves to itself, its assignees, or successors in interest, the right and power to pool or unitize the above described leases and lands with any other leases, lands, horizons or strata in the vicinity and so far as the power, right and authority to do so is granted in the subject leases and various agreements and so long as such power and authority is exercised in accordance with applicable rules and regulations of any governmental regulatory body or agency having jurisdiction.

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... not be ratified or joined in by any party who is not named
... without the consent of the parties hereto.

The Unit hereby created shall become effective when a copy of this
Declaration is filed for record in the office of the county and state
aforesaid, and shall remain in force as long as the pooled minerals are being
produced from the Unit, or so long as the leases covering the Unit are
maintained in force by payment or tender of shut-in royalties or by other
means, in accordance with the terms of said leases.

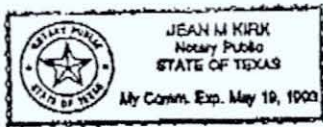
IN WITNESS WHEREOF, this Designation of Unit is executed on this 15th day
of May, 1991.

UNION PACIFIC RESOURCES COMPANY

By: Debra Johnson
Attorney-in-Fact DJ TB

STATE OF TEXAS
COUNTY OF TARRANT

This instrument was acknowledged before me on the 15th day of
May, 1991, by Debra Johnson, the Attorney-in-Fact of
UNION PACIFIC RESOURCES COMPANY, a Delaware corporation, on behalf of said
corporation.



Jean M. Kirk
Notary Public in and for the
State of Texas
My commission expires: May 19, 1993

WHEN RECORDED RETURN TO:
Union Pacific Resources Co.
Attn: Land Administration
P.O. Box 7, MS 3300
Fort Worth, TX 76101-0007

EXHIBIT "A"

Attached to and made a part of that certain "Designation of Unit - Jayhawk Unit" dated May 15, 1991.

Lessor: Brazos Farm Ltd.
Lessee: Black Creek Production Company
Dated: March 12, 1990
Filed: Oil and Gas Lease Records, Brazos County, Texas
Recorded: Volume 1204, Page 306

Lessor: Myrtle Killingsworth Layton
Lessee: Union Pacific Resources Company
Dated: February 13, 1990
Filed: Oil and Gas Lease Records, Brazos County, Texas
Recorded: Volume 1206, Page 272

Lessor: Lawrence Towels
Lessee: Union Pacific Resources Company
Dated: February 13, 1990
Filed: Oil and Gas Lease Records, Brazos County, Texas

Lessor: State of Texas
Lessee: Union Pacific Resources Company
Dated: November 20, 1990
Filed: Oil and Gas Lease Records, Brazos County, Texas
Recorded: Volume 1232, Page 179

Designation of Unit -
1991.

262.00 Acre Tract
Jayhawk Unit Well No. 1
Union Pacific Resources Company
William Mathis Survey, A-37
James Curtis, Jr. Survey, A-12
Brazos County, Texas

Field notes of a 262.00 acre tract or parcel of land, lying and being situated in the William Mathis Survey, Abstract No. 37 and in the James Curtis, Jr., Survey, Abstract No. 12, Brazos County, Texas, and being part of the called 1019.276 acres described in the certain Oil, Gas and Mineral Lease from Brazos Farms Ltd., an Illinois Corp. and M.U.S.A. Ltd., an Illinois Corp., recorded in Volume 1204, Page 306, of the Official Records of Brazos County, Texas, said lease being part of the called 1419.276 acres described in the deed to M.U.S.A. Limited and Brazos Farms Limited, recorded in Volume 386, Page 164, of the Brazos County Deed Records, and also being part of the State Highway 21 right-of-way described in that certain Oil, Gas, and Mineral Lease from the State of Texas, recorded in Volume 1232, Page 179, of the Official Records of Brazos County, Texas, the 262.00 acres being more particularly described as follows:

BEGINNING at a cross-tie fence corner found on the southeast line of the William Mathis Survey, for the middle east corner of the Brazos Farms called 1419.276 acre tract;

THENCE with a southeast line of the called 1419.276 acre tract for the following calls, bearings referenced to true north obtained by solar observation:

S 44° 45' 48" W	563.20 feet to a cross-tie corner post,
S 38° 38' 31" E	246.08 feet to a fence corner post,
S 44° 09' 58" W	674.45 feet to a cross-tie corner post,
N 45° 46' 13" W	228.45 feet to a cross-tie corner post,
S 56° 03' 55" W	112.96 feet to an angle post,
S 45° 35' 22" W	926.66 feet to an angle post,
S 49° 49' 53" W	325.00 feet crossing the Little Brazos River to a point on the west bank of same;

THENCE S 38° 51' 48" E with the west bank of the Little Brazos River, for a distance of 43.17 feet and corner;

THENCE across the beforementioned called 1419.276 acre tract, for the following calls:

S 44° 43' 32" W	501.42 feet,
N 29° 33' 00" W	1027.96 feet,
S 44° 34' 30" W	1697.06 feet,
N 45° 25' 30" W	708.50 feet,
N 44° 34' 30" E	1199.33 feet,
N 45° 25' 30" W	1127.00 feet,
N 44° 34' 30" E	328.08 feet to a point on the south right-of-way line of State Highway, 21;

THENCE with the south right-of-way line for the following calls:

N 77° 49' 00" E	260.16 feet,
N 72° 48' 58" E	401.53 feet,
N 77° 49' 00" E	149.91 feet;

ELMS ENGINEERING AND SURVEYING
MAYAN 1984

vol. 1263 PAGE 069

262.00 Acre Tract
 Jayhawk Unit Well No. 1
 Union Pacific Resources Company
 William Mathis Survey, A-37
 James Curtis, Jr. Survey, A-12
 Brazos County, Texas
 Page 2

THENCE N 12° 11' 00" W with the west line of the beforementioned right-of-way lease, for a distance of 240.00 feet to a point on the north line of said right-of-way;

THENCE with the north line of the highway right-of-way for the following calls:

S 77° 49' 00" W 149.91 feet,
 S 82° 49' 02" W 401.53 feet,
 S 77° 49' 00" W 164.11 feet to a point on the southwest line of a called 70 acre tract described in the deed to William Triggs, recorded in Volume 73, Page 104, of Brazos County Deed Records;

THENCE with the southwest and northwest lines of the called 70 acre tract, across the called 1419.726 acre tract for the following calls:

N 45° 19' 11" W 397.05 feet,
 N 44° 40' 49" E 2273.25 feet;

THENCE S 45° 19' 11" E across the called 70 acre tract, for a distance of 493.48 feet to a point in the centerline of the Little Brazos River;

THENCE N 39° 13' 05" E up the Little Brazos River, with the centerline, for a distance of 502.41 feet to an interior ell corner in the northeast line of the called 1419.276 acre tract;

THENCE with the middle northeast line of said 1419.276 acre tract, for the following calls:

S 47° 03' 05" E 622.82 feet with a fence, to a cross-tie for an angle point in fence,
 S 45° 18' 13" E 1205.13 feet to a point on the north right-of-way line of State Highway 21,
 S 45° 01' 58" E 261.87 feet across said right-of-way to a point on it's south line,
 S 44° 35' 02" E 895.95 feet with a fence, to the PLACE OF BEGINNING, containing 262.00 acres of land, more or less.

uv-2:anuprcjarwh

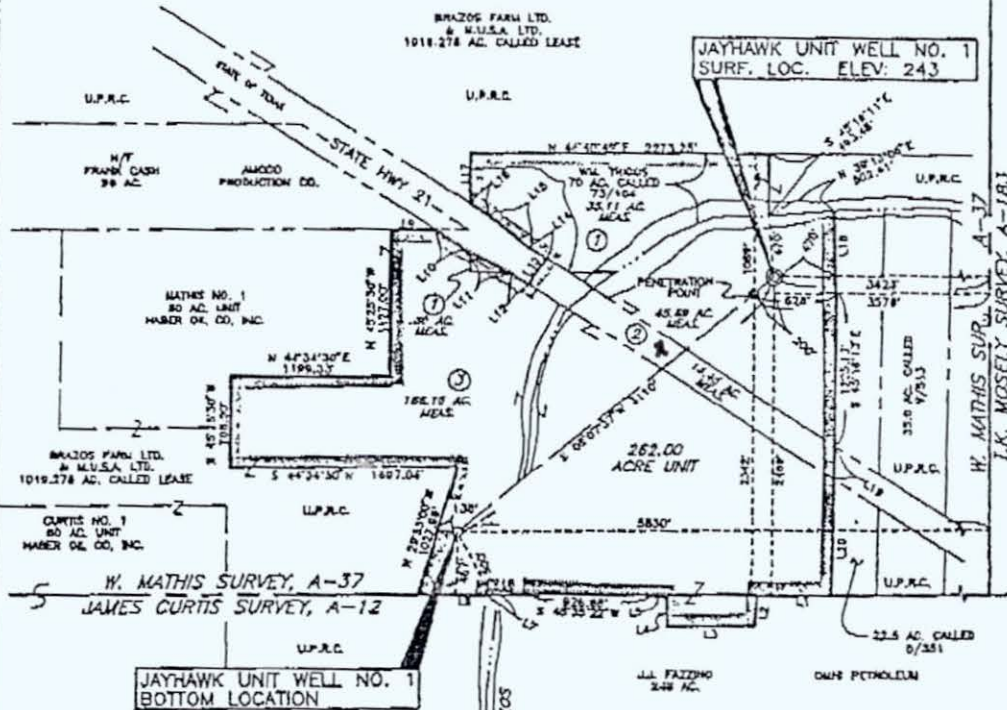
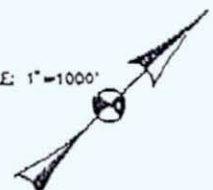
LIMITED TO THE AUSTIN CHALK FORMATION, as found between 7,312 feet and 7,518 feet in the Buchanan #1 Fazzino Well, which is located 660 feet from the SW line and 710 feet from the SE line of the Griffin Bayne Survey, A-70, Brazos County, Texas.

KLING ENGINEERING AND SURVEYING
 BRYAN, TEXAS

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ACRES IN UNIT	DESCRIPTION	VOL/PG
35.71	WILLIAM TRIGGS	73/104 D.R.
14.45	HWY 21 R.O.W.	1232/170 D.R.
211.84	BRAZOS FARM LTD. & M.U.S.A. LTD.	1204/206 D.R.
262.00 TOTAL ACRES IN UNIT		

SCALE: 1"=1000'



- NOTES:
1. BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION.
 2. WELL LOCATED 5.80"=10.3 MI. FROM BRYDON.
 3. REVISIONS INDICATES LIMITS OF UNIT.
 4. SEE EXHIBIT "A" FOR STATE PLANE COORDINATE DATA.

LINE	BEARING	DISTANCE
L1	S 44°45'46"W	663.20'
L2	S 36°30'31"E	248.08'
L3	S 46°09'28"E	874.43'
L4	N 45°45'13"W	228.43'
L5	S 26°03'35"W	112.96'
L6	S 49°49'23"W	325.00'
L7	S 35°11'46"E	63.17'
L8	S 44°43'27"W	301.42'
L9	N 44°34'30"E	328.08'
L10	N 77°49'00"E	260.16'
L11	N 72°42'38"E	401.52'
L12	N 77°49'00"E	148.81'
L13	N 12°11'00"W	240.00'
L14	S 77°49'00"W	149.91'
L15	S 82°49'00"W	401.52'
L16	S 77°49'00"W	164.11'
L17	N 45°18'11"W	387.05'
L18	S 47°03'05"E	822.87'
L19	S 45°01'08"E	261.87'
L20	S 44°35'02"E	805.89'

EXHIBIT "C"
Attached to and made a part
of that certain "Designation
of Unit-Jayhawk Unit" dated
MAY 15, 1991.



SURVEYED JANUARY, 1991

BY: *Gary B. Neill*
GARY B. NEILL R.P.L.S. #3954

WELL LOCATION

JAYHAWK UNIT WELL NO. 1

UNION PACIFIC RESOURCES COMPANY

WILLIAM MATHIS SURVEY, A-37
JAMES CURTIS, JR. SURVEY, A-12
BRAZOS COUNTY, TEXAS

SCALE: 1"=1000'

JANUARY, 1991

VD: 1263 PLS: 071

262.00 Acre Tract
 Jayhawk Unit Well No. 1
 Union Pacific Resources Company
 William Mathis Survey, A-37
 James Curtis, Jr. Survey, A-12
 Brazos County, Texas

Field notes of a 262.00 acre tract or parcel of land, lying and being situated in the William Mathis Survey, Abstract No. 37 and in the James Curtis, Jr., Survey, Abstract No. 12, Brazos County, Texas, and being part of the called 1019.276 acres described in the certain Oil, Gas and Mineral Lease from Brazos Farms Ltd., an Illinois Corp. and M.U.S.A. Ltd., an Illinois Corp., recorded in Volume 1204, Page 306, of the Official Records of Brazos County, Texas, said lease being part of the called 1419.276 acres described in the deed to M.U.S.A. Limited and Brazos Farms Limited, recorded in Volume 386, Page 164, of the Brazos County Deed Records, and also being part of the State Highway 21 right-of-way described in that certain Oil, Gas, and Mineral Lease from the State of Texas, recorded in Volume 1232, Page 179, of the Official Records of Brazos County, Texas, the 262.00 acres being more particularly described as follows:

BEGINNING at a cross-tie fence corner found on the southeast line of the William Mathis Survey, for the middle east corner of the Brazos Farms called 1419.276 acre tract;

THENCE with a southeast line of the called 1419.276 acre tract for the following calls, bearings referenced to true north obtained by solar observation:

S 44° 45' 48" W	563.20 feet to a cross-tie corner post,
S 38° 38' 31" E	246.08 feet to a fence corner post,
S 44° 09' 58" W	674.45 feet to a cross-tie corner post,
N 45° 46' 13" W	228.45 feet to a cross-tie corner post,
S 56° 03' 55" W	112.96 feet to an angle post,
S 45° 35' 22" W	926.66 feet to an angle post,
S 49° 49' 53" W	325.00 feet crossing the Little Brazos River to a point on the west bank of same;

THENCE S 38° 51' 48" E with the west bank of the Little Brazos River, for a distance of 43.17 feet and corner;

THENCE across the beforementioned called 1419.276 acre tract, for the following calls:

S 44° 43' 32" W	501.42 feet,
N 29° 33' 00" W	1027.96 feet,
S 44° 34' 30" W	1697.06 feet,
N 45° 25' 30" W	708.50 feet,
N 44° 34' 30" E	1199.33 feet,
N 45° 25' 30" W	1127.00 feet,
N 44° 34' 30" E	328.08 feet to a point on the south right-of-way line of State Highway 21;

THENCE with the south right-of-way line for the following calls:

N 77° 49' 00" E	260.16 feet,
N 72° 48' 58" E	401.53 feet,
N 77° 49' 00" E	149.91 feet;

262.00 Acre Tract
 Jayhawk Unit Well No. 1
 Union Pacific Resources Company
 William Mathis Survey, A-37
 James Curtis, Jr. Survey, A-12
 Brazos County, Texas
 Page 2

THENCE N 12° 11' 00" W with the west line of the beforementioned right-of-way lease, for a distance of 240.00 feet to a point on the north line of said right-of-way;

THENCE with the north line of the highway right-of-way for the following calls:

S 77° 49' 00" W 149.91 feet,
 S 82° 49' 02" W 401.53 feet,
 S 77° 49' 00" W 164.11 feet to a point on the southwest line of a called 70 acre tract described in the deed to William Triggs, recorded in Volume 73, Page 104, of Brazos County Deed Records;

THENCE with the southwest and northwest lines of the called 70 acre tract, across the called 1419.726 acre tract for the following calls:

N 45° 19' 11" W 397.05 feet,
 N 44° 40' 49" E 2273.25 feet;

THENCE S 45° 19' 11" E across the called 70 acre tract, for a distance of 493.48 feet to a point in the centerline of the Little Brazos River;

THENCE N 39° 13' 05" E up the Little Brazos River, with the centerline, for a distance of 502.41 feet to an interior ell corner in the northeast line of the called 1419.276 acre tract;

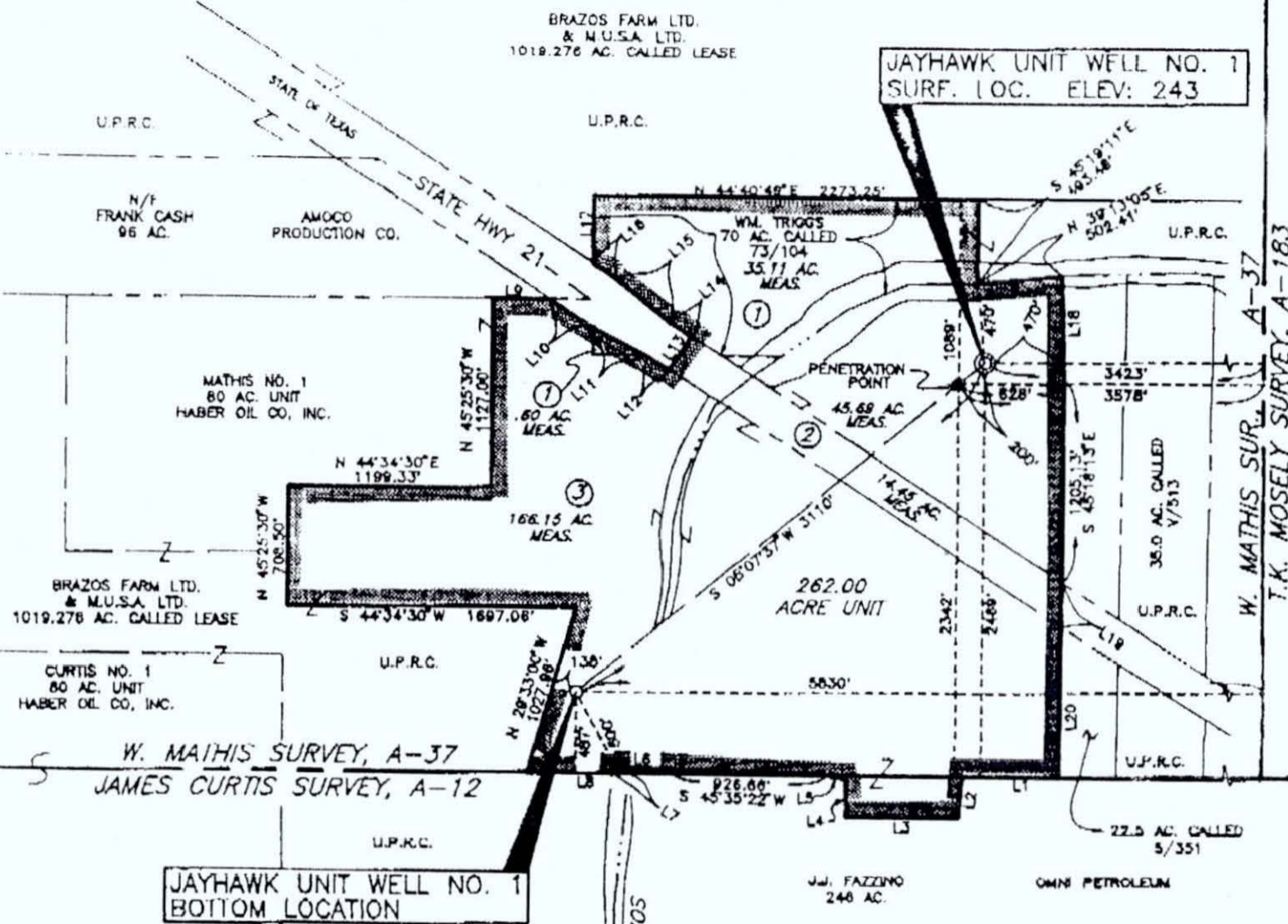
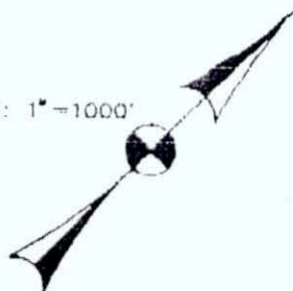
THENCE with the middle northeast line of said 1419.276 acre tract, for the following calls:

S 47° 03' 05" E 622.82 feet with a fence, to a cross-tie for an angle point in fence,
 S 45° 18' 13" E 1205.13 feet to a point on the north right-of-way line of State Highway 21,
 S 45° 01' 58" E 261.87 feet across said right-of-way to a point on it's south line,
 S 44° 35' 02" E 895.95 feet with a fence, to the **PLACE OF BEGINNING**, containing 262.00 acres of land, more or less.

kes-1:a:uprcjawh

JAYHAWK UNIT WELL NO. 1			
TRACT	ACRES IN UNIT	DESCRIPTION	VOL/PG
①	35.71	WILLIAM TRIGGS	73/104 D.R.
②	14.45	HWY 21 R.O.W.	1232/179 O.R.
③	211.84	BRAZOS FARM LTD. & M.U.S.A. LTD.	1204/308 U.R.
262.00 TOTAL ACRES IN UNIT			

SCALE: 1"=1000'



- NOTES:
1. BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION.
 2. WELL LOCATED S 80°W-10.2 MI. FROM BRYAN.
 3. ~~BOUNDARIES~~ INDICATES LIMITS OF UNIT.
 4. SEE EXHIBIT "A" FOR STATE PLANE COORDINATE DATA.

LINE	BEARING	DISTANCE
L1	S 44°45'48"E	263.20'
L2	S 38°38'31"E	246.08'
L3	S 44°09'58"W	674.48'
L4	N 45°48'13"W	228.43'
L5	S 56°03'55"W	112.98'
L6	S 49°49'53"W	325.00'
L7	S 38°01'40"E	43.17'
L8	S 44°43'32"W	501.42'
L9	N 44°34'30"E	328.08'
L10	N 77°49'00"E	260.18'
L11	N 72°40'58"E	401.53'
L12	N 77°49'00"E	148.81'
L13	N 12°11'00"W	240.00'
L14	S 77°49'00"W	148.91'
L15	S 82°49'02"W	401.53'
L16	S 77°49'00"W	164.11'
L17	N 40°19'11"W	387.03'
L18	S 47°03'05"E	622.62'
L19	S 45°01'58"E	261.87'
L20	S 44°35'02"E	895.95'



WELL LOCATION

JAYHAWK UNIT WELL NO. 1

UNION PACIFIC RESOURCES COMPANY

WILLIAM MATHIS SURVEY, A-37
JAMES CURTIS, JR. SURVEY, A-12
BRAZOS COUNTY, TEXAS

SURVEYED JANUARY, 1991

Gary B Neill

#12
Unit Designation
M-94311
9-3093

#2207

DO NOT DESTROY

GLO-36-10-84

-MEMO-

Operator UPRC

Unit Name Brazos Farm-Sausage

County Brazos

Effective Date 12-10-91

Unitized for: Oil Gas Oil & Gas

1. M.F. No. 094311

Area HR0W Tr. 4

Sec. 9.50 Blk. 357.51 Survey 1/5

<u>9.50</u>	<u>357.51</u>	<u>1/5</u>	<u>.5314</u>	%
<u>.020572</u>	<u>.20</u>		<u>.005314</u>	

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:

DO NOT DESTROY



UNIT AGREEMENT MEMO

Unit No. 2207

Operator Union Pacific Resources Co.

Unit Name Brazos Farms - Sausage Unit #1

County Brazos

Effective Date _____

Unitized for: Oil ___ Gas ___ Oil & Gas X

1. M.F. No. 94311
Area _____ Tr. _____
Sec. _____ Blk. _____ Survey _____
9.50 / 357.51 x 1/5 = .5315 %
.0265726 x .2 = .005315

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: <u>Marc A. Fuentes</u>	Date <u>1-25-99</u>
Map & GIS updated by:	Date
Keyed into database by:	Date

PN#010417

DESIGNATION OF UNIT

BRAZOS FARM LTD. - SAUSAGE UNIT

STATE OF TEXAS

COUNTY OF BRAZOS

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, being the owner of valid and subsisting oil, gas, and mineral leases listed in Exhibit "A", attached hereto and made a part hereof, insofar as said oil, gas, and mineral leases cover and affect the land and depths described on Exhibit "B", attached hereto and made a part hereof, do, by virtue of the authority conferred by the terms of such oil, gas, and mineral leases and all amendments and corrections thereto, hereby pool, consolidate, combine, and unitize said oil, gas, and mineral leases, the leasehold rights, overriding royalty, and royalty interests therein and thereunder, for the purpose of drilling for, development, and production of oil, gas, and liquid hydrocarbons (including condensate, distillate, and other liquids). The unit (hereinafter "Unit") shall be comprised of the land and interval described on the attached Exhibit "B", as depicted on the Plat attached hereto as Exhibit "C".

If at any time any tract of land or interest within the Unit is not properly pooled or unitized hereby or is not otherwise committed to the Unit, such fact shall not affect, terminate, impair, or invalidate the Unit as to any interest properly pooled or unitized hereby or otherwise.

This Designation of Unit covers all production from the land and depths described on the attached Exhibit "B" which is produced from any well drilled to the unitized interval underlying the Unit area. Production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion which the number of surface acres in each of such tracts bears to the total number of surface acres in the Unit.

The undersigned reserves the right to amend this Designation of Unit from time to time, and at any time, in order to correct any error herein or to include in this Unit any newly acquired interests within the Unit boundaries or to enlarge the Unit area in accordance with the applicable rules and regulations of any governmental regulatory body or agency having jurisdiction insofar as such right is granted in the subject leases, by appropriate amendments or instruments correcting or committing any such interest to this Unit.

By execution of this Designation of Unit, the undersigned does not exhaust its right to pool the leases and lands hereinabove described with other leases and lands as to any other minerals, horizon, or strata covered thereby, and it expressly reserves to itself, its assignees, or successors in interest, the right and power to pool or unitize the above described leases and lands with any other leases, lands, horizons, or strata in the vicinity and so far as the power, right, and authority to do so is granted in the subject leases and various agreements and so long as such power and authority is exercised in accordance with applicable rules and regulations of any governmental regulatory body or agency having jurisdiction.

This Unit may not be ratified or joined in by any party who is not named hereinbelow without the consent of the parties hereto.

1378/10

The Unit hereby created shall be effective as of the date of first production from the Unit, and shall remain in force as long as the pooled minerals are being produced from the Unit, or so long as the leases covering the Unit are maintained in force by payment or tender of shut-in royalties or by other means, in accordance with the terms of said leases.

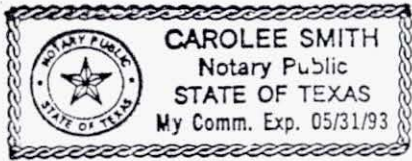
IN WITNESS WHEREOF, this Designation of Unit is executed on this 10th day of December, 1991.

UNION PACIFIC RESOURCES COMPANY

By: Debra Johnson
Its: Attorney-in-Fact SO
Johnson

STATE OF TEXAS
COUNTY OF TARRANT

This instrument was acknowledged before me on the 10th day of December, 1991, by Debra Johnson Attorney-in-Fact of UNION PACIFIC RESOURCES COMPANY, a Delaware corporation, on behalf of said corporation.



Carolee Smith
Notary Public in and for the
State of Texas
My commission expires: 5/31/93

Exhibit "A"

Attached to and made a part of that certain "Designation of Unit - Brazos Farm Ltd. - Sausage Unit" dated 13-10, 1991.

Lessor: Brazos Farm Ltd. and M.U.S.A. Ltd.
Lessee: Black Creek Production Company
Dated: March 12, 1990
Filed: Records of Brazos County, Texas
Recorded: Volume 1204, Page 306

Lessor: Myrtle Killingsworth Layton
Lessee: Union Pacific Resources Company
Dated: February 13, 1990
Filed: Records of Brazos County, Texas
Recorded: Volume 1206, Page 272

Lessor: Lawrence Towles
Lessee: Union Pacific Resources Company
Dated: February 13, 1990
Filed: Records of Brazos County, Texas
Recorded: Volume 1181, Page 50

Lessor: Dorothy Salpetro and Pete Sausage
Lessee: Union Pacific Resources Company
Dated: February 6, 1990
Filed: Records of Brazos County, Texas
Recorded: Volume 1174, Page 785

Lessor: Commissioner of the General Land Office of the State of Texas
Lessee: Union Pacific Resources Company
Dated: November 20, 1990
Filed: Records of Brazos County, Texas
Recorded: Volume 1232, Page 179

Lessor: Johnny A. Brown
Lessee: Union Pacific Resources Company
Dated: July 11, 1990
Filed: Records of Brazos County, Texas
Recorded: Volume 1209, Page 196

Lessor: Allean Mason, et al.
Lessee: Union Pacific Resources Company
Dated: February 20, 1991
Filed: Records of Brazos County, Texas
Recorded: Volume 1202, Page 452

Attached to and made a part of that certain "Designation of Unit - Brazos Farm Ltd. - Sausage Unit" dated 12-10, 1991.

357.51 Acre Tract

Brazos Farms, Ltd.-Sausage Unit Well No. 1
 Union Pacific Resources Company
 William Mathis Survey, A-37
 Brazos County, Texas

Field notes of a 357.51 acre tract or parcel of land, lying and being situated in the William Mathis Survey, Abstract No. 37, of Brazos County, Texas, and being all of the two tracts described in a certain Oil, Gas and Mineral Lease from Dorothy Salpetro and Pete Sausage, recorded in Volume 1174, Page 785, of the Official Records of Brazos County, Texas, and being the same lands described as five tracts in the deed to Dominic Salsiccia, recorded in Volume 72, Page 614, and the deed to William Mazy, recorded in Volume V, Page 513, both in the Deed Records of Brazos County, and also being part of the called 1019.276 acres described in the certain Oil, Gas and Mineral Lease from Brazos Farms Ltd., an Illinois Corp. and M.U.S.A. Ltd., an Illinois Corp. recorded in Volume 1204, Page 306, of the Official Records of Brazos County, said lease being part of the called 1419.276 acres described in the deed to M.U.S.A. Limited and Brazos Farms Limited, recorded in Volume 386, Page 164, of the Brazos County Deed Records, this 357.15 acre tract also being part of the State Highway 21 right-of-way described in that certain Oil, Gas and Mineral Lease from the State of Texas, recorded in Volume 1232, Page 179, of the Official Records of Brazos County, and also being part of the called 7.01 acre tract described in the deed from Estell Dikes to Columbus C. Mason, Jr., recorded in Volume 629, Page 278, of the Official Records of Brazos County, Texas, and also being all the called 17.99 acres described in the Oil, Gas and Mineral Lease from Johnny A. Brown, recorded in Volume 1209, Page 196, of the Official Records of Brazos County, Texas, said 17.99 acres being the remainder of the called 25 acre tract described in the deed from Catheryne Brown Mitchell and husband to Johnny A. Brown, recorded in Volume 248, Page 372, of the Brazos County Deed Records, the 357.51 acre tract being more particularly described as follows:

BEGINNING at a cross-tie fence corner lying on the southeast line of the William Mathis Survey, same being the south corner of a called 22.5 acre parcel in the abovementioned Salpetro and Sausage lease;

THENCE N 44° 35' 03" W as referenced to true north by solar observation with the southwest line of said parcel and lease, for a distance of 895.95 feet to a point on the south right-of-way line of State Highway 21;

THENCE N 45° 01' 58" W across said right-of-way, for a distance of 261.87 feet to a point on the north right-of-way line of same;

THENCE continuing with the southwest line of the called 22.5 acre parcel, for the following calls:

N 45° 18' 14" W 1205.13 feet with a fence, to a cross-tie
 for an angle point,

N 47° 03' 05" W 622.82 feet to a point in the centerline
 of the Little Brazos River;

THENCE S 39° 13' 05" W down the centerline of said river, for a distance of 502.41 feet;

THENCE N 45° 19' 11" W across the called 1419.276 acre tract and a called 70 acre parcel of same, described in the deed to William Triggs, recorded in Volume 73, Page 104, of the Brazos County Deed Records, for a distance of 3890.21 feet to a point on a northwest line of the 1419.276 acre tract;

357.51 Acre Tract
Brazos Farms, Ltd.-Sausage Unit Well No. 1
Union Pacific Resources Company
William Mathis Survey, A-37
Brazos County, Texas
Page 2

THENCE with the northwest and the northeast lines of the called 1019.276 acre lease tract for the following calls:

N 44° 40' 48" E 272.47 feet,
S 45° 19' 12" E 1686.58 feet,
N 44° 40' 48" E 2068.46 feet,
S 45° 28' 26" E 18.90 feet,
N 45° 10' 28" E 973.08 feet,
S 44° 53' 14" E 2533.58 feet to a point on the centerline
of the Little Brazos River;

THENCE down the centerline of said river, for the following calls:

S 36° 54' 26" W 73.93 feet,
S 46° 56' 01" W 42.08 feet;

THENCE S 45° 53' 49" E with the northeast line of the called 35 acre remainder fifth tract, described in the beforementioned deed recorded in Volume 72, Page 614, of the Brazos County Deed Records, for a distance of 2523.68 feet to a cross-tie in the northwest right-of-way line of Old San Antonio Road (OSR) as fenced;

THENCE S 44° 10' 39" W with said right-of-way line, for a distance of 974.19 feet to a point on the north right-of-way line of State Highway No. 21, a cross-tie bears N 44° 10' 39" E 8.9 feet;

THENCE N 77° 49' 00" E with said north right-of-way line, for a distance of 75.72 feet to a point on the southeast line of the William Mathis Survey, same being the northwest line of the James Curtis, Jr., Survey, Abstract No. 12, of Brazos County, and corner at the northeast corner of the beforementioned right-of-way lease from the State of Texas;

THENCE S 44° 43' 32" W with said survey line and the east and southeast lines of the State right-of-way lease and Salpetro lease respectively, for a distance of 1788.50 feet to the PLACE OF BEGINNING, containing 357.51 acres of land, more or less.

kes-1:a:\uprcbfsa

LIMITED TO THE Austin Chalk formation, as found between 7134 feet and 7314 feet in the Haber Oil Company #1 Bayne Well located 5801 feet FSEL and 1407 feet FNEL of the W. Mathis Survey, A-37, Brazos County, Texas.

EXHIBIT "C"
 Attached to and made a part of that certain "Designation of Unit" of Brazos Farm Ltd. - Sausage Unit" dated 12-10-91, 19

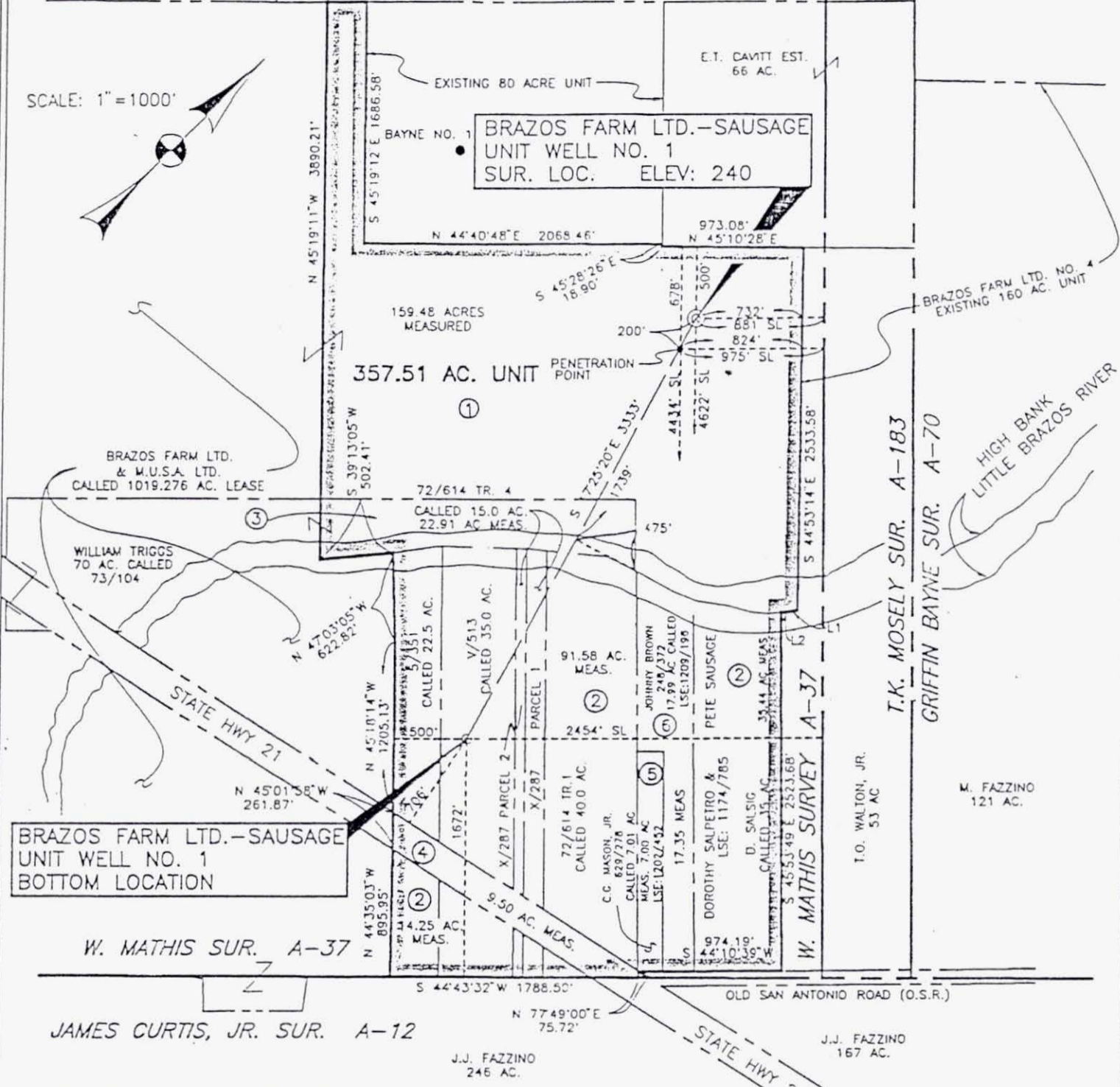
- NOTES: 1. BEARINGS BASED ON TRUE N OBTAINED BY SOLAR OBSERVATION
 2. WELL LOCATED S 83°W 10 MI. FROM BRYAN
 3. DASHED LINE INDICATES LIMITS OF UNIT
 4. SEE EXHIBIT "A" FOR STATE PLANE COORDINATE DATA

H.D. WILSON
 E.T. CAVITT
 50 AC.

V. COURT
 84.5 AC.

V. COURT
 51 AC.

SCALE: 1" = 1000'



MEANDERS OF L. BRAZOS RIVER LINE

LINE	BEARING	DISTANCE
1	S 36°54'26"W	73.93'
2	S 46°56'01"W	42.08'

TRACT	LEASE	ACREAGE IN UNIT
①	BRAZOS FARM LTD.	159.48
②	DOROTHY SALPETRO & PETE SUASAGE	141.27
③	WILLIAM TRIGGS	22.91
④	STATE HWY 21 R.O.W.	9.50
⑤	ALLEAN MASON, et al	7.00
⑥	JOHNNY BROWN	17.35
TOTAL ACREAGE=		357.51

REVISION: 12-20-90
 ADDED TRIGGS TRACT
 REVISION 01-21-91
 ADDED HWY 21 R.O.W.
 REVISION: 03-11-91
 ADDED TRACTS 5 & 6



SURVEYED NOV., 1990

Gary B. Neill

BY: GARY B. NEILL R.P.L.S. 3964

WELL LOCATION
BRAZOS FARM LTD.-SAUSAGE UNIT WELL NO. 1
 UNION PACIFIC RESOURCES COMPANY
 W. MATHIS SURVEY, A-37
 BRAZOS COUNTY, TEXAS

SCALE: 1" = 1000'

NOVEMBER, 1990

⑬ M-94311
Designation of Unit

PROPERTY NUMBER: 052104 PRODUCT(S): CRUDE OIL, GAS

PROPERTY NAME: LONGHORN UNIT #1

COUNTY/PARISH: BRAZOS

OPERATOR: UNION PACIFIC RESOURCES

STATE: TEXAS

LEGAL DESCRIPTION: 400 ACRES OUT OF THE WILLIAM MATHIS SURVEY, A-37 AND THE JAMES CURTIS, JR. SURVEY, A-12.

STATE OF TEXAS
% COMMISSION GEN. LAND OFFICE
1700 N CONGRESS AVENUE
STEPHEN F. AUSTIN BLDG.
AUSTIN TX 78701

005772101001

100 200

THIS IS YOUR COPY. PLEASE RETAIN FOR YOUR RECORDS.

IMPORTANT: YOU MUST PROVIDE YOUR SOCIAL SECURITY OR TAX ID NUMBER. YOUR SIGNATURE AND THOSE OF TWO WITNESSES MUST ALSO BE PROVIDED. YOUR SIGNATURE CONFIRMS THE INTEREST IDENTIFIED BELOW TO OWNER #0057721-01 DOI ID#

001, AND BINDS YOU TO THE TERMS ON THE REVERSE SIDE OF THIS DOCUMENT.

FURTHER, YOU HEREBY CERTIFY UNDER PENALTIES OF PERJURY, AS REQUIRED BY

THE INTERNAL REVENUE CODE, THAT THE NUMBER SHOWN ON THIS FORM IS YOUR

CORRECT TAX ID NUMBER. PLEASE RETURN THE EXECUTED DIVISION ORDER TO

UNION PACIFIC RESOURCES CO. P.O. BOX 2993, FORT WORTH, TEXAS 76113-2993.

THIS DIVISION ORDER SHALL BE EFFECTIVE AS OF 7:00 A.M. ON THE FIRST DAY

OF FEBRUARY 1991.

OWNER SIGNATURE(S)/CORPORATE TITLE

SIGNATURE OF WITNESS #1

SOCIAL SECURITY OR TAX ID #

SIGNATURE OF WITNESS #2

NEW ADDRESS (IF CHANGED)

OWNER NUMBER	DOI/ID	OWNER NAME	INTEREST TYPE	INTEREST PAID BY UPRC
2226822 01	001	GURPREET SINGH	OR	0.003302
2226834 01	001	C.F. EWELL, TRUSTEE	OR	0.006602
2226846 01	001	CAROLYN GUEDRY	OR	0.001652
2226858 01	001	MARK GUEDRY, TRUST	OR	0.006602
2228517 01	001	JOHN H. MOON JR.	OR	0.001652
2231032 01	001	HARDY FIELDS	OR	0.006602

INTEREST TYPE LEGEND:

WI - WORKING INTEREST OR - OVERRIDING ROYALTY RI - ROYALTY INTEREST
PP - PRODUCTION PAYMENT TP - TOTAL PRODUCTION

UNION PACIFIC RESOURCES COMPANY

TO: Union Pacific Resources Company.
P.O.Box 2993
Fort Worth, Texas 76113-2993

1. **OIL** : Oil shall include crude oil, condensate and other liquid hydrocarbons marketed in conjunction with the production of oil and gas. The price of all oil marketed shall be a posted per barrel field price for similiar oil for the field where produced or as established under applicable contract, less A) trucking, barging or pipeline expenses, if any, to the point of delivery designated by the purchaser; B) the cost of any treatment necessary to render such oil merchantable; C) any proper deduction for water, dirt, sediment and other impurities; and D) corrections for temperature and gravity made in accordance with established rules prevailing at the time and place of delivery. All oil marketed under the terms of this division order shall become the property of the purchaser to whom it is marketed by Union Pacific Resources Co. (UPRC) when delivered to such purchaser or when delivered into any pipeline or to any person, firm or corporation designated by such purchaser to receive or transport said oil for its account.
2. **GAS** : Gas shall include natural gas, gas liquids, casinghead gas, associated gaseous hydrocarbons and plant by-products marketed in conjunction with the production of oil and gas. The settlement for all gas produced and marketed from the property shall be made on the basis of measurements in accordance with industry standards and shall be priced in accordance with the applicable gas sales contract or processing agreement, less any fair and reasonable charges for, but not limited to, A) compression, B) processing, C) making it merchantable, and D) transportation, if sold or taken off the property.
3. **COMMINGLING** : If production from the property is commingled with production from other properties, a portion of the total shall be allocated to the property on the basis of lease meter readings or any other method generally accepted in the industry.
4. **UNITIZATION** : In the event the production from the property is pooled, unitized or communitized with one or more other properties by voluntary agreement, declaration, operation of law, or by action of a governmental authority with jurisdiction, the oil and/or gas allocated to the property from the total oil and/or gas produced and marketed from the pooled, unitized or communitized area shall be deemed for all purposes to have been actually produced from the property.
5. **TITLES** : If any dispute or question arises concerning title to the interest of the owner(s) in the property or the proceeds from the sale of production therefrom, UPRC shall be furnished, at its request, such evidence of title as it may require. Until such evidence of title is furnished and such dispute or question is resolved to the satisfaction of UPRC, or until satisfactory indemnity is furnished to UPRC, UPRC is authorized to withhold proceeds due the owner(s) of the disputed or questioned interest. If any action or suit is filed in any state or federal court or administrative body affecting an owner(s) interest or proceeds due, owner(s) shall immediately provide written notice to UPRC stating the court or administrative body in which the action is filed and the title of the action.
6. **CHANGE OF OWNERSHIP** : Owner(s), their heirs, representatives, successors or assigns, shall timely notify UPRC, at the address above, of each change in the person or entity entitled to receive payment hereunder. No transfer of ownership or change in the person or entity entitled to receive payment, however effected, shall be binding upon UPRC until it has received, at no expense to UPRC: A) a properly recorded instrument or instruments evidencing such transfer or change; B) such further evidence as UPRC may require; and C) a properly executed division order/transfer order executed by all parties in interest. Furthermore, owner(s) relieve UPRC from the responsibility and liability for determining when and whether such owner's interest shall change or revert to or otherwise become owned by another party. Owner(s) shall indemnify UPRC and hold UPRC harmless from any and all claims, causes of action, damages or losses including, but not limited to, court costs and reasonable attorney's fees which may arise or result to any owner in the event of a change of ownership for which timely and sufficient notice is not received by UPRC. The accounting for all such transfers or changes of interests shall be as of 7:00 AM on the first day of the calendar month following the month in which notice is received by UPRC.
7. **WARRANTIES** : Owner(s) hereby warrants and agrees to forever defend the title to such owner's interest including that owner's share in proceeds from sales. The operator and other working interest owners severally represent that all oil and/or gas produced and marketed from the property has been or will be produced in compliance with all applicable federal, state and local laws, rules and regulations.
8. **TAXES AND ASSESSMENTS** : UPRC shall deduct, as required by applicable law, from any proceeds due an owner, any or all production, severance, ad valorem, excise, sales, and other or dissimilar taxes. Any charges or assessments or any interest or penalties in connection therewith, now or hereafter levied, assessed or placed on such proceeds or an owners interest by a governmental authority will also be deducted.
9. **SETTLEMENT** : Settlement shall be made monthly to owner(s). If the proceeds payable to an owner in any one month amount to less than twenty-five dollars (\$25.00), UPRC may, at its option, accrue such proceeds and proceeds of subsequent months, until the amounts accrued total twenty-five dollars (\$25.00).
10. **EXECUTION** : This document shall be binding upon all signatory parties, their heirs, representatives, successors or assigns.



Union Pacific Resources

A Subsidiary of Union Pacific Corporation

OWNER NUMBER	DOI/ID	NAME	INTEREST TYPE	INTEREST PAID BY UPRC
X0057721	01 001	STATE OF TEXAS	RI	0.009305 <i>WR</i>
2223362	01 001	DOROTHY VARISCO DONAHO	RI	0.022875
2223386	01 001	M U S A LTD.	RI	0.009698
2223398	01 001	ANTOINETTE VARISCO GUIDO	RI	0.022875
2223429	01 001	BRAZOS FARMS, LTD.	RI	0.023315
2226715	01 001	RACHEL FERGUSON BELL	RI	0.002027
2226727	01 001	JAMES E. FERGUSON	RI	0.002027
2226739	01 001	W. JEAN FERGUSON	RI	0.002027
2226741	01 001	MARION F. ELLICOTT AND HALLIE ELLICOTT	RI	0.002027
2226753	01 001	SAM H. FERGUSON	RI	0.002027
2226765	01 001	NANCY FERGUSON GALLUP	RI	0.002027
2226777	01 001	TOM S. HENDERSON JR.	RI	0.002027
2226789	01 001	FRANCIS LAW HENDERSON	RI	0.002027
2226791	01 001	MARGUERITE H. RENEKER	RI	0.002027
2226808	01 001	BRADY B. TYSON	RI	0.001015
2226810	01 001	HARRIET TYSON	RI	0.001015
2237626	01 001	MYRTLE KILLINGSWORTH LAYTON	RI	0.002864
2237638	01 001	CHARLES LAWRENCE TOWLES JR.	RI	0.001432
2237640	01 001	ANN TOWLES VREUGDE	RI	0.001432
2237652	01 001	PETE SAUSAGE	RI	0.026458
2237664	01 001	DOROTHY S. SALPETRO	RI	0.026457
2237676	01 001	FRANCO DA CONTURBIA	RI	0.033014
1536001	01 002	UNION PACIFIC RESOURCES CO.	WI	0.773590

INTEREST TYPE LEGEND:

WI - WORKING INTEREST OR - OVERRIDING ROYALTY RI - ROYALTY INTEREST
PP - PRODUCTION PAYMENT TP - TOTAL PRODUCTION

UNION PACIFIC RESOURCES COMPANY

TO: Union Pacific Resources Company,
P.O.Box 2993
Fort Worth, Texas 76113-2993

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2. **GAS** : Gas shall include natural gas, gas liquids, casinghead gas, associated gaseous hydrocarbons and plant by-products marketed in conjunction with the production of oil and gas. The settlement for all gas produced and marketed from the property shall be made on the basis of measurements in accordance with industry standards and shall be priced in accordance with the applicable gas sales contract or processing agreement, less any fair and reasonable charges for, but not limited to, A) compression, B) processing, C) making it merchantable, and D) transportation, if sold or taken off the property.
3. **COMMINGLING** : If production from the property is commingled with production from other properties, a portion of the total shall be allocated to the property on the basis of lease meter readings or any other method generally accepted in the industry.
4. **UNITIZATION** : In the event the production from the property is pooled, unitized or communitized with one or more other properties by voluntary agreement, declaration, operation of law, or by action of a governmental authority with jurisdiction, the oil and/or gas allocated to the property from the total oil and/or gas produced and marketed from the pooled, unitized or communitized area shall be deemed for all purposes to have been actually produced from the property.
5. **TITLES** : If any dispute or question arises concerning title to the interest of the owner(s) in the property or the proceeds from the sale of production therefrom, UPRC shall be furnished, at its request, such evidence of title as it may require. Until such evidence of title is furnished and such dispute or question is resolved to the satisfaction of UPRC, or until satisfactory indemnity is furnished to UPRC, UPRC is authorized to withhold proceeds due the owner(s) of the disputed or questioned interest. If any action or suit is filed in any state or federal court or administrative body affecting an owner(s) interest or proceeds due, owner(s) shall immediately provide written notice to UPRC stating the court or administrative body in which the action is filed and the title of the action.
6. **CHANGE OF OWNERSHIP** : Owner(s), their heirs, representatives, successors or assigns, shall timely notify UPRC, at the address above, of each change in the person or entity entitled to receive payment hereunder. No transfer of ownership or change in the person or entity entitled to receive payment, however effected, shall be binding upon UPRC until it has received, at no expense to UPRC: A) a properly recorded instrument or instruments evidencing such transfer or change; B) such further evidence as UPRC may require; and C) a properly executed division order/transfer order executed by all parties in interest. Furthermore, owner(s) relieve UPRC from the responsibility and liability for determining when and whether such owner's interest shall change or revert to or otherwise become owned by another party. Owner(s) shall indemnify UPRC and hold UPRC harmless from any and all claims, causes of action, damages or losses including, but not limited to, court costs and reasonable attorney's fees which may arise or result to any owner in the event of a change of ownership for which timely and sufficient notice is not received by UPRC. The accounting for all such transfers or changes of interests shall be as of 7:00 AM on the first day of the calendar month following the month in which notice is received by UPRC.
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8. **TAXES AND ASSESSMENTS** : UPRC shall deduct, as required by applicable law, from any proceeds due an owner, any or all production, severance, ad valorem, excise, sales, and other or dissimilar taxes. Any charges or assessments or any interest or penalties in connection therewith, now or hereafter levied, assessed or placed on such proceeds or an owners interest by a governmental authority will also be deducted.
9. **SETTLEMENT** : Settlement shall be made monthly to owner(s). If the proceeds payable to an owner in any one month amount to less than twenty-five dollars (\$25.00), UPRC may, at its option, accrue such proceeds and proceeds of subsequent months, until the amounts accrued total twenty-five dollars (\$25.00).
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Union Pacific Resources

A Subsidiary of Union Pacific Corporation

DIVISION ORDER

DATE: 08/06/91

LV

PROPERTY NUMBER: 035800 PRODUCT(S): CRUDE OIL, GAS

PROPERTY NAME: JAYHAWK UNIT #1

COUNTY/PARISH: BRAZOS

OPERATOR: UNION PACIFIC RESOURCES

STATE: TEXAS

LEGAL DESCRIPTION: 262 ACRES OUT OF THE WILLIAM MATHIS SURVEY, A-37 AND THE JAMES CURTIS, JR. SURVEY, A-12.

STATE OF TEXAS
% COMMISSION GEN. LAND OFFICE
1700 N CONGRESS AVENUE
STEPHEN F. AUSTIN BLDG.
AUSTIN TX 78701

005772101001

100 200

THIS IS YOUR COPY. PLEASE RETAIN FOR YOUR RECORDS.

IMPORTANT: YOU MUST PROVIDE YOUR SOCIAL SECURITY OR TAX ID NUMBER. YOUR SIGNATURE AND THOSE OF TWO WITNESSES MUST ALSO BE PROVIDED. YOUR SIGNATURE CONFIRMS THE INTEREST IDENTIFIED BELOW TO OWNER #0057721-01 DOI ID# 001, AND BINDS YOU TO THE TERMS ON THE REVERSE SIDE OF THIS DOCUMENT. FURTHER, YOU HEREBY CERTIFY UNDER PENALTIES OF PERJURY, AS REQUIRED BY THE INTERNAL REVENUE CODE, THAT THE NUMBER SHOWN ON THIS FORM IS YOUR CORRECT TAX ID NUMBER. PLEASE RETURN THE EXECUTED DIVISION ORDER TO UNION PACIFIC RESOURCES CO. P.O. BOX 2993, FORT WORTH, TEXAS 76113-2993. THIS DIVISION ORDER SHALL BE EFFECTIVE AS OF 7:00 A.M. ON THE FIRST DAY OF FEBRUARY 1991.

OWNER SIGNATURE(S)/CORPORATE TITLE

SIGNATURE OF WITNESS #1

SOCIAL SECURITY OR TAX ID #

SIGNATURE OF WITNESS #2

NEW ADDRESS (IF CHANGED)

OWNER NUMBER	DOI/ID	OWNER NAME	INTEREST TYPE	INTEREST PAID BY UPRC
2226822	01 001	GURPREET SINGH	OR	0.004384
2226834	01 001	C.F. EWELL, TRUSTEE	OR	0.008767
2226846	01 001	CAROLYN GUEDRY	OR	0.002192
2226858	01 001	MARK GUEDRY, TRUST	OR	0.008767
2228517	01 001	JOHN H. MOON JR.	OR	0.002191
2231032	01 001	HARDY FIELDS	OR	0.008767

INTEREST TYPE LEGEND:

WI - WORKING INTEREST OR - OVERRIDING ROYALTY RI - ROYALTY INTEREST
PP - PRODUCTION PAYMENT TP - TOTAL PRODUCTION

UNION PACIFIC RESOURCES COMPANY

TO: Union Pacific Resources Company.
P.O.Box 2993
Fort Worth, Texas 76113-2993

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OWNER NUMBER	DOI/ID	NAME	INTEREST TYPE	INTEREST PAID BY UPRC
*0057721	01 001	STATE OF TEXAS	RI	0.010905
2223362	01 001	DOROTHY VARISCO DONAHO	RI	0.028774
2223386	01 001	M U S A LTD.	RI	0.012877
2223398	01 001	ANTOINETTE VARISCO GUIDO	RI	0.028774
2223429	01 001	BRAZOS FARMS, LTD.	RI	0.030958
2226715	01 001	RACHEL FERGUSON BELL	RI	0.003012
2226727	01 001	JAMES E. FERGUSON	RI	0.003012
2226739	01 001	W. JEAN FERGUSON	RI	0.003012
2226741	01 001	MARION F. ELLICOTT AND HALLIE ELLICOTT	RI	0.003012
2226753	01 001	SAM H. FERGUSON	RI	0.003012
2226765	01 001	NANCY FERGUSON GALLUP	RI	0.003012
2226777	01 001	TOM S. HENDERSON JR.	RI	0.003012
2226789	01 001	FRANCIS LAW HENDERSON	RI	0.003012
2226791	01 001	MARGUERITE H. RENEKER	RI	0.003012
2226808	01 001	BRADY B. TYSON	RI	0.001507
2226810	01 001	HARRIET TYSON	RI	0.001507
2237626	01 001	MYRTLE KILLINGSWORTH LAYTON	RI	0.006877
2237638	01 001	CHARLES LAWRENCE TOWLES JR.	RI	0.003439
2237640	01 001	ANN TOWLES VREUGDE	RI	0.003438
2237676	01 001	FRANCO DA CONTURBIA	RI	0.043835
1536001	01 002	UNION PACIFIC RESOURCES CO.	WI	0.764933

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TO: Union Pacific Resources Company.
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Garry Mauro
Commissioner
General Land Office



October 15, 1991

Division Order Department
Union Pacific Resources Co.
P.O. Box 2993
Fort Worth, Texas 76113-2993

RE: Mineral File No. M-94311

Dear Sir or Madam:

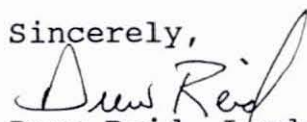
This letter acknowledges the Division Order prepared by your company for execution by the individual royalty owners.

The statutes provide for the royalties that the State receives. It is not the policy of the General Land Office to execute division orders.

The General Land Office, insofar as permitted under the law, acquiesces in the sale of the oil and gas to you under the lease, as prescribed by law and under the terms and conditions set out in the lease covering the land in question.

We have filed the division order in the mineral file referenced above. If you have any questions, please feel free to call me at (512) 463-5042.

Sincerely,


Drew Reid, Landman
Lease Administration
Energy Resources

DR/dr

1
~~8~~ 14

94311

MF _____
ITEM DO. + LTR
TO > Union Pac. Co
FROM _____
DATE 10.15.51

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

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

OFFICIAL USE

Certified Mail Fee

\$ _____

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

- | | |
|--|----------|
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ _____ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ _____ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ _____ |
| <input type="checkbox"/> Adult Signature Required | \$ _____ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ _____ |

Postmark
Here

Postage

\$ _____

Total Postage

\$ _____

Sent To

Street and Apt.

City, State, ZIP

Wildhorse Resources Management LLC
9805 Katy Freeway
Suite 400
Houston, TX 77024

7016 2070 0000 7391 9196 9616

Certified Mail service provides the following benefits:

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

Important Reminders:

- You may purchase Certified Mail service with First-Class Mail®, First-Class Package Service®, or Priority Mail® service.
- Certified Mail service is *not* available for international mail.
- Insurance coverage is *not* available for purchase with Certified Mail service. However, the purchase of Certified Mail service does not change the insurance coverage automatically included with certain Priority Mail items.
- For an additional fee, and with a proper endorsement on the mailpiece, you may request the following services:
 - Return receipt service, which provides a record of delivery (including the recipient's signature). You can request a hardcopy return receipt or an electronic version. For a hardcopy return receipt, complete PS Form 3811, *Domestic Return Receipt*; attach PS Form 3811 to your mailpiece; for an electronic return receipt, see a retail associate for assistance. To receive a duplicate return receipt for no additional fee, present this USPS®-postmarked Certified Mail receipt to the retail associate.
 - Restricted delivery service, which provides delivery to the addressee specified by name, or to the addressee's authorized agent.
 - Adult signature service, which requires the signee to be at least 21 years of age (not available at retail).
 - Adult signature restricted delivery service, which requires the signee to be at least 21 years of age and provides delivery to the addressee specified by name, or to the addressee's authorized agent (not available at retail).
- To ensure that your Certified Mail receipt is accepted as legal proof of mailing, it should bear a USPS postmark. If you would like a postmark on this Certified Mail receipt, please present your Certified Mail item at a Post Office™ for postmarking. If you don't need a postmark on this Certified Mail receipt, detach the barcoded portion of this label, affix it to the mailpiece, apply appropriate postage, and deposit the mailpiece.

IMPORTANT: Save this receipt for your records.



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

Certified USPS 7016 2070 0000 7391 9196

October 4, 2017

Wildhorse Resources Management LLC
9805 Katy Freeway
Suite 400
Houston, TX 77024

Re: State Lease **MF 094311** being 23.95 acres, High Way Right of Way Brazos County Texas.

Dear Land Department:

Our records indicate that MF 094311 Unit# 2074 has terminated effective June 1, 2017 due to non-production. The Texas Administrative Code dealing with Shut-In Royalty is Title 31, Part 1, Chapter 9, Subchapter C, Rule §9.36.

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

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

We look forward to hearing from you.

Yours truly,

Travis Matthews
Landman, Energy Resources
512-463-5118
512-475-1543 (fax)
travis.matthews@glo.texas.gov

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File No. MF 094311

BRAZOS County

TERMINATION LETTER

Date Filed: 10/4/17

By TM George P. Bush, Commissioner