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DURST OIL CO

F290688

Highway Right-of-Way M-94380

**TERMINATED**

9-1-00

Accounting

Legal CFB

Exploration

Production

COUNTY (CODE) : Brazos  
SURVEY : J. H. Jones  
BLOCK : \_\_\_\_\_  
TOWNSHIP : \_\_\_\_\_  
SECTION : \_\_\_\_\_  
PART : \_\_\_\_\_  
ACRES : 3.30 - 3.41 per Unit  
DEPTH LIMITS : \_\_\_\_\_  
BASE FILE (S) : \_\_\_\_\_  
CONTROL NO. (S) : 56-02997-3

LESSEE : Durst Oil Company  
DATE : May 7, 1991  
PRIMARY TERM : 18 months  
BONUS : \$200.00 per acre / \$660.00  
ROYALTY : 1/5  
RENTALS : \$10.00 per acre / \$33.00

Legal DM  
Rental MS  
Min. A/c Q  
Min. Map 26

Paid To:

- 1. Lease 5-7-91 MC
- 2. Lease letter 6-14-91 MC
- 3. Letter to SLB 5-7-91 MC
- 4. Letter from Navy Dept 4-10-91 MC
- 5. Application 4-26-91 MC
- 6. Ltr. from Orest oil 3-23-92
- 7. Des. of Unit Agreement 3-25-92
- 8. W-2 Form "
- 9. Designation of Pooled Unit 12-22-92
- 10 Assign 6-4-98
- 11 ltr to Chelmar 7-13-98
- 12 ltr from Chelmar 9-17-98

Scanned sm 5/20/16

# The State of Texas



Austin, Texas

OIL AND GAS LEASE NO. M-94380  
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 Durst Oil Company, whose address is 1702 American Bank Plaza, Corpus Christi, Texas 78475-1184, hereinafter called "Lessee". 17722344626

1. Lessor, in consideration of Six Hundred Sixty and 00/100 Dollars (\$660.00), 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:

3.3 acres of land, more or less, situated in the J.H. Jones Survey, Abstract Number 26 in 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, delay rental or other payment hereunder, said land shall be deemed to contain 3.3 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 and agrees to accept the delay rental as lump sum considerations for this lease and all rights and options hereunder.

2. PRIMARY TERM: Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of eighteen (18) months from May 7, 1991, 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, Lessor's interest, in either case, to bear one-fifth (1/5) 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-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 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.

(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 \$33.00. 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. This Lease shall not be held in force under this "Shut-in" Royalty Clause beyond two (2) years from the time such well becomes a "Shut-in" well.

(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.

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 delay rental and 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. DELAY RENTAL/RELEASE: (a) If operations are not conducted on said land or acreage pooled therewith on or before May 7, 1992, this lease shall terminate as to both parties, unless Lessee on or before said date shall, subject to the further provisions hereof, pay or tender to Lessor the sum of \$33.00, which shall operate as delay rental and cover the privilege of deferring operations for six months from said date. Any payment hereunder may be made by check of Lessee deposited in the mail or delivered to Lessor on or before the last date for payment. Said delay rental shall be apportionable as to said land on an acreage basis, and a failure to make proper payment or tender of delay rental as to any portion of said land or as to any interest therein shall not affect this lease as to any portion of said land or as to any interest therein as to which proper payment or tender is made. Any payment or tender which is made in an attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts shall nevertheless be sufficient to prevent termination of this lease and to extend the time within which operations may be conducted in the same manner as though a proper payment had been made; provided, however, Lessee shall correct such error within thirty (30) days after Lessee has received written notice thereof from Lessor.

(b) 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. If this lease is so released as to all minerals and horizons under a portion of said land, the delay rental and other

payments computed in accordance therewith shall thereupon be reduced in the proportion that the acreage released bears to the acreage which was covered by this lease immediately prior to such release.

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 on its anniversary date next following the ninetieth day after such discontinuance unless on or before such anniversary date Lessee either (1) conducts operations or (2) commences or resumes the payment or tender of delay rental; provided, however, if such anniversary date is at the end of the primary term or if there is no further anniversary date of the primary term, this lease shall terminate at the end of such 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 canceled 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 and the delay rental provisions 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.

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, delay rental, 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 double the annual rental payable under this lease, 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.

17. HORIZONTAL SEVERANCE: Without impairing any provisions of this Lease pursuant to which it would otherwise terminate in whole or in part, this Lease in all events will terminate as to rights below a subsurface depth reached in the drilling of a well on said property or on property pooled herewith which well is commenced hereunder during the period of the primary term hereof; such termination shall occur upon the completion of drilling operations on the well (or all wells if more than one) commenced during such period of time, and thereupon Lessee shall execute an instrument in recordable form releasing all rights hereunder below the depth described above and shall deliver such instrument to Lessor. Upon such termination as to the deeper rights, Lessor and parties holding under Lessor shall have the right to explore and produce oil and gas from such deeper horizons and to a reasonable use of the surface (which Lessor has the right to use for such purposes) and the interval between the surface and the depth below the surface which is subject to this Lease in connection with such exploration and production.

18. EXTENSION: In the event a well has not been drilled on the

Brazos County  
CSJ's 506-1-1  
506-1-3  
599-1-1  
F.M. 60  
No. 315

Exhibit "A"

Being 3.30 acres of land, more or less, situated in the J. H. Jones Survey, Abstract Number 26 in Brazos County, Texas. Said 3.30 acres being all of and the same land conveyed to the State of Texas by a deed from George G. Foster, et ux as recorded in Volume 104, Page 183, of the Deed Records of Brazos County, Texas and being more particularly described as follows, to wit;

Beginning at a point on the east property line of the aforesaid Foster conveyance to the state where it intersects the north right of way line of F.M. 60. Said point being located 1,220.00 feet southwest of the most easterly property corner of the George G. Foster property and also being 50.00 feet left of and at right angles to Engineer's Centerline Station Number 298+90.00;

Thence in a southwesterly direction along the said Foster east property, a distance of 110.00 feet crossing said centerline of said F.M. 60 at Engineer's Centerline Station Number 299+79.00 and continuing on for a total distance of 220.00 feet to a point on the south right of way line of said highway;

Thence S 71° 40' 00" W along said right of way line, a distance of 1,350.00 feet to a point on the east bank of the Brazos River;

Thence in a northerly direction, upstream, along the east bank of the Brazos River, a distance of 50.00 feet, crossing the centerline of said highway at Engineer's Centerline Station Number 314+10.00 and continuing on for a total distance of 100.00 feet to a point on the north right of way line of said highway;

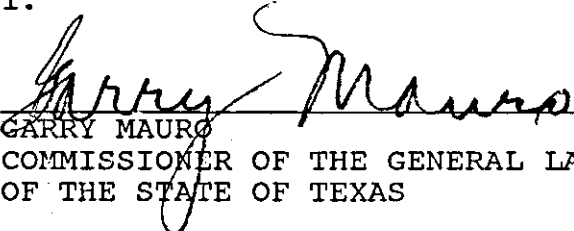
Thence N 71° 40' 00" E along the north right of way line, a distance of 1,520.00 feet to the point of beginning of the tract herein described and containing 3.30 acres of land, more or less.

Said 3.30 acres of land being as indicated on the official right of way map which is on file with the Department of Highways and Public Transportation and identified under Control Numbers 506-1-1 and 3 and 599-1-1.

leased premises or on property pooled herewith at the end of the primary term, then the primary term of this Lease may be extended for six (6) months by Lessee, if within thirty (30) days of the expiration of the primary term of this Lease, Lessee tenders to Lessor a lease extension bonus of \$660.00. The payment of this lease extension bonus shall be at the option of Lessee and is not an obligation of Lessee.

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 May 7, 1991.

RECORDED  
INDEXED  
MAY 10 1991  
BY [Signature]  
[Signature]

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



← To College Station

STA. 299+79.00

F. M. 60

BRAZOS COUNTY  
BURLESON COUNTY

Levee

50' Lt. Sta. 298+90.00

J. H. Jones Survey  
Abst. 26

STA. 314+10.00

BRAZOS RIVER

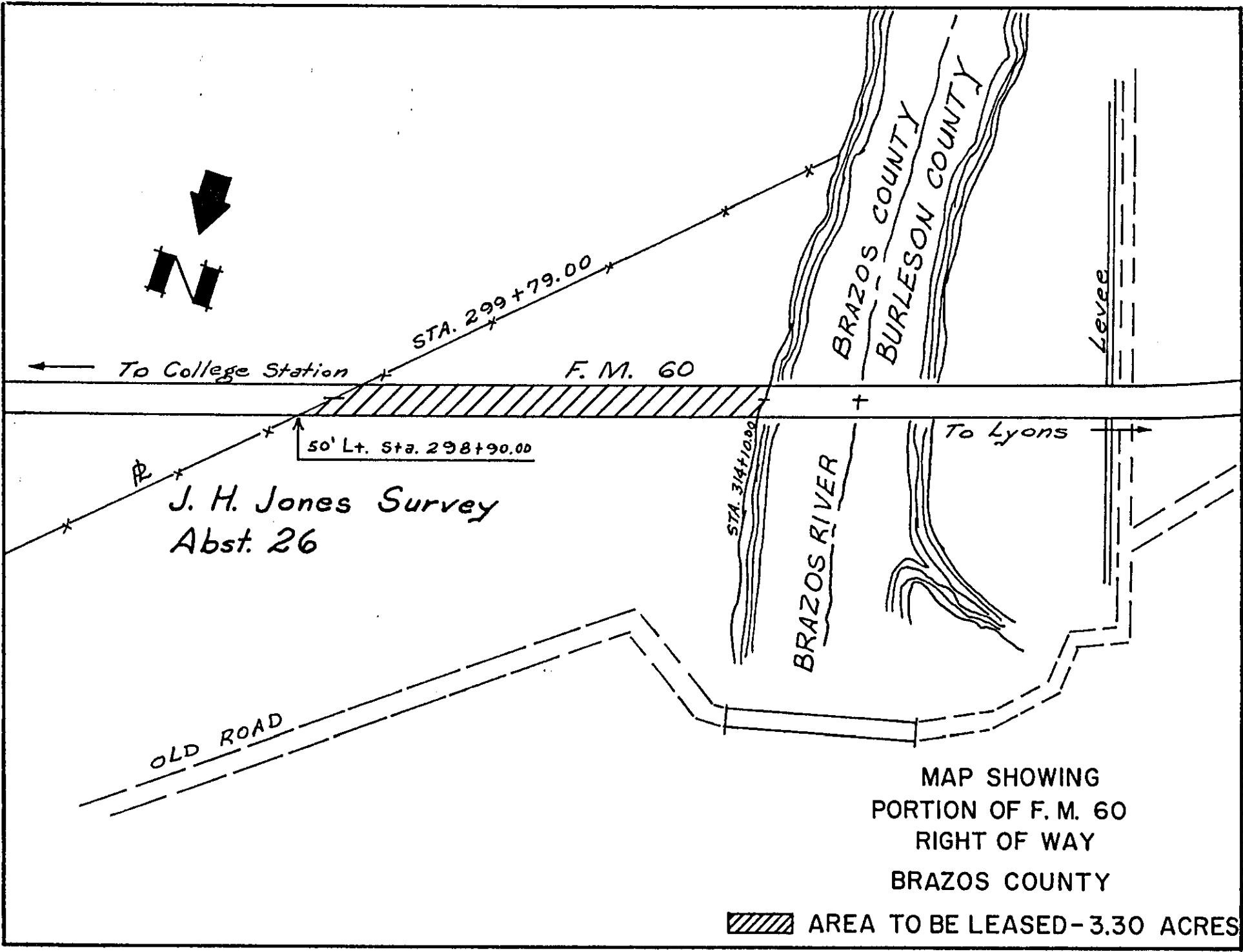
To Lyons →

OLD ROAD

MAP SHOWING  
PORTION OF F. M. 60  
RIGHT OF WAY  
BRAZOS COUNTY

 AREA TO BE LEASED - 3.30 ACRES

Exhibit B



M 94380 (1)

Case

File dated 5-7-91

Garry Mauro, Commissioner

57



June 14, 1991  
Lee A. Durst, Jr.  
Durst Oil Company  
1702 American Bank Plaza  
Corpus Christi, Texas 78475-1184

Re: Oil and Gas Lease No. M-94380  
3.30 acres, J.H. Jones Survey, Abstract 26, Brazos  
County, Texas

Dear Mr. Durst:

Pursuant to your application to lease the captioned 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.

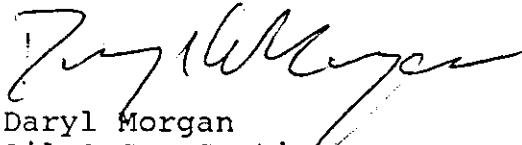
Furthermore, if this land and/or lease is included in a unit, please furnish us with a copy of the written designation of unit filed in the county records.

Page 2

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/mc

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

Enclosure

M. F. 94380 (2)  
CORRESPONDENCE FILE  
TO Durst Oil  
From  
Dated 6-14-91

GENERAL LAND OFFICE

GARRY MAURO  
COMMISSIONER  
MEMORANDUM

---

DATE: May 7, 1991

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

APPLICANT: Durst Oil Company

REFERENCE: Being 3.30 acres of land, more or less, situated in the J.H. Jones Survey, Abstract 26 in Brazos County, Texas.

The following terms were provided for in adjacent leases:

Bonus/Acre: \$200.00  
Royalty: 1/5  
Delay Rental: \$10.00  
Primary Term: 18 months

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: \$200.00 per acre  
Royalty: 1/5  
Delay Rental: \$10.00  
Primary Term: 18 months

Durst Oil Company holds a lease adjoining both sides of the above captioned highway right-of-way, thus, the applicant is entitled to a lease of the entire referenced 3.30 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. F. 44380  
CORRESPONDENCE FILE  
TO SLB  
From  
Dated 5-7-91



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.

April 10, 1991

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 lease 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	Durst Oil Company	\$200.00	1/5	1.5 years (18 months)	\$10.00

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

Sincerely,

  
Gary Bernethy, P.E.  
Right of Way Engineer

Attachments

Brazos County  
CSJ's 506-1-1  
506-1-3  
599-1-1  
F.M. 60  
No. 315

Exhibit "A"

Being 3.30 acres of land, more or less, situated in the J. H. Jones Survey, Abstract Number 26 in Brazos County, Texas. Said 3.30 acres being all of and the same land conveyed to the State of Texas by a deed from George G. Foster, et ux as recorded in Volume 104, Page 183, of the Deed Records of Brazos County, Texas and being more particularly described as follows, to wit;

Beginning at a point on the east property line of the aforesaid Foster conveyance to the state where it intersects the north right of way line of F.M. 60. Said point being located 1,220.00 feet southwest of the most easterly property corner of the George G. Foster property and also being 50.00 feet left of and at right angles to Engineer's Centerline Station Number 298+90.00;

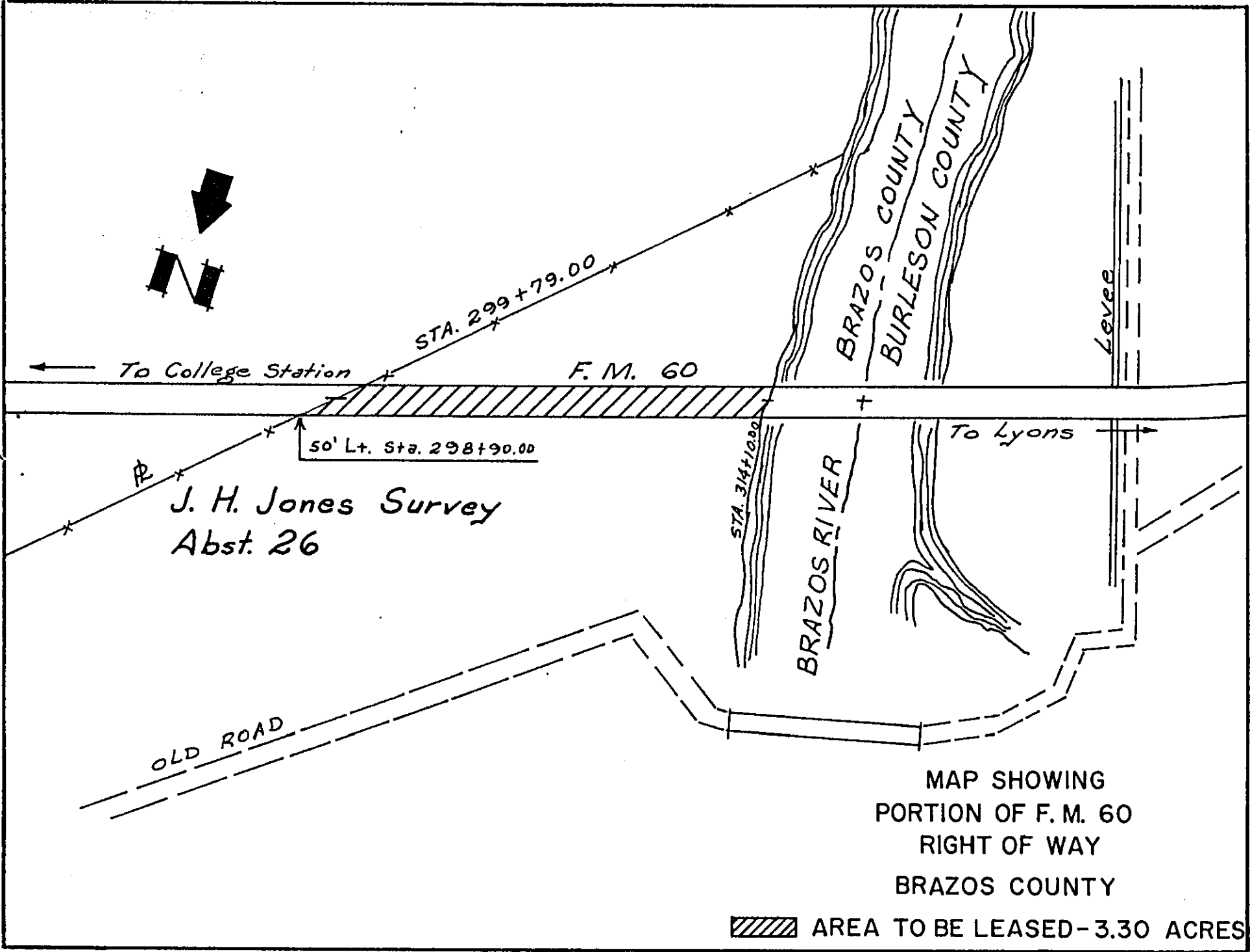
Thence in a southwesterly direction along the said Foster east property, a distance of 110.00 feet crossing said centerline of said F.M. 60 at Engineer's Centerline Station Number 299+79.00 and continuing on for a total distance of 220.00 feet to a point on the south right of way line of said highway;

Thence S 71° 40' 00" W along said right of way line, a distance of 1,350.00 feet to a point on the east bank of the Brazos River;

Thence in a northerly direction, upstream, along the east bank of the Brazos River, a distance of 50.00 feet, crossing the centerline of said highway at Engineer's Centerline Station Number 314+10.00 and continuing on for a total distance of 100.00 feet to a point on the north right of way line of said highway;

Thence N 71° 40' 00" E along the north right of way line, a distance of 1,520.00 feet to the point of beginning of the tract herein described and containing 3.30 acres of land, more or less.

Said 3.30 acres of land being as indicated on the official right of way map which is on file with the Department of Highways and Public Transportation and identified under Control Numbers 506-1-1 and 3 and 599-1-1.



← To College Station

STA. 299+79.00

F. M. 60

BRAZOS COUNTY  
BURLESON COUNTY

Levee

50' Lt. Sta. 298+90.00

J. H. Jones Survey  
Abst. 26

STA. 314+10.00

BRAZOS RIVER

To Lyons →

OLD ROAD

MAP SHOWING  
PORTION OF F. M. 60  
RIGHT OF WAY  
BRAZOS COUNTY

▨ AREA TO BE LEASED - 3.30 ACRES

M. F. 94380 (4)  
CORRESPONDENCE FILE  
TO GLO  
From \_\_\_\_\_  
Dated \_\_\_\_\_

file  
M. F. 94380 (4)  
CORRESPONDENCE FILE  
TO GLO  
From Naval Dept  
Dated 4-10-91

MAR 27 91

ENERGY RESOURCES

March 26, 1991

Texas General Land Office  
Petroleum and Minerals Division  
1700 N. Congress Avenue, Room 640  
Austin, Texas 78701

ATTN: Commissioner of the  
General Land Office

X 100.00 91037098  
X 660.00 91037099

RE: Proposed Lease of Highway Tract  
3.3 Acre Tract Highway 60  
Brazos County, Texas

X 9.90 91037100

Gentlemen:

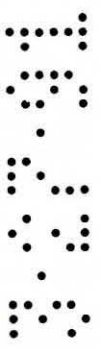
Durst Oil Company would like to request an Oil and Gas Lease covering a portion of Highway 60 in Brazos County, Texas. We are enclosing for your review the following materials in line with your procedure for leasing state highway tracts as revised October, 1987.

- 1. Surveyors map showing the boundaries and dimensions of the right-of-way tract we are proposing to lease.
- 2. Names of the adjacent mineral owners on both sides of the tract:

Durst Oil Company  
1702 American Bank Plaza  
Corpus Christi, Texas 78475

- 3. Affidavit and plat showing that on January 1, 1985, there was no well capable of producing in paying quantities within 2500 feet of the right-of-way boundaries.
- 4. Enclosed is our check in the amount of \$100.00 as a processing fee made payable to the Commissioner of the General Land Office.
- 5. Title Opinion prepared by Mr. Andy Carson of the firm of Matthews and Branscomb showing title in fee vesting in the State of Texas to this particular 3.3 acre tract.
- 6. A certified copy of the lease between Annette Varisco, et al to Sidney J. Greehey dated November 26, 1990, as recorded in Volume 1236, Page 808, of the Deed Records of Brazos County, Texas along with a certified copy of Assignment of Oil and Gas Lease from Sidney J. Greehey to Durst Oil Company.

171  
1  
161



7. Notarized Affidavit signed by Brazos J. Varisco dated March 6, 1991, as one of the Lessors of the subject Oil and Gas Lease listed in Item Six (6) above stating the bonus of \$200.00 per net acre for a term of eighteen (18) months.
8. A plat showing the location of the lands covered by the Oil and Gas Lease in Item Six (6) above. Please note that the lease clearly covers all lands adjacent to and on both sides of the right-of-way tract covered by this proposal.

Since Durst Oil Company is the adjacent mineral owner as indicated by the lease and plat enclosed, this letter should serve as the waiver of such adjacent mineral owner of the statutory notification. Also, Durst Oil Company is the sole working interest holder of the Oil and Gas Lease set out as Item Six (6) and we therefore set out our request to lease both sides of this right-of-way.

Please review the above proposal and if acceptable by School Land Board we are also enclosing our check in the amount of Six Hundred Sixty Dollars (\$660.00) covering the bonus consideration based on 3.3 acres times \$200.00 per net mineral acre plus the School Land Board statutory sales fee of \$9.90 being one and one-half percent (1-1/2%) of the bonus payment.

Very truly yours,  
DURST OIL COMPANY



Lee A. Durst, Jr.  
President

LADJ/lm

Enclosures



AFFIDAVIT OF FACT

STATE OF TEXAS §  
COUNTY OF BRAZOS §

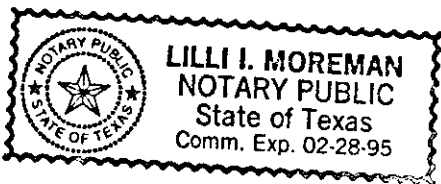
WHEREAS, my name is Lee A. Durst, Jr. and this Affidavit is to verify that I have investigated the records of the Railroad Commission of Texas in regards to wells drilled and producing for oil and gas purposes in the area circled in red on the attached plat and have found that there were neither any wells drilled nor any wells capable of producing on January 1, 1985, located anywhere within the boundaries of this outline.

FURTHER AFFIANT SAYS NOT this the 26 day of March, 1991.

[Signature]  
Lee A. Durst, Jr.

STATE OF TEXAS §  
COUNTY OF NUECES §

SWORN TO AND SUBSCRIBED before me on the 26 day of March, 1991.



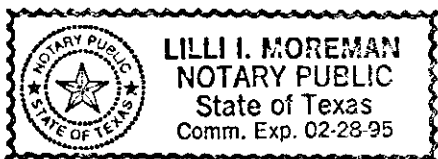
Lilli I. Moreman  
Notary Public in and for the  
State of Texas

Lilli I. MOREMAN  
Notary's Printed Name

My Commission Expires: 2-28-95

STATE OF TEXAS §  
COUNTY OF NUECES §

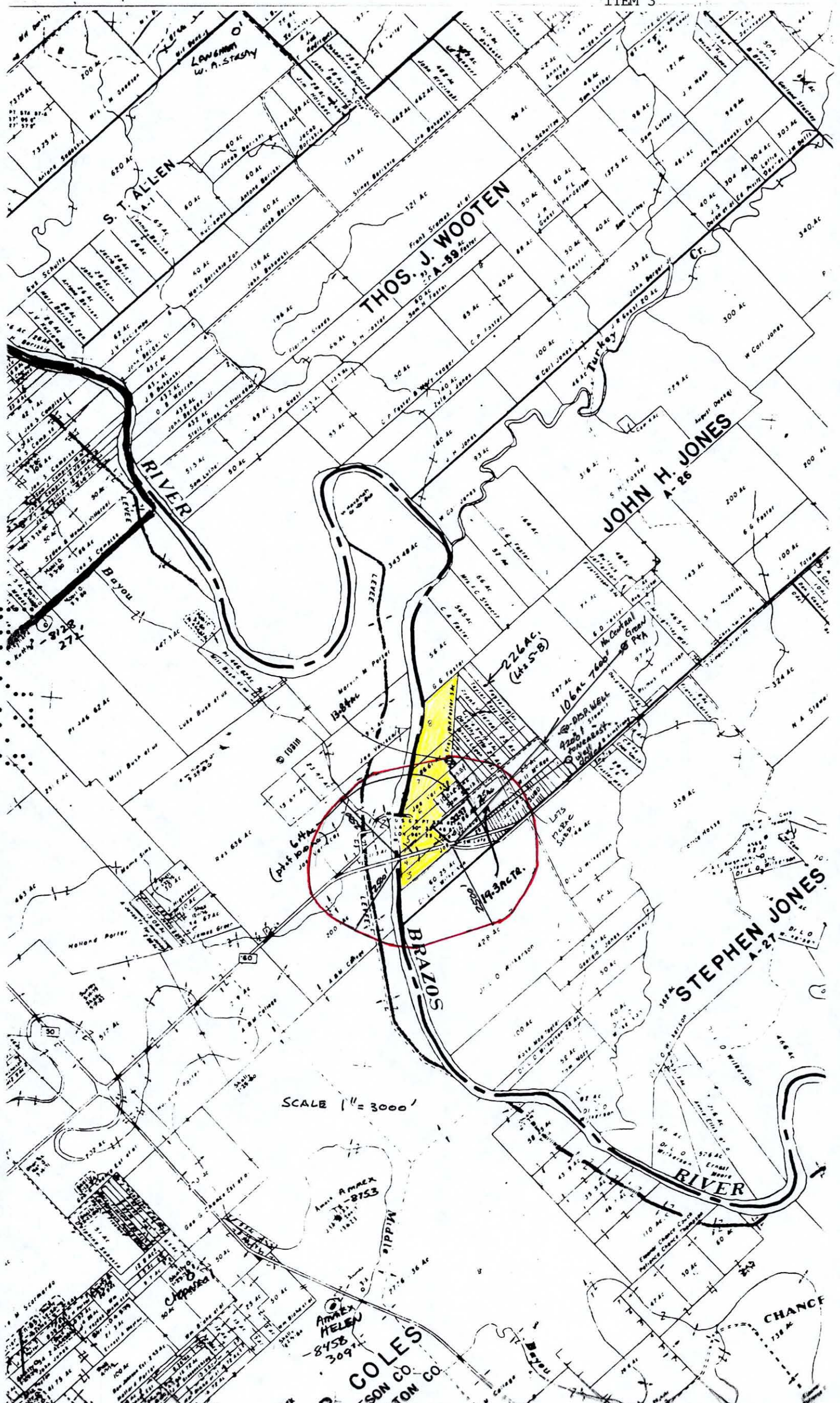
This instrument was acknowledged before me on March 26, 1991 by Lee A. Durst, Jr.



Lilli I. Moreman  
Notary Public in and for the  
State of Texas

Lilli I. MOREMAN  
Notary's Printed Name

My Commission Expires: 2-28-95



**THOS. J. WOOTEN**  
A-99

**JOHN H. JONES**  
A-86

**STEPHEN JONES**  
A-27

**T. ALLEN**

**RIVER**

**BRAZOS**

**RIVER**

SCALE 1" = 3000'

**P. COLES**  
MELSON CO  
MINGTON CO

Annex  
**HELEN**  
8458  
309

Annex  
**8753**

**CHANCE**

**Chaparral**

**Bayou**

**Bayou**

**Bayou**

3128  
274

226 AC  
(Lks S-8)

14.3 AC 78

106 AC 7600

4200  
POND

LOTS  
123 AC  
SUBD.

100 AC

100 AC

100 AC

100 AC

100 AC

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100 AC

100 AC

**MATTHEWS & BRANSCOMB**

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

1800 FIRST CITY, TEXAS-TOWER

CORPUS CHRISTI, TEXAS 78477

301 CONGRESS AVENUE, SUITE 2050

AUSTIN, TEXAS 78701

512-320-5055

TELEPHONE 512-888-9261

TELECOPIER 512-888-8504

TELEX 6502325686

ONE ALAMO CENTER

SAN ANTONIO, TEXAS 78205

512-226-4211

March 26, 1991

Mr. Lee Durst  
Durst Oil Corporation  
1702 American Bank Plaza  
Corpus Christi, Texas 78475-1184

RE: Preliminary Title Report covering 3.3 acres of land situated in Brazos County, Texas, said 3.3 acres more particularly described in Deed recorded in Volume 104 at Page 183 of the Deed Records of Brazos County, Texas from George G. Foster and wife, Lucille Trant Foster, to the State of Texas, dated April 23, 1940

Gentlemen:

At your request we have reviewed the following described instruments and documents for the purpose of leasing from the State of Texas those certain 3.3 acres described above (herein the "Subject Lands").

MATERIALS EXAMINED

1. The runsheet prepared by Bob Kuehner, Certified Petroleum Landman, from sovereignty through February 5, 1991 at 5:00 p.m.
2. Copy of Deed from George G. Foster, et ux to the State of Texas covering the 3.3 acres Subject Land recorded in Volume 104 at Page 183 of the Brazos County Deed Records.

Based solely upon our examination of the above-described materials, and subject to the Comments, Objections and

RECEIVED MAR 26 1991

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A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW

Mr. Lee Durst  
Durst Oil Corporation  
March 26, 1991  
Page 2

Requirements set forth below, the following summarizes the results of our limited examination as of February 5, 1991 at 5:00 p.m.

FEE SIMPLE

(both surface and mineral estates)

The State of Texas

100%

COMMENTS, OBJECTIONS AND REQUIREMENTS

1. There are early record title defects, breaks in the chain of title, and other title deficiencies pertaining to the Subject Lands prior to 1891 which the statute of limitations may have cured. We have assumed title to the captioned property ripened in favor of William McRae and his successor and assigns by 1922.

REQUIREMENT: Obtain from two or more knowledgeable but disinterested residents of the community, and furnish for examination, affidavits reflecting the history of use and occupancy of the Subject Lands for a period of more than 25 years from the present and also reflecting the time and place that roadways and other improvements were erected and whether and how same have been maintained. The affidavit should provide the name of each occupant or user, the time of each occupancy or use, and the type or character of each occupancy or use. It should contain specific facts upon which, when introduced as evidence into a court proceeding, a court

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Mr. Lee Durst  
Durst Oil Corporation  
March 26, 1991  
Page 3

of law could base a finding of adverse possession in favor of the parties listed above and their heirs and assigns, if such be the case. Conclusions of the affiant should be avoided.

2. The Subject Lands are subject to an unreleased lien created by instrument recorded in Volume 3 at Page 39 of the Deed of Trust Records of Brazos County, Texas from George G. Foster to A. C. Williams, Trustee, dated June 29, 1936.

REQUIREMENT: You should determine the status of this Deed of Trust as it appears said lien has not been released. If said lien has not been released, then it will be prior to conveyance to the State of Texas and you would need to obtain a release or subordination thereof.

3. Under the case law of Texas, a lien created by a security instrument containing a future advance clause remains effective until released by the current lienholder even after the initial debt has been satisfied. Thus, should the lender of the above described Deed of Trust have advanced funds to the relevant borrower pursuant to a future advance clause, the lien securing the new debt would relate back to the initial security instrument.

REQUIREMENT: You should obtain and furnish for examination a release of the lien listed in Comment No. 2 above or, in the alternative, a subordination of such lien to the rights of the State of Texas.

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ATTORNEYS AT LAW

Mr. Lee Durst  
Durst Oil Corporation  
March 26, 1991  
Page 4

4. We have not seen a survey of the property to verify that the acreage contained in the Deed conveying the Subject Lands to the State of Texas is, in fact, a portion of the acreage referred to in the various instruments in the chain of title. Additionally, because a number of the calls are metes and bounds descriptions which refer to impermanent markers and not to references to other identifiable tracts, it is difficult, without an actual surveyor's notes, to verify that the descriptions contained are in fact the descriptions for the property including the Subject Lands.

REQUIREMENT: You should obtain an on-the-ground survey of the Subject Lands and should have a surveyor verify that the acreage contained in the previous metes and bounds descriptions contains the acreage covered by the Subject Lands.

5. There may be a number of recorded and unrecorded easements and rights-of-way which may affect the Subject Lands.

REQUIREMENT: You must locate and respect any easements and conduct your operations on the Subject Lands accordingly. Additionally, you should make a visual inspection of the lands where your operations are to be conducted to insure that you are not conducting any operations on any unrecorded or visual easement of any kind.

6. No showing has been made regarding the rights of parties in possession.

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A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW

Mr. Lee Durst  
Durst Oil Corporation  
March 26, 1991  
Page 5

REQUIREMENT: You are charged with notice of the rights of parties in possession; therefore, before entering upon the Subject Lands, you should inquire into the rights of anyone found in possession, and if there is a conflict with your rights of entry, the matter should be referred to us for further advice.

7. No showing has been made regarding the payment of taxes.

REQUIREMENT: You should assure yourself that if the Subject Lands have been held by the State of Texas and that the State of Texas does not owe property taxes on any of the Subject Lands.

8. Of necessity, this report is subject to any applicable bankruptcy or insolvency laws, liens for taxes not yet due, statutory and constitutional mechanic's and materialman's liens not of record, statutory liens securing payment of proceeds of production, enforcement of regulations or orders by any governmental authority having jurisdiction, capacity or competency of parties, fraud, delivery, and alteration after delivery.

REQUIREMENT: None, advisory only.

9. This Preliminary Title Report is based solely upon an examination of the materials set forth above. You requested us to base this opinion upon such examination, without the benefit of abstracts which are not obtainable within the time described by your schedule, and this Report is subject to the correctness, accuracy, and completeness of such materials. In addition, we

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ATTORNEYS AT LAW

Mr. Lee Durst  
Durst Oil Corporation  
March 26, 1991  
Page 6

have not examined any instruments set forth in the runsheet except for the 1940 Deed to the State of Texas. You are aware, of course, that this kind of examination is the least reliable form of title examination and is more prone to inaccuracy than an examination based upon abstracts compiled by persons who, through personal knowledge and experience, are thoroughly familiar with the area and any irregularities with the records which may affect title to the Subject Lands. We have used this form of examination to prepare this Report at your request and with your assurance that you understand the risks associated with this form of examination.

We have assumed for purposes of this Report (i) that the runsheet would have shown any conveyances by the State of Texas subsequent to the 1940 Deed and (ii) that all the instruments from the sovereignty to George G. Foster, the Grantor to the State of Texas, adequately and properly conveyed the Subject Lands to the George G. Foster, et ux. You are aware, of course, that this kind of examination is more prone to inaccuracy than an examination based upon examination of the actual instruments reflected in the official records of Brazos County, Texas.

REQUIREMENT: None, advisory only.

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ATTORNEYS AT LAW

Mr. Lee Durst  
Durst Oil Corporation  
March 26, 1991  
Page 7

10. You have asked us to based this Report, in part, upon the above described runsheet. We do not opine as to the accuracy or completeness of this runsheet. This Report is, therefore, necessarily subject to the accuracy and completeness of the runsheet.

REQUIREMENT: None, advisory only.

This Preliminary Title Report has been prepared in reliance upon the validity, accuracy, and completeness of the instruments and materials examined as herein discussed. No examination has been made and no opinion is expressed with regard to matters not included in such materials including, but not limited to, forgery; capacity/competency of the parties; homestead rights; matters as would be shown by a survey of the property, including, but not limited to, acreage, overlaps, encroachments, and conflicts of boundary lines; unrecorded liens or contracts; delivery and alteration after delivery; fraud; duress; undue influence; jurisdiction of federal and state regulatory bodies; and instruments and documents not properly indexed or recorded.

This Preliminary Title Report does not cover the question of potential liability for environmental contamination caused by past spills, leaks, operations, or disposal of hazardous wastes or

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ATTORNEYS AT LAW

Mr. Lee Durst  
Durst Oil Corporation  
March 26, 1991  
Page 8

substances. State and federal statutes may impose liability for such occurrences on past, present, and subsequent owners of real property, without evidence of culpability or actual contribution to the contamination. Conducting an environmental audit prior to taking possession of the Subject Lands may serve to limit or eliminate potential liability.

This Preliminary Title Report covers only oil, gas, and other minerals produced in association therewith. Specifically we do not pass upon the ownership of coal, lignite, uranium, or other minerals generally classified as hard minerals.

This Preliminary Title Report and the documents examined and enumerated above summarizes our limited examination as of February 5, 1991, at 5:00 p.m. No comment is made herein concerning instruments recorded after such date and time.

This Preliminary Title Report is rendered and is totally and exclusively for the use and benefit of Durst Oil Corporation and is not a report summarizing our examination to any other party. This Preliminary Title Report is not to be quoted in whole or in

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ATTORNEYS AT LAW


Mr. Lee Durst  
Durst Oil Corporation  
March 26, 1991  
Page 9

part nor is it to be relied upon by any other person without the  
prior written consent of this firm.

Sincerely,

MATTHEWS & BRANSCOMB  
A Professional Corporation

By:

  
\_\_\_\_\_  
Andy Carson

fed/00666-0100



460400

FILED

91 FEB 27 11:24

ASSIGNMENT OF OIL AND GAS LEASES

711

CLERK  
BRAZOS COUNTY COURTHOUSE  
BRYAN, TEXAS  
J. G. Hiller DEPUTY

THE STATE OF TEXAS §  
COUNTIES OF BRAZOS §  
and BURLESON §

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, Sidney J. Greehey, whose address is 317 Encino Street, San Antonio, Texas 78209 (herein "Seller") and Durst Oil Company, a Texas corporation, whose address is 1702 American Bank Plaza, Corpus Christi, Texas 78475-1184 (herein "Buyer") have entered into that certain Purchase Agreement dated January 2, 1991 (the "Agreement") concerning the purchase and sale of various oil and gas leases to which Agreement reference is here made for all purposes; and

WHEREAS, Seller desires to perform his obligations under the Agreement by making this Assignment of Oil and Gas Leases;

NOW, THEREFORE, for and in consideration of the premises, Ten and no/100 Dollars (\$10.00), and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Seller does hereby GRANT, BARGAIN, SELL, CONVEY, TRANSFER and ASSIGN unto Buyer the oil and gas leases described in Exhibit A attached hereto, and made a part hereof for all purposes (the "Leases") together with all rights, titles, interests, claims, privileges, uses, and appurtenances incident to or used or obtained in connection with said Leases, said conveyed property is intended, after the reservation set forth below, to convey an undivided seventy-six percent (76%) of all the oil, gas, and all other hydrocarbons in, on, or under, or that may be produced from or allocated to, the lands described in the Leases (all of said Leases and all rights, titles, interests, claims, privileges, uses, and appurtenances, subject to the overriding royalty reserved below, and the said undivided 76% interest herein referred to as the "Property");

SAVING AND EXCEPTING unto Seller an overriding royalty interest equal to the difference between (1) an undivided twenty-four percent (24%) of all oil, gas, and all other hydrocarbons in,

~~180~~ 464

VOL 1240 PAGE 263

on, or under, or that may be produced from or be allocated to, the lands described in the Leases and (ii) all existing burdens pertaining to all (100%) of said oil, gas, and all other hydrocarbons in, on, or under, or that may be produced from or be allocated to, the lands described in the Leases, including without limitation, landowner's royalty, other royalties, overriding royalties, production payments, working interests, and any other interests of any type or nature covering or pertaining to all (100%) of said oil, gas, and all other hydrocarbons;

TO HAVE AND TO HOLD the Property unto Buyer and its successors and assigns forever.

For the same consideration, Seller agrees to execute all such additional instruments as may be necessary or advisable to evidence this transfer of the Property from Seller to Buyer or to evidence Buyer's ownership of an undivided seventy-six percent (76%) of all oil, gas, and all other hydrocarbons in, on, or under, or that may be produced from or be allocated to, the lands described in the Leases.

The overriding royalty reserved herein shall be computed on the same basis as the landowner's royalty. If the Leases bind and are effective as to less than all (100%) of all the oil, gas, and all other hydrocarbons in, on, or under, or that may be produced from or be allocated to, the lands described in the Leases, then the Seller's reserved overriding royalty shall be reduced in the proportion that the percentage of all (100%) of all oil, gas, and all other hydrocarbons in, on, or under, or that may be produced from or be allocated to, the lands described in the Leases which is in fact effectively bound by the Leases bears to all (100%) of all oil, gas, and all other hydrocarbons in, on, or under, or that may be produced from or be allocated to, the lands described in the Leases.

For the same consideration, Seller hereby grants and transfers to Buyer and its successors and assigns forever, to the extent so transferrable, the benefit of and right to enforce the covenants and warranties, if any, which Seller is entitled to

VOL ~~180~~ PAGE 465

enforce with respect to the oil, gas, and all other hydrocarbons in, on, or under, or that may be produced from and be allocated to, the lands described in the Leases.

For the same consideration, Seller does hereby binds himself and his successors and assigns to warrant and forever defend, all and singular, the Property unto Buyer and its successors and assigns forever from and against every person whomsoever lawfully claiming or to claim the same by, through, or under Seller, but not otherwise. Seller specifically warrants and represents that he has made no assignments, transfers, conveyances, or any other agreements affecting the net revenue interest in production of the oil, gas, and all other hydrocarbons in, on, or under, or that may be produced from or be allocated to, the lands described in the Leases, nor has Seller increased the working interest burdens from the burdens assumed when he originally acquired the Leases.

For the same consideration, Seller does hereby represent and warrant for himself and his successors and assigns unto Buyer and its successors and assigns that this Assignment shall vest in Buyer an undivided seventy-six percent (76%) net revenue interest (that is the undivided 76% of all) in all of the oil, gas, and all other hydrocarbons in, on, or under, or that may be produced from or be allocated to, the lands described in the Leases.

For the same consideration, Seller covenants and agrees that, and grants, sells, and conveys to Buyer, the exclusive and executive right, to be exercised at Buyer's discretion, from time to time and at any time, to pool, unitize, combine, allocate, or otherwise similarly deal with all or any part of the overriding royalty interest retained by Seller herein to the end that Buyer may pool, unitize, combine, allocate, or otherwise similarly deal with in any configuration all or any part of Seller's reserved overriding royalty interest in the Leases with any or all of lands covered by the Leases, with other lands or leases, or with any lands or leases, or interests therein, located within or outside of the Leases. In the event of any such pooling, unitization, combination, or other allocation, the Seller's reserved overriding

royalty interest shall be reduced in the same proportion that the Buyer's interest is reduced by such pooling, unitization, combination, or other allocation.

IN WITNESS WHEREOF, this Assignment of Oil and Gas Leases is executed effective January 2, 1991.

SELLER:

  
\_\_\_\_\_  
Sidney J. Greehey

STATE OF TEXAS     §  
                                  §  
COUNTY OF NUECES   §

This instrument was acknowledged before me on the 16<sup>th</sup> day of January, 1990 by Sidney J. Greehey.

  
\_\_\_\_\_  
Notary Public, State of Texas

fed/00666-0100

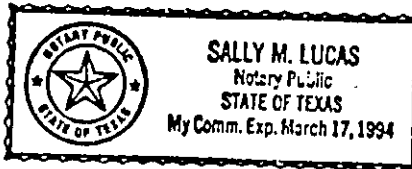


EXHIBIT A

to

Assignment of Oil and Gas Leases

FILED FOR RECORD at <u>1:15</u> o'clock <u>P</u> . M.  FEB 12 1991  EVELYN M. HENRY COUNTY CLERK, BURLESON CO., TEX. BY <u>Rinda A. Bueve</u> Deputy
---

- Oil and Gas Lease dated November 26, 1990 from Annette Varisco, a widow, et al, as lessor, to Sidney J. Greehey, as lessee, whose address is 317 Encino Street, San Antonio, Texas 78209, recorded in Volume 1236 at Page 808 of the Official Public Records of Brazos County, Texas and in Volume 178 at Page 511 of the Oil & Gas Lease Records of Burleson County, Texas, covering the following described lands, to-wit:

FIRST TRACT: All of a 73.17 acre tract of land situated in the J.P. COLES A-12 LEAGUE, and a part of a 636 acre tract described as second tract in Deed to JOE VARISCO from BRAZOS A. VARISCO, Recorded in VOLUME 95, Page 173, of Deed Records of BURLESON COUNTY, Texas.

SECOND TRACT: All of a 126.83 acre tract described as Section 1, tract "B" of a Deed Notice from JOE VARISCO to the Public and recorded in VOLUME 235, Page 319 of BRAZOS COUNTY Deed Records, called HOMESTEAD TRACT.

- Oil and Gas Lease dated November 26, 1990 from Brazos J. Varisco, et ux, as lessor, to Sidney J. Greehey, as lessee, whose address is 317 Encino Street, San Antonio, Texas 78209, recorded in Volume 1236 at Page 804 of the Official Public Records of Brazos County, Texas, covering the following described lands, to-wit:

All of three tracts of land situated in the J.H. JONES A-26 LEAGUE, described in a Deed from WILL MCRAE HEIRS to BRAZOS VARISCO recorded in VOLUME 324, Page 576 in the Deed Records of BRAZOS COUNTY, Texas. First tract of 13.84 acres; Second tract of 6.40 acres; Third tract of 3.40 acres less .46 acres sold to ROBERT WELCH by Deed dated OCTOBER 8, 1987 recorded in VOLUME 942, Page 568 leaving a balance of 3.14 acres of land. Also, a 19.3 acre tract of land called First Tract on a deed dated OCTOBER 14, 1970 from JOE VARISCO and ANNETTE VARISCO to BRAZOS VARISCO and wife MARSHA VARISCO, recorded in VOLUME 290, Page 598 of BRAZOS COUNTY Deed Records.

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 VOL ~~180~~ PAGE ~~468~~

VOL 1240 PAGE 267

THE STATE OF TEXAS  
 COUNTY OF BURLESON

I, EVELYN M. HENRY, CLERK OF THE COUNTY COURT OF SAID COUNTY, DO HEREBY CERTIFY THE FOREGOING INSTRUMENT OF WRITING WITH ITS CERTIFICATE OF AUTHENTICATION WAS FILED FOR RECORD IN MY OFFICE ON THE 12 DAY OF February, 19 91, AT 1:15 O'CLOCK P.M., AND DULY RECORDED ON 19 DAY OF February, 19 91, AT 4:00 O'CLOCK P.M., IN THE Oil & Gas Lease RECORD OF SAID COUNTY, IN VOL. 180, PAGE 464-468

WITNESS MY HAND AND OFFICIAL SEAL OF THE COUNTY COURT OF SAID COUNTY, AT MY OFFICE IN CALDWELL, TEXAS, THE DAY AND YEAR ABOVE WRITTEN.

BY Anna L. Schilack DEPUTY

EVELYN M. HENRY  
 COUNTY CLERK, BURLESON COUNTY, TEXAS

STATE OF TEXAS )  
COUNTY OF BRAZOS )

I, Mary Ann Ward, 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. 1240, Page 263 in Official Records of said  
County on file in my office.

ATTEST 3-7-91

Mary Ann Ward, County Clerk  
Brazos County, Texas

By Jo Dillan, Deputy



AFFIDAVIT OF FACT

THE STATE OF TEXAS }

COUNTY OF BRAZOS }

WHEREAS, my name is BRAZOS JOE VARISCO and I am one of the lessors under that certain Oil and Gas Lease dated November 26, 1990 between Annette Varisco, a widow and children Brazos Joe Varisco, Tony Joe Varisco, Lunette Stacy, and Dorothea Faubion as lessors and Sidney J. Greehey as lessee. Said lease covers the following 200 acre tract of land;

FIRST TRACT: All of a 73.17 acre tract of land situated in the J.P.Coles A-12 League and a part of a 636 acre tract described as second tract in Deed to Joe Varisco from Brazos A. Varisco recorded in Volume 95 Page 173 of the Deed Records of Burleson County Texas;

SECOND TRACT: All of a 126.83 acre tract described as Section 1, tract "B" of a Notice from Joe Varisco to the Public and recorded in Volume 235 Page 319 of Brazos County Deed Records called the Homestead Tract.

WHEREAS said lease is recorded in Volume 1236 Page 808 of the Official Public Records of Brazos County Texas. Said lease covers acreage located on both sides of Highway No. 60 as shown on the attached plat and such highway acreage is described in Deed recorded in Volume 104 Page 183 of the Deed Records of Brazos County Texas and covers 3.3 acres.

WHEREAS, as one of the lessors under the above referenced Oil and Gas Lease I am very familiar with the terms and consideration paid for said lease and the Bonus consideration for signing said lease was Two Hundred Dollars (\$ 200.00) per net mineral acre for a term of eighteen (18) months with a annual delay rental of \$10.00 per net mineral acre.

WHEREAS said lease has been assigned from the lessee Sidney J. Greehey to Durst Oil Company by assignment dated JANUARY 2, 1991 and recorded in Volume 1240 Page 263 of the Official Public Records of Brazos County Texas.

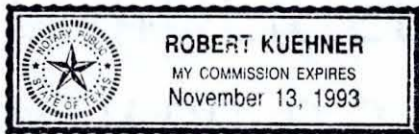
FURTHER AFFIANT SAYS NOT this the 6th day of March, 1991.

Brazos Joe Varisco  
BRAZOS JOE VARISCO

STATE OF TEXAS }  
COUNTY OF BRAZOS }

SWORN TO AND SUBSCRIBED before me on the 6th day of March, 1991.

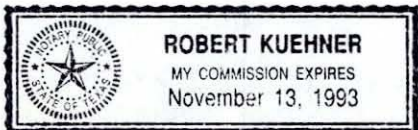
Robert Kuehner  
Notary Public  
Robert Kuehner  
Commission Exp: 11-13-1993



STATE OF TEXAS }  
COUNTY OF BRAZOS }

This instrument was acknowledged before me on March 6th 1991 by Brazos Joe Varisco.

Robert Kuehner  
Notary Public  
Robert Kuehner  
Commission Exp: 11-13-1993



JOE VARISCO  
73.17 AC. HOMESTEAD  
TRACT

JOE VARISCO  
126.83 AC. HOMESTEAD  
TRACT

N 45° 00' W ~ 1150.00'

F.M. 60

$\Delta = 20^\circ 18' 36''$   
 $R = 1960.08'$   
 $A = 694.80'$   
 $T = 351.09'$   
 $C = 691.17'$

LEVEE (8.7 AC.)

BRAZOS

DWELLING

FORMERLY JOE  
NOW BRAZOS V.  
23.00 AC. TR

FORMERLY  
NOW BR  
193

GIN AND FEED MILL  
SITE  
27.97 AC

M. C. PETERS  
SUBD.

FM 60 ROW  
3.3 AC.  
104 / 183

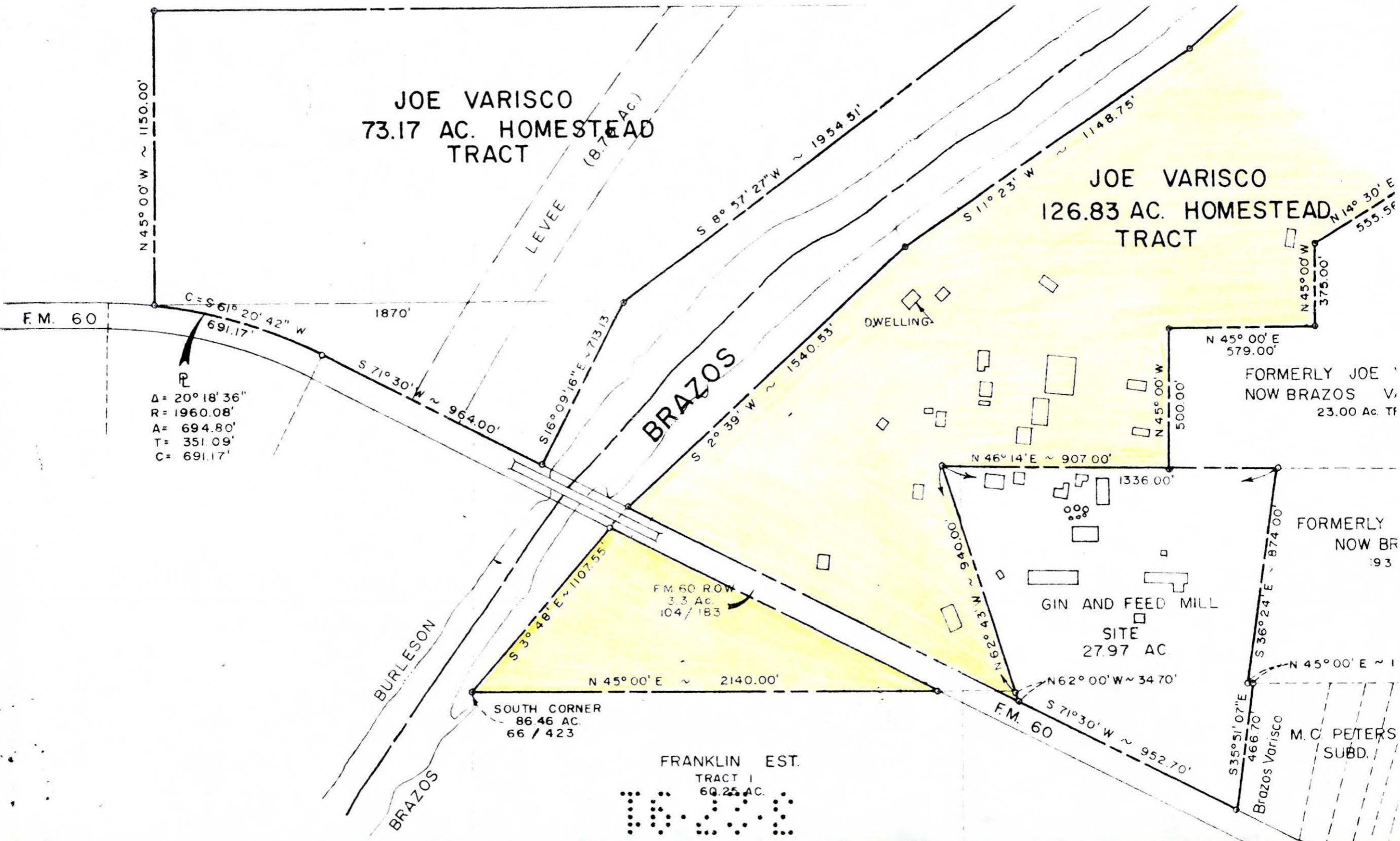
SOUTH CORNER  
86.46 AC.  
66 / 423

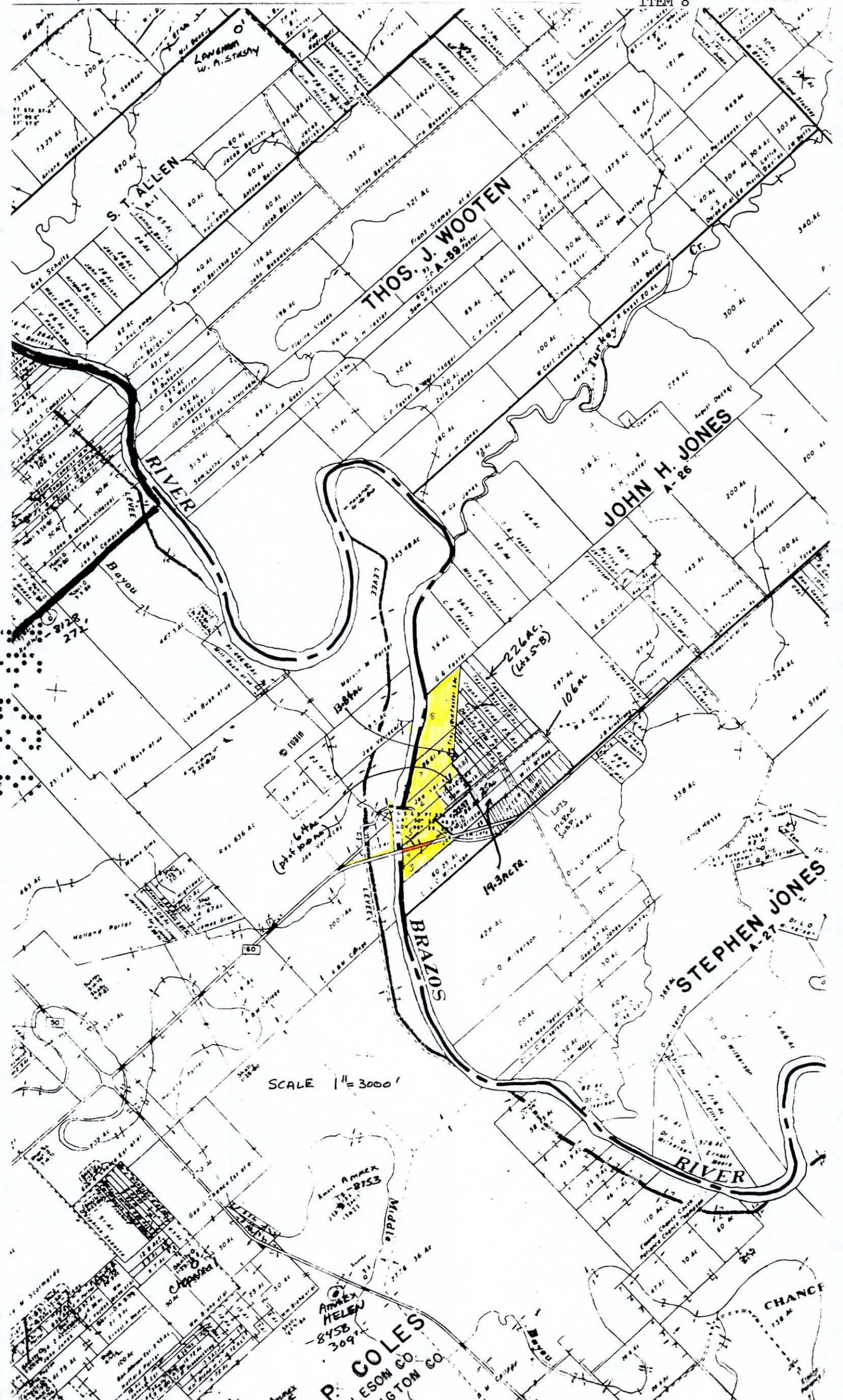
FRANKLIN EST.  
TRACT I  
60.25 AC.

1850

BURLESON

BRAZOS





SCALE 1/4" = 3000'

P. COLES  
 P. LESON CO.  
 WINGTOM CO.

AMREX  
 HELEN  
 8458  
 309

(Plat 2000)  
 Joe Vardell

19-3nc7a.

226 AC.  
(Lts S-B)

106 AC

STEPHEN JONES  
 A-27

JOHN H. JONES  
 A-26

THOS. J. WOOTEN  
 A-89

T. ALLEN  
 A-1

LANGHAM  
 W. A. STACY

CHANCE

RIVER

BRAZOS

RIVER

BAYOU

LEVEE

MIPPIN

CHOPRA

8128

60

50

AMREX

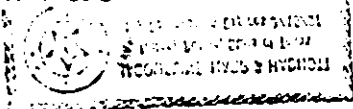
AMREX

AMREX

AMREX

AMREX

AAPL FORM 675



AMERICAN ASSOCIATION OF PETROLEUM LANDMEN
APPROVED FORM
MAY BE ORDERED DIRECTLY FROM THE PUBLISHER
KRAFTBILT P.O. BOX 800 TULSA, OK 74101
COPYRIGHT 1985

FILED

91 FEB -7 PM 3:40

42 459469

OIL AND GAS LEASE

TEXAS FORM—SHUT-IN CLAUSE, POOLING CLAUSE

Brazos County Clerk
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS

THIS AGREEMENT made and entered into the 26th day of NOVEMBER, 1990, by and between ANNETTE VARISCO-a widow, and childred BRAZOS JOE VARISCO, TONY JOE VARISCO, LUNETTE STACY, DOROTHEA FAUBION, Of Route 5 Box 1155, College Station, Texas 77845 Lessor and SIDNEY J. GREEHEY, 317 Encino Street, San Antonio, Texas 78209 Lessee.

1. Lessor, in consideration of the sum of 10.00 Dollars (\$ TEN ), in hand paid, receipt of which is hereby acknowledged, and the royalties herein provided, does hereby grant, lease and let unto Lessee for the purpose of exploring, prospecting, drilling and mining for and producing oil and gas and all other hydrocarbons, laying pipe lines, building roads, tanks, telephone lines to produce, save, take care of, transport and own said products, and without additional consideration, does hereby authorize Lessee to enter upon the lands covered hereby to accomplish said purposes, the following described land in BURLESON and BRAZOS County, Texas, to-wit:

FIRST TRACT: All of a 73.17 acre tract of land situated in the J.P. COLES A-12 LEAGUE, and a part of a 636 acre tract described as second tract in Deed to JOE VARISCO from BRAZOS A. VARISCO, Recorded in VOLUME 95, Page 173, of Deed Records of BURLESON COUNTY, Texas.

SECOND TRACT: All of a 126.83 acre tract described as Section 1, tract " B " of a Deed Notice from JOE VARISCO to the Public and recorded in VOLUME 235, Page 319 of BRAZOS VOUNTY Deed Records, called HOMESTEAD TRACT.

calculating rental payments hereinafter provided for the lands covered hereby are estimated to comprise 200 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained this Lease shall be for a term of EIGHTEEN (18) months from this date (called "primary term") and as long thereafter as oil and gas or other hydrocarbons are being produced from said land or land with which said land is pooled hereunder.

3. The royalties to be paid by Lessee are as follows: On oil, one-fifth of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected. Lessee shall have the option to purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase. On gas, including casinghead gas, condensate or other gaseous substances, produced from said land and sold or used off the premises or for the extraction of gasoline or other products therefrom, the market value at the well of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-fifth of the amount realized from such sale. While there is a gas well on this Lease, or on acreage pooled therewith, but gas is not being sold or used Lessee shall pay or tender annually at the end of each yearly period during which such gas is not sold or used, an amount equal to the delay rental provided for in paragraph 5 hereof, and while said royalty is so paid or tendered this Lease shall be held as a producing Lease under paragraph 2 hereof. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil and gas shall be computed after deducting any so used.

4. Lessee, at its option, is hereby given the right and power to voluntarily pool or combine the acreage covered by this Lease, or any portion thereof, as to the oil and gas, or either of them, with other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said leased premises in compliance with the Spacing Rules of the Railroad Commission of Texas, or other lawful authorities, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas from said premises. Units pooled for oil hereunder shall not substantially exceed 80 acres each in area, and units pooled for gas hereunder shall not substantially exceed 640 acres each in area plus a tolerance of ten per-cent thereof in the case of either an oil unit or a gas unit, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this Lease, or any portion thereof as above provided for as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the Lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of Lessee hereunder to pool this Lease, or portions thereof, into other units. Lessee shall file for record in the county records of the county in which the lands are located an instrument identifying and describing the pooled acreage. Lessee may at its election exercise its pooling operation after commencing operations for, or completing an oil or gas well on the leased premises, and the pooled unit may include, but is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed, or upon which operations for drilling of a well for oil or gas have theretofore been commenced. Operations for drilling on or production of oil or gas from any part of the pooled unit composed in whole or in part of the land covered by this Lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, shall be considered as operations for drilling on or production of oil or gas from the land covered by this Lease whether or not the well or wells are actually located on the premises covered by this Lease, and the entire acreage constituting such unit or units, as to oil and gas or either of them as herein provided, shall be treated for all purposes except the payment of royalties on production from the pooled unit as if the same were included in this Lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled upon production of oil and gas, or either of them from the pooled unit, there shall be allocated to the land covered by this Lease and included in said unit a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis, that is to say, there shall be allocated to the acreage covered by this Lease and included in the pooled unit that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this Lease and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil or gas or either of them, so allocated to the land covered by this Lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the Lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the Lease or gas pooled unit from which it is producing and not from the oil pooled unit.

5. If operations for drilling are not commenced on said land, or on acreage pooled therewith as above provided for, on or before one year from the date hereof, the Lease shall terminate as to both parties, unless on or before such anniversary date Lessee shall pay or tender to Lessor, or to the credit of Lessor in the Bank at Texas,

(which Bank and its successors shall be Lessor's agent and shall continue as the depository for all rentals payable hereunder regardless of changes in ownership of said land or the rentals) the sum of TWO THOUSAND DOLLARS and NO/100 Dollars (\$ 2,000.00 ), herein called rentals, which shall cover the privilege of deferring commencement of drilling operations for a period of twelve (12) months. In like manner and upon like payment or tenders annually the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each during the primary term hereof. The payment or tender of rental under this paragraph and of royalty under paragraph 3 on any gas well from which gas is not being sold or used may be made by check or draft of Lessee mailed or delivered to Lessor, or to said Bank on or before the date of payment. If such Bank, or any successor Bank, should fail, liquidate or be succeeded by another Bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after

Lessor shall deliver to Lessee a proper recordable instrument, naming another Bank as Agent to receive such payments or tenders. Cash payment for this Lease is consideration for this Lease according to its terms and shall not be allocated as a mere rental for a period. Lessee may at any time or times execute and deliver to Lessor, or to the depository above named, or place of record a release covering any portion or portions of the above described premises and thereby surrender this Lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

6. If prior to discovery of oil, gas or other hydrocarbons on this land, or on acreage pooled therewith, Lessee should drill a dry hole or holes thereon, or if after the discovery of oil, gas or other hydrocarbons, the production thereof should cease from any cause, this Lease shall not terminate if Lessee commences additional drilling or re-working operations within sixty (60) days thereafter, or if it be within the primary term, commences or resumes the payment or tender of rentals or commences operations for drilling or re-working on or before the rental paying date next ensuing after the expiration of sixty (60) days from the date of completion of the dry hole, or cessation of production. If at any time subsequent to sixty (60) days prior to the beginning of the last year of the primary term, and prior to the discovery of oil, gas or other hydrocarbons on said land, or on acreage pooled therewith, Lessee should drill a dry hole thereon, no rental payment or operations are necessary in order to keep the Lease in force during the remainder of the primary term. If at the expiration of the primary term, oil, gas or other hydrocarbons are not being produced on said land, or on acreage pooled therewith, but Lessee is then engaged in drilling or re-working operations thereon, or shall have completed a dry hole thereon within sixty (60) days prior to the end of the primary term, the Lease shall remain in force so long as operations are prosecuted with no cessation of more than sixty (60) consecutive days, and if they result in the production of oil, gas or other hydrocarbons, so long thereafter as oil, gas or other hydrocarbons are produced from said land, or acreage pooled therewith. In the event a well or wells producing oil or gas in paying quantities shall be brought in on adjacent land and draining the leased premises, or acreage pooled therewith, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

7. Lessee shall have the right at any time during or after the expiration of this Lease to remove all property and fixtures placed on the premises by Lessee, including the right to draw and remove all casing. When required by the Lessor, Lessee shall bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn located on said land as of the date of this Lease without Lessor's consent.

8. The rights of each party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns, but no change or division in the ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations, or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished with a certified copy of recorded instrument or instruments evidencing such change of ownership. In the event of assignment hereof in whole or in part, liability for breach of any obligation issued hereunder shall rest exclusively upon the owner of this Lease, or portion thereof, who commits such breach. In the event of the death of any person entitled to rentals hereunder, Lessee may pay or tender such rentals to the credit of the deceased, or the estate of the deceased, until such time as Lessee has been furnished with the proper evidence of the appointment and qualification of an executor or an administrator of the estate, or if there be none, then until Lessee is furnished satisfactory evidence as to the heirs or devisees of the deceased, and that all debts of the estate have been paid. If at any time two or more persons become entitled to participate in the rental payable hereunder, Lessee may pay or tender such rental jointly to such persons, or to their joint credit in the depository named herein; or, at the Lessee's election, the portion or part of said rental to which each participant is entitled may be paid or tendered to him separately or to his separate credit in said depository; and payment or tender to any participant of his portion of the rentals hereunder shall maintain this Lease as to such participant. In the event of an assignment of this Lease as to a segregated portion of said land, the rentals payable hereunder shall be apportioned as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. If six or more parties become entitled to royalty payments hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

9. The breach by Lessee of any obligations arising hereunder shall not work a forfeiture or termination of this Lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part unless Lessor shall notify Lessee in writing of the facts relied upon in claiming a breach hereof, and Lessee, if in default, shall have sixty (60) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument, and if Lessee shall fail to do so then Lessor shall have grounds for action in a court of law or such remedy to which he may feel entitled. After the discovery of oil, gas or other hydrocarbons in paying quantities on the lands covered by this Lease, or pooled therewith, Lessee shall reasonably develop the acreage retained hereunder, but in discharging this obligation Lessee shall not be required to drill more than one well per eighty (80) acres of area retained hereunder and capable of producing oil in paying quantities, and one well per six hundred forty (640) acres of the area retained hereunder and capable of producing gas or other hydrocarbons in paying quantities, plus a tolerance of ten per cent in the case of either an oil well or a gas well.

10. Lessor ~~hereby agrees~~ agrees also that Lessee at its option may discharge any tax, mortgage or other liens upon said land either in whole or in part, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder towards satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil, gas or other hydrocarbons in or under said land, less than the entire fee simple estate, then the royalties and rentals to be paid Lessor shall be reduced proportionately. Failure of Lessee to reduce such rental paid hereunder or over-payment of such rental hereunder shall not impair the right of Lessee to reduce royalties payable hereunder.

11. Should Lessee be prevented from complying with any express or implied covenant of this Lease, from conducting drilling, or reworking operations thereon or from producing oil or gas or other hydrocarbons therefrom ~~by reason of any federal or state law or any order, rule or regulation of a governmental authority, then while so prevented, Lessee's obligations to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this Lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on, or from producing oil or gas or other hydrocarbons from the leased premises; and the time while Lessee is so prevented shall not be counted against the Lessee, anything in this Lease to the contrary notwithstanding.~~

IN WITNESS WHEREOF this instrument is executed on the date first above set out.

S.S.# [redacted] Annette Varisco (ANNETTE VARISCO) S.S.# [redacted] Tony Joe Varisco (TONY JOE VARISCO)  
S.S.# [redacted] Brazos Joe Varisco (BRAZOS JOE VARISCO) S.S.# [redacted] Lunette Stacy (LUNETTE STACY)  
STATE OF TEXAS } S.S.# Dorothea Faubion (DOROTHEA FAUBION)  
COUNTY OF BRAZOS }

Before me, the undersigned authority, on this day personally appeared ANNETTE VARISCO

known to me to be the identical person whose name she is subscribed to

the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.



Fred L. Patton  
Notary Public State of Texas  
My Commission Expires 10-5-91

[Signature]  
Notary Public in and for \_\_\_\_\_ County, Texas

TEXAS JOINT ACKNOWLEDGMENT

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

Before me, the undersigned authority, on this day personally appeared DOROTHEA FAUBION

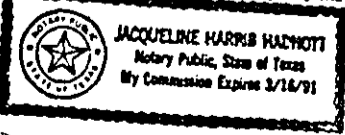
and wife N/A

known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed. And the said N/A wife of \_\_\_\_\_

having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said N/A

acknowledged such instrument to be her act and deed and declared that she had willingly signed the same for the purposes and consideration therein expressed and that she did not wish to retract it.

Given 7 day of December A. D., 19 90



[Signature]  
Notary Public in and for \_\_\_\_\_ County, Texas

STATE OF TEXAS, )

COUNTY OF Burleson ) BEFORE ME, the undersigned authority,  
on this day personally appeared Brazos Joe 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 10th day of December, 1990.



Fred L. Patton  
Notary Public State of Texas  
My Commission Expires 10-5-91

Fred L. Patton  
Notary Public, \_\_\_\_\_ County, Texas

STATE OF TEXAS, )

COUNTY OF Burleson ) BEFORE ME, the undersigned authority,  
on this day personally appeared Tony Joe 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 4th day of December, 1990.



Fred L. Patton  
Notary Public State of Texas  
My Commission Expires 10-5-91

Fred L. Patton  
Notary Public, \_\_\_\_\_ County, Texas

STATE OF TEXAS, )

COUNTY OF Burleson ) BEFORE ME, the undersigned authority,  
on this day personally appeared Lunette Stacy

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 11th day of December, 1990.



Fred L. Patton  
Notary Public State of Texas  
My Commission Expires 10-5-91

Fred L. Patton  
Notary Public, \_\_\_\_\_ County, Texas

STATE OF TEXAS, )

COUNTY OF \_\_\_\_\_ ) BEFORE ME, the undersigned authority,  
on this day personally appeared \_\_\_\_\_

known to me to be the person whose name is \_\_\_\_\_ subscribed  
to the foregoing instrument, and acknowledged to me that \_\_\_\_\_ executed  
the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
Notary Public, \_\_\_\_\_ County, Texas

**EXHIBIT "A"**  
**TO OIL AND GAS AND MINERAL LEASE**  
**ANNETTE VARISCO, ET AL, AS LESSOR**  
**SIDNEY J. GREEHEY, LESSEE**  
**DATED NOVEMBER 26, 1990**

Notwithstanding anything to the contrary in the foregoing Oil, Gas and Mineral Lease, it is agreed and understood as follows, to-wit:

1. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure 1/5 shall be substituted therefor.

2. In no event shall Lessee use any coal or water taken from the property described in the Lease without Lessor's written consent.

3. This Lease shall not be held in force under the "Shut-in" Royalty Clause beyond two (2) years from the time such well becomes a "Shut-in" well.

4. Lessee shall, within thirty (30) days, provide a release upon termination of this Lease or any portion thereof.

5. Lessee agrees to indemnify and save harmless Lessor from and against all claims of whatever nature for personal injury or property damage arising from any act, omission or negligence of Lessee, or Lessee's contractors, licenses, agents, servants or employees whether occurring on the Leased Premises, or otherwise and/or arising out of Lessee's operation, its successors or assigns. This indemnity and hold harmless agreement shall include indemnity against all reasonable costs, expenses, and liabilities in or in connection with any such claim or proceeding brought thereon and the defense thereof. Lessee's insurance policies shall contain a clause whereby the insuring company waives any right of subrogation it may have against Lessor, its agents or employees.

6. Lessee agrees and obligates himself to repair all damages to said land and improvements, including, houses, barns, fences, roads, ponds, water wells, grass, crops and livestock, which might be caused by his operations hereunder, including the filling of all slush pits, depression and ruts, and the restoration of all such improvements; such repairs are to be made by Lessee from time to time as soon as he has finished with the use of the area where such damages occur. Furthermore, Lessee agrees to pay to Lessor for any land or improvements damaged as a result of Lessee's operations where such damage cannot be repaired, or where such damage occurred as a result of Lessee, Lessee's agents and contractors negligence or using more land than is reasonably necessary in such operations, or where such damage is caused by salt water.

7. No well shall be drilled within five hundred feet (500') of any residence, house, or barn located on the leased premises without first obtaining the written consent of Lessor. All operations hereunder shall be conducted so as to cause the least inconvenience and interference with surface use. All surface operations conducted or working locations selected by Lessee, including without limitation all drillsites, tank batteries, roads and pipelines shall be at locations approved in writing by Lessor, which approval shall not be unreasonable withheld.

8. If sulphur should ever become classified as a hydrocarbon, a royalty will be \$3.00 per long ton, or market value, whichever is greater.

9. Without impairing any provisions of this Lease pursuant to which it would otherwise terminate in whole or in part, this Lease in all events will terminate as to rights below a subsurface depth reached in the drilling of a well on said property, which well is commenced hereunder during the period of the primary term hereof; such termination shall occur upon the completion of drilling operations on the well (or all wells if more than one) commenced during such period of time, and thereupon Lessee shall execute an instrument in recordable form releasing all rights hereunder below the depth described above and shall deliver such instrument to Lessor. Upon such termination as to the deeper rights, Lessor and parties holding under Lessor shall have the right to explore and produce oil and gas from such deeper horizons and to a reasonable use of the surface (which Lessor has the right to use for such purposes) and the interval between the surface and the depth below the surface which is subject to this Lease in connection with such exploration and production, and during the term of this Lease, Lessor and parties holding under Lessor may explore and produce minerals other than oil and gas from the property covered hereby as to all depths and all strata.

10. It is understood and expressly agreed that the Lease shall cover only oil and gas, and the associated petroleum liquid or gaseous hydrocarbons necessarily produced from an oil and/or gas well. This Lease does not cover and there is excepted from this Lease and reserved to Lessors, Lessors' heirs, executors, representatives, successors and assigns (i) all coal, lignite, uranium, uranium ores, vanadium, plutonium, sand, gravel, rock, stone, fuller's earth, commercial clays, or other fissionable minerals or materials; (ii) all water (except associated with the recovery of the oil or gas covered by this Lease); (iii) all sulphur (except that produced in conjunction and associated with oil or gas covered by this Lease); and (iv) all other minerals. It is understood and expressly provided that the term "other minerals" whenever or wherever used in this Lease shall not refer to or include any specified in (i) through (iv) above.

11. Lessee shall not hunt nor permit any of its employees, agents or

contractors to hunt wild birds or game on the leased premises or to carry any firearms used for hunting wild game or birds on said premises.

12. Notwithstanding the printed portion of this Lease concerning pooling, it is agreed and understood that no land outside the leased premises may be included in any pool or unit for any well located on the leased premises unless all of the leased premises is at that time or is thereby included in pools or units for wells producing oil and gas from the same reservoir from which said well is producing. It is understood and agreed that no part of the acreage in the First Tract as described herein may be pooled with other leases or lands until all of the acreage within the First Tract, which is not included in such proposed pool or unit, has been assigned to a producing proration unit or units. Provided further, it is understood and agreed that no part of the acreage of the Second Tract described herein may be pooled with other leases or lands until all of the acreage in the Second Tract, which is not included in such proposed pool or unit has been assigned to a producing proration unit or units. Provided further, production from or operations on a pooled unit or units embracing a portion or portions of the leased premises will maintain this lease in force only as to the acreage embraced in said unit or units.

13. If requested in writing by Lessor, Lessee agrees to fence off all drilling sites and mud pits on the Leased Premises; such fence or fences to be suitable for preventing cattle from entering the fenced area. Such fences shall be constructed prior to beginning drilling of each well drilled on the Leased Premises. Further, Lessee shall remove from the Leased Premises all drilling mud and shall backfill and level all pits used in connection with the drilling of any well hereunder within thirty (30) days after the completion or abandonment of such well. Upon abandonment of any well upon any portion of the Leased Premises, Lessee shall remove all pipelines and surface equipment installed by Lessee, all board roads and all board road materials shall be removed, and shall restore the surface to reasonably the same condition to that in which it existed prior to Lessee's use thereof within one hundred twenty (120) days from the date of abandonment. The drill site shall at all times be maintained in a clean and orderly fashion and all waste items shall be transported away from the site as soon as practical and shall be disposed of at an appropriate place other than upon the Leased Premises.

14. Lessee shall not, without the written consent of Lessors, drill any water, supply or disposal well or wells so as to be completed or otherwise located at any depth under any portion of the Leased Premises, and Lessee agrees that its activities in the vicinity of the Leased Premises shall be conducted in such a manner as to avoid damage to, destruction of, or interference with, any canals, water courses, lakes, tanks or reservoirs located on or used in connection with the Leased Premises or any structures, roads, fences or other improvements situated on the Leased Premises. Lessee further agrees to comply with all governmental statutes, rules and regulations relating to Lessee's activities hereunder, and to indemnify and hold harmless Lessors from any fines or other penalties asserted by any governmental authority having or asserting jurisdiction of said activities of Lessors or the Leased Premises.

15. Lessee agrees to maintain in full force during the term hereof a policy of public liability insurance. Such policy shall be non-cancellable except upon thirty (30) days written notice to Lessor. A duplicate original or certificate thereof shall be delivered to Lessor. The minimum limits of liability of such insurance shall be FIVE HUNDRED THOUSAND AND NO/100 (\$500,000.00) DOLLARS for injury (or death) to any one person, ONE MILLION AND NO/100 (\$1,000,000.00) DOLLARS for injury (or death) to more than one person, and ONE HUNDRED THOUSAND AND NO/100 (\$100,000.00) DOLLARS for property damage for any one accident.

16. It is hereby agreed by the Lessee that if Lessee has not commenced drilling operations on the Leased Premises within twelve (12) months from the date of this Lease, then Lessee agrees to pay to Lessor within ten (10) days from the end of said twelve (12) months period, the sum of TEN AND NO/100 DOLLARS (\$10.00) per acre as delay rentals. Failure to pay such rentals within said time period shall automatically terminate this Lease. Provided further, in the event a well has not been drilled on the leased premises at the end of the primary term, then the primary term of this Lease may be extended for six (6) months by Lessee, if within thirty (30) days of the expiration of the primary term of this Lease, Lessee tenders to Lessor a lease extension bonus of \$40,000.00. The payment of this lease extension bonus shall be at the option of Lessee and is not an obligation of Lessee.

17. Any provision contained in this Lease to the contrary notwithstanding, it is understood and agreed that this lease covers all of the mineral interest in the leased premises in which Lessor has the right to lease, although Lessor makes no representation or warranty as to the actual mineral interest owned by Lessor or covered by this Lease. Lessor does agree, however, that should Lessor be paid a greater bonus than the bonus Lessor is entitled to be paid for the mineral interest, actually owned by Lessor, Lessor will, upon demand by Lessee pay to Lessee, the difference between the bonus paid to Lessor for the execution of this Lease and the actual bonus to which Lessor is entitled.

18. Accounting and payment to Lessor of royalties from the production of oil and gas from any well shall commence no later than ninety (90) days after the first sale of production. Thereafter, all payments of royalties shall be made no later than thirty (30) days following the calendar month in which the production occurs. Unless otherwise herein expressly provided, any royalties or other payments provided for in this Lease which are suspended or not paid to

PPS:lp  
Addendum

Lessor within the time period specified therefore shall accrue interest until paid at the greater of (1) rate of twelve percent (12%) per annum or (2) the rate charged on loans to depository institutions by the New York Federal Reserve Bank as provided in Section 91.403(a), Subparagraph J of the Texas Resource Code, but nothing herein contained shall be construed to grant to Lessee the right to delay any payment beyond the time set out herein. Acceptance by Lessor of royalties which are past due shall not act as a waiver or estoppel of their 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 and addressed to Lessor. Any such offer of settlement submitted solely by the tender of a check containing language of settlement or accord and satisfaction, shall not be effective unless preceded by such a notice or 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.

LESSORS:

Annette Varisco  
ANNETTE VARISCO

Brazos Joe Varisco  
BRAZOS JOE VARISCO

Tony Joe Varisco  
TONY JOE VARISCO

Lunette Stacy  
LUNETTE STACY

Dorothea Faubion  
DOROTHEA FAUBION

FILED FOR RECORD  
at 1:45 o'clock P.M.  
JAN 4 1991  
EVELYN M. HENRY  
COUNTY CLERK, BURLESON CO., TEX.  
By [Signature] Deputy

THE STATE OF TEXAS  
COUNTY OF BURLESON

I, EVELYN M. HENRY, CLERK OF THE COUNTY COURT OF SAID COUNTY, DO HEREBY CERTIFY THE FOREGOING INSTRUMENT OF WRITING WITH ITS CERTIFICATE OF AUTHENTICATION WAS FILED FOR RECORD IN MY OFFICE ON THE 4 DAY OF January, 19 91, AT 1:45 O'CLOCK P. M., AND DULY RECORDED ON 14 DAY OF January, 19 91, AT 4:00 O'CLOCK P. M., IN THE Oil & Gas Lease RECORD OF SAID COUNTY, IN VOL. 178, PAGE 511-516

WITNESS MY HAND AND OFFICIAL SEAL OF THE COUNTY COURT OF SAID COUNTY, AT MY OFFICE IN CALDWELL, TEXAS, THE DAY AND YEAR ABOVE WRITTEN.

By Anna L. Schelack DEPUTY

EVELYN M. HENRY  
COUNTY CLERK, BURLESON COUNTY, TEXAS

123C PAGE 813

M. F. 94380 (5)  
CORRESPONDENCE FILE  
TO CLW/appd  
From \_\_\_\_\_  
Dated 4-26-91

IN THE STATE OF TEXAS )  
COUNTY OF BRAZOS )

I, Mary Ann Ward, 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. 1236, Page 808 in Official Records of said  
County on file in my office.

ATTEST 3-7-91

Mary Ann Ward, County Clerk  
Brazos County, Texas

By Jo Sillou Deputy

323

123 *cutt*

**DURST OIL COMPANY**

1702 AMERICAN BANK PLAZA  
CORPUS CHRISTI, TEXAS 78475-1184  
FAX. 512-888-4744  
TEL. 512-888-4741

March 23, 1992

Mr. Chris Macomb  
General Land Office  
Stephen F. Austin Bldg.  
1700 N. Congress Avenue  
Austin, Texas 78701

RE: State Lease M-94380  
Brazos County, Texas

Dear Chris:

I have enclosed herewith our Application For Pooling State Leases in order to pool the above-referenced lease into our Varisco Unit. I have also included a copy of our Designation of Unit which has been mailed to Brazos County for recording.

Please call should you have any questions or need any additional information.

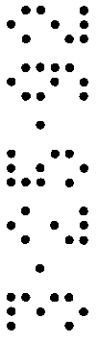
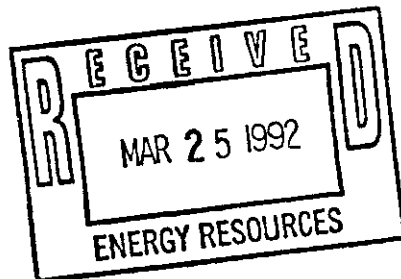
Very truly yours,  
DURST OIL COMPANY



Lee A. Durst, Jr.  
President

LADJ/bw

Enclosure



90335

MF 94380  
Item L4R  
To G10  
From Durst 0:1  
Date 3.23.92

(6)

M-94380

DESIGNATION OF UNIT AGREEMENT  
DURST OIL COMPANY - VARISCO UNIT  
BRAZOS COUNTY, TEXAS

STATE OF TEXAS       §  
                          §                   KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF BRAZOS   §

The undersigned, being the owners of valid and subsisting oil, gas and mineral leases ("Leases") listed on Exhibit "A", attached hereto and made a part hereof, covering and describing lands lying and situated in Brazos County, Texas, do, by virtue of the authority conferred by the terms of such Leases and any and all amendments and corrections thereto, hereby pool, consolidate, combine and designate a 280 acre Pooled Unit comprised of the said Leases, the leasehold rights, overriding royalty and royalty interests therein and thereunder, for the purpose of exploration, development, production and operation of oil, gas and liquid hydrocarbons (including condensate, distillate and other liquids). The unit (hereinafter call "Unit") shall be comprised of said Leases insofar as they cover lands and depths within the Unit described on Exhibit "B", which is attached hereto and made a part hereof, which Unit is depicted on the Plat attached hereto as Exhibit "C". The Unit shall be known as the Durst Oil Company-Varisco Unit.

If at any time any Lease 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 and the Unit shall remain in force and effect as to the balance of the Leases covered hereby or unitized hereby or otherwise.

This Designation of Unit covers all production from the Leases described on the attached Exhibit "A" which is produced from any well drilled to the unitized interval underlying the Unit area. Production from the Unit and any

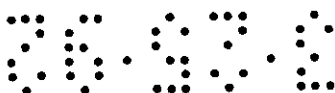


royalties provided for in the Leases shall be allocated proportionately among all of the tracts within the Unit in the proportion which the number of surface acres in each of such tracts bears to the total number of surface acres included in the unit.

The undersigned reserves the right to amend, enlarge, extend, decrease, or in any way alter this Unit Designation from time to time, and at any time, in order to correct any error herein or to include in the Unit any newly acquired interest within the Unit boundaries so long as such amendment does not violate the applicable rules and regulations of any governmental regulatory body or agency having jurisdiction or the Leases.

It is agreed that this pooled unit is not and shall not be intended to be an offer to pool as to any unleased mineral or executory interest owner or any other unpooled lease. Therefore, such unleased mineral or executory interest owners or unpooled lease shall not be included within this pooled unit without the prior written consent of the leasehold estate and working interest owners of the leases that are pooled herewith.

By execution of this Designation of Unit, the undersigned do not exhaust their 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 they expressly reserve to themselves, their 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.



DESIGNATION OF UNIT AGREEMENT  
PAGE 3

The Unit hereby created shall remain in force and effect: (1) so long as drilling operations or production or payments are made under the terms and provisions of the Leases; or (2) until dissolved by written instrument duly executed by the undersigned or their successors in interest and filed of record in the appropriate records of Brazos County, Texas.

This Designation of Unit may be signed in any number of counterparts, each of which shall be construed as an original for all purposes.

IN WITNESS WHEREOF, this Designation of Unit is executed on this 12<sup>th</sup> day of MARCH, 1992, but effective the date of first production from the Unit.

DURST OIL COMPANY

BY: 

UNION PACIFIC RESOURCES COMPANY

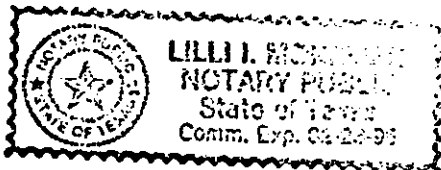
BY: Debra Johnson   
Its: Attorney-in-Fact

2000

STATE OF TEXAS §  
COUNTY OF NUECES §

BEFORE ME, the undersigned authority, on this day personally appeared LEE A. DURST, JR., known to me to be the person whose name is subscribed to the foregoing instrument as PREDIDENT of DURST OIL COMPANY, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 16<sup>th</sup> day of March, 1992.



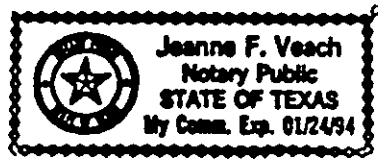
Lilli I. Moreman  
Notary Public in and for the  
State of Texas  
Lilli I. MOREMAN  
Notary's Printed Name

My Commission Expires: 02-28-95

STATE OF TEXAS §  
COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, on this day personally appeared DEBRA JOHNSON, known to me to be the person whose name is subscribed to the foregoing instrument as ATTORNEY-IN-FACT of UNION PACIFIC RESOURCES COMPANY, and acknowledged to me that she executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 12<sup>th</sup> day of MARCH, 1992.



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

My Commission Expires: \_\_\_\_\_

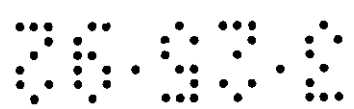


EXHIBIT "A"

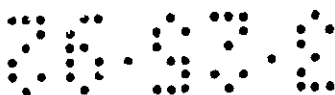
Attached to and made a part of Designation of Unit Agreement  
 Durst Oil Company - Varisco Unit, Brazos County, Texas. Oil,  
 Gas and Mineral Leases included in the Durst Oil Company -  
 Varisco Unit. All recording references listed below are to  
 the Official Records of Brazos County, Texas.

LESSOR	LESSEE	DATE	VOLUME	PAGE
James Green	Durst Oil Company	10/23/91	1316	188
Joe Anthony Yett	Durst Oil Company	2/06/91	1335	212
Clayton Baptist Church	Durst Oil Company	8/07/91	1316	191
Clarence Mack	Durst Oil Company	8/14/91	1346	158
Rosa Donnell Mack	Durst Oil Company	8/14/91	1346	156
James Edward Hannon	Durst Oil Company	8/14/91	1350	65
Mamie Mack Thomas	Durst Oil Company	8/14/91	1320	257
Gladys Mack Buchanan	Durst Oil Company	8/14/91	1346	154
Minnie Mack	Durst Oil Company	8/14/91	1320	259
Wes Mack	Durst Oil Company	8/14/91	1326	1
Daniel Mack	Durst Oil Company	8/14/91	1332	264
James Mack	Durst Oil Company	8/14/91	1325	307
Ruth B. Grant	Durst Oil Company	8/14/91	1335	204
Charles Alvin Taylor, Jr.	Durst Oil Company	8/14/91	1327	134
Earlene Taylor	Durst Oil Company	8/14/91	1334	99
Leon Wade	Durst Oil Company	8/14/91	1334	101
Ray Charles Wade	Durst Oil Company	8/14/91	1334	103
Carolyn Cooks	Durst Oil Company	8/14/91	1335	202
Ollie Faye Howard	Durst Oil Company	8/14/91	1335	206
Charlene Taylor	Durst Oil Company	8/14/91	1323	299
Sandra Elizabeth Damon Buckner	Durst Oil Company	8/14/91	1346	152
Bobby Joe Carter	Durst Oil Company	8/14/91	1335	200
Alvin Ruth Taylor	Durst Oil Company	8/14/91	1346	160
Deborah Joan Peterson et al	Durst Oil Company	8/14/91	1334	97
Willie Mae Pharns	Durst Oil Company	8/08/91	1335	208
Rosie Lewis	Durst Oil Company	8/08/91	1323	297
Robert Earl Hightower	Durst Oil Company	8/08/91	1323	295
Edna Mae Curry	Durst Oil Company	8/08/91	1323	291
Blanche Curtis Womack	Durst Oil Company	7/23/91	1335	210
Lillie Boose	Durst Oil Company	8/14/91	1323	289
Arthur Lee Hardy	Durst Oil Company	8/14/91	1323	293
George Bracksher	Durst Oil Company	8/23/91	1335	198
Brazos J. Varisco	Durst Oil Company	8/08/91	1320	255
Robert Welch	Durst Oil Company	7/30/91	1316	195
Mary Lee Marzetta	Durst Oil Company	8/23/91	1324	211
Clifford G. Dorn	Durst Oil Company	8/29/91	1330	210
Cheryl Lynn Peterson	Durst Oil Company	8/14/91	1367	68
James Cameron Womack	Durst Oil Company	11/23/91	1383	344
Stokes Hardy	Durst Oil Company	8/14/91	1367	63
Anderson Jones	Durst Oil Company	12/12/91		
First American Bank, Bryan, Texas	Union Pacific Resources Company	3/28/90	1196	679
Mary Frances Ford	Durst Oil Company	2/06/91		
Naomi Cooper	Durst Oil Company	8/14/91	1367	55
Brazos J. Varisco et ux	Durst Oil Company	11/26/90	1236	804
Eddie Mae Thomas	Durst Oil Company	2/01/91	1243	500
Gracie Hemphill	Durst Oil Company	1/24/91	1240	272
Leona Maxey	Durst Oil Company	1/24/91	1240	284
E. W. Mason et ux	Durst Oil Company	2/07/91	1243	496
Wm. H. Hill et ux	Durst Oil Company	1/23/91	1243	492



EXHIBIT "A"  
(CONT)

Ira Lee Montgomery et ux	Durst Oil Company	1/23/91	1240	288
Lee Roy Hosey et ux	Durst Oil Company	1/23/91	1240	278
Joseph B. Burrell et ux	Durst Oil Company	2/04/91	1250	637
David Taylor, Jr., et ux	Durst Oil Company	1/23/91	1240	298
Isaac Butler et ux	Durst Oil Company	1/23/91	1240	250
Edna Mae Collins	Durst Oil Company	1/18/91	1240	256
Doris Taylor	Durst Oil Company	2/06/91	1240	300
Joseph Damon	Durst Oil Company	2/06/91	1247	606
Georgia Carter	Durst Oil Company	2/06/91	1243	484
Rosie Powell	Durst Oil Company	2/06/91	1243	498
Larry Damon	Durst Oil Company	2/06/91	1243	486
Johnny Damon, Jr.	Durst Oil Company	2/06/91	1247	608
Cleo Lucas	Durst Oil Company	2/12/91	1242	122
Joseph G. Williams et al	Durst Oil Company	1/23/91	1240	306
Charles Taylor et al	Durst Oil Company	1/17/91	1242	129
Freddie Hannon	Durst Oil Company	1/29/91	1240	270
Annie Lou Robertson	Durst Oil Company	5/23/91	1271	86
Edna Mae Collins	Durst Oil Company	1/18/91	1240	254
Will Foster, Jr.	Durst Oil Company	1/24/91	1240	268
Irvin Peterson, Sr.	Durst Oil Company	2/01/91	1240	292
Dossie Foster	Durst Oil Company	1/12/91	1240	261
Janette Hedge	Durst Oil Company	1/15/91	1240	274
Wes Mack et al	Durst Oil Company	2/12/91	1242	124
Mamie Thomas et al	Durst Oil Company	2/12/91	1243	502
Gracie Hemphill	Durst Oil Company	1/24/91	1240	276
Berry Lee Ellison	Durst Oil Company	1/16/91	1240	259
Ora Waldon	Durst Oil Company	2/19/91	1242	131
Merion Ellis	Durst Oil Company	2/12/91	1242	117
Charlie Lister	Durst Oil Company	1/12/91	1240	280
Wes Mack et ux	Durst Oil Company	1/23/91	1243	494
Clarence Allen et ux	Durst Oil Company	1/29/91	1240	247
Annette Varisco et al	Durst Oil Company	11/26/90	1236	808
State of Texas	Durst Oil Company	5/07/91	1284	40
James Damon et al	Durst Oil Company	2/06/91	1383	339
Peggy Mack	Durst Oil Company	10/28/91	1367	65
James Arthur Green	Durst Oil Company	10/23/91	1367	60
A. J. Green	Durst Oil Company	10/23/91	1367	57
Gladys Nell Smith	Durst Oil Company	10/23/91	1367	70
Milton Green	Durst Oil Company	10/23/91	1382	328
Howard Green	Durst Oil Company	10/23/91	1383	341
Merion Ellis	Durst Oil Company	2/12/91	1243	488
Marjorie Minor	Durst Oil Company	1/29/91	1240	286
Kimberly Womack LaValle	Durst Oil Company	11/23/91		



280.00 Acre Unit  
Varisco Well No. 1  
Durst Oil Company  
J. H. Jones Survey, A-26  
Brazos County, Texas

Field notes of a 280.00 acre tract or parcel of land, lying and being situated in the J. H. Jones Survey, Abstract No. 26, of Brazos County, Texas, and being all of the following tracts described in Deed Records, Official Records, and Lease Records of Brazos County, as listed below:

<u>GRANTEE</u>	<u>VOL/PG</u>
Brazos Varisco	849/185
Freddie Hannon	62/623
Charles A. Taylor, et ux	62/620
Joseph C. Williams	62/622
Will Foster Heirs	62/625
Janette Hedge	62/626
Janette Hedge	62/626
Wes Mack, et al	62/599
Clayton Baptist Church	62/621
Abram Gilmore Heirs	62/620
Margie Davis Heirs	118/288
Calvin Brocksher Heirs, et al	636/336
James Green	163/448
Robert P. Welch, et al	942/568
Marion Ellis, et al	726/189
Cleo Lucas, et al	129/43
James Green, et al	147/185
Willie Spikes	906/50
Berry Lister Heirs	219/627
Ora Waldon	111/345
Merion Ellis	250/622
Merion Ellis	297/591
Charlie Lister	116/131
Mary Francis Ford	129/37
Wes Mack	116/118
Clarence Allen	392/349
Edna Mae Collins	288/637
Joe Burrell, et al	315/707
Issac Butler	282/128
Edna Mae Collins	1240/256
Joseph Damon Heirs	129/340
State of Texas	1115/396
First American Bank	104/183
Anderson Jones	128/253
David Taylor	283/77

and also being part of the tract described in the deed to Annette Varisco, et al, recorded in Volume 266, Page 612, of the Deed Records of Brazos County, Texas, and also being part of Briarwood Retreat Subdivision of the Edna Mae Collins 27.40 acre tract, as shown on the plat recorded in Volume 288, Page 637, of the Brazos County Deed Records, said 280.00 acre tract being more particularly described by metes and bounds as follows:



280.00 Acre Unit  
Varisco Well No. 1  
Durst Oil Company  
J. H. Jones Survey, A-26  
Brazos County, Texas  
Continued - Page 2

BEGINNING at a point in the northwest line of the above-referenced Annette Varisco tract, a 30" diameter Post Oak tree bears S 33° 14' 19" W 21.4 feet, and a cross-tie at the north corner of said Annette Varisco tract bears N 45° 21' 41" E 567.3 feet;

THENCE S 42° 59' 59" E across the Annette Varisco tract, for a distance of 583.85 feet to the north corner of the Ora Waldon tract referenced above;

THENCE S 45° 24' 41" E with the northeast line of said Waldon tract, for a distance of 2330.83 feet to a point in the center of Foster Lane;

THENCE S 45° 35' 35" W with said centerline, for a distance of 72.17 feet and corner;

THENCE N 45° 24' 41" W with the northeast line of a called 2.0 acre tract described in the deed recorded in Volume 218, Page 369, of the Brazos County Deed Records, for a distance of 1206.38 feet to the north corner of said 20 acre tract;

THENCE S 45° 35' 35" W with the northwest line of the just mentioned 2.0 acre tract, for a distance of 72.22 feet to the west corner of same, lying on the original southwest line of Waldon tract;

THENCE S 45° 24' 41" E with the common southwest line of the Waldon tract and the 2.0 acre tract, for a distance of 1206.38 feet to a point on the centerline of Foster Lane;

THENCE N 45° 35' 35" E with the centerline of Foster Lane, for a distance of 16.87 feet to the intersection of a projection of the centerline right-of-way of Rickey Street, as shown on the plat of the above-referenced Briarwood Retreat Subdivision;

THENCE S 44° 44' 07" E with the centerline of Rickey Street, pass at 40.00 feet the northwest boundary of said subdivision, continue on, for a total distance of 128.20 feet and corner;

THENCE N 45° 15' 54" E pass at 30.00 feet, the west corner of Lot 2, Block 2, of the subdivision, pass at 330.00 feet the north corner of Lot 11, Block 2, continue on, for a total distance of 360.00 feet and corner on the centerline right-of-way of Dotty Street;

THENCE S 44° 44' 07" E with the centerline of Dotty Street, for a distance of 82.50 feet and corner;

THENCE S 45° 15' 54" W pass at 30.00 feet, the east corner of Lot 11, Block 2, pass at 330.00 feet the south corner of Lot 2, Block 2, continue on, for a total distance of 360.00 feet to a point on the centerline of Rickey Street and corner;

THENCE S 44° 44' 07" E with the centerline of Rickey Street, for a distance of 82.50 feet and corner;

25

280.00 Acre Unit  
Varisco Well No. 1  
Durst Oil Company  
J. H. Jones Survey, A-26  
Brazos County, Texas  
Continued - Page 3

THENCE N 45° 15' 54" E pass at 30.00 feet, the west corner of Lot 4, Block 2, of the subdivision, continue on, for a total distance of 180.00 feet to the north corner of same;

THENCE S 44° 44' 07" E with the southwest lines of Lots 7, 8 and 9, for a distance of 247.50 feet to the south corner of Lot 7;

THENCE N 45° 15' 54" E with the southeast line of Lot 7, Block 2, said line also being the northwest line of the Isaac Butler tract, referenced above, for a distance of 180.00 feet to a point on the centerline right-of-way of Dott Street;

THENCE N 44° 44' 07" W with the centerline of Dott Street, for a distance of 330.00 feet and corner, said point being contiguous with the end point of the sixth previous course;

THENCE N 45° 15' 54" E pass at 30.00 feet the west corner of Lot 3, Block 3, pass at 330.00 feet the north corner of Lot 10, Block 3, continue on, for a total distance of 360.00 feet and corner on the centerline right-of-way of Mark Street;

THENCE S 44° 44' 07" E with the centerline of Mark Street, for a distance of 82.50 feet and corner;

THENCE N 45° 15' 54" E pass at 30.00 feet, the west corner of Lot 4, Block 4, continue on, for a total distance of 180.00 feet to the north corner of same;

THENCE S 44° 44' 07" E for a distance of 82.50 feet to the west corner of Lot 8, Block 4 and corner;

THENCE N 45° 15' 54" E pass at 150.00 feet, the north corner of Lot 8, continue on, for a total distance of 180.00 feet to a point on the centerline right of way of Tyree Street and corner;

THENCE S 44° 44' 07" E with the centerline of Tyree Street, for a distance of 165.00 feet and corner;

THENCE N 45° 15' 54" E pass at 30.00 feet, the south corner of Lot 5, Block 5, continue on, for a total distance of 184.20 feet and corner at the east corner of said lot, on the northeast boundary line of the subdivision;

THENCE S 44° 49' 49" E with the northeast line of the subdivision, same being the northeast line of the above-referenced 0.39 acre Edna Mae Collins remainder tract, for a distance of 296.38 feet to a 1/2" iron rod found at the east corner of this subdivision, said rod also being the occupied north corner of the M. C. Peters Subdivision, as shown on the plat recorded in Volume 129, Page 37, of the Brazos County Deed Records;

THENCE S 45° 59' 48" E with the northeast line of Lot 1 of the Peters Subdivision, for a distance of 805.61 feet to a 1/2" iron rod found in the northwest line of the original 100 foot wide Farm-to-Market Road No. 60 right-of-way;

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MAY 25 1962  
U.S. DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

200.00 ACRE UNIT  
Varisco Well No. 1  
Durst Oil Company  
J. H. Jones Survey, A-26  
Brazos County, Texas  
Continued - Page 4

THENCE S 44° 45' 00" W with said right-of-way, for a distance of 136.54 feet and corner;

THENCE N 45° 59' 48" W with the southwest line of Lot 1, pass at 0.55 feet an iron rod found, continue on, for a total distance of 806.83 feet and corner;

THENCE S 45° 15' 53" W with the common line of the Briarwood Retreat and M. C. Peters Subdivision, for a distance of 524.81 feet to the north corner of the above-referenced Charlie Lister tract;

THENCE S 45° 19' 47" E pass at 2.48 feet, a 3/8" iron rod found, continue on, for a total distance of 811.48 feet to a point on the previously mentioned F.M. No. 60 right-of-way;

THENCE S 44° 45' 00" W with said right-of-way, for a distance of 106.42 feet and corner, an 8" creosote post bears S 17° 07' 35" E 1.1 feet;

THENCE N 45° 19' 47" W with the southwest line of Lot 4 of the Peters Subdivision, for a distance of 812.41 feet and corner;

THENCE S 45° 15' 53" W with the common line of the two subdivisions, for a distance of 783.32 feet and corner at the south corner of the Briarwood Retreat Subdivision;

THENCE S 42° 00' 04" W for a distance of 25.57 feet to a point on the centerline of Vincent Road;

THENCE S 30° 29' 51" E with the centerline of Vincent Road, lying on or adjacent to the east line of Lot 13 of the Peters Subdivision, for a distance of 838.00 feet to a point on the northwest right-of-way line of F.M. No. 60;

THENCE with a curve to the right, having a central angle of 06° 57' 22" and a radius of 2814.92 feet, for a distance of 341.75 feet, the chord bears S 52° 30' 50" W 341.54 feet, to a 3/4" iron pipe found for the south corner of Lot 15;

THENCE N 30° 29' 51" W for a distance of 791.43 feet to the west corner of Lot 15;

THENCE S 45° 09' 39" W with the common line of the Peters Subdivision and the above-referenced Brazos Varisco tract, for a distance of 56.00 feet to the north corner of Lot 17, an 8" creosote post bears S 32° 00' 33" W 4.1 feet;

THENCE S 30° 29' 51" E with the northeast line of Lot 17, same being the northeast line of the Clarence Allen tract, for a distance of 780.36 feet and corner on the northwest right-of-way line of F.M. No. 60;

THENCE with a curve to the right, having a central angle of 03° 22' 46" and a radius of 2814.92 feet, for a distance of 166.03 feet, the chord bears S 58° 47' 14" W 166.01 feet, to the south corner of Lot 19;

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MAY 25 1952

280.00 Acre Unit  
Varisco Well No. 1  
Durst Oil Company  
J. H. Jones Survey, A-26  
Brazos County, Texas  
Continued - Page 5

THENCE N 30° 29' 51" W pass at 0.95 feet, a 3/8" iron rod found, continue on, for a total distance of 739.99 feet to a 1/2" iron rod found at the west corner of Lot 19;

THENCE S 45° 09' 39" W with the northwest line of Lot 20, for a distance of 60.15 feet and corner;

THENCE S 30° 29' 45" E with the northeast line of Lot 21, for a distance of 723.50 feet to a point on the northwest right-of-way line of F.M. No. 60;

THENCE with said right-of-way, for the following calls:

With a curve to the right, having a central angle of 09° 36' 52" and a radius of 2814.92, for a distance of 472.35 feet, the chord bears S 66° 28' 16" W 471.80 feet,  
S 71° 16' 42" W 1122.65 feet to a 1/2" iron rod found;

THENCE N 62° 39' 42" W with the southwest line of the above-referenced First American Bank tract, for a distance of 37.06 feet;

THENCE S 45° 09' 39" W with the westmost southeast line of the Annette Varisco tract, crossing F.M. No. 60, for a distance of 2049.93 feet to a point on the east bank of the Brazos River;

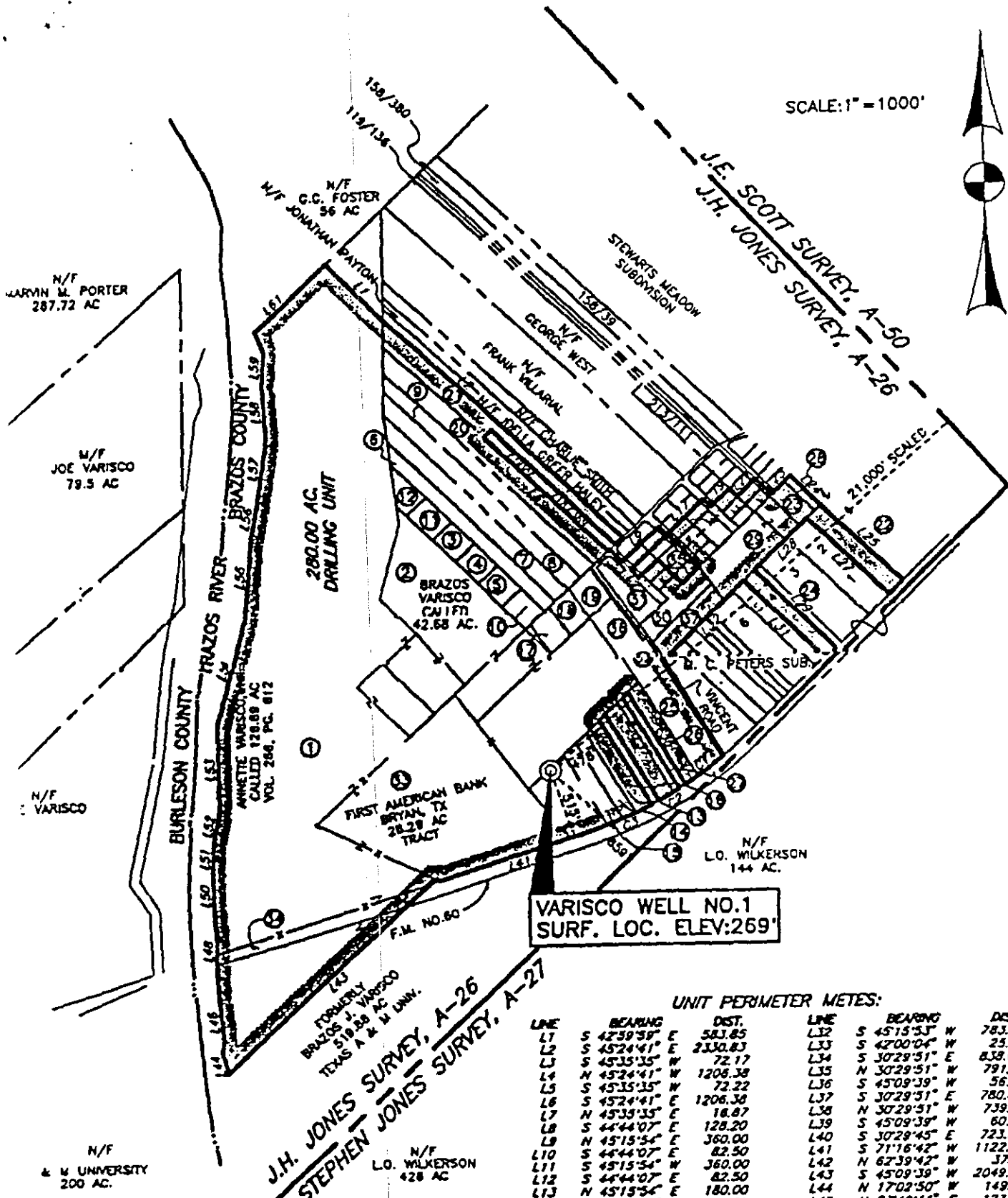
THENCE up the Brazos River with the meanders of the east bank for the following calls:

N 17° 02' 50" W	149.66 feet,
N 03° 49' 11" E	123.35 feet,
N 05° 55' 22" W	242.27 feet,
N 03° 08' 12" W	310.11 feet,
N 00° 55' 58" W	212.80 feet,
N 04° 51' 21" W	182.04 feet,
N 01° 20' 15" W	263.10 feet,
N 01° 38' 36" E	271.13 feet,
N 11° 17' 43" E	225.55 feet,
N 01° 02' 55" W	641.35 feet,
N 14° 12' 29" E	828.44 feet,
N 04° 10' 07" E	586.33 feet,
N 11° 00' 50" E	270.57 feet,
N 07° 51' 17" E	465.77 feet,
N 03° 40' 58" W	404.29 feet,
N 03° 36' 30" E	255.35 feet,
N 22° 37' 08" W	155.12 feet to a point in the Annette Varisco northwest line;

THENCE N 45° 24' 37" E departing the bank of the Brazos River with the Varisco northwest line, for a distance of 704.77 feet to the PLACE OF BEGINNING, containing 280.00 acres of land, more or less but limited to the Austin Chalk Formation underlying the Unit, such formation being the stratigraphic equivalent to the subsurface interval as shown on the Dual Induction SFL Compensated Neutron Formation Density Log of the North Central Oil Corporation James Green Well No. 1.

RECEIVED  
MAY 25 1952

SCALE: 1" = 1000'



**VARISCO WELL NO. 1  
SURF. LOC. ELEV: 269'**

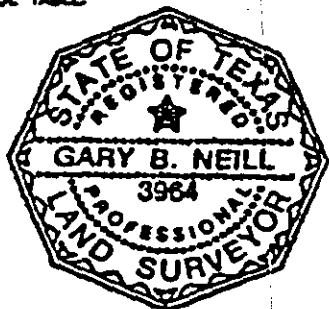
**UNIT PERIMETER METES:**

LINE	BEARING	DIST.	LINE	BEARING	DIST.
L1	S 42°59'58" E	583.85	L32	S 45°15'53" W	783.32
L2	S 45°24'41" E	2330.83	L33	S 42°00'04" W	25.57
L3	S 45°35'35" W	72.17	L34	S 30°28'51" E	838.00
L4	N 45°24'41" W	1206.38	L35	N 30°29'51" W	791.43
L5	S 45°35'35" W	72.22	L36	S 45°09'39" W	56.00
L6	S 45°24'41" E	1206.38	L37	S 30°29'51" E	780.36
L7	N 45°35'35" E	18.87	L38	N 30°29'51" W	739.99
L8	S 44°44'07" E	128.20	L39	S 45°09'39" W	60.15
L9	N 45°15'54" E	360.00	L40	S 30°29'45" E	723.65
L10	S 44°44'07" E	82.50	L41	S 71°16'42" W	1122.65
L11	S 45°15'54" W	360.00	L42	N 62°39'42" W	37.06
L12	S 44°44'07" E	82.50	L43	S 45°09'39" W	2049.93
L13	N 45°15'54" E	180.00	L44	N 17°02'50" W	149.66
L14	S 44°44'07" E	247.50	L45	N 03°49'11" E	123.35
L15	N 45°15'54" E	180.00	L46	N 05°55'22" W	242.27
L16	S 44°44'07" W	330.00	L47	N 03°08'12" W	310.11
L17	N 45°15'54" E	360.00	L48	N 00°55'58" W	212.80
L18	S 44°44'07" E	82.50	L49	N 04°51'21" W	182.04
L19	N 45°15'54" E	180.00	L50	N 01°20'15" W	493.10
L20	S 44°44'07" E	82.50	L51	N 01°38'36" E	271.13
L21	N 45°15'54" E	180.00	L52	N 11°17'43" E	225.55
L22	S 44°44'07" E	185.00	L53	N 01°02'55" W	641.35
L23	N 45°15'54" E	180.00	L54	N 15°12'23" E	620.99
L24	S 44°44'07" E	298.38	L55	N 04°10'07" E	586.33
L25	S 45°58'48" E	603.81	L56	N 11°00'50" E	370.67
L26	S 44°45'00" W	136.54	L57	N 07°51'17" E	165.77
L27	N 45°58'48" W	806.83	L58	N 03°40'58" W	404.28
L28	N 45°15'53" W	524.81	L59	N 03°36'30" E	255.35
L29	S 45°19'47" E	811.48	L60	N 22°37'08" W	155.12
L30	S 44°43'00" W	106.42	L61	N 45°21'37" E	704.77
L31	N 45°18'47" W	812.44			

CURVE	DELTA	ADIUS	CHORD BRG
C1	637°22'	2814.92	S 52°30'50" W 341.54
C2	522°46'	2814.92	S 58°47'14" W 166.01
C3	936°57'	2814.92	S 66°28'16" W 471.60

ANGLES BASED ON TRUE NORTH  
 ADJUSTED BY SQUARE OBSERVATION  
 1. LOCATED S 47°W & 5 MILES  
 W COLLEGE STATION, TEXAS  
 2. DASHED LINES INDICATES LIMITS OF

EXHIBIT "A" FOR ACREAGE TABLE



0 AUGUST, 1991

EXHIBIT "C" TO  
 DESIGNATION OF UNIT  
 OF DURST OIL COMPANY-VARISCO UNIT  
 Page 1

**WELL LOCATION**  
**VARISCO WELL NO. 1**  
**DURST OIL COMPANY**  
**J.H. JONES SURVEY, A-26**  
**BRAZOS COUNTY, TEXAS**

B. NEILL R.P.L.S. 3964

SCALE: 1" = 1000'

AUGUST, 1991

RECEIVED  
MAY 25 1952  
U.S. DEPARTMENT OF THE ARMY  
WASHINGTON, D.C.

# EXHIBIT "A"

VARISCO WELL NO. 1			
TRACT	ACREAGE IN UNIT	LEASE	VOL/PG
①	122.00	ANNETTE VARISCO, etal	268/612
②	43.23	BRAZOS VARISCO	849/185
③	1.01	FREDDIE HANNON	62/623
④	1.01	CHARLES A. TAYLOR, etal	62/620
⑤	1.01	JOSEPH G. WILLIAMS	62/622
⑥	4.36	WILL FOSTER HEIRS	62/625
⑦	5.00	JANETTE HEDGE	62/626
⑧	5.07	JANETTE HEDGE	62/626
⑨	3.93	WES MACK, etal	62/599
⑩	1.01	CLAYTON BAPTIST CHURCH	62/621
⑪	1.01	ABRAM GILMORE HEIRS	62/620
⑫	1.03	MARGIE DAVIS HEIRS	118/268
⑬	1.06	CALVIN BROCKSHER HEIRS, etal	636/335
⑭	1.47	JAMES GREEN	163/448
⑮	2.11	ROBERT P. WELCH, etal	942/568
⑯	1.02	MARION ELLIS, etal	726/189
⑰	1.09	CLEO LUCAS, etal	129/43
⑱	1.09	JAMES GREEN, etal	147/185
⑲	1.32	WILLIE SPIKES	806/50
⑳	7.59	BERRY LISTER MRS.	219/627
㉑	5.49	ORA WALDON	111/346
㉒	2.53	MERION ELLIS	250/622
㉓	1.00	MERION ELLIS	297/591
㉔	1.88	CHARLIE LISTER	116/131
㉕	4.40	MARY FRANCIS FORD	129/37
㉖	1.86	WES MACK	116/118
㉗	2.90	CLARENCE ALLEN	392/349
㉘	0.39	EDNA MAE COLLINS	288/637
㉙	5.00	JOE BURRELL, etal	315/707
㉚	2.09	ISSAC BUTLER	282/128
㉛	2.77	EDNA MAE COLLINS	1240/256
㉜	1.14	JOSEPH DAMON MRS.	129/340
㉝	3.41	STATE OF TEXAS	1115/396
㉞	28.29	FIRST AMERICAN BANK	104/183
㉟	6.13	SUBD. BLOCKS 2, 3, & 4	268/637
㊱	1.99	ANDERSON JONES	128/253
㊲	2.09	DAVID TAYLOR, etal	220/197
	280.00	TOTAL ACRES IN UNIT	

EXHIBIT "C" TO  
DESIGNATION OF UNIT  
OF DURST OIL COMPANY-VARISCO UNIT  
PAGE 2

**WELL LOCATION**  
**VARISCO WELL NO. 1**

**DURST OIL COMPANY**  
J.H. JONES SURVEY, A-26  
BRAZOS COUNTY, TEXAS

SCALE: 1" = 1000'

AUGUST, 1991

RECEIVED  
MAY 25 1892  
GENERAL LAND OFFICE

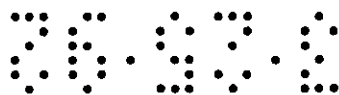
EXHIBIT "A"

LESSOR	ACREAGE	LEASE DATE	TERM	ROYALTY	ACREAGE IN UNIT	LESSEE OF RECORD
James Green	1.47	8/07/91	1 YR	.167	1.47	Durst Oil Company
Joe Anthony Yett	1.32	2/06/91	3 YRS	.125	1.32	"
Clayton Baptist Church	1.01	8/07/91	1 YR	.167	1.01	"
Clarence Mack	1.01	8/14/91	3 YRS	.125	1.01	"
Rosa Donnell Mack		8/14/91				"
James Edward Hannon		8/14/91				"
Mamie Mack Thomas		8/14/91				"
Gladys Mack Buchanan		8/14/91				"
Minnie Mack		8/14/91				"
Ves Mack		8/14/90				"
Daniel Mack		8/14/91				"
James Mack		8/14/91				"
Ruth B. Grant		8/14/91				"
Joseph Williams, et al		1/23/91				"
Naomi Cooper		8/14/91				"
Charles Alvin Taylor, Jr.		8/14/91				"
Earlene Taylor		8/14/91				"
Leon Wade		8/14/91				"
Ray Charles Wade		8/14/91				"
Carolyn Cooks		8/14/91				"
Ollie Faye Howard	1.01	8/14/91	3 YRS	.125	1.01	"
Charlene Taylor		8/14/91				"
Sandra Elizabeth Damon Buckner		8/14/91				"
Bobby Joe Carter		8/14/91				"
Alvin Ruth Taylor		8/14/91				"
Charles Taylor et ux		1/17/91				"
Deborah Joan Peterson et al		8/14/91				"
Villie Mae Pharns		8/08/91				"
Rosie Lewis		8/08/91				"
Robert Earl Hightower		8/08/91				"
Edna Mae Curry		8/08/91				"
Edna Mae Collins	4.36	1/18/91	3 YRS	.125	4.36	"
Vill Foster, Jr.		1/24/91				"
Irvin Peterson, Sr.		2/01/91				"
Dossie Foster		1/12/91		.167		"
Cheryl Lynn Peterson		8/14/91		.125		"
Kimberly Womack						"
LaValle		11/23/91				"
Gracie Hemphill		1/24/91				"
Berry Lee Ellison		1/16/91				"
Blanche Curtis Womack		7/23/91				"
Lillie Boose	7.59	8/14/91	3 YRS	.125	7.59	"
Arthur Lee Hardy		8/14/91				"
James Cameron Womack		11/23/91				"
Stokes Hardy		8/14/91				"
Brazos J. Varisco	1.05	8/08/91	18MOS	.200	1.05	"
Robert Welch	1.06	7/30/91	3 YRS	.167	1.06	"
Mary Lee Marzetta		8/23/91				"
Clifford G. Dorn	1.08	8/29/91	3 YRS	.125	1.08	"
George Bracksher		8/23/91				"
Anderson Jones	1.99	12/12/91	3 YRS	.167	1.99	"
First American Bank, Bryan, Texas	28.29	3/28/90	3 YRS	.260	28.29	Union Pacific Resources Company
Mary Frances Ford	4.40	2/06/91	3 YRS	.125	4.40	Durst Oil Company
Brazos J. Varisco et ux	43.23	11/26/90	18 MOS	.20	43.23	"
Eddie Mae Thomas	.35	2/01/91	3 YRS	.125	.35	"



EXHIBIT "A"  
(CONT)

Gracie Hemphill	.35	1/24/91	3 YRS	.125	.35	Durst Oil Company
Leona Maxey	.35	1/24/91	3 YRS	.125	.35	"
W. Mason et ux	.35	2/07/91	3 YRS	.125	.35	"
Wm. H. Hill et ux	.70	1/23/91	3 YRS	.125	.70	"
Ira Lee Montgomery et ux	.70	1/23/91	3 YRS	.125	.70	"
Lee Roy Hosey et ux	1.05	1/23/91	3 YRS	.125	1.05	"
Joseph B. Burrell et ux	5.00	2/04/91	3 YRS	.125	5.00	"
David Taylor, Jr., et ux	2.09	1/23/91	3 YRS	.125	2.09	"
Isaac Butler, et ux	2.09	1/23/91	3 YRS	.125	2.09	"
Edna Mae Collins	8.0	1/18/91	3 YRS	.125	5.09	"
Doris Taylor						"
Joseph Damon						"
Georgia Carter						"
Rosie Powell	1.14	2/06/91	3 YRS	.125	1.14	"
Larry Damon						"
Johnny Damon, Jr.						"
Frank Damon						"
James E. Damon						"
Cleo Lucas	1.09	2/12/91	3 YRS	.125	1.09	"
Freddie Hannon	1.01	1/29/91	3 YRS	.125	1.01	"
Annie Lou Robertson	2.04	5/23/91	3 YRS	.125	2.04	"
Peggy Mack		10/28/91				"
Janette Hedge	10.07	1/15/91	3 YRS	.125	10.07	"
Ves Mack et al	3.93	2/12/91	3 YRS	.125	3.93	"
Mamie Thomas et al		2/12/91				"
Dra Waldon	5.49	2/19/91	3 YRS	.125	5.49	"
Merion Ellis	4.55	2/12/91	3 YRS	.125	4.55	"
Charlie Lister	1.98	1/12/91	3 YRS	.167	1.98	"
Ves Mack et ux	1.96	1/23/91	3 YRS	.125	1.96	"
Clarence Allen et ux	2.90	1/29/91	3 YRS	.125	2.90	"
Annette Varisco et al	126.83	11/26/90	18MOS	.20	122.00	"
James Arthur Green		10/23/91				"
A. J. Green		10/23/91				"
Gladys Nell Smith	1.09	10/23/91	3 YRS	.125	1.09	"
Milton Green		10/23/91				"
Howard Green		10/23/91				"
Marjorie Minor	.35	1/29/91	3 YRS	.125	.35	"
					<u>276.59</u>	



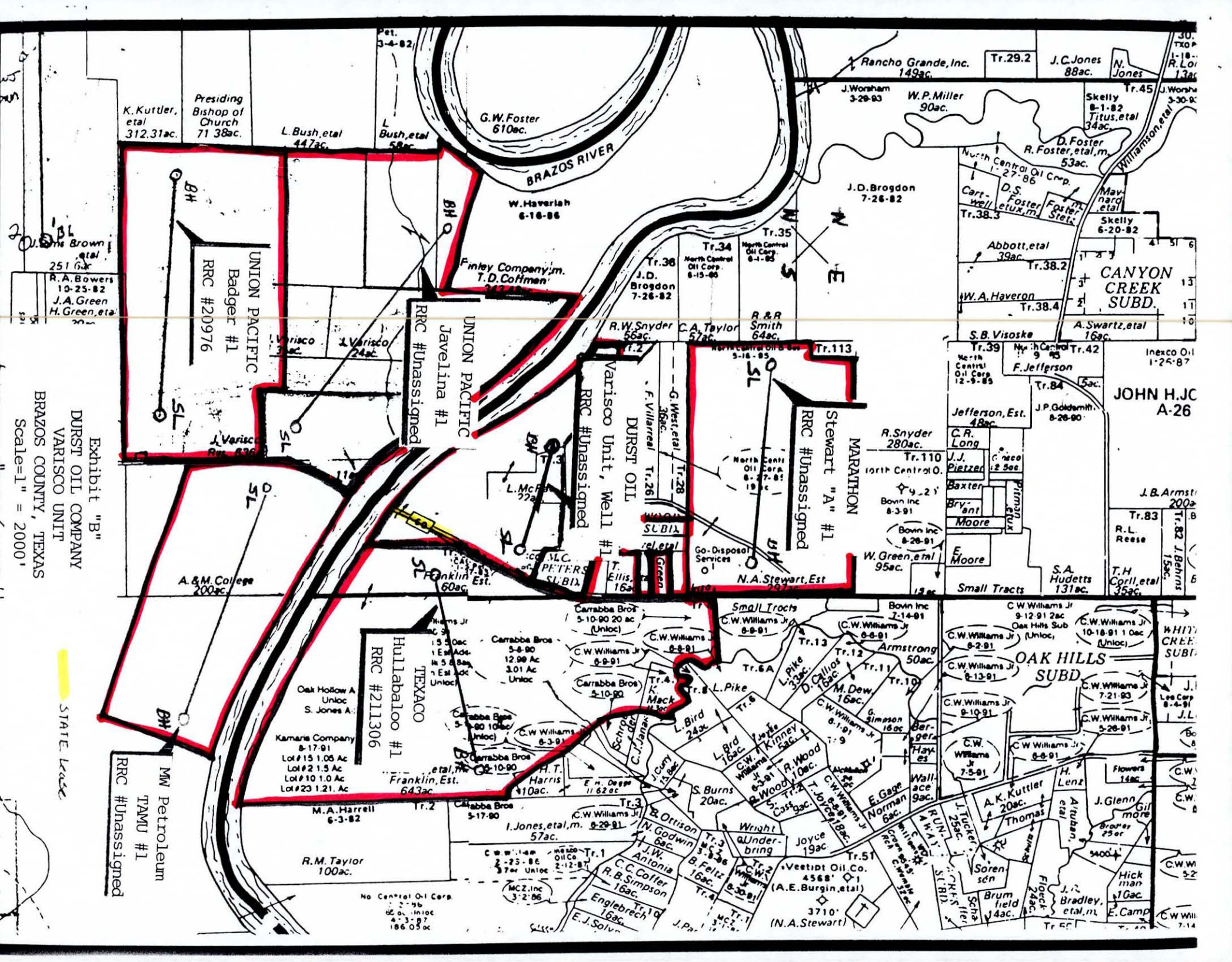


Exhibit "B"  
DURST OIL COMPANY  
VARISSO UNIT  
BRAZOS COUNTY, TEXAS  
Scale=1" = 2000'

K. Kuttler, et al  
312.31 ac

Presiding Bishop of Church  
71.38 ac

L. Bush, et al  
447 ac

Pet.  
3-4-82

G.W. Foster  
610 ac

W. Haveriah  
6-18-86

Rancho Grande, Inc.  
149 ac

J.C. Jones  
88 ac

Skelly  
8-1-82  
Titus, et al  
34 ac

UNION PACIFIC  
Badger #1  
RRC #20976

UNION PACIFIC  
Javelina #1  
RRC #Unassigned

VARISSO UNIT, Well #1  
RRC #Unassigned

Stewart "A" #1  
RRC #Unassigned

CANYON CREEK SUBD.

JOHN H. JC  
A-26

A. & M. College  
200 ac

HULLABALOO #1  
RRC #211306

MW Petroleum  
TAMU #1  
RRC #Unassigned

Oak Hollow A  
Unloc  
S. Jones A

Kamans Company  
8-17-91  
Lot #15 1.05 Ac  
Lot #2 1.5 Ac  
Lot #10 1.0 Ac  
Lot #23 1.21 Ac

M.A. Harrell  
6-3-82

R.M. Taylor  
100 ac

Carrabba Bros  
5-10-90 20 ac  
(Unloc)

C.W. Williams Jr  
6-8-91

Small Tracts  
C.W. Williams Jr  
6-8-91

OAK HILLS SUBD.

C.W. Williams Jr  
9-12-91 2 ac  
Oak Hills Sub  
(Unloc)

C.W. Williams Jr  
10-18-91 1.0 ac  
(Unloc)

C.W. Williams Jr  
6-2-91

C.W. Williams Jr  
6-13-91

C.W. Williams Jr  
9-10-91

C.W. Williams Jr  
7-5-91

C.W. Williams Jr  
6-8-91

C.W. Williams Jr  
7-21-93

C.W. Williams Jr  
5-28-91

C.W. Williams Jr  
6-8-91

C.W. Williams Jr  
7-21-93

C.W. Williams Jr  
6-4-91

C.W. Williams Jr  
7-21-93

C.W. Williams Jr  
6-4-91

C.W. Williams Jr  
7-21-93

C.W. Williams Jr  
6-4-91

C.W. Williams Jr  
7-21-93

C.W. Williams Jr  
6-4-91

C.W. Williams Jr  
7-21-93

No Central Oil Corp.  
2-7-86  
6-9-86  
A-3-97  
186.05 ac

Englebrech  
Tr. 10  
16 ac

J.P. ...  
Tr. 1  
3.1 ac

(N.A. Stewart)  
3710'

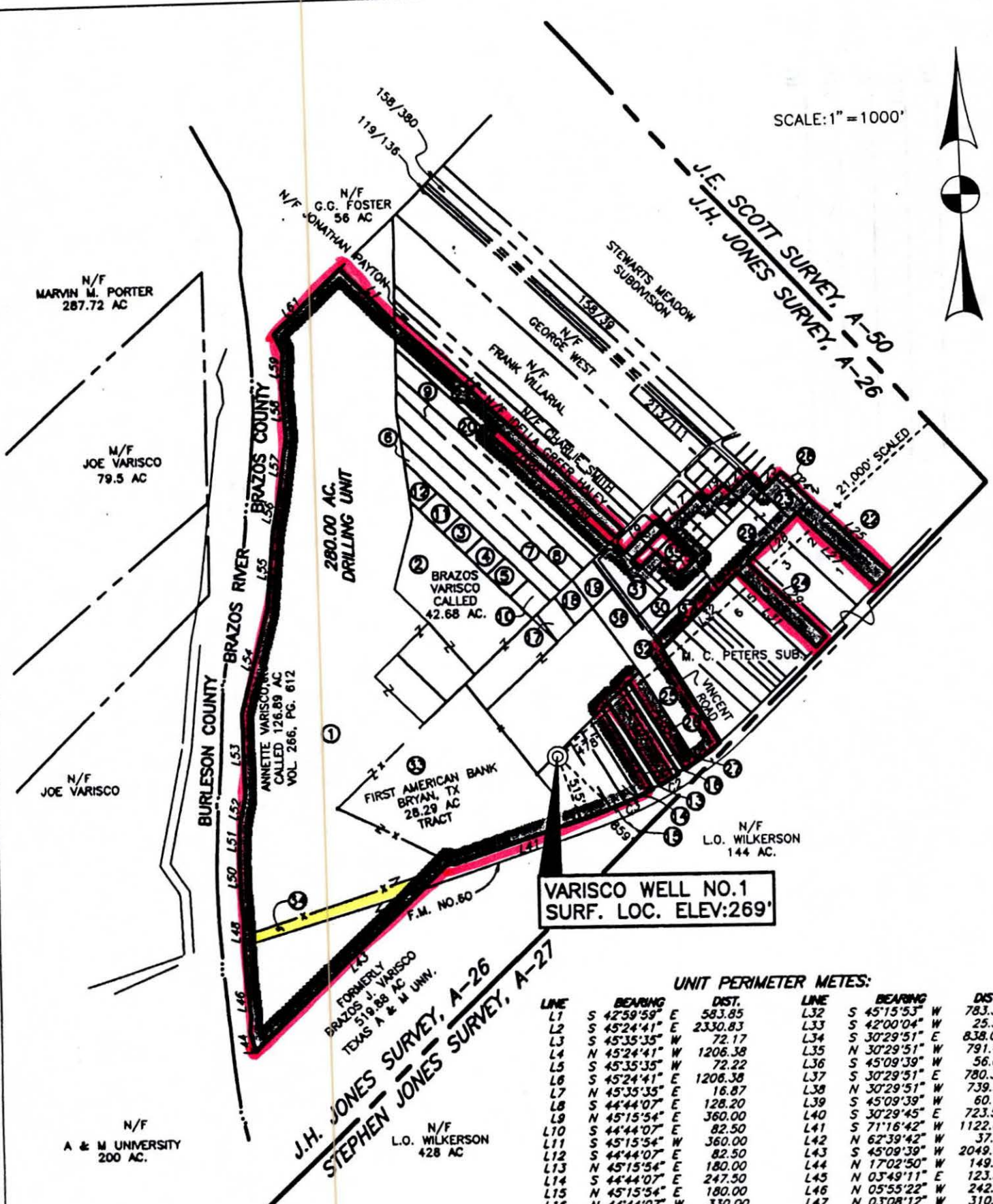
Brumfield  
14 ac

J. Bradley, et al  
m  
2 ac

Hickman  
1 ac

C.W. Williams Jr  
7-14

SCALE: 1" = 1000'



**VARISCO WELL NO.1  
SURF. LOC. ELEV: 269'**

**UNIT PERIMETER METES:**

LINE	BEARING	DIST.	LINE	BEARING	DIST.
L1	S 42°59'58" E	583.85	L32	S 45°15'53" W	783.32
L2	S 45°24'41" E	2330.83	L33	S 42°00'04" W	25.57
L3	S 45°35'35" W	72.17	L34	S 30°29'51" E	838.00
L4	N 45°24'41" W	1206.38	L35	N 30°29'51" W	791.43
L5	S 45°35'35" W	72.22	L36	S 45°09'39" W	56.00
L6	S 45°24'41" E	1206.38	L37	S 30°29'51" E	780.36
L7	N 45°35'35" E	16.87	L38	N 30°29'51" W	739.99
L8	S 44°44'07" E	128.20	L39	S 45°09'39" W	60.15
L9	N 45°15'54" E	360.00	L40	S 30°29'45" E	723.50
L10	S 44°44'07" E	82.50	L41	S 71°16'42" W	1122.65
L11	S 45°15'54" W	360.00	L42	N 62°39'42" W	37.06
L12	S 44°44'07" E	82.50	L43	S 45°09'39" W	2049.93
L13	N 45°15'54" E	180.00	L44	N 17°02'50" W	149.66
L14	S 44°44'07" E	247.50	L45	N 03°49'11" E	123.35
L15	N 45°15'54" E	180.00	L46	N 05°55'22" W	242.27
L16	N 44°44'07" W	330.00	L47	N 03°08'12" W	310.11
L17	N 45°15'54" E	360.00	L48	N 00°55'58" W	212.80
L18	S 44°44'07" E	82.50	L49	N 04°51'21" W	182.04
L19	N 45°15'54" E	180.00	L50	N 01°20'15" W	263.10
L20	S 44°44'07" E	82.50	L51	N 01°38'36" E	271.13
L21	N 45°15'54" E	180.00	L52	N 11°17'43" E	225.55
L22	S 44°44'07" E	165.00	L53	N 01°02'55" W	641.35
L23	N 45°15'54" E	184.20	L54	N 14°12'29" E	828.44
L24	S 44°49'49" E	296.38	L55	N 04°10'07" E	586.33
L25	S 45°59'48" E	805.61	L56	N 11°00'50" E	270.57
L26	S 44°45'00" W	136.54	L57	N 07°51'17" E	465.77
L27	N 45°59'48" W	806.83	L58	N 03°40'58" W	404.29
L28	S 45°15'53" W	524.81	L59	N 03°36'30" E	255.35
L29	S 45°19'47" E	811.48	L60	N 22°37'08" W	155.12
L30	S 44°45'00" W	106.42	L61	N 45°21'37" E	704.77
L31	N 45°19'47" W	812.44			

CURVE	DELTA	RADIUS	CHORD BRG
C1	6°57'22"	2814.92	S 52°30'50" W 341.54
C2	5°22'46"	2814.92	S 58°47'14" W 166.01
C3	9°36'52"	2814.92	S 66°28'16" W 471.80

- NOTES:
1. BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION.
  2. WELL LOCATED S 47° W 8.5 MILES FROM COLLEGE STATION, TEXAS.
  3. [Redacted] INDICATES LIMITS OF UNIT
  4. SEE EXHIBIT "A" FOR ACREAGE TABLE.



SURVEYED AUGUST, 1991

*Gary B. Neill*

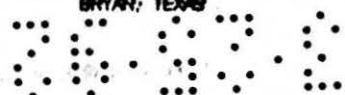
Exhibit "C"

BY: GARY B. NEILL R.P.L.S. 3964

**WELL LOCATION  
VARISCO WELL NO.1**

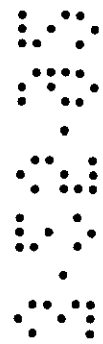
**DURST OIL COMPANY  
J.H. JONES SURVEY, A-26  
BRAZOS COUNTY, TEXAS**

SCALE: 1" = 1000' AUGUST, 1991



MF 94380  
Item Des. of Unit Agreement  
To Glo  
From Derst Gil  
Date 3.25.92

(7)



M-94380

RAILROAD COMMISSION OF TEXAS  
Oil and Gas Division

Form W-2  
Rev. 4/1/83  
483-046

Type or print only

API No. 42-041 31534				7. RRC District No. 3	
Oil Well Potential Test, Completion or Recompletion Report, and Log					
1. FIELD NAME (as per RRC Records or Wildcat) Giddings (Austin Chalk-3)		2. LEASE NAME Varisco Unit		9. Well No. 1	
3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report) Durst Oil Company			RRC Operator No. 236455		10. County of well site Brazos
4. ADDRESS 1702 American Bank Corpus Christi, Texas 78475					
5. If Operator has changed within last 60 days, name former operator Sage Energy Company					
6a. Location (Section, Block, and Survey) J.H. Jones A-26			6b. Distance and direction to nearest town in this county 6 miles SW from College Station		
12. If workover or reclass, give former field (with reservoir) & gas ID or oil lease no. FIELD & RESERVOIR		GAS ID or OIL LEASE #	OIL - O Gas - G	WELL NO.	
13. Type of electric or other log run GR-N				14. Completion or recompletion date 12-14-91	
11. Purpose of filling Initial Potential <input checked="" type="checkbox"/> Retest <input type="checkbox"/> Reclass <input type="checkbox"/> Well record only (explain in Remarks) <input type="checkbox"/>					

SECTION I: POTENTIAL TEST DATA IMPORTANT: Test should be for 24 hours unless otherwise specified in field rules.

15. Date of test 12-16-91	16. No. of hours tested 24	17. Production method (Flowing, Gas Lift, Jetting, Pumping-- Size & Type of pump) flowing			18. Choke size 36/64
19. Production during Test Period Oil - BBLS 272	Gas - MCF 980	Water - BBLS 960	Gas - Oil Ratio 3603	Flowing Tubing Pressure 400 PSI	
20. Calculated 24-Hour Rate Oil - BBLS 272	Gas - MCF 980	Water - BBLS 960	Oil Gravity-API-60° 47.0	Casing Pressure PSI	
21. Was swab used during this test? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		22. Oil produced prior to test (New & Reworked wells) 700		23. Injection Gas-Oil Ratio	
REMARKS:					

INSTRUCTIONS: File an original and one copy of the completed Form W-2 in the appropriate RRC District Office within 30 days after completing a well and within 10 days after a potential test. If an operator does not properly report the results of a potential test within the 10-day period, the effective date of the allowable assigned to the well will not extend back more than 10 days before the W-2 was received in the District Office. (Statewide Rules 16 and 51) To report a completion or recompletion, fill in both sides of this form. To report a retest, fill in only the front side.

WELL TESTER'S CERTIFICATION  
I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test by observation of (a) meter readings or (b) the top and bottom gauges of each tank into which production was run during the test. I further certify that the potential test data shown above is true, correct, and complete, to the best of my knowledge.

Glen C. Sturgis Signature - Well Tester  
Sage Energy Company Name of Company  
RRC Representative

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

Lee A. Durst, Jr. Typed or printed name of operator's representative  
(512) 888-4741 Telephone Area Code Number  
12 / 19 / 91 Date mo day year  
President Title of Person  
[Signature] Signature

24. Type of Completion: Horizontal New Well  Deepening  Plug Back  Other

25. Permit to Drill, Plug Back or Deepen DATE: 10-25-91 PERMIT NO: 392275

26. Notice of Intention to Drill this well was filed in Name of Sage Energy Company

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

28. Total number of acres in this lease: 280

29. Date Plug Back, Deepening, WorkOver or Drilling Operations: Commenced 11-6-91 Completed 12-14-91

30. Distance to nearest well, Same Lease & Reservoir: none

Rule 37 Exception PERMIT NO: 109014

Water Injection PERMIT NO:

Salt Water Disposal PERMIT NO:

Other PERMIT NO:

31. Location of well, relative to nearest lease boundaries of lease on which this well is located: 185 Feet From SW Line and 467 Feet from S Line of the Varisco Lease

32. Elevation (DF, RKB, RT, GR, ETC.): 269 GR

33. Was directional survey made other than inclination (Form W-12)?  Yes  No

34. Top of Pav: 8794

35. Total Depth: 10,853

36. P. H. Depth: 10,853

37. Surface Casing Determined by: Field  Rules  Recommendation of T.D.W.R. Railroad Commission (Special)

Dt. of Letter 9-30-91

38. Is well multiple completion? No

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

40. Intervals Drilled by: Rotary Tools  Cable Tools

41. Name of Drilling Contractor: Drillers, Inc.

42. Is Cementing Affidavit Attached?  Yes  No

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

CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
10 3/4	40.50	1671		685sx pacesetter lite II	14 3/4	Surface	1895.9
7 5/8	29.70 &	8832		150sx 65/35POZ	9 7/8	8232	193
7 5/8	26.40		3941	470sx standard	9 7/8	surface	2115

44. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen

45. TUBING RECORD

Size	Depth Set	Packer Set	From	To
2 7/8"	8503	8503	8832	10,853

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

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

Depth Interval	Amount and Kind of Material Used

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

Formations	Depth	Formations	Depth
Austin Chalk	8794		
Pecan Gap	7750		

REMARKS

MF 94380

Item W2 Form

To \_\_\_\_\_

From \_\_\_\_\_

Date 3-25-92

8

DO NOT DESTROY

GLO-36-10-84

-MEMO-

17422314626

Operator DURST Oil Co.Unit Name Varisco UnitCounty <sup>03</sup> BrazosEffective Date MARCH 16, 1992Unitized for: Oil  Gas  Oil & Gas 1. M.F. No. 094380Area HIZOW Tr. \_\_\_\_\_

Sec. \_\_\_\_\_ Blk. \_\_\_\_\_ Survey \_\_\_\_\_

$$\begin{array}{r} 3.41 \\ \hline 280.00 \times \frac{1}{5} \\ \hline .012179 \end{array} \times \frac{1}{5} = \frac{.2436}{.002436} \%$$

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:

**DURST OIL COMPANY**

Unit #  
2108

*122*

1702 AMERICAN BANK PLAZA  
CORPUS CHRISTI, TEXAS 78475-1184  
FAX. 512-888-4744  
TEL. 512-888-4741

October 1, 1992

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

Re: Varisco Unit  
Brazos County, Texas

Dear Ms. Yakints,

Pursuant to my telephone conversation with Mr. Tim Tittman last week, I have enclosed herewith a recorded copy of our Unit Designation which includes state lease number M-94380 which covers part of Highway 60. I understand that we will be assigned a Unit Number for our Varisco Unit.

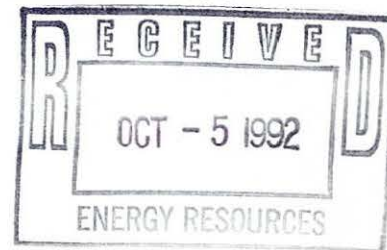
Please call should you have any questions.

Very truly yours,  
DURST OIL COMPANY

*Lee A. Durst, Jr.*  
Lee A. Durst, Jr.  
President

LADJ/td

Enclosure



487153

FILED

92 APR -7 AM 10: 23

DESIGNATION OF UNIT AGREEMENT  
DURST OIL COMPANY - VARISCO UNIT  
BRAZOS COUNTY, TEXAS

*Raymond W. ...* CO. CLERK  
BRAZOS COUNTY COURTHOUSE  
BRYAN, TEXAS  
*Raymond W. ...*

STATE OF TEXAS       §  
                                  §                                   KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF BRAZOS   §

The undersigned, being the owners of valid and subsisting oil, gas and mineral leases ("Leases") listed on Exhibit "A", attached hereto and made a part hereof, covering and describing lands lying and situated in Brazos County, Texas, do, by virtue of the authority conferred by the terms of such Leases and any and all amendments and corrections thereto, hereby pool, consolidate, combine and designate a 280 acre Pooled Unit comprised of the said Leases, the leasehold rights, overriding royalty and royalty interests therein and thereunder, for the purpose of exploration, development, production and operation of oil, gas and liquid hydrocarbons (including condensate, distillate and other liquids). The unit (hereinafter call "Unit") shall be comprised of said Leases insofar as they cover lands and depths within the Unit described on Exhibit "B", which is attached hereto and made a part hereof, which Unit is depicted on the Plat attached hereto as Exhibit "C". The Unit shall be known as the Durst Oil Company-Varisco Unit.

If at any time any Lease 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 and the Unit shall remain in force and effect as to the balance of the Leases covered hereby or unitized hereby or otherwise.

This Designation of Unit covers all production from the Leases described on the attached Exhibit "A" which is produced from any well drilled to the unitized interval underlying the Unit area. Production from the Unit and any

royalties provided for in the Leases 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 included in the unit.

The undersigned reserves the right to amend, enlarge, extend, decrease, or in any way alter this Unit Designation from time to time, and at any time, in order to correct any error herein or to include in the Unit any newly acquired interest within the Unit boundaries so long as such amendment does not violate the applicable rules and regulations of any governmental regulatory body or agency having jurisdiction or the Leases.

It is agreed that this pooled unit is not and shall not be intended to be an offer to pool as to any unleased mineral or executory interest owner or any other unpooled lease. Therefore, such unleased mineral or executory interest owners or unpooled lease shall not be included within this pooled unit without the prior written consent of the leasehold estate and working interest owners of the leases that are pooled herewith.

By execution of this Designation of Unit, the undersigned do not exhaust their 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 they expressly reserve to themselves, their 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.

DESIGNATION OF UNIT AGREEMENT  
PAGE 3

The Unit hereby created shall remain in force and effect: (1) so long as drilling operations or production or payments are made under the terms and provisions of the Leases; or (2) until dissolved by written instrument duly executed by the undersigned or their successors in interest and filed of record in the appropriate records of Brazos County, Texas.

This Designation of Unit may be signed in any number of counterparts, each of which shall be construed as an original for all purposes.

IN WITNESS WHEREOF, this Designation of Unit is executed on this 12<sup>th</sup> day of MARCH, 1997, but effective the date of first production from the Unit.

DURST OIL COMPANY

BY: 

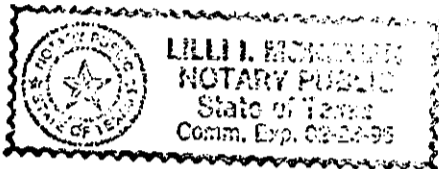
UNION PACIFIC RESOURCES COMPANY

BY: Debra Johnson   
Its: Attorney-in-fact 

STATE OF TEXAS §  
§  
COUNTY OF NUECES §

BEFORE ME, the undersigned authority, on this day personally appeared LEE A. DURST, JR., known to me to be the person whose name is subscribed to the foregoing instrument as PREDIDENT of DURST OIL COMPANY, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 16<sup>th</sup> day of March, 1992.



Lilli I. Moreman  
Notary Public in and for the State of Texas

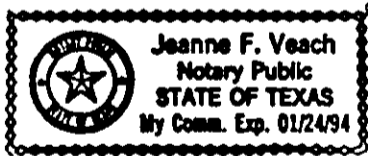
Lilli I. MOREMAN  
Notary's Printed Name

My Commission Expires: 02-28-95

STATE OF TEXAS §  
§  
COUNTY OF TARRANT §

BEFORE ME, the undersigend authority, on this day personally appeared DEBRA JOHNSON, known to me to be the person whose name is subscribed to the foregoing instrument as ATTORNEY-IN-FACT of UNION PACIFIC RESOURCES COMPANY, and acknowledged to me that she executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 10<sup>th</sup> day of MARCH, 1992.



J F Veach  
Notary Public in and for the State of Texas

Notary's Printed Name

My Commission Expires: \_\_\_\_\_

## EXHIBIT "A"

Attached to and made a part of Designation of Unit Agreement  
Durst Oil Company - Varisco Unit, Brazos County, Texas. Oil,  
Gas and Mineral Leases included in the Durst Oil Company -  
Varisco Unit. All recording references listed below are to  
the Official Records of Brazos County, Texas.

LESSOR	LESSEE	DATE	VOLUME	PAGE
James Green	Durst Oil Company	10/23/91	1316	188
Joe Anthony Yett	Durst Oil Company	2/06/91	1335	212
Clayton Baptist Church	Durst Oil Company	8/07/91	1316	191
Clarence Mack	Durst Oil Company	8/14/91	1346	158
Rosa Donnell Mack	Durst Oil Company	8/14/91	1346	156
James Edward Hannon	Durst Oil Company	8/14/91	1350	65
Mamie Mack Thomas	Durst Oil Company	8/14/91	1320	257
Gladys Mack Buchanan	Durst Oil Company	8/14/91	1346	154
Minnie Mack	Durst Oil Company	8/14/91	1320	259
Wes Mack	Durst Oil Company	8/14/91	1326	1
Daniel Mack	Durst Oil Company	8/14/91	1332	264
James Mack	Durst Oil Company	8/14/91	1325	307
Ruth B. Grant	Durst Oil Company	8/14/91	1335	204
Charles Alvin Taylor, Jr.	Durst Oil Company	8/14/91	1327	134
Earlene Taylor	Durst Oil Company	8/14/91	1334	99
Leon Wade	Durst Oil Company	8/14/91	1334	101
Ray Charles Wade	Durst Oil Company	8/14/91	1334	103
Carolyn Cooks	Durst Oil Company	8/14/91	1335	202
Ollie Faye Howard	Durst Oil Company	8/14/91	1335	206
Charlene Taylor	Durst Oil Company	8/14/91	1323	299
Sandra Elizabeth Damon Buckner	Durst Oil Company	8/14/91	1346	152
Bobby Joe Carter	Durst Oil Company	8/14/91	1335	200
Alvin Ruth Taylor	Durst Oil Company	8/14/91	1346	160
Deborah Joan Peterson et al	Durst Oil Company	8/14/91	1334	97
Willie Mae Pharns	Durst Oil Company	8/08/91	1335	208
Rosie Lewis	Durst Oil Company	8/08/91	1323	297
Robert Earl Hightower	Durst Oil Company	8/08/91	1323	295
Edna Mae Curry	Durst Oil Company	8/08/91	1323	291
Blanche Curtis Womack	Durst Oil Company	7/23/91	1335	210
Lillie Boose	Durst Oil Company	8/14/91	1323	289
Arthur Lee Hardy	Durst Oil Company	8/14/91	1323	293
George Bracksher	Durst Oil Company	8/23/91	1335	198
Brazos J. Varisco	Durst Oil Company	8/08/91	1320	255
Robert Welch	Durst Oil Company	7/30/91	1316	195
Mary Lee Marzetta	Durst Oil Company	8/23/91	1324	211
Clifford G. Dorn	Durst Oil Company	8/29/91	1330	210
Cheryl Lynn Peterson	Durst Oil Company	8/14/91	1367	68
James Cameron Womack	Durst Oil Company	11/23/91	1383	344
Stokes Hardy	Durst Oil Company	8/14/91	1367	63
Anderson Jones	Durst Oil Company	12/12/91		
First American Bank, Bryan, Texas	Union Pacific Resources Company	3/28/90	1196	679
Mary Frances Ford	Durst Oil Company	2/06/91		
Naomi Cooper	Durst Oil Company	8/14/91	1367	55
Brazos J. Varisco et ux	Durst Oil Company	11/26/90	1236	804
Eddie Mae Thomas	Durst Oil Company	2/01/91	1243	500
Gracie Hemphill	Durst Oil Company	1/24/91	1240	272
Leona Maxey	Durst Oil Company	1/24/91	1240	284
E. W. Mason et ux	Durst Oil Company	2/07/91	1243	496
Wm. H. Hill et ux	Durst Oil Company	1/23/91	1243	492

EXHIBIT "A"  
(CONT)

Ira Lee Montgomery et ux	Durst Oil Company	1/23/91	1240	288
Lee Roy Hosey et ux	Durst Oil Company	1/23/91	1240	278
Joseph B. Burrell et ux	Durst Oil Company	2/04/91	1250	637
David Taylor, Jr., et ux	Durst Oil Company	1/23/91	1240	298
Isaac Butler et ux	Durst Oil Company	1/23/91	1240	250
Edna Mae Collins	Durst Oil Company	1/18/91	1240	256
Doris Taylor	Durst Oil Company	2/06/91	1240	300
Joseph Damon	Durst Oil Company	2/06/91	1247	606
Georgia Carter	Durst Oil Company	2/06/91	1243	484
Rosie Powell	Durst Oil Company	2/06/91	1243	498
Larry Damon	Durst Oil Company	2/06/91	1243	486
Johnny Damon, Jr.	Durst Oil Company	2/06/91	1247	608
Cleo Lucas	Durst Oil Company	2/12/91	1242	122
Joseph G. Williams et al	Durst Oil Company	1/23/91	1240	306
Charles Taylor et al	Durst Oil Company	1/17/91	1242	129
Freddie Hannon	Durst Oil Company	1/29/91	1240	270
Annie Lou Robertson	Durst Oil Company	5/23/91	1271	86
Edna Mae Collins	Durst Oil Company	1/18/91	1240	254
Will Foster, Jr.	Durst Oil Company	1/24/91	1240	268
Irvin Peterson, Sr.	Durst Oil Company	2/01/91	1240	292
Dossie Foster	Durst Oil Company	1/12/91	1240	261
Janette Hedge	Durst Oil Company	1/15/91	1240	274
Wes Mack et al	Durst Oil Company	2/12/91	1242	124
Mamie Thomas et al	Durst Oil Company	2/12/91	1243	502
Gracie Hemphill	Durst Oil Company	1/24/91	1240	276
Berry Lee Ellison	Durst Oil Company	1/16/91	1240	259
Ora Waldon	Durst Oil Company	2/19/91	1242	131
Merion Ellis	Durst Oil Company	2/12/91	1242	117
Charlie Lister	Durst Oil Company	1/12/91	1240	280
Wes Mack et ux	Durst Oil Company	1/23/91	1243	494
Clarence Allen et ux	Durst Oil Company	1/29/91	1240	247
Annette Varisco et al	Durst Oil Company	11/26/90	1236	808
State of Texas	Durst Oil Company	5/07/91	1284	40
James Damon et al	Durst Oil Company	2/06/91	1383	339
Peggy Mack	Durst Oil Company	10/28/91	1367	65
James Arthur Green	Durst Oil Company	10/23/91	1367	60
A. J. Green	Durst Oil Company	10/23/91	1367	57
Gladys Nell Smith	Durst Oil Company	10/23/91	1367	70
Milton Green	Durst Oil Company	10/23/91	1382	328
Howard Green	Durst Oil Company	10/23/91	1383	341
Merion Ellis	Durst Oil Company	2/12/91	1243	488
Marjorie Minor	Durst Oil Company	1/29/91	1240	286
Kimberly Womack LaValle	Durst Oil Company	11/23/91	1406	91
Yolanda Fay				
Walker James	Durst Oil Company	10/28/91		
Morris Kenneth Womack	Durst Oil Company	11/23/91		
Frank Damon	Durst Oil Company	2/06/91	1405	135

280.00 Acre Unit  
Varisco Well No. 1  
Durst Oil Company  
J. H. Jones Survey, A-26  
Brazos County, Texas

Field notes of a 280.00 acre tract or parcel of land, lying and being situated in the J. H. Jones Survey, Abstract No. 26, of Brazos County, Texas, and being all of the following tracts described in Deed Records, Official Records, and Lease Records of Brazos County, as listed below:

<u>GRANTEE</u>	<u>VOL/PAGE</u>
Brazos Varisco	849/185
Freddie Hannon	62/623
Charles A. Taylor, et ux	62/620
Joseph C. Williams	62/622
Will Foster Heirs	62/625
Janette Hedge	62/626
Janette Hedge	62/626
Wes Mack, et al	62/599
Clayton Baptist Church	62/621
Abram Gilmore Heirs	62/620
Margie Davis Heirs	118/288
Calvin Brocksher Heirs, et al	636/336
James Green	163/448
Robert P. Welch, et al	942/568
Marion Ellis, et al	726/189
Cleo Lucas, et al	129/43
James Green, et al	147/185
Willie Spikes	906/50
Berry Lister Heirs	219/627
Ora Waldon	111/345
Merion Ellis	250/622
Merion Ellis	297/591
Charlie Lister	116/131
Mary Francis Ford	129/37
Wes Mack	116/118
Clarence Allen	392/349
Edna Mae Collins	288/637
Joe Burrell, et al	315/707
Issac Butler	282/128
Edna Mae Collins	1240/256
Joseph Damon Heirs	129/340
State of Texas	1115/396
First American Bank	104/183
Anderson Jones	128/253
David Taylor	283/77

and also being part of the tract described in the deed to Annette Varisco, et al, recorded in Volume 266, Page 612, of the Deed Records of Brazos County, Texas, and also being part of Briarwood Retreat Subdivision of the Edna Mae Collins 27.40 acre tract, as shown on the plat recorded in Volume 288, Page 637, of the Brazos County Deed Records, said 280.00 acre tract being more particularly described by metes and bounds as follows:

280.00 Acre Unit  
Varisco Well No. 1  
Durst Oil Company  
J. H. Jones Survey, A-26  
Brazos County, Texas  
Continued - Page 2

BEGINNING at a point in the northwest line of the above-referenced Annette Varisco tract, a 30" diameter Post Oak tree bears S 33° 14' 19" W 21.4 feet, and a cross-tie at the north corner of said Annette Varisco tract bears N 45° 21' 41" E 567.3 feet;

THENCE S 42° 59' 59" E across the Annette Varisco tract, for a distance of 583.85 feet to the north corner of the Ora Waldon tract referenced above;

THENCE S 45° 24' 41" E with the northeast line of said Waldon tract, for a distance of 2330.83 feet to a point in the center of Foster Lane;

THENCE S 45° 35' 35" W with said centerline, for a distance of 72.17 feet and corner;

THENCE N 45° 24' 41" W with the northeast line of a called 2.0 acre tract described in the deed recorded in Volume 218, Page 369, of the Brazos County Deed Records, for a distance of 1206.38 feet to the north corner of said 20 acre tract;

THENCE S 45° 35' 35" W with the northwest line of the just mentioned 2.0 acre tract, for a distance of 72.22 feet to the west corner of same, lying on the original southwest line of Waldon tract;

THENCE S 45° 24' 41" E with the common southwest line of the Waldon tract and the 2.0 acre tract, for a distance of 1206.38 feet to a point on the centerline of Foster Lane;

THENCE N 45° 35' 35" E with the centerline of Foster Lane, for a distance of 16.87 feet to the intersection of a projection of the centerline right-of-way of Rickey Street, as shown on the plat of the above-referenced Briarwood Retreat Subdivision;

THENCE S 44° 44' 07" E with the centerline of Rickey Street, pass at 40.00 feet the northwest boundary of said subdivision, continue on, for a total distance of 128.20 feet and corner;

THENCE N 45° 15' 54" E pass at 30.00 feet, the west corner of Lot 2, Block 2, of the subdivision, pass at 330.00 feet the north corner of Lot 11, Block 2, continue on, for a total distance of 360.00 feet and corner on the centerline right-of-way of Dotty Street;

THENCE S 44° 44' 07" E with the centerline of Dotty Street, for a distance of 82.50 feet and corner;

THENCE S 45° 15' 54" W pass at 30.00 feet, the east corner of Lot 11, Block 2, pass at 330.00 feet the south corner of Lot 2, Block 2, continue on, for a total distance of 360.00 feet to a point on the centerline of Rickey Street and corner;

THENCE S 44° 44' 07" E with the centerline of Rickey Street, for a distance of 82.50 feet and corner;

280.00 Acre Unit  
Varisco Well No. 1  
Durst Oil Company  
J. H. Jones Survey, A-26  
Brazos County, Texas  
Continued - Page 3

THENCE N 45° 15' 54" E pass at 30.00 feet, the west corner of Lot 4, Block 2, of the subdivision, continue on, for a total distance of 180.00 feet to the north corner of same;

THENCE S 44° 44' 07" E with the southwest lines of Lots 7, 8 and 9, for a distance of 247.50 feet to the south corner of Lot 7;

THENCE N 45° 15' 54" E with the southeast line of Lot 7, Block 2, said line also being the northwest line of the Isaac Butler tract, referenced above, for a distance of 180.00 feet to a point on the centerline right-of-way of Dott Street;

THENCE N 44° 44' 07" W with the centerline of Dott Street, for a distance of 330.00 feet and corner, said point being contiguous with the end point of the sixth previous course;

THENCE N 45° 15' 54" E pass at 30.00 feet the west corner of Lot 3, Block 3, pass at 330.00 feet the north corner of Lot 10, Block 3, continue on, for a total distance of 360.00 feet and corner on the centerline right-of-way of Mark Street;

THENCE S 44° 44' 07" E with the centerline of Mark Street, for a distance of 82.50 feet and corner;

THENCE N 45° 15' 54" E pass at 30.00 feet, the west corner of Lot 4, Block 4, continue on, for a total distance of 180.00 feet to the north corner of same;

THENCE S 44° 44' 07" E for a distance of 82.50 feet to the west corner of Lot 8, Block 4 and corner;

THENCE N 45° 15' 54" E pass at 150.00 feet, the north corner of Lot 8, continue on, for a total distance of 180.00 feet to a point on the centerline right of way of Tyree Street and corner;

THENCE S 44° 44' 07" E with the centerline of Tyree Street, for a distance of 165.00 feet and corner;

THENCE N 45° 15' 54" E pass at 30.00 feet, the south corner of Lot 5, Block 5, continue on, for a total distance of 184.20 feet and corner at the east corner of said lot, on the northeast boundary line of the subdivision;

THENCE S 44° 49' 49" E with the northeast line of the subdivision, same being the northeast line of the above-referenced 0.39 acre Edna Mae Collins remainder tract, for a distance of 296.38 feet to a 1/2" iron rod found at the east corner of this subdivision, said rod also being the occupied north corner of the M. C. Peters Subdivision, as shown on the plat recorded in Volume 129, Page 37, of the Brazos County Deed Records;

THENCE S 45° 59' 48" E with the northeast line of Lot 1 of the Peters Subdivision, for a distance of 805.61 feet to a 1/2" iron rod found in the northwest line of the original 100 foot wide Farm-to-Market Road No. 60 right-of-way;

200.00 ACRE UNIT  
Varisco Well No. 1  
Durst Oil Company  
J. H. Jones Survey, A-26  
Brazos County, Texas  
Continued - Page 4

THENCE S 44° 45' 00" W with said right-of-way, for a distance of 136.54 feet and corner;

THENCE N 45° 59' 48" W with the southwest line of Lot 1, pass at 0.55 feet an iron rod found, continue on, for a total distance of 806.83 feet and corner;

THENCE S 45° 15' 53" W with the common line of the Briarwood Retreat and M. C. Peters Subdivision, for a distance of 524.81 feet to the north corner of the above-referenced Charlie Lister tract;

THENCE S 45° 19' 47" E pass at 2.48 feet, a 3/8" iron rod found, continue on, for a total distance of 811.48 feet to a point on the previously mentioned F.M. No. 60 right-of-way;

THENCE S 44° 45' 00" W with said right-of-way, for a distance of 106.42 feet and corner, an 8" creosote post bears S 17° 07' 35" E 1.1 feet;

THENCE N 45° 19' 47" W with the southwest line of Lot 4 of the Peters Subdivision, for a distance of 812.41 feet and corner;

THENCE S 45° 15' 53" W with the common line of the two subdivisions, for a distance of 783.32 feet and corner at the south corner of the Briarwood Retreat Subdivision;

THENCE S 42° 00' 04" W for a distance of 25.57 feet to a point on the centerline of Vincent Road;

THENCE S 30° 29' 51" E with the centerline of Vincent Road, lying on or adjacent to the east line of Lot 13 of the Peters Subdivision, for a distance of 838.00 feet to a point on the northwest right-of-way line of F.M. No. 60;

THENCE with a curve to the right, having a central angle of 06° 57' 22" and a radius of 2814.92 feet, for a distance of 341.75 feet, the chord bears S 52° 30' 50" W 341.54 feet, to a 3/4" iron pipe found for the south corner of Lot 15;

THENCE N 30° 29' 51" W for a distance of 791.43 feet to the west corner of Lot 15;

THENCE S 45° 09' 39" W with the common line of the Peters Subdivision and the above-referenced Brazos Varisco tract, for a distance of 56.00 feet to the north corner of Lot 17, an 8" creosote post bears S 32° 00' 33" W 4.1 feet;

THENCE S 30° 29' 51" E with the northeast line of Lot 17, same being the northeast line of the Clarence Allen tract, for a distance of 780.36 feet and corner on the northwest right-of-way line of F.M. No. 60;

THENCE with a curve to the right, having a central angle of 03° 22' 46" and a radius of 2814.92 feet, for a distance of 166.03 feet, the chord bears S 58° 47' 14" W 166.01 feet, to the south corner of Lot 19;

280.00 Acre Unit  
Varisco Well No. 1  
Durst Oil Company  
J. H. Jones Survey, A-26  
Brazos County, Texas  
Continued - Page 5

THENCE N 30° 29' 51" W pass at 0.95 feet, a 3/8" iron rod found, continue on, for a total distance of 739.99 feet to a 1/2" iron rod found at the west corner of Lot 19;

THENCE S 45° 09' 39" W with the northwest line of Lot 20, for a distance of 60.15 feet and corner;

THENCE S 30° 29' 45" E with the northeast line of Lot 21, for a distance of 723.50 feet to a point on the northwest right-of-way line of F.M. No. 60;

THENCE with said right-of-way, for the following calls:

With a curve to the right, having a central angle of 09° 36' 52" and a radius of 2814.92, for a distance of 472.35 feet, the chord bears S 66° 28' 16" W 471.80 feet,  
S 71° 16' 42" W 1122.65 feet to a 1/2" iron rod found;

THENCE N 62° 39' 42" W with the southwest line of the above-referenced First American Bank tract, for a distance of 37.06 feet;

THENCE S 45° 09' 39" W with the westmost southeast line of the Annette Varisco tract, crossing F.M. No. 60, for a distance of 2049.93 feet to a point on the east bank of the Brazos River;

THENCE up the Brazos River with the meanders of the east bank for the following calls:

N 17° 02' 50" W 149.66 feet,  
N 03° 49' 11" E 123.35 feet,  
N 05° 55' 22" W 242.27 feet,  
N 03° 08' 12" W 310.11 feet,  
N 00° 55' 58" W 212.80 feet,  
N 04° 51' 21" W 182.04 feet,  
N 01° 20' 15" W 263.10 feet,  
N 01° 38' 36" E 271.13 feet,  
N 11° 17' 43" E 225.55 feet,  
N 01° 02' 55" W 641.35 feet,  
N 14° 12' 29" E 828.44 feet,  
N 04° 10' 07" E 586.33 feet,  
N 11° 00' 50" E 270.57 feet,  
N 07° 51' 17" E 465.77 feet,  
N 03° 40' 58" W 404.29 feet,  
N 03° 36' 30" E 255.35 feet,  
N 22° 37' 08" W 155.12 feet to a point in the Annette Varisco northwest line;

THENCE N 45° 24' 37" E departing the bank of the Brazos River with the Varisco northwest line, for a distance of 704.77 feet to the PLACE OF BEGINNING, containing 280.00 acres of land, more or less but limited to the Austin Chalk Formation underlying the Unit, such formation being the stratigraphic equivalent to the subsurface interval as shown on the Dual Induction SFL Compensated Neutron Formation Density Log of the North Central Oil Corporation James Green Well No. 1.

SCALE: 1" = 1000'



N/F  
ARVIN M. PORTER  
287.72 AC

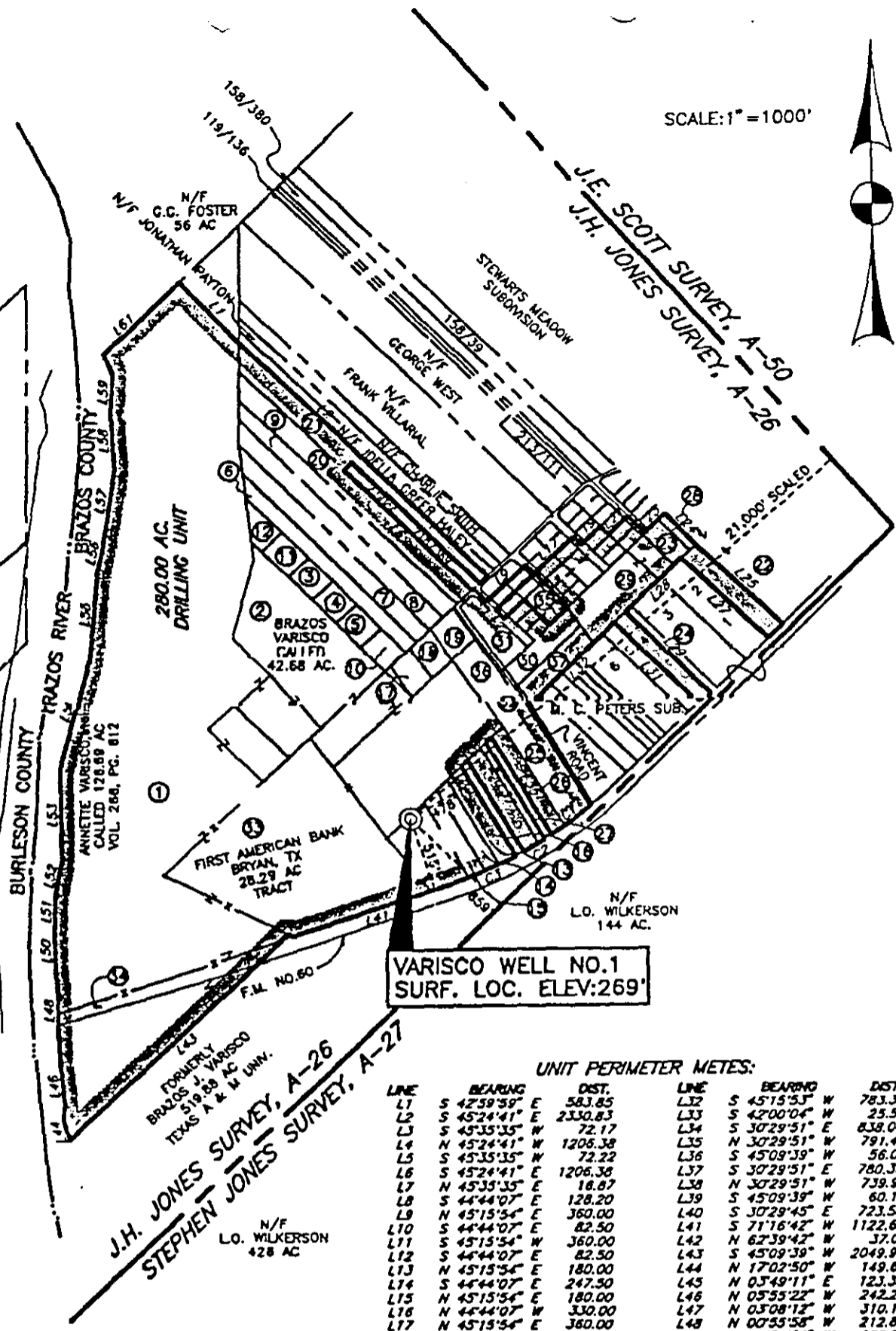
N/F  
JOE VARISCO  
79.5 AC

N/E  
VARISCO

N/F  
& M UNIVERSITY  
200 AC.

BOUNDARIES BASED ON TRUE NORTH  
UNLESS OTHERWISE NOTED  
LOCATED 5.47° W 8.5 MILES  
N. COLLEGE STATION, TEXAS.  
DASHED LINES INDICATE LIMITS OF  
ADJACENT SURVEYS.

EXHIBIT "A" FOR ACREAGE TABLE.

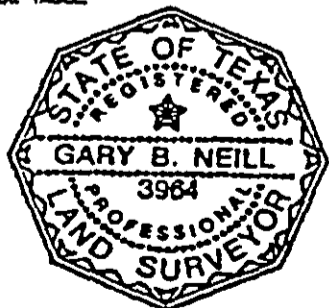


**UNIT PERIMETER METES:**

LINE	BEARING	DIST.	LINE	BEARING	DIST.
L1	S 42°59'59" E	583.85	L32	S 45°15'53" W	783.32
L2	S 45°24'41" E	2330.83	L33	S 42°00'04" W	25.57
L3	S 45°35'35" W	72.17	L34	S 30°29'51" E	838.00
L4	N 45°24'41" W	1208.38	L35	N 30°29'51" W	791.43
L5	S 45°35'35" W	72.22	L36	S 45°09'39" W	56.00
L6	S 45°24'41" E	1206.38	L37	S 30°29'51" E	780.36
L7	N 45°35'35" E	18.87	L38	N 30°29'51" W	739.99
L8	S 44°44'07" E	128.20	L39	S 45°09'39" W	60.15
L9	N 45°15'54" E	360.00	L40	S 30°29'45" E	723.50
L10	S 44°44'07" E	82.50	L41	S 71°16'42" W	1122.65
L11	S 45°15'54" W	360.00	L42	N 62°39'42" W	37.06
L12	S 44°44'07" E	82.50	L43	S 45°09'39" W	2049.93
L13	N 45°15'54" E	180.00	L44	N 17°02'50" W	149.66
L14	S 44°44'07" E	247.50	L45	N 03°49'11" E	123.35
L15	N 45°15'54" E	180.00	L46	N 05°53'22" W	242.27
L16	N 44°44'07" W	330.00	L47	N 03°08'12" W	310.11
L17	N 45°15'54" E	360.00	L48	N 00°55'58" W	212.80
L18	S 44°44'07" E	82.50	L49	N 04°51'21" W	182.04
L19	N 45°15'54" E	180.00	L50	N 01°20'15" W	403.10
L20	S 44°44'07" E	82.50	L51	N 01°38'36" E	271.13
L21	N 45°15'54" E	180.00	L52	N 11°17'43" E	225.55
L22	S 44°44'07" E	185.00	L53	N 01°02'55" W	641.35
L23	N 45°15'54" E	180.00	L54	N 19°14'43" E	648.77
L24	S 44°49'49" E	296.38	L55	N 04°10'07" E	586.33
L25	S 45°59'48" E	805.61	L56	N 11°00'50" E	270.57
L26	S 44°45'00" W	136.54	L57	N 07°51'17" E	465.77
L27	N 45°59'48" W	806.83	L58	N 05°40'58" W	404.29
L28	S 45°15'53" W	524.81	L59	N 03°36'30" E	255.35
L29	S 45°19'47" E	811.48	L60	N 22°37'08" W	155.12
L30	S 44°45'00" W	106.42	L61	N 45°21'57" E	704.77
L31	N 45°19'47" W	812.44			

CURVE	DELTA	RADIUS	CHORD BEG
C1	6°57'22"	2814.92	S 52°30'50" W 341.54
C2	3°22'48"	2814.92	S 58°47'14" W 166.01
C3	9°36'52"	2814.92	S 66°28'16" W 471.80



AUGUST, 1991

EXHIBIT "C" TO  
DESIGNATION OF UNIT  
OF DURST OIL COMPANY-VARISCO UNIT  
Page 1

**WELL LOCATION**  
**VARISCO WELL NO.1**  
**DURST OIL COMPANY**  
**J.H. JONES SURVEY, A-26**  
**BRAZOS COUNTY, TEXAS**

B. NEILL R.P.L.S. 3964

SCALE: 1" = 1000'

AUGUST, 1991

KLUNG ENGINEERING & SURVEYING  
BRYAN, TEXAS

# EXHIBIT "A"

VARISCO WELL NO. 1			
TRACT	ACREAGE IN UNIT	LEASE	VOL/PG
①	122.00	ANNETTE VARISCO, etal	268/612
②	43.23	BRAZOS VARISCO	849/185
③	1.01	FREDDIE HANNON	62/623
④	1.01	CHARLES A. TAYLOR, etal	62/620
⑤	1.01	JOSEPH G. WILLIAMS	62/622
⑥	4.36	WILL FOSTER HERS	62/625
⑦	5.00	JANETTE HEDGE	62/626
⑧	5.07	JANETTE HEDGE	62/626
⑨	3.93	WES MACK, etal	62/599
⑩	1.01	CLAYTON BAPTIST CHURCH	62/621
⑪	1.01	ABRAM GILMORE HERS	62/620
⑫	1.03	MARGIE DAVIS HERS	118/288
⑬	1.06	CALVIN BROCKSHER HERS, etal	636/335
⑭	1.47	JAMES GREEN	183/448
⑮	2.11	ROBERT P. WELCH, etal	942/568
⑯	1.02	MARION ELLIS, etal	726/189
⑰	1.09	CLEO LUCAS, etal	129/43
⑱	1.09	JAMES GREEN, etal	147/185
⑲	1.32	WILLIE SPIKES	806/50
⑳	7.59	BERRY LISTER MRS.	219/627
㉑	5.49	ORA WALDON	111/348
㉒	2.53	MERION ELLIS	250/622
㉓	1.00	MERION ELLIS	297/591
㉔	1.98	CHARLIE LISTER	118/131
㉕	4.40	MARY FRANCIS FORD	129/37
㉖	1.96	WES MACK	116/118
㉗	2.90	CLARENCE ALLEN	392/349
㉘	0.39	EDNA MAE COLLINS	288/637
㉙	5.00	JOE BURRELL, etal	315/707
㉚	2.09	ISSAC BUTLER	282/128
㉛	2.77	EDNA MAE COLLINS	1240/256
㉜	1.14	JOSEPH DAMON MRS.	129/340
㉝	3.41	STATE OF TEXAS	1115/396
㉞	28.29	FIRST AMERICAN BANK	104/183
㉟	6.13	SUBD. BLOCKS 2, 3, & 4	268/637
㊱	1.99	ANDERSON JONES	128/253 220/197
㊲	2.09	DAVID TAYLOR, etal	283/77
280.00		TOTAL ACRES IN UNIT	

EXHIBIT "C" TO  
DESIGNATION OF UNIT  
OF DURST OIL COMPANY-VARISCO UNIT  
PAGE 2

**WELL LOCATION**  
**VARISCO WELL NO. 1**  
**DURST OIL COMPANY**  
J.H. JONES SURVEY, A-26  
BRAZOS COUNTY, TEXAS

SCALE: 1" = 1000'

AUGUST, 1991

KLING ENGINEERING & SURVEYING  
BRYAN, TEXAS

9.

Designation of  
Pooled Unit  
M-94380  
12-22-92 *AK*

10. 2.05

EUGENE CHMELAR OIL & GAS  
ROUTE 4, BOX 208  
CALDWELL, TX 77836

409/535-4679

RECEIVED  
98 JUN -8 PM 6:01  
ENE 409/535-4832  
RESOURCES

June 4, 1998

Attn: Laura Leal  
General Land Office  
1700 N. Congress Ave., Ste. 600  
Austin, TX 78701-1495

Dear Laura:

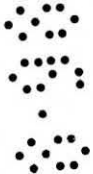
As per our phone conversation Monday, I am sending you copies of recorded Assignments on the Varisco Unit #1 formerly owned by Durst Oil Company. Eugene Chmelar Oil & Gas is the owner/operator effective April 1, 1998. Please advise if there is any other information the General Land Office needs for their files.

Sincerely,

*Lori Chmelar*

LORI CHMELAR  
Eugene Chmelar Oil & Gas

Enclosures  
lac



STATE OF TEXAS §  
 COUNTY OF BRAZOS §

**COPY**

0306100257

**ASSIGNMENT AND BILL OF SALE**

THIS ASSIGNMENT AND BILL OF SALE ( hereinafter "Assignment"), entered into this 13th day of April, 1998, by and between Durst Oil Company, 711 N. Carancahua, Suite 1702, Corpus Christi, Texas 78475 (hereinafter "Assignor"), and Eugene Chmelar Oil & Gas, Route 4, Box 208, Caldwell, Texas, 77836 (hereinafter "Assignee").

**DOES WITNESS THAT:**

In consideration of Ten dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and of the performance by Assignee of the covenants, agreements, obligations and conditions hereinafter contained, to be kept and performed by Assignee, it is agreed between the parties as follows, to-wit:

1. **Assignment.** Assignor does hereby assign, transfer and set over unto Assignee, without warranty express, implied, statutory or otherwise a 8.979465 percent (8.979465%) leasehold estate and working interest having a net revenue interest of 6.734599 percent (6.734599%) in and to the Oil, Gas and Mineral Leases described in Exhibit "A" hereto and made a part hereof, insofar and only insofar as limited therein (hereinafter referred to as the "Assigned Premises"), subject to all of the covenants and conditions hereof and the additional provisions, if any, contained in said Exhibit "A". Assignor also conveys to Assignee any easements, rights-of-way or other rights of ingress and egress appertaining to the Assigned Premises, excepting, reserving and retaining therefrom all other such rights unto Assignor with respect to real property not conveyed hereby.

2. **Bill of Sale.** Assignor does hereby convey unto Assignee all of Assignor's right, title and interest in and to all oil wells, gas wells, salt water disposal wells, injection wells and other wells located on the Assigned Premises (hereinafter referred to as the "Wells") and all personal property, facilities or equipment directly associated with the production of oil, gas or other hydrocarbons which are located on the Assigned Premises (hereinafter referred to as the "Personal Property").

3. **Reservations.** All oil in the tanks as of 7:00 a.m. on the Effective Date ("Retained OIL") is not to be part of this Assignment, but shall remain the property of Assignor. All gas produced and the proceeds of gas produced prior to the effective Date shall likewise not be part of this Assignment but shall remain the property of Assignor. With the exception of natural gas imbalances, Assignor also reserves and retains all claims and causes of action Assignor may have, as of the Effective Date, against the purchaser or purchasers of oil or gas from the properties covered by this Assignment. This Assignment further does not include any equipment or lines of the purchaser or purchasers of oil and gas from the Assigned Premises, and does not include any tools, pulling machines, trucks or other equipment owned by Assignor that may be located temporarily on the Assigned Premises, and Assignor shall have the right at any time to remove the same from the Assigned Premises.

Assignor shall invoice Assignee for the Retained Oil, and Assignee shall pay such invoice within 30 days of receipt. Assignor shall value the Retained Oil, and Assignee agrees to pay such invoices, at the value Assignor would have received if such oil had been sold to Assignor's oil purchaser on the Effective Date of sale. Assignor and Assignee shall conclusively accept as correct the volume of oil in the tanks as of the Effective Date provided by the operator of the Assigned Premises.

4. **Operations.** Assignee shall pay to Assignor all reasonable and necessary expenses incurred by Assignor in operating the Assigned Premises from and after the Effective Date until Assignee takes actual possession of the Assigned Premises, or in the protection or maintenance of the Assigned Premises during such time, within 30 days of receipt of an invoice from Assignor for such expenses.

5. **No Warranty or Representation by Assignor.** This Assignment and Bill of Sale is made on an "AS IS, WHERE IS" basis and "WITH ALL FAULTS", and WITHOUT WARRANTIES WHATSOEVER WITH RESPECT TO ANY INTEREST HEREIN CONVEYED, EITHER EXPRESSED OR IMPLIED, it being expressly agreed by Assignor and assignee that ASSIGNOR MAKES NO WARRANTIES OR REPRESENTATIONS WITH RESPECT TO ORIGIN, QUANTITY, QUALITY, CONDITION, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, SAFETY OF EQUIPMENT, COMPLIANCE WITH GOVERNMENTAL REGULATIONS, TITLE TO PERSONAL PROPERTY, THE QUANTITY, VALUE OR EXISTENCE OF RESERVES OF OIL, GAS OR OTHER MINERALS PREDICABLE OR RECOVERABLE FROM THE ASSIGNED PREMISES, OR OF TITLE TO OR CONDITION OF THE ASSIGNED PREMISES AND RELATED FIXTURES AND IMPROVEMENTS. All descriptions set forth herein and all information heretofore or hereafter furnished Assignee by Assignor concerning the Assigned Premises, Well and Personal Property, and the operation thereof, have been and shall be furnished solely for Assignee's convenience and have not constituted and shall not constitute a representation or warranty of any kind by Assignor, and any reliance thereupon by Assignee shall be at Assignee's sole risk and liability.

6. **Indemnity of Assignor.** (a) In those instances where Assignee succeeds Assignor as operator of Well in which Assignor's interest is hereby conveyed, Assignee agrees to operate and plug and abandon all such Wells in accordance with all applicable governmental laws, rules and regulations. In those instances where Assignee succeeds Assignor as a working interest owner but not as operator of Wells in which Assignor's interest is hereby conveyed, Assignee agrees to assume any responsibility which Assignee, as a working interest owner is such Wells, may have under applicable governmental laws, rules and regulations concerning plugging and abandonment of such Wells. In any instance where Assignee hereunder becomes responsible or liable for plugging and abandonment under this paragraph, Assignee agrees to release, protect, indemnify and hold assignor harmless from any and all liabilities arising from Assignee's failure to properly plug and abandon such Wells. Any future assignment by Assignee of any interest acquired hereunder shall reference and describe Assignee's obligations to Assignor set forth herein.

(b) Assignee agrees to protect, indemnify and hold Assignor harmless for causes of action from and against and all liability, loss, damage, injury, claims, demands and causes of action therefore occurring after the Effective Date hereof in any way arising from operations or activities related to the Assigned Premises, Wells and Personal Property and the contracts and agreements appertaining thereto, occurring after the Effective Date, including, but not limited to, ACTS OR OMISSIONS OF ASSIGNOR BASED UPON ANY THEORY OF NEGLIGENCE, WILLFUL MISCONDUCT, LIABILITY WITHOUT FAULT OR OTHER.

7. **Liability of Assignee.** The conveyance of the assigned Premises will be subject to all contracts and contractual rights, obligations and interests, including, but not limited to, all of the presently existing valid unitization and pooling agreements and the units created thereby (including all units formed by voluntary agreements and those formed under order, regulations, rules or other official acts of any federal, state or governmental agency having jurisdiction), oil, casinghead gas and gas sales, purchase, exchange, transportation, operating and processing contracts and agreements, joint operating agreements, farm-in and farm-out agreements, drilling or exploration agreements, salt water disposal agreements, permits, right-of-way, easements, licenses, well service contracts and other contracts appertaining to the Assigned Premises, whether recorded or not. Any overriding royalty interests heretofore reserved shall apply to any new leases, extensions or renewals acquired by Assignee, his assigns or successors. Assignee agrees to perform under all validly existing agreements, and shall observe and comply with all covenants, terms and provisions, express or implied, contained in any such agreements.

8. **Proportionate Reduction.** In the event the leases do not cover 100% of the mineral interest, or in the event that Assignor owns less than the interest hereinabove stated, then the interest conveyed herein shall be proportionately reduced.

9. **Effective Date.** This Assignment shall be effective as of 7:00 a.m. local time on the day of March 1, 1998 ("Effective Date").

10. **Successors and Assigns.** The terms hereof shall inure to and be binding upon the respective heirs, successors and assigns of Assignor and Assignee.

EXECUTED the day and year first above written, but effective as of the Effective Date.

ASSIGNOR

DURST OIL COMPANY

BY: [Signature]  
ITS: President

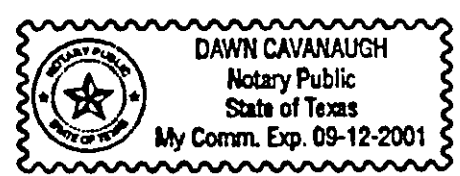
ASSIGNEE

EUGENE CHMELAR OIL & GAS

[Signature]  
Eugene Chmelar  
President

STATE OF TEXAS §  
Nueces §  
COUNTY OF BEXAR §

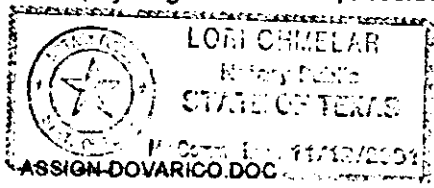
This instrument was acknowledge before me, a Notary Public, on the 20th day of March, 1998, Lee A. Durst, Sr., President, of Durst Oil Company, on behalf of said corporation.



[Signature]  
Notary Public, State of Texas  
My Commission Expires: 9-12-2001

STATE OF TEXAS §  
COUNTY OF BEXAR §  
Burleson

This instrument was acknowledge before me, a Notary Public, on the 13th day of April, 1998, by Eugene Chmelar, President of Eugene Chmelar Oil & Gas, on behalf of said corporation.



[Signature]  
Notary Public, State of Texas  
My Commission Expires: 11/19/2001



0300100000

Exhibit "A"

Attached to that certain ASSIGNMENT AND BILL OF SALE dated April 13, 1998, effective March 1, 1998, from Durst Oil Company to Eugene Chmelar Oil & Gas Company.

**Varisco Unit**

Those certain Oil, Gas and Mineral Leases included within that certain 280 acre unit called the Durst Oil Company-Varisco Unit as more particularly described in the certain Designation of Unit Agreement dated March 12, 1992, filed of record in Volume 1467, Page 227-239 of the Official Records of Brazos County, Texas.

On: Apr 21, 1998 at 08:58A

As a  
Recordings

Document Numbers 0653593

Amount 10.00

Receipt Number - 103094

By,  
Jo Gillar

STATE OF TEXAS COUNTY OF  
I hereby certify that this instrument was  
filed on the date and time stamped hereon by me  
and was duly recorded in the volume and page  
of the named records of:  
BRAZOS COUNTY,  
as stamped hereon by me.

Apr 21, 1998

HONORABLE MARY ANN WARD, COUNTY CLERK,  
BRAZOS COUNTY,



STATE OF TEXAS §  
COUNTY OF BRAZOS §

**COPY**

0656002

**ASSIGNMENT AND BILL OF SALE**

THIS ASSIGNMENT AND BILL OF SALE ( hereinafter "Assignment"), entered into this 11th day of May, 1998, by and between Lee A. Durst, Sr., 6105 Country Club Drive, Victoria, Texas 77904 (hereinafter "Assignor"), and Eugene Chmelar Oil & Gas, Route 4, Box 208, Caldwell, Texas, 77836 (hereinafter "Assignee").

DOES WITNESS THAT:

In consideration of Ten dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and of the performance by Assignee of the covenants, agreements, obligations and conditions hereinafter contained, to be kept and performed by Assignee, it is agreed between the parties as follows, to-wit:

1. **Assignment.** Assignor does hereby assign, transfer and set over unto Assignee, without warranty express, implied, statutory or otherwise all of his right, title and interest in and to the Oil, Gas and Mineral Leases described in Exhibit "A" hereto and made a part hereof, insofar and only insofar as limited therein (hereinafter referred to as the "Assigned Premises"), subject to all of the covenants and conditions hereof and the additional provisions, if any, contained in said Exhibit "A". Assignor also conveys to Assignee any easements, rights-of-way or other rights of ingress and egress appertaining to the Assigned Premises, excepting, reserving and retaining therefrom all other such rights unto Assignor with respect to real property not conveyed hereby.

2. **Bill of Sale.** Assignor does hereby convey unto Assignee all of Assignor's right, title and interest in and to all oil wells, gas wells, salt water disposal wells, injection wells and other wells located on the Assigned Premises (hereinafter referred to as the "Wells") and all personal property, facilities or equipment directly associated with the production of oil, gas or other hydrocarbons which are located on the Assigned Premises (hereinafter referred to as the "Personal Property").

3. **Reservations.** All oil in the tanks as of 7:00 a.m. on the Effective Date ("Retained OIL") is not to be part of this Assignment, but shall remain the property of Assignor. All gas produced and the proceeds of gas produced prior to the effective Date shall likewise not be part of this Assignment but shall remain the property of Assignor. With the exception of natural gas imbalances, Assignor also reserves and retains all claims and causes of action Assignor may have, as of the Effective Date, against the purchaser or purchasers of oil or gas from the properties covered by this Assignment. This Assignment further does not include any equipment or lines of the purchaser or purchasers of oil and gas from the Assigned Premises, and does not include any tools, pulling machines, trucks or other equipment owned by Assignor that may be located temporarily on the Assigned Premises, and Assignor shall have the right at any time to remove the same from the Assigned Premises.

Assignor shall invoice Assignee for the Retained Oil, and Assignee shall pay such invoice within 30 days of receipt. Assignor shall value the Retained Oil, and Assignee agrees to pay such invoices, at the value Assignor would have received if such oil had been sold to Assignor's oil purchaser on the Effective Date of sale. Assignor and Assignee shall conclusively accept as correct the volume of oil in the tanks as of the Effective Date provided by the operator of the Assigned Premises.

4. **Operations.** Assignee shall pay to Assignor all reasonable and necessary expenses incurred by Assignor in operating the Assigned Premises from and after the Effective Date until Assignee takes actual possession of the Assigned Premises, or in the protection or maintenance of the Assigned Premises during such time, within 30 days of receipt of an invoice from Assignor for such expenses.

5. **No Warranty or Representation by Assignor.** This Assignment and Bill of Sale is made on an "AS IS, WHERE IS" basis and "WITH ALL FAULTS", and WITHOUT WARRANTIES WHATSOEVER WITH RESPECT TO ANY INTEREST HEREIN CONVEYED, EITHER EXPRESSED OR IMPLIED, it being expressly agreed by Assignor and assignee that ASSIGNOR MAKES NO WARRANTIES OR REPRESENTATIONS WITH RESPECT TO ORIGIN, QUANTITY, QUALITY, CONDITION, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, SAFETY OF EQUIPMENT, COMPLIANCE WITH GOVERNMENTAL REGULATIONS, TITLE TO PERSONAL PROPERTY, THE QUANTITY, VALUE OR EXISTENCE OF RESERVES OF OIL, GAS OR OTHER MINERALS PREDICABLE OR RECOVERABLE FROM THE ASSIGNED PREMISES, OR OF TITLE TO OR CONDITION OF THE ASSIGNED PREMISES AND RELATED FIXTURES AND IMPROVEMENTS. All descriptions set forth herein and all information heretofore or hereafter furnished Assignee by Assignor concerning the Assigned Premises, Well and Personal Property, and the operation thereof, have been and shall be furnished solely for Assignee's convenience and have not constituted and shall not constitute a representation or warranty of any kind by Assignor, and any reliance thereupon by Assignee shall be at Assignee's sole risk and liability.

6. **Indemnity of Assignor.** (a) In those instances where Assignee succeeds Assignor as operator of Well in which Assignor's interest is hereby conveyed, Assignee agrees to operate and plug and abandon all such Wells in accordance with all applicable governmental laws, rules and regulations. In those instances where Assignee succeeds Assignor as a working interest owner but not as operator of Wells in which Assignor's interest is hereby conveyed, Assignee agrees to assume any responsibility which Assignee, as a working interest owner is such Wells, may have under applicable governmental laws, rules and regulations concerning plugging and abandonment of such Wells. In any instance where Assignee hereunder becomes responsible or liable for plugging and abandonment under this paragraph, Assignee agrees to release, protect, indemnify and hold assignor harmless from any and all liabilities arising from Assignee's failure to properly plug and abandon such Wells. Any future assignment by Assignee of any interest acquired hereunder shall reference and describe Assignee's obligations to Assignor set forth herein.

03129 00101

(b) Assignee agrees to protect, indemnify and hold Assignor harmless for causes of action from and against and all liability, loss, damage, injury, claims, demands and causes of action therefore occurring after the Effective Date hereof in any way arising from operations or activities related to the Assigned Premises, Wells and Personal Property and the contracts and agreements appertaining thereto, occurring after the Effective Date, including, but not limited to, ACTS OR OMISSIONS OF ASSIGNOR BASED UPON ANY THEORY OF NEGLIGENCE, WILLFUL MISCONDUCT, LIABILITY WITHOUT FAULT OR OTHER.

7. **Liability of Assignee.** The conveyance of the assigned Premises will be subject to all contracts and contractual rights, obligations and interests, including, but not limited to, all of the presently existing valid unitization and pooling agreements and the units created thereby (including all units formed by voluntary agreements and those formed under order, regulations, rules or other official acts of any federal, state or governmental agency having jurisdiction), oil, casinghead gas and gas sales, purchase, exchange, transportation, operating and processing contracts and agreements, joint operating agreements, farm-in and farm-out agreements, drilling or exploration agreements, salt water disposal agreements, permits, right-of-way, easements, licenses, well service contracts and other contracts appertaining to the Assigned Premises, whether recorded or not. Any overriding royalty interests heretofore reserved shall apply to any new leases, extensions or renewals acquired by Assignee, his assigns or successors. Assignee agrees to perform under all validly existing agreements, and shall observe and comply with all covenants, terms and provisions, express or implied, contained in any such agreements.

8. **Proportionate Reduction.** In the event the leases do not cover 100% of the mineral interest, or in the event that Assignor owns less than the interest hereinabove stated, then the interest conveyed herein shall be proportionately reduced.

9. **Effective Date.** This Assignment shall be effective as of 7:00 a.m. local time on the day of March 1, 1998 ("Effective Date").

10. **Successors and Assigns.** The terms hereof shall inure to and be binding upon the respective heirs, successors and assigns of Assignor and Assignee.

EXECUTED the day and year first above written, but effective as of the Effective Date.

ASSIGNOR

Lee A. Durst, Sr.

BY: *Lee A. Durst Sr.*

ITS: \_\_\_\_\_

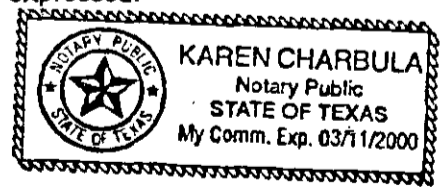
ASSIGNEE

EUGENE CHMELAR OIL & GAS

*Eugene Chmelar*  
Eugene Chmelar  
President

STATE OF TX  
COUNTY OF Victoria

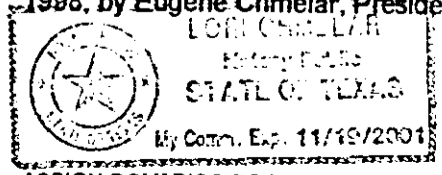
This instrument was acknowledge before me, a Notary Public, on the 23 day of March, 1998, Lee A. Durst, Sr., to me known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and consideration therein expressed.



*Karen Charbula*  
Notary Public, State of Texas  
My Commission Expires: 3-11-2000

STATE OF TEXAS  
COUNTY OF Burleson

This instrument was acknowledge before me, a Notary Public, on the 11th day of MAY, 1998, by Eugene Chmelar, President of Eugene Chmelar Oil & Gas, on behalf of said corporation.



*Lori Chmelar*  
Notary Public, State of Texas  
My Commission Expires: 11/19/2001

Exhibit "A"

0656002

Attached to that certain ASSIGNMENT AND BILL OF SALE dated May 11, 1998, effective March 1, 1998, from Lee A. Durst, Sr. to Eugene Chmelar Oil & Gas Company.

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**Varisco Unit**

Those certain Oil, Gas and Mineral Leases included within that certain 280 acre unit called the Durst Oil Company-Varisco Unit as more particularly described in the certain Designation of Unit Agreement dated March 12, 1992, filed of record in Volume 1467, Page 227-239 of the Official Records, Brazos County, Texas.

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Filed for Record in:  
BRAZOS COUNTY,

On: May 21, 1998 at 09:27A

As a  
Recording

Document Number: 0656002

Amount 10.00

Receipt Number - 110954  
By:  
Jo Billar

STATE OF TEXAS COUNTY OF  
I hereby certify that this instrument was  
filed on the date and time stamped herein by me  
and was duly recorded in the volume and page  
of the named records of:  
BRAZOS COUNTY,  
as stamped herein by me.

May 21, 1998

HODDGE WATSON, COUNTY CLERK  
BRAZOS COUNTY,



M-94380 (10)

Assign  
6.4.98

0.000

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Ack  
HR

129

98059728



EUGENE CHMELAR  
ARLEDGE & VALIDUS WELLS ACCT.  
ROUTE 4, BOX 208 P.H. 409-535-4832  
CALDWELL, TEXAS 77836

CALDWELL NATIONAL BANK  
P.O. Box 149  
Caldwell, Texas 77836-0149

01358

PAY Twenty-Five Dollars and <sup>no</sup>/<sub>100</sub>  
Texas General Land Office

DATE 7/23/98

AMOUNT  
~~25.00~~

filing fee (Vanisco)  
Lease # 94380

Eugene Chmelar

⑈001358⑈



**Texas General Land Office**  
Garry Mauro, Commissioner

Stephen F. Austin Building  
1700 North Congress Avenue  
Austin, Texas 78701-1495  
(512) 463-5001

July 13, 1998

Ms. Lori Chmelar  
Eugene Chmelar Oil and Gas  
Route 4, Box 208  
Caldwell, TX 77836

RE: Assignment Filing – Varisco Unit #1

Dear Mr. Cooper:

The General Land Office received the following assignment on June 8, 1998.

An Assignment of an Oil and Gas Lease(s) effective date April 1, 1996. By and between. Durst Oil Company to Eugene Chmelar Recorded in Brazos County

The filing fee is \$25.00 per lease, per document,. In order to complete the filing of this assignment you will need to send \$25.00. Please call me at (512) 475-1540, if I can be of any assistance.

Sincerely,

Laura Leal  
Royalty Management  
Energy Resources

M-94380

lt

7.13.9



**Texas General Land Office**  
Garry Mauro, Commissioner

Stephen F. Austin Building  
1700 North Congress Avenue  
Austin, Texas 78701-1495  
(512) 463-5001

September 17, 1998

MS. LORI CHMELAR  
EUGENE CHLEMAR OIL AND GAS  
ROUTE 4, BOX 208  
CALDWELL, TEXAS 77836

Dear Ms. Chlemar,

The General Land Office received the following instruments on July 29, 1998, and has filed them in Leases, M-94380.

Assignment of an Oil and Gas Lease effective as of March 1, 1998, and executed on March 1, 1998, by and between, Durst Oil Company to Eugene Chlemar recorded in Brazos County.

\$25.00 was received concerning the aforementioned documents. If you have any questions, please feel free to call me at (512) 475-1540.

Sincerely,

Laura Leal  
Royalty Management  
Energy Resources

m-94380 (18)

lt

9.17.98