

unit acres 4.90  
nonunit acres .56

|         |           |
|---------|-----------|
| Legal   | <u>DU</u> |
| Rental  | <u>DU</u> |
| Min A/c | <u>DU</u> |
| Min B/c | <u>DU</u> |

Highway Right of Way M-94389

|                 |                           |
|-----------------|---------------------------|
| COUNTY (CODE)   | : Brazos                  |
| SURVEY          | : James Curtis, Jr.       |
| BLOCK           | :                         |
| TOWNSHIP        | :                         |
| SECTION         | :                         |
| PART            | :                         |
| ACRES           | : 5.46                    |
| DEPTH LIMITS    | :                         |
| BASE FILE (S)   | :                         |
| CONTROL NO. (S) | : 56-02997-5              |
| LESSEE          | : Union Pacific Resources |
| DATE            | : June 4, 1991            |
| PRIMARY TERM    | : 3 years                 |
| BONUS           | : \$1,474.20              |
| ROYALTY         | : 1/5(one-fifth)          |
| RENTALS         | : paid up                 |

- ① lease ltr 7-3-91 mc
- ② lease 6-4-91 mc
- ③ application 3-26-91 mc
- ④ ltr to Ray Sloan 4-4-91 mc
- ⑤ ltr from Hwy Dept 5-9-91 mc
- ⑥ ltr to SLB 6-4-91 mc
- ⑦ ltr to Ray Sloan 6-7-91 mc
- ⑧ ltr from Jones + Zuercher 6-20-91 mc
- ⑨ Designation of Poded Unit 9-14-92
- 10. Division Order 7-27-93
- 11. ASSIGNMENT FILED IN MF- 10/19/06
- scanned PJ 11-6-13*
- (See MF 091332 #41, Assign #10629*
- Anadurko (to) Admiral et al 7-28-18*
- scanned PJ 8-15-2018*



July 3, 1991

Mr. Ray Sloan  
P.O. Box 716  
Caldwell, Texas 77836-0716

Re: Oil and Gas Lease No. M-94389  
5.46 acres, James Curtis, Jr., Survey, Abstract No. 12 in  
Brazos County

Dear Mr. Sloan:

Pursuant to your application on behalf of Union Pacific Resources Company 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.

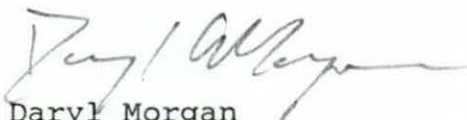
Furthermore, if this land and/or lease is included in a unit, please furnish us with a copy of the written designation of unit filed in the county records.

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

Enclos

M. F. 94389 (1)

CORRESPONDENCE FILE

To Ray Scan

From

Dated 7-3-91

HRW Lease  
Revised 7/90

# The State of Texas



Austin, Texas

PAID-UP

OIL AND GAS LEASE NO. M-94389  
GENERAL LAND OFFICE  
AUSTIN, TEXAS

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

17307399737

1. Lessor, in consideration of One Thousand Four Hundred Seventy Four and 20/100 Dollars (\$1,474.20), 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:

5.46 acres of land, more or less, situated in the James Curtis, Jr., Survey, Abstract Number 12 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 or other payment hereunder, said land shall be deemed to contain 5.46 acres, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. PRIMARY TERM: This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of three years (3) years from June 4, 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

\$54.60. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

(f) All royalties not taken in kind shall be paid to the Commissioner of the General Land Office at Austin, Texas, in the following manner:

Royalty on oil is due and must be received in the General Land Office on or before the 5th day of the second month succeeding the month of production, and royalty on gas is due and must be received in the General Land Office on or before the 15th day of the second month succeeding the month of production, accompanied by the affidavit of the owner, manager, or other authorized agent, completed in the form and manner prescribed by the General Land Office and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas, together with a copy of all documents, records or reports confirming the gross production, disposition and market value including gas meter readings, pipeline receipts, gas line receipts and other checks or memoranda of amount produced and put into pipelines, tanks, or pools and gas lines or gas storage, and any other reports or records which the General Land Office may require to verify the gross production, disposition and market value. In all cases the authority of a manager or agent to act for the Lessee herein must be filed in the General Land Office. Each royalty payment shall be accompanied by a check stub, schedule, summary or other remittance advice showing by the assigned General Land Office lease number the amount of royalty being paid on each lease. If Lessee pays his royalty on or before thirty (30) days after the royalty payment was due, the Lessee owes a penalty of 5% on the royalty or \$25.00, whichever is greater. A royalty payment which is over thirty (30) days late shall accrue a penalty of 10% of the royalty due or \$25.00, whichever is greater. In addition to a penalty, royalties shall accrue interest at a rate of 12% per year; such interest will begin accruing when the royalty is sixty (60) days overdue. Affidavits and supporting documents which are not filed when due shall incur a penalty in an amount set by the General Land Office administrative rule which is effective on the date when the affidavits or supporting documents were due. The Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty

provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value. The State shall have first lien upon all oil and gas produced from the area covered by this lease to secure the payment of all unpaid royalty and other sums of money that may become due to the State hereunder.

(g) It is understood and provided this lease cannot be held, maintained nor extended by virtue of the shut-in gas well provision of this lease for a longer term than the primary term and two (2) years immediately thereafter, or for shorter terms of different periods not to exceed two (2) years in the aggregate. Within thirty (30) days after the end of a year for which shut-in royalties have been prepaid, the Lessee must account to the Lessor for any months in which actual production occurred to receive credit for those months. The Lessee loses any credit for the months prepaid yet produced by failing to so account.

(h) Lessors' royalty shall never bear, either directly or indirectly, any part of the costs or expenses of production, gathering, dehydration, compression, transportation, processing, treating or marketing of the oil or gas from the premises, nor any part of the costs of construction, operation or depreciation of any plant, pipeline or other facilities or equipment for processing, transporting or treating said oil or gas produced from the herein leased premises.

4. POOLING: (a) Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons. Units pooled for oil hereunder shall not exceed 160 acres each in area, and units pooled for gas hereunder shall not exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed by governmental regulations. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, as operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) the proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the

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

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

5. RELEASE: Lessee may relinquish the rights granted hereunder to the State at any time by recording the relinquishment in the county where this area is situated and filing the recorded relinquishment or certified copy of same in the General Land Office within ninety (90) days after its execution accompanied by the prescribed filing fee. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

6. REWORK: If at any time or times during the primary term operations are conducted on said land and if all operations are

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

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

8. NOTICE: In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is 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 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, 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 \$109.20, 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: If this lease is in force and effect five (5) years from the date hereof as to all or any part of the land covered hereby, it shall thereupon terminate only insofar as it covers depths below the stratigraphic equivalent of one hundred (100) feet below the deepest depth drilled on the leased premises or land pooled therewith. The Lessor shall have the right thereafter to grant leases for the purpose of exploring for and producing oil, gas and minerals from the depths as to which this lease has terminated.

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 June 4, 1991.

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

Approved: \_\_\_\_\_  
Aerial \_\_\_\_\_  
Legal \_\_\_\_\_  
Geology \_\_\_\_\_  
Exploration \_\_\_\_\_

Brazos County  
CSJ 116-4-2, 4 and 5  
S.H. 21  
No. 317

Exhibit "A"

Being 5.46 acres of land, more or less, situated in the James Curtis, Jr., Survey, Abstract Number 12. Said 5.46 acres being a portion of the same land obtained by the State, through condemnation proceedings, from Henry Reymund, et al as recorded in Volume 4, Page 200, of the Commissioners' Court Minutes of Brazos County, Texas. Said 5.46 acres of land being a strip of S.H. 21 of variable widths and is more particularly described as follows, to wit:

Beginning at a point located on the north right of way line of S.H. 21, 50.00 feet from and at right angles to Engineer's Centerline Station Number 272+98.77 Said point being further located as being S 79° 48' 00" W, 637.23 feet and S 45° 00' 00" W, 763.00 feet from the most extreme east property corner of the Henry Reymund property;

Thence S 79° 48' 00" W along the north right of way line of said highway, a distance of 298.77 feet to a point located 50.00 feet from and at right angles to Engineer's Centerline Station Number 270+00.00;

Thence S 85° 00' 00" W, a distance of 300.00 feet to a point located 90.00 feet from and at right angles to Engineer's centerline Station Number 267+00.00;

Thence S 79° 48' 00" W, a distance of 400.00 feet to a point located 90.00 feet from and at right angles to Engineer's Centerline Station Number 263+00.00;

Thence S 85° 00' 00" W, a distance of 200.00 feet to a point located 110.00 feet from and at right angles to Engineer's Centerline Station Number 261+00.00;

Thence S 79° 48' 00" W, a distance of 146.00 feet to a point located 110.00 feet from and at right angles to Engineer's Centerline Station Number 259+54.00. Said point being on a curve the right and has a radius of 2,500.00 feet;

Thence in a southwesterly direction around said curve crossing the centerline of S.H. 21 to a point on the south right of way line. Said point being located 110.00 feet from and at right angles to Engineer's Centerline Station Number 258+00.00;

Thence N 79° 48' 00" E along the south right of way line of said highway, a distance of 300.00 feet to a point located 110.00 feet from and at right angles to Engineer's Centerline Station Number 261+00.00;

Thence N 74° 00' 00" E, a distance of 200.00 feet to a point located 90.00 feet from and at right angles to Engineer's Centerline Station Number 263+00.00;

Thence N 79° 48' 00" E, a distance of 400.00 feet to a point located 90.00 feet from and at right angles to Engineer's Centerline Station Number 267+00.00;

Thence N 74° 00' 00" E, a distance of 300.00 feet to a point located 50.00 feet from and at right angles to Engineer's Centerline Station Number 270+00.00;

Thence N 79° 48' 00" E, a distance of 320.50 feet to a point located 50.00 feet from

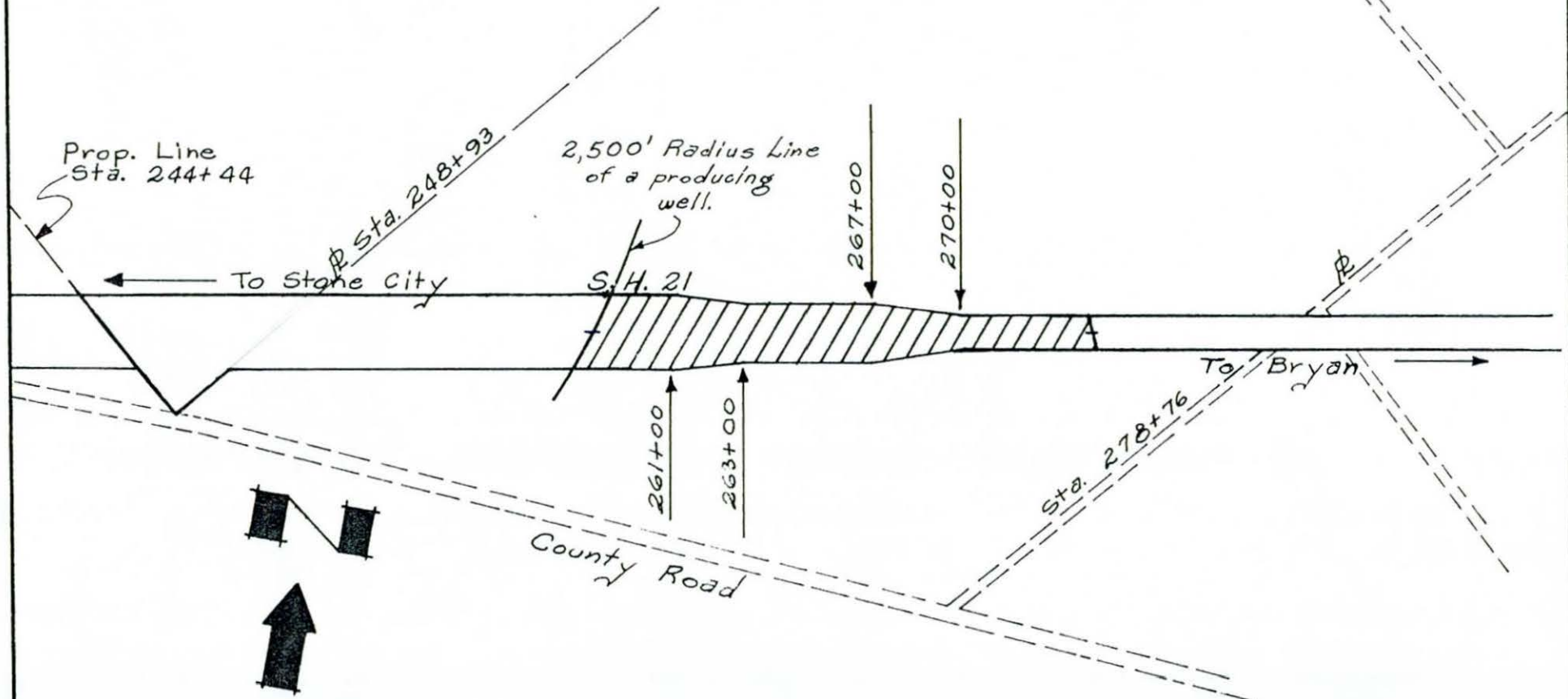
Brazos County  
CSJ 116-4-2, 4 and 5  
S.H. 21  
No. 317

and at right angles to Engineer's Centerline Station Number 273+20.50;

Thence N 23° 22' 25" W, departing from the south right of way line of said S.H. 21, crossing the centerline and continuing on to the point of beginning located on the north right of way line of said S.H. 21.

The above described strip of land contains 5.46 acres of land, more or less and being as indicated on the official right of way map which is on file with the Department of Highways and Public Transportation and identified under Control Numbers 116-4-2, 4 and 5.

James Curtis, Jr. Survey  
Abst. 12



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

 AREA TO BE LEASED - 5.46 ACS.

EXHIBIT 'B'

M 94389 (2)

Lease

File dated 6-4-91

Garry Mauro, Commissioner

161

JONES & ZWIENER, INC.

*Professional Land Services*  
1300 MAIN STREET  
SUITE 1720  
HOUSTON, TEXAS 77002

TEL. (713) 650-0903  
FAX (713) 650-3547

March 26, 1991

Texas General Land Office  
Stephen F. Austin Building  
1700 North Congress Avenue  
Austin, Texas 78701-1495

ATTN: Mr. Peter Boone

Re: Application to lease a portion of State Highway 21  
James Curtis, Jr. Survey, A-12  
Brazos County, Texas

Dear Mr. Boone:

Our client, Union Pacific Resources Company of Fort Worth, Texas, is interested in acquiring an oil and gas lease covering the above referenced highway tract. Apparently a portion of the subject highway tract may not be available for lease under Section 32.001 et seq. of the Texas Natural Resources Code. If this is the case, then we would request a subsurface easement under that portion of State Highway 21 not available for lease and an Oil and Gas Lease under the remaining portion of the subject highway permitting the passage of a wellbore through the subsurface depths of the subject highway tract.

I am enclosing the following items for your review:

1. Photocopy of a Right-of-way Deed dated February 7, 1931, from John F. Turek and wife, Lucy Turek to the State of Texas, recorded in Volume 79, Page 307, Deed Records, Brazos County, Texas, (with plat attached).
2. Photocopy of a Judgement in a Condemnation Suit dated February 26, 1931, between the State of Texas and Henry Regmund et al, recorded in Volume 4, Page 200 of the Commissioners' Court Minute Book, Brazos County, Texas, (with plat attached).
3. Photocopy of a pending Condemnation Suit dated May 8, 1990, between the State of Texas and Dorothy Ann Penicka Dlabay, Case No. 290-CC, County Court Records, Brazos County, Texas (with plat attached). This would convey surface only.

Mr. Peter Boone  
March 26, 1991  
Page 2

4. A photocopy of an Affidavit dated January 31, 1991, given by Joe Penicka of Brazos County, Texas, concerning the location and production of the W. W. Buchanan's - Fazzino No. 1 Well, now owned by Union Pacific Resources Company. The original affidavit was submitted to you with the application to lease a portion of State Highway OSR dated January 31, 1991.
5. Plat which sets out the following:
  - A. The subject portion of State Highway 21 (colored red on the attached plat.
  - B. Location of the W. W. Buchanan - Fazzino No. 1 Well now owned by Union Pacific Resources Company.
  - C. Strip of State Highway 21 and other lands located within a 2,500 ft. radius of the Fazzino No. 1 Well. (properties within green circle).

Thanking you for your review and consideration of our application.

Should you have any questions, please call me collect at 409/567-4661 Ext. 140.

Please address all correspondence regarding this matter to Ray Sloan, P. O. Box 716, Caldwell, Texas 77836-0716.

Sincerely,

*Ray Sloan*

Ray Sloan

RS:gm *gm*

Enclosures



AND WHEREAS said Commissioner's Court by County Judge of said County appointed a special board of appraisers to appraise said land composing of M.F. Dansby M.W. Sims, and Jno. A. Boriskie,

AND WHEREAS said board of appraisers did view said property and cited said parties of interest to appear on the 16th day of March, A.D. 1931 at 10 o'clock a.m. and at the Court House in Bryan, County of Brazos for hearing as required by law,

AND WHEREAS, said parties and special Board of Commissioners did meet in a hearing at said appointed time and said Special Board of Commissioners by written ~~###~~ statement award to said Henry Regmund et al to sum of \$410.20 for damages and for payment of the said land.

NOW THEREFORE, I, A.S. McSwain, County Judge of said Brazos County, Texas hereby according to said award hand down my judgment of said court in favor of said Henry Regmund et als the amount of \$410.20 in payment of said land and damages said amount.

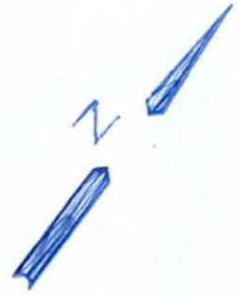
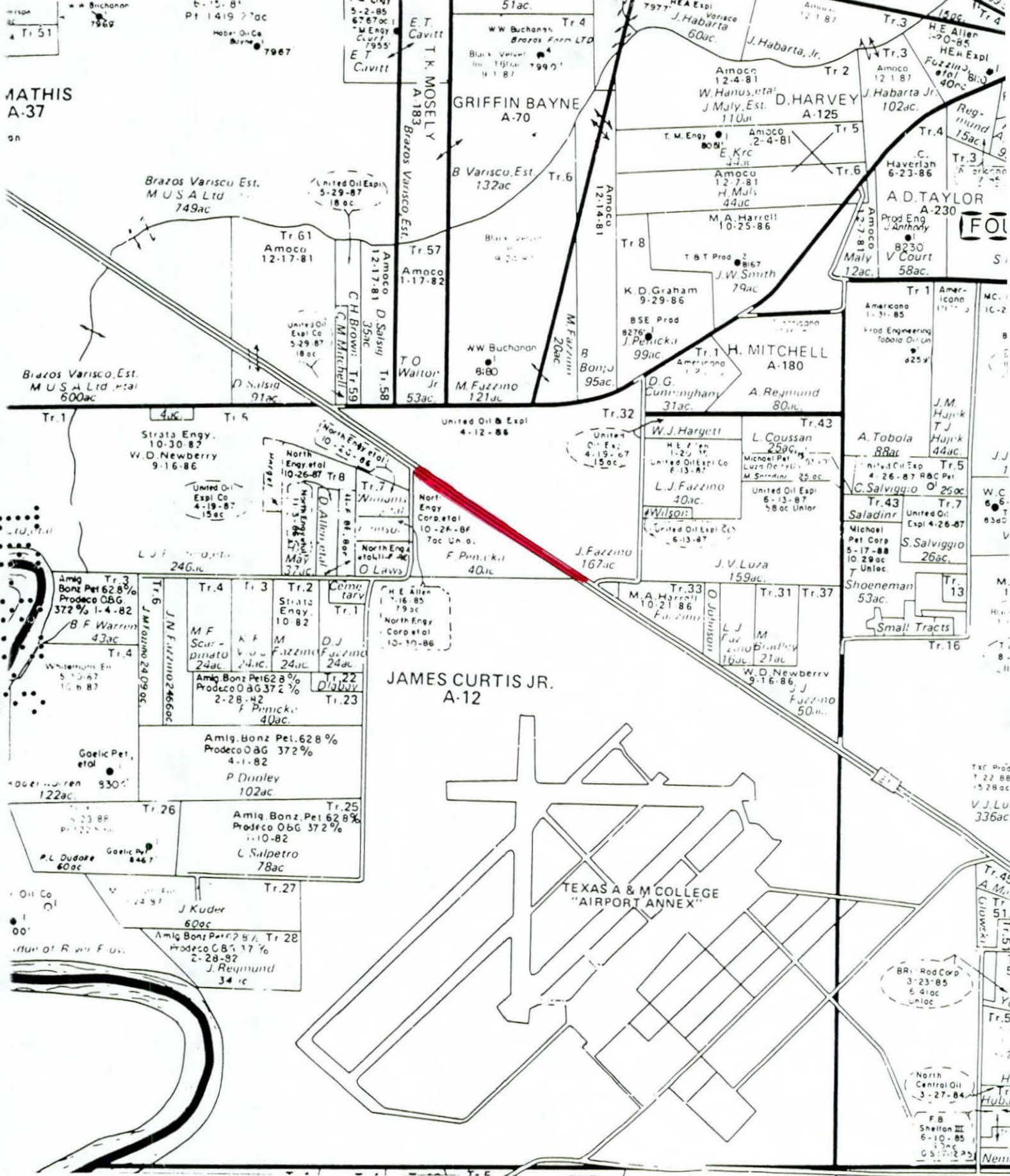
  
County Judge Brazos County Texas.

The above is the original Judgment of Court  
in case of Commissioner Court for Highway Dept  
Henry Regmund et als, from which there was  
appeal all of which I certify  
Jesse M. Gentry  
Jesse M. Gentry



MATHIS A-37

an



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

J. G. Minkert, Notary Public Brazos County

Texas.

(SEAL)

The foregoing is a true copy of the original instrument which was filed for record on the 6th day of Mar A.D. 1931 at 11:30 o'clock a.m. and duly recorded on the 10th day of Mar. A.D. 1931 at 1:45 o'clock p.m. to which I certify

Jess B. McGee, C. C. C. B. C.  
*Mrs. L. P. Hewitt* Deputy

THE STATE OF TEXAS|

COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That we John F. Turek & Wife Lucy Turek of the County of Brazos State of Texas, for and in consideration of the sum of (\$10.00) and other valuable consideration to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have Granted, sold and conveyed, and do by these presents Grant, sell and convey unto the State of Texas the following described tract or parcel of land situated in the County of Brazos State of Texas, being more particularly described as follows:

A tract of land out of the James Curtis Survey to be used for right of way purposes and described as follows:

Beginning at a point on the Southeast boundary of the Turek property which point is 182 feet from the extreme Southern corner of the Turek property and 110 feet from the center of the proposed highway;

Thence N 45 degrees W a distance of 280 feet to a point which is 110 feet from the center of the proposed highway;

Thence N 79 - 48 E along a line parallel to and 110 feet from the center of the proposed highway a distance of 669 feet;

Thence S 45 degrees W a distance of 340 feet to the place of beginning.

Containing 2.27 acres.

Also a tract of land Beginning at the south corner of J. F. Turek 40 acre tract, thence N. 45 E. a distance of 200 ft to the South line of the proposed Highway No. 21; Thence in a westerly direction a distance of 240 ft and corner in the N. W. line of J.F. Turek 40 acre tract; Thence S. 45 East 160 ft to the place of beginning, containing .36 of an acre.

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

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

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

Witness our hands this the 7th day of February A.D. 1931.

Jno. F. Turek

Lucy Turek

and State, on this day personally appeared John F. Turek, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

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

J. G. Minkert, Notary Public Brazos County,  
Texas.

(SEAL)

THE STATE OF TEXAS|

COUNTY - | BEFORE ME, J. G. Minkert a Notary Public in and for said county and State, on this day personally appeared Lucy Turek wife of John F. Turek known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband and having the same fully explained to her, she the said Mrs. Lucy Turek acknowledges such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

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

J. G. Minkert, Notary Public, notary County  
Texas.

(SEAL)

The foregoing is a true copy of the original instrument which was filed for record on the 6th day of March A.D. 1931 at 11:30 o'clock a.m. and duly recorded on the 10th day of March A.D. 1931 at 2:30 o'clock p.m. to which I certify

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

*Jess B. McGee* Deputy

THE STATE OF TEXAS|

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

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

Beginning at a point on the South fence of the present Highway 21 said point being 460 feet East of a public lane which crosses the Railroad by Sourares Store and 50 feet from the center of the proposed highway at station 496 plus 38;

Thence due East along the South fence of the present highway<sup>a</sup>/distance of 130 feet to a point which is 50 feet from the center of the proposed highway;

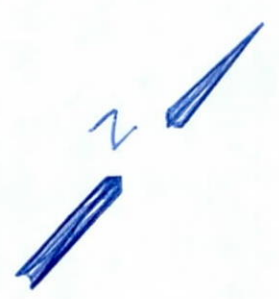
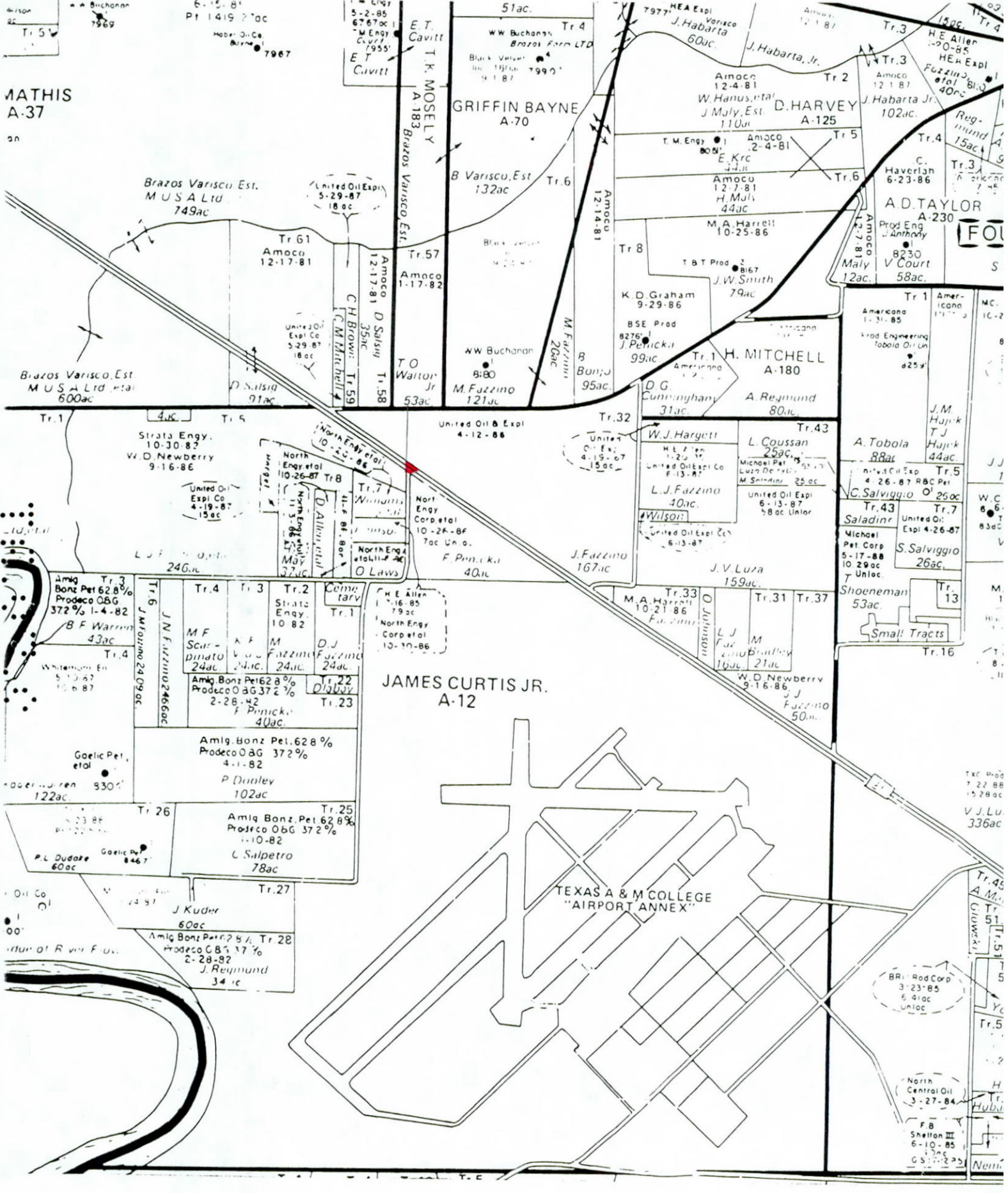
Thence S 39 - 52 W along a line parallel to and 50 feet from the center of the proposed highway a distance of 266 feet to a point on the North fence of the I.G.N. Railroad right of way; Thence due west along said right of way fence a distance of 130 feet to a point which is 50 feet from the center of the proposed highway; Thence N. 39 - 52 E along a line parallel to and 50 feet from the center of the proposed highway a distance of 266 feet to the place of beginning.

Containing 0.61. Acres

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

TO HAVE AND TO HOLD the above described premises, together with all and singular the

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FILED

PROJECT: 8017-1-33

90 MAY - 8 1964

PARCEL : 2 & 2E

Case No. 290-CC

THE STATE OF TEXAS

*Shubert*  
*Hartman*

CONDEMNATION PROCEEDING FILED

V.

WITH THE JUDGE OF THE COUNTY  
COURT AT LAW NO. 2 OF

DOROTHY ANN PENICKA DLABAY

BRAZOS COUNTY, TEXAS

STATEMENT OR PETITION FOR CONDEMNATION

TO SAID HONORABLE JUDGE:

Now comes the State of Texas, herein called Plaintiff or Petitioner, acting by and through the State Highway and Public Transportation Commission of Texas, herein called State Highway and Public Transportation Commission, represented herein by the Attorney General of Texas who, at the request of the State Highway and Public Transportation Commission, brings this action and files this its original Statement or Petition for the condemnation of the land and interests or rights pertaining thereto as hereinafter described, and shows that the owners of said land and their residences are as follows: DOROTHY ANN PENICKA DLABAY, who may be served at Route 5, Box 570, Bryan, Texas 77801, hereinafter called Defendant (whether one or more) or called owner (whether one or more) and shows as follows:

1.

That Defendant is the owner of the following-described land situated in Brazos County, Texas:

Being 7.60 acres of land, more or less, out of a part of that certain 50.7 acre tract of land lying and being in the James Curtis Survey, Abstract No. 12, Brazos County, Texas; said 50.7 acre tract being the same land described in a deed from O.H. and Ethel Patterson to Frank Penicka in Volume 128, Page 311 of the Deed Records of Brazos County, Texas; said 7.60 acre tract being more particularly described by metes and bounds as follows:

COMMENCING at a railroad crosstie used as a fence post at the most easterly corner of a 1.0 acre tract being the same land described in a deed from Brazos A. Varisco to Madison Bradley dated May 4, 1963 as recorded by deed in Volume 227, Page 105 of the Deed Records of Brazos County, Texas, said railroad crosstie lying on the southwest right of way of Kuder Road; thence NORTH  $18^{\circ}03'32''$  EAST across Kuder Road for a distance of 73.28 feet to a point lying on the northeast right of way of Kuder Road, said point being the PLACE OF BEGINNING;

- (1) THENCE NORTH  $46^{\circ}40'29''$  WEST for a distance of 143.09 feet along the northeast right of way of Kuder Road to a point for corner lying on the existing south right of way of State Highway 21;
- (2) THENCE NORTH  $42^{\circ}45'48''$  EAST along the existing south right of way of State Highway 21 and along the northwest property line of the aforementioned 50.7 acre tract for a distance of 127.24 feet to a point for corner;
- (3) THENCE NORTH  $75^{\circ}47'51''$  EAST along the existing south right of way of State Highway 21 and along the north property line of the aforementioned Penicka 50.7 acre tract for a distance of 1365.65 feet to a point for angle point;
- (4) THENCE NORTH  $70^{\circ}05'12''$  EAST along the existing south right of way of State Highway 21 and the north property line of the abovementioned 50.7 acre tract for a distance of 201.00 feet to a point for angle point;
- (5) THENCE NORTH  $75^{\circ}47'50''$  EAST along the existing south right of way of State Highway 21 and the north property line of the 50.7 acre tract for a distance of 400.00 feet to a point for angle point;

- (6) THENCE NORTH  $68^{\circ}12'13''$  EAST along the existing south right of way of State Highway 21 and the north property line of the 50.7 acre tract for a distance of 302.66 feet to a point for angle point;
- (7) THENCE NORTH  $75^{\circ}50'35''$  EAST along the south right of way of State Highway 21 for a distance of 342.87 feet to a point for corner lying on the common line between the aforementioned 50.7 acre Penicka tract and a 1.56 acre tract being the same land described in a deed from Anton Regmund to Aline Kuder as recorded in Volume 442, Page 630 of the Deed Records of Brazos County, Texas;
- (8) THENCE along the abovementioned common line SOUTH  $25^{\circ}10'38''$  EAST for a distance of 69.25 feet to a point for corner;
- (9) THENCE along the common line SOUTH  $42^{\circ}33'08''$  WEST for a distance of 126.00 feet to a point for corner;
- (10) THENCE along the common line SOUTH  $46^{\circ}37'04''$  EAST for a distance of 168.55 feet to a point for corner, said point being the most southerly corner of the abovementioned Kuder tract and lying on the proposed south right of way of State Highway 21;
- (11) THENCE NORTH  $77^{\circ}42'15''$  WEST along the proposed south right of way of State Highway 21 for a distance of 219.04 feet to a point for angle point;
- (12) THENCE SOUTH  $80^{\circ}21'22''$  WEST along the proposed south right of way of State Highway 21 for a distance of 401.27 feet to a point for angle point;
- (13) THENCE SOUTH  $75^{\circ}47'50''$  WEST along the proposed south right of way of State Highway 21 for a distance of 1000.00 feet to a point for angle point;
- (14) THENCE SOUTH  $65^{\circ}24'31''$  WEST along the proposed south right of way of State Highway 21 for a distance of 305.00 feet to a point for angle point;
- (15) THENCE SOUTH  $75^{\circ}47'50''$  WEST along the proposed south right of way of State Highway 21 for a distance of 200.00 feet to a point for angle point;
- (16) THENCE SOUTH  $88^{\circ}28'40''$  WEST along the proposed south right of way of State Highway 21 for a distance of 205.00 feet to a point for angle point;

- (17) THENCE SOUTH  $75^{\circ}47'50''$  WEST along the proposed south right of way of State Highway 21 for a distance of 290.00 feet to a point for corner;
- (18) THENCE SOUTH  $15^{\circ}04'09''$  WEST along the proposed south right of way of State Highway 21 for a distance of 103.26 feet to the PLACE OF BEGINNING and containing 7.60 acres of land, more or less.

AND IN ADDITION THERETO:

Title to all that wood frame 600 SF outbuilding located partially on the remaining property of which the above described property was originally a portion, said wood frame 600 SF outbuilding being bisected by the proposed right of way line, with the result that the portion of said wood frame 600 SF outbuilding lying adjacent to said proposed right of way line would be in such condition that it could not be adequately reconstructed at such location; plus the temporary right to enter upon the property remaining for the sole purpose of removing all of said wood frame 600 SF outbuilding.

AND IN ADDITION THERETO:

AN EASEMENT for the purpose of opening, constructing and maintaining a permanent drainage channel in, along, upon and across the above described tract of land, with the right and privilege at all times of having ingress, egress, and regress in, along, upon and across such tract of land for the purpose of making additions to, improvements on and repairs to the said drainage channel or any part thereof, said tract of land being out of and a part of the aforesaid 50.7 acre tract of land.

Being 2.87 acres of land, more or less, out of a part of that certain 50.7 acre tract of land lying and being in the James Curtis Survey, Abstract No. 12, in Brazos County, Texas; said 50.7 acre tract being the same described in a deed from O.H. and Ethel Patterson to Frank Penicka recorded in Volume 128, Page 311 of the deed records of Brazos County, Texas; said 2.87 acre tract of land being more particularly described by metes and bounds as follows:

COMMENCING at a railroad crosstie used as a fence post at the most easterly corner of a 1.0 acre tract being the same land described in a deed from Brazos A. Varisco to Madison Bradley dated May 4, 1963 as recorded by deed in Volume 227, Page 105 of the Deed Records of Brazos County, Texas, said

railroad crosstie lying on the southwest right of way of Kuder Road; thence NORTH  $18^{\circ}03'32''$  EAST across Kuder Road for a distance of 73.28 feet to a point lying on the northeast right of way of Kuder Road and the west property line of the aforementioned 50.7 acre tract, and the proposed south right of way of State Highway 21; thence NORTH  $15^{\circ}04'09''$  EAST along the proposed south right of way of State Highway 21 for a distance of 103.26 feet to a point for corner; thence NORTH  $75^{\circ}47'50''$  EAST along the proposed south right of way of State Highway 21 for a distance of 290.00 feet to a point for angle point; thence NORTH  $88^{\circ}28'40''$  EAST along the proposed right of way of State Highway 21 for a distance of 78.52 feet to the PLACE OF BEGINNING;

- (1) THENCE NORTH  $88^{\circ}28'40''$  EAST for a distance of 126.48 feet to a point for corner;
- (2) THENCE SOUTH  $39^{\circ}16'39''$  EAST for a distance of 1210.00 feet to a point for corner;
- (3) THENCE SOUTH  $50^{\circ}43'21''$  WEST for a distance of 100.00 feet to a point for corner;
- (4) THENCE NORTH  $39^{\circ}16'39''$  WEST for a distance of 1287.44 feet to the PLACE OF BEGINNING and containing 2.87 acres of land, more or less.

) )  
2.

The State Highway and Public Transportation Commission has found that in order to promote the public safety, to facilitate the safety and movement of traffic, and to preserve the financial investment of the public in its highways, public necessity requires the laying out, opening, constructing, reconstructing, maintaining and operating of highways in the State of Texas as a part of the State highway system at such locations as determined by such Commission; that the State Highway and Public Transportation Commission has found and determined that the above-described land is suitable for use for such purposes and that it is necessary to acquire the following interests in said land, for the purposes stated: fee simple title to said Parcel 2 to be used as a part of the State highway system to be constructed, reconstructed, maintained and operated thereon, provided however, there is excluded from said estate to be condemned all the oil, gas and sulphur which can be removed from beneath said land aforesaid without any right whatever remaining to the owner of such oil, gas and sulphur of ingress or egress to or from the surface of said land for the purpose of exploring, developing, drilling or mining of the same; an easement in said Parcel 2E, for the purpose of opening, constructing and maintaining a permanent drainage channel in, along, upon and across the said Parcel 2E tract, with the right and privilege at all times of having ingress, egress and regress in, along, upon and across such tract of land for the purpose of making additions to, improvements on and repairs to said drainage channel or any part thereof.

) )  
3.

Further, the State Highway and Public Transportation Commission has found and determined that the above-described wood frame outbuilding (hereinafter referred to as "building") located partially on the above-described land and partially on the remaining property of which the above-described property was originally a portion, cannot be adequately reconstructed at its present location, and that equity and fairness will necessitate the compensation of the Defendant for the full value of the said building. That leaving said building bisected would create a hazard to the highway and endanger human life and safety. That said State Highway and Public Transportation Commission has further found and determined that a temporary right to enter onto the property remaining is necessary for the removal and acquisition of said building.

Plaintiff is entitled to condemn the following interests for the purposes above stated: Fee title to the tract of land above-described (Parcel 2) to be used for highway purposes; an easement in and to the tract of land above-described as Parcel 2E; title to all that certain building above-described and situated partially on the above-described land and partially on the remaining land of which the above-described land was originally a portion; and the temporary right to enter onto the property remaining for the sole purpose of entering and removing all of said building; provided however, there is excluded from said estates to be condemned all the oil, gas and sulphur which can be removed from beneath said land above-described without any right whatever

) )  
remaining to the owner of such oil, gas and sulphur of ingress or egress to or from the surface of said land for the purpose of exploring, developing, drilling or mining of the same.

4.

That your Petitioner and Defendant or owner have been unable to agree upon the value of said real estate and interests therein to be condemned or the damages, if any, occasioned by the acquisition of such land and asks that Special Commissioners be appointed as provided by law to assess the damages of the owner.

P R A Y E R

WHEREFORE, the State of Texas respectfully prays that three disinterested freeholders be appointed as Special Commissioners to assess the damages of the owner and file their decision all as provided by law, to the end that Plaintiff or Petitioner may have a final judgment or decree of condemnation vesting in the State of Texas the fee title to said Parcel 2 and easement in and to Parcel 2E, except as above provided as to oil, gas and sulphur, fee title to said building above described, together with a temporary right to enter onto the property remaining for the sole purpose of entering and removing all of said building, for writ of possession, for costs of suit, prejudgment and post-judgment interest on the amount of money that the Award of the Special Commissioners exceeds the amount of money awarded by the judgment to the Defendants herein, and for such other and further relief, general and special,

at law or in equity, that Plaintiff may show itself justly entitled.

Respectfully submitted,

JIM MATTOX  
ATTORNEY GENERAL OF TEXAS

MARY F. KELLER  
FIRST ASSISTANT ATTORNEY  
GENERAL

RICHARD D. NAYLOR  
ASSISTANT ATTORNEY GENERAL  
CHIEF, HIGHWAY DIVISION



RANDALL M. WARD  
Assistant Attorney General  
Highway Division  
P. O. Box 12548  
Austin, Texas 78711-2548  
(512) 463-2004  
Bar Card No. 20845900

Attorneys for Plaintiff

FILED with me this the \_\_\_\_\_ day of \_\_\_\_\_, 1990.

\_\_\_\_\_  
JUDGE, County Court at Law  
No. 2, Brazos County, Texas

January 07, 1991

COUNTY COURT AT LAW NO. 2  
300 E. 26TH STREET, SUITE 203  
BRYAN, TX 77803  
JUDGE J. D. LANGLEY  
(409) 361-4260

Case No.: 90-05-290CC-CV  
Style: THE STATE OF TEXAS  
vs. DOROTHY ANN PENICKA DLABAY

Les Palmer  
Haley, Davis, Wren, Bristow & Rasner  
Attorney At Law  
510 N. Valley Mills Drive, Ste. 300  
Waco, Tx 76710

FILED FOR RECORD  
DATE 1-15-91  
AT 9:15 O'CLOCK A M  
MARY ANN WARD  
BBAZOS COUNTY CLERK  
By Mary Ann Ward

This case is set for FINAL PRETRIAL on:

Date: 04/15/91 Time: 09:00

At FINAL PRETRIAL, the Court will determine whether jury fees have been paid, hear motions for continuance, and set the order of cases. JURY SELECTION will begin at 1:30 p.m. on the date set for FINAL PRETRIAL. TRIAL BY JURY will begin at 9:00 a.m. on the day following FINAL PRETRIAL and JURY SELECTION.

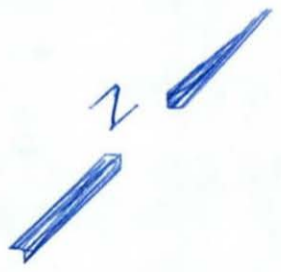
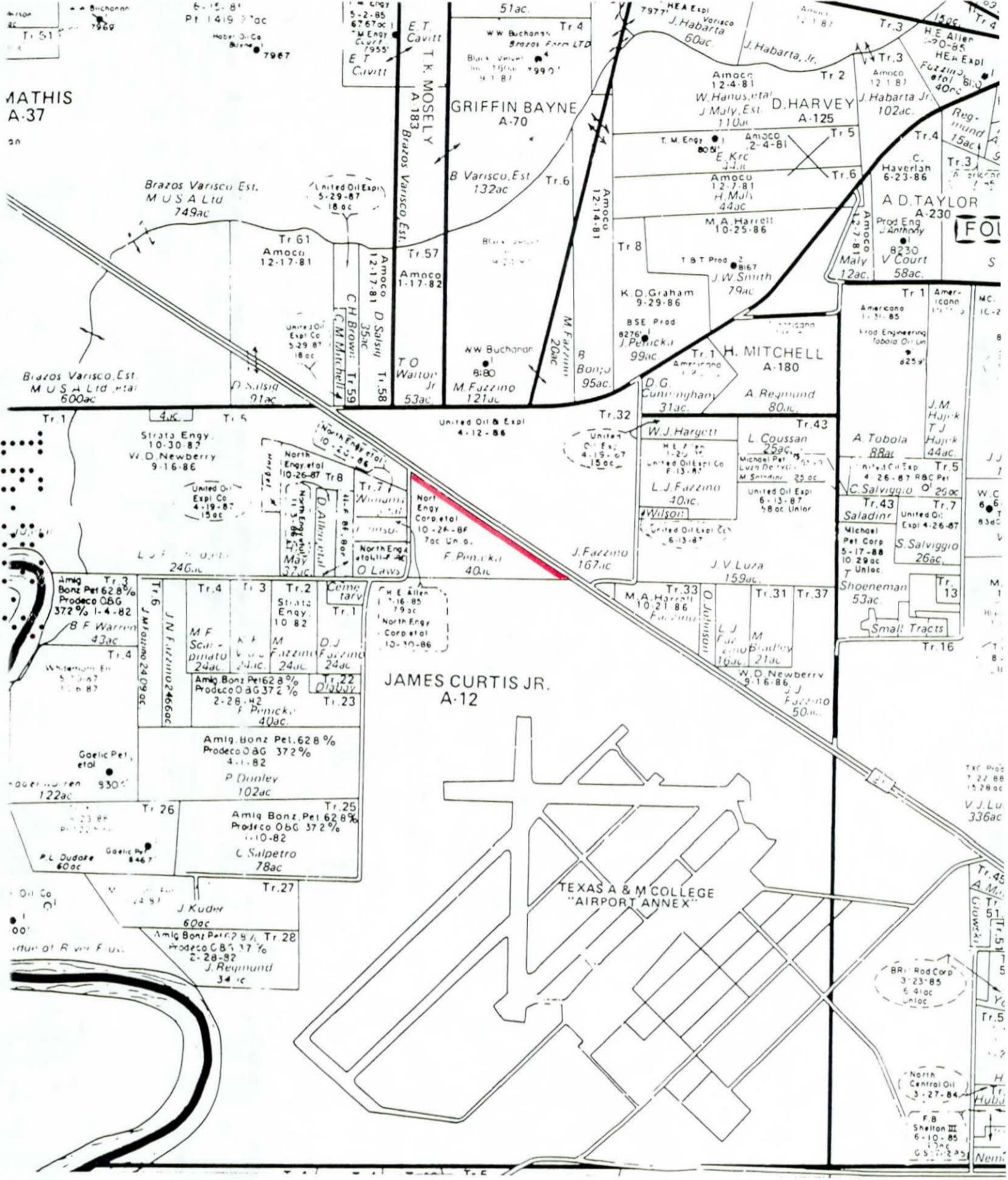
Wanda Boyles  
Civil Court Coordinator

cc: Randall Ward

Tr. 51  
Buchanan  
7969  
7967

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AFFIDAVIT

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

BEFORE ME, the undersigned authority, personally appeared JOE PENICKA, to me well known to be a credible person, and who, after being by me duly sworn, on oath did state:

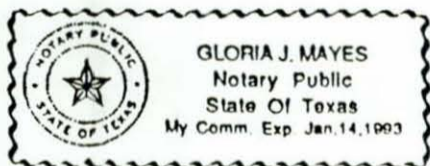
My name is JOE PENICKA. I am 81 years of age and I am now and have been thoroughly familiar with the production history of the Fazzino No. 1 Well.

The Fazzino No. 1 Well is located in the Griffin Bayne Survey, A-70, Brazos County, Texas, on the Mike Fazzino 140 acre tract out of the Griffin Bayne Survey, A-70 and the D. Harvey Survey, A-125, Brazos County, Texas. The location of the well is approximately 750 feet in a northwesterly direction from the State Highway OSR Right-of-Way. The Fazzino No. 1 Well was producing in paying quantities on January 1, 1985 and is still producing today.

END OF STATEMENT.

*Joe Penicka*  
JOE PENICKA

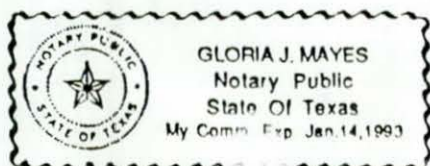
SUBSCRIBED AND SWORN TO BEFORE ME, this 31st day of January, 1991.



*Gloria J. Mayes*  
Notary Public, State of Texas

STATE OF TEXAS )  
COUNTY OF BRAZOS )

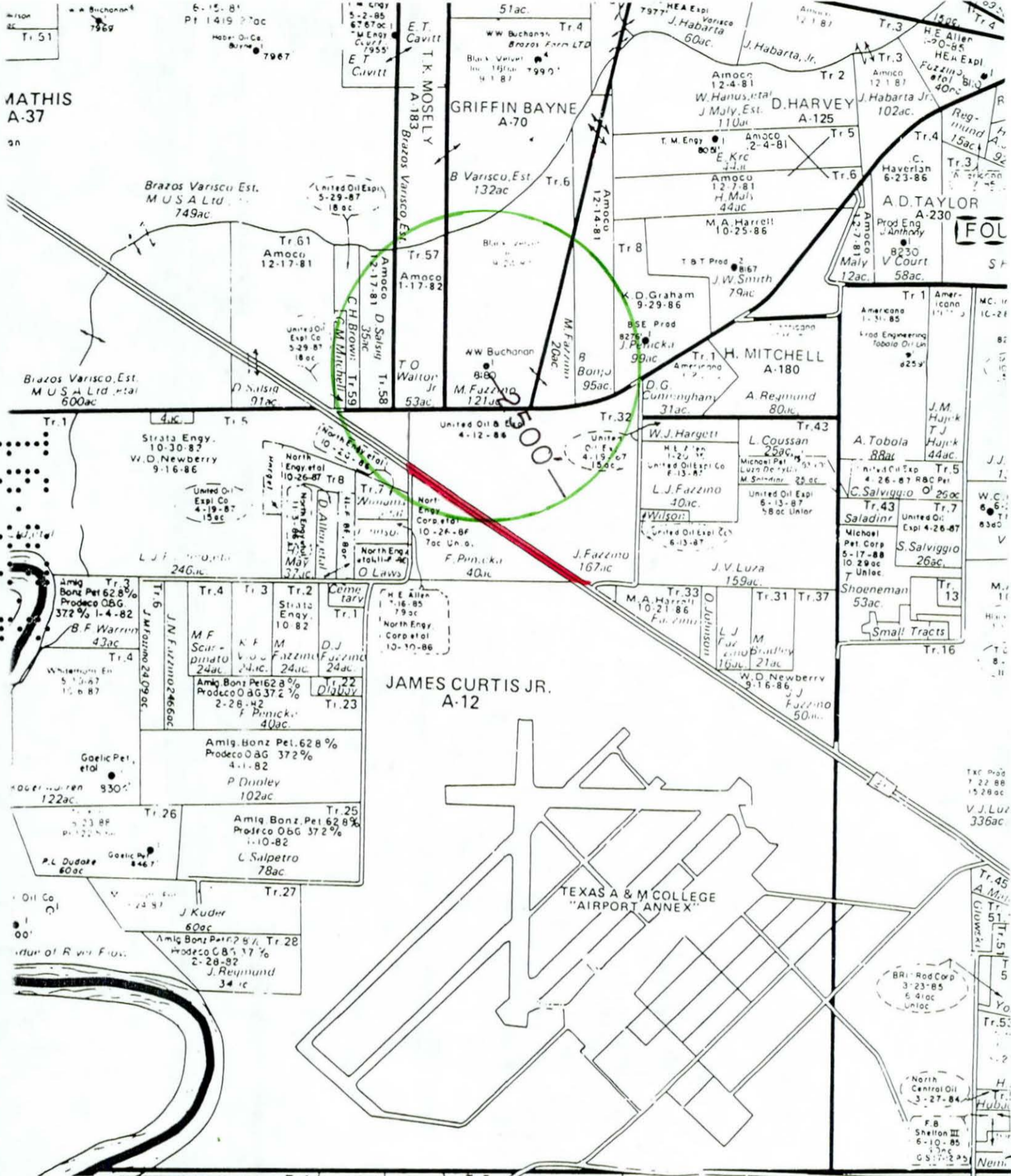
This instrument was acknowledged before me, on January 31, 1991, by JOE PENICKA.



*Gloria J. Mayes*  
Notary Public, State of Texas

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an



JONES & ZWIENER, INC.

*Professional Land Services*

1300 MAIN STREET  
SUITE 1720  
HOUSTON, TEXAS 77002

TEL. (713) 650-0903  
FAX (713) 650-3547

April 19, 1991

Mrs. Tracey T. Yakints  
Geologist  
Petroleum & Minerals Division  
Texas General Land Office  
Stephen F. Austin Building  
1700 North Congress Avenue  
Austin, Texas 78701

X 100.00  
91042322

RE: Application to lease a portion of State Highway 21  
James Curtis, Jr. Survey, A-12  
Brazos County, Texas

Dear Mrs. Yakints:

Pursuant to your letter dated April 4, 1991, regarding the above  
referenced application, enclosed please find the following  
requested information to complete the application:

1. Names and addresses of adjacent mineral owners.
2. An Affidavit of Non-Production executed by Joe Penicka covering a certain portion of Highway 21 outside of the "producing area."
3. A check for \$100.00 for processing.
- 4(a). Written Waiver of Statutory Notice executed by Ray Sloan, Agent for Union Pacific Resources Company.
- 4(b). Written Waiver of the preferential right to lease executed by Edward S. Voisinet, as Vice-President of Ultramar Oil and Gas Limited.
5. Certified copies of adjacent leases.
6. A notarized affidavit of consideration paid, executed by Ray Sloan, Agent for Union Pacific Resources Company, for leases adjacent to the highway right-of-way.

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2 2 91

UNION PACIFIC RESOURCES

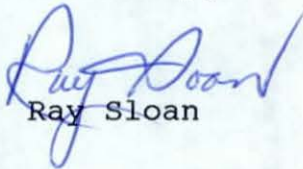
Mrs. Tracey T. Yakints  
Page 2  
April 19, 1991

7. A letter dated April 15, 1991, signed by Mr. O. Brandt Edwards, Attorney at Law, explaining the mineral ownership under the subject portion of Highway 21.

Should you require further information concerning this application, please contact me at 409/567-4661, extn. 140.

Your prompt attention to this matter is appreciated.

Sincerely,

  
Ray Sloan

RS/jp  
Enclosures

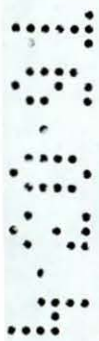
cc: Mr. Tim Stephens  
Union Pacific Resources Company  
(w/enclosures)



Names and addresses of adjacent mineral owners:

Josephine S. Fazzino  
Rt. 5, Box 565  
Bryan, Texas 77803

Dorothy Penicka D'Labay  
Rt. 5, Box 549  
Bryan, Texas 77803



AFFIDAVIT OF NON-PRODUCTION

THE STATE OF TEXAS )  
COUNTY OF BRAZOS )

KNOW ALL MEN BY THESE PRESENTS:

BEFORE ME, the undersigned authority, personally appeared JOE PENICKA, to me well known to be a credible person, and who, after being by me duly sworn, on oath did state:

My name is JOE PENICKA. I am 81 years of age and I am now and have been thoroughly familiar with the non-production history of the area shown on the attached plat.

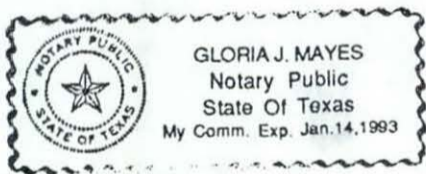
There was no oil or gas well producing in paying quantities on January 1, 1985, within a 2500 feet radius of that portion of Highway 21 indicated in red on the attached plat.

END OF STATEMENT.

*Joe Penicka*  
JOE PENICKA

SUBSCRIBED AND SWORN TO BEFORE ME, this 12<sup>th</sup> day of April, 1991.

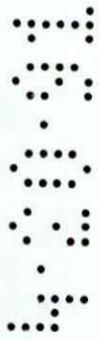
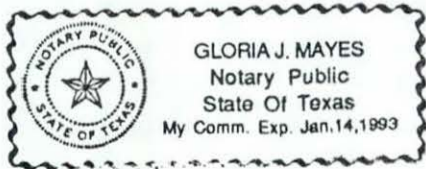
*Gloria J. Mayes*  
Notary Public, State of Texas



STATE OF TEXAS )  
COUNTY OF BRAZOS )

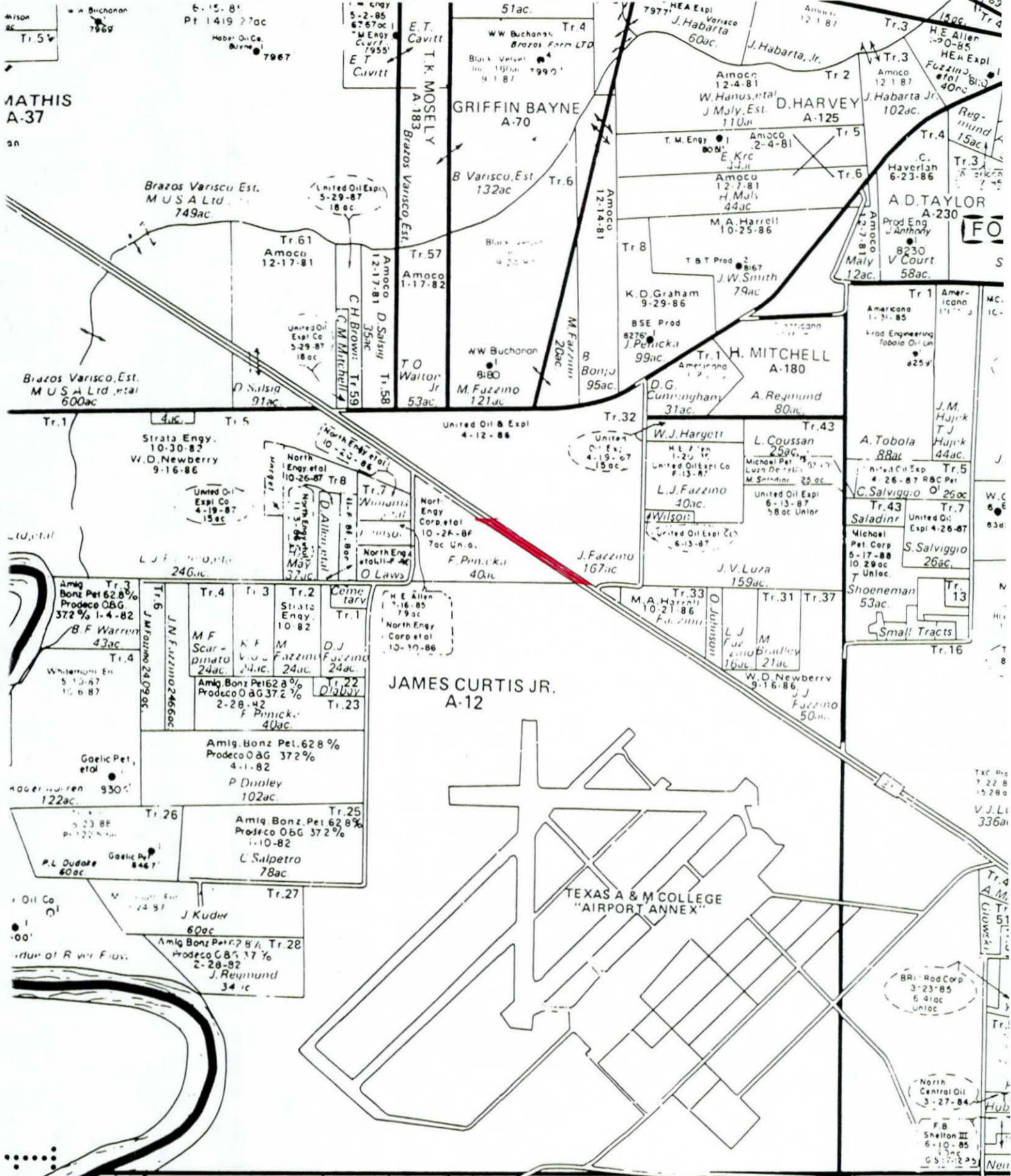
This instrument was acknowledged before me, on April 12<sup>th</sup>, 1991, by JOE PENICKA.

*Gloria J. Mayes*  
Notary Public, State of Texas



Wilson  
Tr. 5  
W.W. Buchanan  
7969  
6-15-81  
Pt. 1419 27ac  
Mobi. Oil Co.  
Bryne  
7967

MATHIS  
A-37  
an



**WAIVER OF STATUTORY NOTICE**

STATE OF TEXAS            }

COUNTY OF BRAZOS        }

WHEREAS, Union Pacific Resources Company of Fort Worth, Texas, proposes to exercise its preferential right to lease certain lands underneath State Highway 21, Brazos County, Texas, and hereby Waives the Statutory Notice of the intent of the State to lease of which it is entitled.

EXECUTED, this the 16th day of April,  
1991.

Union Pacific Resources Company

By: Ray Sloan  
Ray Sloan, Agent



33817-90109-288

**WAIVER**

STATE OF TEXAS            )

COUNTY OF BRAZOS        )

WHEREAS, Ultramar Oil and Gas Limited of Houston, Texas, hereby waives its preferential right to lease certain lands underneath State Highway 21, located in the James Curtis, Jr. Survey, A-12, Brazos County, Texas.

EXECUTED, this the 16th day of April, 1991.

Ultramar Oil and Gas Limited

By: 

~~Bo Blue as~~XXXXXXXXXXXXXXXXXXXX

Edward S. Voisinet  
Vice President



STATE OF TEXAS  
COUNTY OF BRAZOS



# STEPHENS & WILLEY

ATTORNEYS AT LAW  
FIRST INTERSTATE BANK PLAZA  
1000 LOUISIANA, SUITE 2215  
HOUSTON, TEXAS 77002

Telecopier No:  
(713) 650-3753

Telephone No:  
(713) 650-1550

April 15, 1991

Texas General Land Office  
Stephen F. Austin Building  
1700 North Congress Avenue  
Austin, Texas 78701-1495

Attention: Mrs. Tracey T. Yakints  
Geologist - Leasing & Evaluation  
Petroleum & Minerals Division

Re: State mineral ownership under  
portion of State Highway 21  
James Curtis, Jr. Survey  
Abstract No. 12  
Brazos County, Texas

Gentlemen:

This letter is being written in connection with the application to lease a portion of State Highway 21 by Jones & Zwiener, Inc., Professional Land Services, for Union Pacific Resources Company. The undersigned has previously examined title to 168.04 acres of land lying North of the portion of Highway 21 in question. This examination included the following instruments which affect the title to certain portions of the land under State Highway 21:

1. Warranty Deed dated February 7, 1931, from John F. Turek and wife, Lucy Turek, to the State of Texas, conveying two (2) separate parcels containing 2.27 acres and .36 of an acre, respectively, recorded in Volume 79 at Page 307 of the Deed Records of Brazos County, Texas.
2. Photocopy of Judgment in condemnation proceeding, dated March 16, 1931, by the Commissioner's Court of Brazos County, on behalf of the Highway Department of Texas, against Henry Regmund, et al., covering 11.72 acres of land, recorded in Volume 4 at Page 200, Commissioner's Court Minutes, Brazos County, Texas.

Your attention is called to the fact that the metes and bounds description of the 2.27 acres described in the February 7, 1931, Warranty Deed, listed above, does not close. It appears that the final call was inadvertently omitted. Additionally, your attention is called to the fact that the undersigned has not examined a

Texas General Land Office  
April 15, 1991  
Page 2

Warranty Deed from Henry Regmund, et al., to the State of Texas or the Highway Department of Texas covering the 11.72 acres. The condemnation proceeding only sets forth the compensation to be paid to Henry Regmund, et al., for the land taken by the State of Texas. Clearly, however, a judgment in a condemnation proceeding is persuasive of the State's title to the land.

Neither the February 7, 1931, Warranty Deed nor the condemnation Judgment, listed above, reserves the minerals under the respective parcels of land. Therefore, we conclude that the State of Texas owns the mineral estate under the 2.27 acres, the .36 of an acre and the 11.72 acre portions of State Highway 21.

In order to assist you in identifying the aforesaid parcels we have attached a photocopy of a reduced portion of a Texas Department of Transportation and Highways plat on which the 2.27 acre parcel has been shaded red, the .36 of an acre parcel has been shaded blue, and the 11.72 acre parcel has been shaded green.

Additionally, we have been furnished a photocopy of condemnation proceeds styled "The State of Texas vs. Dorothy Ann Penicka Dlabay", Docket No. 290-CC, County Court at Law No. 2, Brazos County, Texas. The 7.60 acres of land, which is the subject of this condemnation proceeding, appears to lie adjacent to and south of State Highway 21 along that portion of State Highway 21 covered by the 11.72 acres discussed above. Although the condemnation is still pending, we call to your attention the fact that the original petition of the State of Texas excludes from the condemnation proceedings ". . . all the oil, gas and sulphur which can be removed from beneath said land aforesaid without any right whatever remaining to the owner of said oil, gas and sulphur of ingress or egress to or from the surface of said land for the purpose of exploring, developing, drilling or mining of same;". The undersigned has not, however, examined the title to the land lying south of State Highway 21 out of which this 7.60 acre parcel would be severed.

If you have any questions, or if we can be of additional service to you in any way, please do not hesitate to call.

Very truly yours,



O. Brandt Edwards

OBE/pat  
Enclosure  
\\obe\uprc3.ltr

MATTHIS SURVEY.  
Survey line  
JAMES CURTIS SUR.

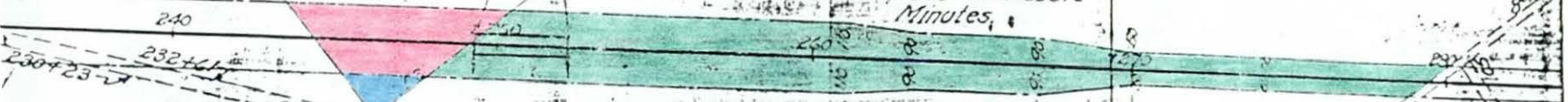
Sta 249+71 to 253+70  
B: 2505 River Relief Bridge No. 2  
FAP 620-B - Control 116-4-4

Warford ✓  
Sta. 232+61 to 241+41  
5.07 Ac  
Vol. 79 - Pg. 297

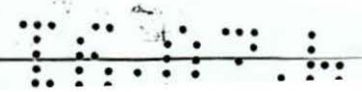
J.F. Turek ✓  
Sta. 244+44 to 248+93  
2.27 Ac  
Deed  
Vol. 74 - Pg. 307

Henry Regmund et al ✓  
Sta. 248+93 to 278+16  
11.72 Ac  
Condemnation  
Vol. 4 - Pg. 200 - Com. Court  
Minutes.

Control 116-4-5  
Sta. 267+89  
Begin FAP 620-A  
Control 116-4-2  
End FAP 620-C



M. Bradley ✓  
279+02 to 281+21  
0.50 Ac  
Deed  
Vol. 79 - Pg. 291



ASSIGNMENT OF OIL, GAS & MINERAL LEASES

STATE OF TEXAS  
COUNTY OF BRAZOS

That FlairTex Resources, Inc., a Texas Corporation, whose address is 19 Briar Hollow, Suite 246, Houston, Texas 77027 (hereinafter called "Assignor"), for and in consideration of the sum of Ten Dollars (\$10.00) cash and other good and valuable consideration paid by Ultramar Oil and Gas Limited, a Delaware Corporation, whose mailing address is 16825 Northchase, Suite 1200, Houston, Texas 77060, (hereinafter called "Assignee"), the receipt and sufficiency of which are hereby acknowledged, does, subject to the terms and provisions herein contained, hereby transfer, sell, assign and convey unto the said Assignee, its successors and assigns, without warranty of title, either express or implied, one hundred percent (100%) of Assignor's right, title and interest in and to the oil and gas leases described in Exhibit "A" attached hereto and by reference made a part hereof, and the lands or portions of lands covered thereby as described in Exhibit "A", together with such interest's part of all production, if any, hereafter produced under said leases. The oil and gas leases and the lands or portions of land covered thereby as described in Exhibit "A" are referred to herein as "said leases".

Assignor hereby reserves and excepts unto itself an overriding royalty interest equal to one percent (1.0%) of 8/8ths of all hydrocarbons that are produced, saved and marketed from said lease described in Exhibit "A" attached hereto.

The terms, covenants and conditions hereof shall be binding upon and shall inure to the benefit of Assignor and Assignee and their respective successors and assigns; and such terms, covenants and conditions shall be covenants running with the land above described and the assigned premises and with each transfer or assignment of said leases.

In witness whereof, executed this 12th day of February, 1991.

460821  
FILED

91 MAR -5 PM 2:49

*Kerry Ann ...* CO. CLERK  
BRAZOS COUNTY COURTHOUSE  
BRYAN, TEXAS

BY *J. Gillow* DEPUTY

FlairTex Resources, Inc.

By: *[Signature]*  
Donald G. MacAskie  
President

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS  
COUNTY OF HARRIS

This instrument was acknowledged before me on this 12th day of February, 1991 by Donald G. MacAskie, President of FlairTex Resources, Inc. a Texas Corporation, on behalf of said corporation.

My Commission Expires

\_\_\_\_\_

*[Signature]*  
Notary Public, State of Texas

Notary's printed name: JULIE ORTIZ  
Notary Public in and for the State of Texas  
My Commission Expires July 6, 1993



**EXHIBIT "A"**

Attached and made a part of an Assignment from FlairTex Resources, Inc. as Assignor, to Ultramar Oil and Gas Limited, as Assignee, dated February 12, 1991.

Oil, Gas and Mineral Lease dated January 29, 1991 from Dorothy Penicka D'Labay, to FlairTex Resources, Inc., recorded under Clerks Number 459579, of the Official Records of Brazos County, Texas, and covering 50.67 acres of land, more or less, out of the James Curtis Survey, A-13, Brazos County, Texas.

1241

FLAIRE TEXAS



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. 1301, Page 595 in Official Records of said County on file in my office.

ATTEST 4-10-91

Mary Ann Ward, County Clerk  
Brazos County, Texas

By Mable Bunch, Deputy

Producers 22 (7-69)—Paid Up  
With 640 Acres Pooling Provision

444174

FOUND PRINTING & STATIONERY COMPANY  
2125 FARMER, HOUSTON, TEXAS 77002, (713) 659-3159

### OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 18th day of January 90 APR 27 PM 1968 between  
Josephine S. Fazzino

lessor (whether one or more), whose address is: Rt. 5 Box 565 Bryan, Texas 77803 76101-0007  
and UNION PACIFIC RESOURCES COMPANY P.O. BOX 7, FT WORTH, TX. lessor, WITNESSETH:

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

168.04 acres of land, more or less located in the James Curtis, Jr. League, Abstract 12 and described in Three (3) Tracts as follows:

Tract 1 7.12 acres of land, more or less, being the same land described in a Quitclaim Deed dated June 10, 1985 from Johnny Joseph Fazzino to Josephine Fazzino and recorded in Volume 797, Page 126 of the Deed Records of Brazos County, Texas

Tract 2 69.67 acres of land, more or less, being the same land described as the "First Tract" in a Partition Deed dated April 27, 1974 from Johnny Joseph Fazzino to Josephine Fazzino and recorded in Volume 327, Page 41 of the Deed Records of Brazos County, Texas

Tract 3 91.25 acres of land more or less, being the same land described as the "Second Tract" in a Partition Deed dated April 27, 1974 from Johnny Joseph Fazzino to Josephine Fazzino and recorded in Volume 327, Page 41 of the Deed Records of Brazos County, Texas

Signed for Identification Josephine S Fazzino  
Josephine S. Fazzino

VOL 1181 PAGE 36

ACTING AS AGENT OF THE BOSS BOGARDY OF DRYNO COMPANY  
I HAVE BEEN AUTHORIZED TO SIGN THIS LEASE AND TO EXECUTE  
HEREON BY THE BOSS BOGARDY IN FULL SUFFICIENT POWER TO  
EFFECT THE SAME AND TO SIGN THE SAME IN MY OWN NAME

AND TO SIGN THE SAME IN MY OWN NAME AND TO SIGN THE SAME  
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J.S.P.

Notwithstanding anything in this lease to the contrary, royalty on oil and gas shall be one-sixth (1/6) of the oil and gas produced and saved under the terms of this lease, and wherever in Paragraph 3 of this lease the fraction one-eighth (1/8) appears, same shall be deemed to read one-sixth (1/6).

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

168.04 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder. FIVE (5) J.S.P.

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

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

F.S.P.  
\$5.00

F.S.P.

Bank

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

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

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

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

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

Stacy

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

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

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

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

12. In the event a portion or portions of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations on or production from such unit or units will maintain this lease in force only as to such land included in such unit or units. This lease, as to the land not included in such unit or units, may be maintained in force and effect by drilling or reworking operations on such acreage or production therefrom, in accordance with the terms and provisions of this lease.
13. Lessee shall pay for all damages caused to growing crops on said land, whether such crops belong to Lessor or to Lessors tenants, which payment shall be made to the owner of such crops, and pay for all damages to the improvements, including fences, on said land caused by any operations of Lessee in investigating, exploring, prospecting, drilling, mining and operating for oil and gas on said land. Lessee agrees, upon abandonment of any well, that Lessee will, at its own cost and expense, and within a reasonable time not to exceed six (6) months after such abandonment, fill in all excavations, level all mounds, fill all slush pits, and leave the ground in as near the same condition as reasonably practical as it was before such well was drilled. Lessee further agrees, in the event of development and/or production under this lease, to erect and maintain, where necessary, at its own risk and expense, cattle guards sufficient to turn cattle, and to keep closed all gates used by it and its agents, servants and employees during such time as it is engaged in developing, exploring for and/or producing oil and gas.
14. Notwithstanding anything to the contrary, this lease shall cover only oil, gas and substances actually produced in association with oil and/or gas from oil and/or gas wells drilled and producing under and pursuant to this lease on the leased premises or on lands pooled therewith; no other minerals or substances shall be covered hereby.
15. Notwithstanding anything to the contrary, this lease shall not be assigned by Lessee in whole or in part without the prior written consent of the Lessor.
16. It is hereby agreed that Lessee shall not pool or unitize the herein described land with other land or leases without the prior written consent of Lessor.
17. It is understood and agreed that Lessee's right to maintain this lease solely by virtue of the shut-in gas well royalty payment provided for in Paragraph 3 hereof is hereby limited to a period of no longer than two (2) consecutive years (or for lesser periods which aggregate together two (2) years) after the end of the primary term of this lease.

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

Josephine S Fazzino  
Josephine S. Fazzino

SS# [REDACTED]

IN WITNESS WHEREOF, my hand and seal of office are hereunto set on this day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

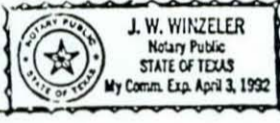
STATE OF Texas COUNTY OF Brazos INDIVIDUAL ACKNOWLEDGMENT—TEXAS OR NEW MEXICO

Before me, the undersigned authority, on this day personally appeared Josephine S. Fazzino

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

Given under my hand and seal of office this 19 day of JANUARY, 1990

My Commission Expires 4-3-92



J. W. Winzeler  
Notary Public in and for the State of Texas  
J. W. WINZELER  
Notary's Printed Name

STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_ INDIVIDUAL ACKNOWLEDGMENT—TEXAS OR NEW MEXICO

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_

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

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

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

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

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

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_

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

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

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

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

VOL 1489 PAGE 39

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

No. \_\_\_\_\_

Oil, Gas and Mineral Lease

FROM

TO

9-b

Dated \_\_\_\_\_, 19\_\_\_\_

Mo. Acres \_\_\_\_\_

County \_\_\_\_\_

Term \_\_\_\_\_

This instrument was filed for record on the \_\_\_\_\_

day of \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_

o'clock \_\_\_\_\_ M., and duly recorded in

Book \_\_\_\_\_, Page \_\_\_\_\_

of the \_\_\_\_\_ records of this office.

County Clerk \_\_\_\_\_

By \_\_\_\_\_, Deputy

When recorded return to

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

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. 1181, Page 36 in Official Records of said  
County on file in my office.

ATTEST 4-10-91

Mary Ann Ward, County Clerk  
Brazos County, Texas  
By Melvin Smith, Deputy

# OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 29th day of January 1991, between

Dorothy Penicka D'Labay, married, dealing in her separate, non-homestead property

lessor (whether one or more), whose address is: Rt. 5, Box 549, Bryan, TX 77803  
and FlairTex Resources, Inc. 19 Briar Hollow, Suite 246, Houston, TX 77027, lessee, WITNESSETH:

1. Lessor, in consideration of ten and 00/100 Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Brazos, State of Texas, and is described as follows:

50.67 acres, more or less, out of the James Curtis Jr., League, A-13, Brazos County, Texas; and being the same land described in a deed dated January 18, 1947 from Anton Regmund to Frank Penicka, recorded in Volume 128, Page 311 of the Deed Records of Brazos County, Texas.

Reference to said deed being made for descriptive purposes only.

459579

91 FEB 11 PM 12:18  
Brazos County Courthouse  
Bryan, Texas  
FILED

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus, delay rental or other payment hereunder, said land shall be deemed to contain 50.67 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus and agrees to accept the delay rental as lump sum considerations for this lease and all rights and options hereunder.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipe line to which lessee may connect its wells, the equal one-eighth part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one-eighth part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest. In either case, to bear one-eighth of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor on gas and casinghead gas produced from said land (1) when sold by lessee, one-eighth of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one-eighth of such gas and casinghead gas; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mines and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to the amount of annual delay rental provided for in this lease. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties, which would be paid under this lease if the wells were producing, and may be deposited in a depository bank provided for below. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any 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 so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. If operations are not conducted on said land on or before the first anniversary date hereof, 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 or to lessor's credit in the

First American Bank at Bryan, Texas, or its successors, which shall continue as the depository, regardless of changes in ownership of delay rental, royalties, or other moneys, the sum of

\$506.70, which shall operate as delay rental and cover the privilege of deferring operations for one year from said date. In like manner and upon like payments or tenders, operations may be further deferred for like periods of one year each during the primary term. If at any time that lessee pays or tenders delay rental, royalties, or other moneys, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender such rental, royalties, or other moneys, in the manner herein specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to lessor or to a depository bank 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, amounts, or depository 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. Lessee may, at any time and from time to time execute and deliver to lessor or file for record a release or release of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest. 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.

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6. 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 terminate on its anniversary date next following the nineteenth 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 nineteenth 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 8 or the provisions of paragraph 11 are applicable. Whenever used in this lease the word "operations" shall mean operations for any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

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

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

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

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

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of lessee, the primary term 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. See Addendum attached hereto and made a part hereof for additional paragraphs.

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

Dorothy Penicka D'Labay  
Dorothy Penicka D'Labay  
S.S.#: 450-68-8886

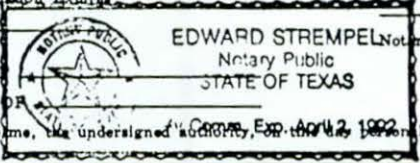
STATE OF Texas INDIVIDUAL ACKNOWLEDGMENT—TEXAS OR NEW MEXICO  
COUNTY OF TARRANT

Before me, the undersigned authority, on this day personally appeared Dorothy Penicka D'Labay

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

Given under my hand and seal of office this 29 day of January, 1991.

My Commission Expires \_\_\_\_\_  
Edward Stempel  
Notary Public in and for \_\_\_\_\_ County, State of \_\_\_\_\_



STATE OF \_\_\_\_\_ INDIVIDUAL ACKNOWLEDGMENT—TEXAS OR NEW MEXICO  
COUNTY OF \_\_\_\_\_

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_

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

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

My Commission Expires \_\_\_\_\_  
Notary Public in and for \_\_\_\_\_ County, State of \_\_\_\_\_

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

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_

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

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

My Commission Expires \_\_\_\_\_  
Notary Public in and for \_\_\_\_\_ County, State of \_\_\_\_\_

Producers 88 (7-89)  
With 640 Acres Pooling Provision  
No. \_\_\_\_\_  
Oil, Gas and Mineral Lease  
FROM \_\_\_\_\_  
TO \_\_\_\_\_

Dated \_\_\_\_\_ 19\_\_\_\_  
No. Acres \_\_\_\_\_  
County \_\_\_\_\_  
Term \_\_\_\_\_  
This instrument was filed for record on the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_ at \_\_\_\_\_ o'clock \_\_\_\_\_ M., said duly recorded in Book \_\_\_\_\_ Page \_\_\_\_\_ of the \_\_\_\_\_ records of this office.  
County Clerk \_\_\_\_\_

By \_\_\_\_\_  
When recorded return to \_\_\_\_\_  
County Clerk \_\_\_\_\_

Printed & Stationery Co., Houston, Texas

Vol. 1237 PAGE 356

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED January 29, 1991 BY AND BETWEEN ~~CHARLES FRANK D'LABAY AND WIFE~~ DOROTHY PENICKA D'LABAY, AS LESSOR AND FLAIR TEX RESOURCES, INC., AS LESSEE.

12. Paragraph 4 hereinabove pertaining to pooling is hereby amended as follows and any provisions from the above described lease to the contrary shall be considered deleted from that lease:

(a) If Lessee exercises the right and power to pool for the production of oil and/or gas as to any well completed on the leased premises, then in such event all the acreage covered by this lease must be placed in the pool or unit.

(b) If Lessee exercises the right and power to pool for the production of oil and/or gas whenever the wellbore of a horizontal drainhole passes under the leased premises or within 467 feet of the leased premises, then in such event all the acreage covered by this lease must be placed in the pool or unit.

(c) If Lessee exercises the right and power to pool for the production of oil and/or gas as to any of the acreage covered by this lease as to any well completed on lands other than the leased premises, then in such event, at least one-half of the acreage covered by this lease must be placed in the pool or unit.

(d) If a portion or portions of the land covered by this lease shall be included and placed in any unit or pool for the production of oil and/or gas, then as to that part of the land covered by this lease which is not placed in a unit or pool, Lessee shall drill thereon or surrender the same. If at the end of the primary term any part of the land covered by this lease is not included in a unit upon which there are drilling operations or production, then this lease shall terminate as to that part of the leased land upon which there are no drilling operations or production or which is not in a unit upon which there are drilling operations or production.

13. It is expressly understood and provided that this lease covers oil and gas only, along with the products and by-products thereof, but this lease does not cover any other minerals or any other type, whether it be coal, lignite, uranium, thorium, or any other fissionable materials, or other elements except as they may constitute by-products of the oil and gas produced.

14. It is understood and provided this lease cannot be held, maintained nor extended by virtue of the shut-in gas well provision of this lease for a longer term than the primary term and two (2) years immediately thereafter, or for shorter terms of different periods not to exceed two (2) years in the aggregate. Within thirty (30) days after the end of a year for which shut-in royalties have been prepaid, the Lessee must account to the Lessor for any months in which actual production occurred to receive credit for those months. The Lessee loses any credit for the months prepaid yet produced by failing to so account.

15. Notwithstanding anything to the contrary herein, Lessee shall have the right at any time during or within six months after expiration of this lease to remove all property and fixtures placed by Lessee on said land. Any of Lessee's property not removed within said six-month period shall become Lessor's property.

16. As a condition prior to commencing any drilling operations, Lessee shall pay to Lessor as prepaid location damages to cover normal and usual drilling operations, the sum of \$2,500.00. The location shall not encompass more than two (2) acres or as normal industry standards require and Lessee shall, upon completion of any well or wells, reduce said location to a minimum acreage that is needed in order to adequately operate said well or wells. Upon abandoning such location, Lessee shall restore the surface to its original condition as nearly as possible.

17. Lessee agrees to fence any production area adequately to hold cattle, properly brace any fence opened by Lessee and install metal cattle guards on any roads used for Lessee's operations. Gates shall be constructed and kept close at intersections of roads and fences.

Cattleguards shall be installed at all exterior fences where new entrances are made by the Lessee. All gates and cattleguards installed by Lessee shall become the property of the Lessor, free of cost, at the end of the lease.

The Lessee agrees to pay the Lessor the fair market value for any of Lessor's livestock killed or injured caused by operations conducted on the leased premises.

18. Lessee must furnish to Lessor within sixty (60) days after the receipt of written notice, by certified mail, return receipt requested, from Lessor of the termination of this lease, with regard to any part of the herein leased premises from any cause, a duly executed and acknowledged instrument releasing or evidencing the termination of the lease as to that part of the land upon which the lease has terminated. Lessee agrees to pay \$5.00 per day as liquidated damages in Brazos County, Texas, for Lessee's failure to furnish said release within the time provided. If the Lessee fails to furnish said release within the time provided, such damages per day are to begin accruing on the 61st day after such notice.

19. All royalty payments on actual production shall be due within ninety (90) days after the end of the month in which production occurred. If Lessee defaults in making such payment and does not remedy the default within fifteen (15) days after Lessor gives Lessee notice in writing of such default, then Lessee agrees to pay as liquidated damages interest on all unpaid royalties calculated at three percent (3%) above the prime interest rate at First National Bank of Bryan, Texas, commencing on the 16th day after the mailing of such notice and continuing to accrue each and every day thereafter until such royalties are paid.

In the event the Lessor is not paid a royalty within eight (8) months after the end of the month in which the well is completed, the Lessor shall give the Lessee written notice by certified mail, return receipt requested. If the Lessee does not pay the Lessor all accrued royalties plus interest within thirty (30) days after receipt of the notice, the lease shall terminate.

20. Lessors' royalty shall never bear, either directly or indirectly, any part of the costs or expenses of production, gathering, dehydration, compression, transportation, processing, treating or marketing of the oil or gas from the premises, except applicable taxes, nor any part of the costs of construction, operation or depreciation of any plant, pipeline or other facilities or equipment for processing, transporting or treating said oil or gas produced from the herein leased premises.

21. Any division order tendered to the Lessor shall be for the sole purpose of ascertaining the Lessor's undivided interest in a particular well unit. It is further agreed that neither this lease nor any terms or provisions herein shall be altered, amended, extended or ratified by any division order or transfer order executed by Lessor, her successors, agents or assigns. Any purported amendment, alteration, extension or ratification not so drafted and executed shall be of no force and effect. The Lessor shall have the right to make any division order tendered to her comply with this lease before having to execute it. If compliance should create a situation where certain costs and expenses are removed from the Lessor's royalty interest, the Lessee agrees to pay such costs and expenses under its working interest.

22. Lessee's right to take and use water from the leased premises, shall not include the right to use water from Lessor's wells, ponds or tanks. The Lessee may drill a water well on the leased premises for its supply of water to use in operations. Use of the water from the well shall be limited to use on the leased premises and shall not interfere with the Lessor's domestic or agricultural supply of water. The water cannot be used in a waterflood or tertiary recovery operation. The water well with its casing shall revert to the Lessor, as is, without warranty, when the lease terminates.

23. If this lease is in force and effect five (5) years from the date hereof as to all or any part of the land covered hereby, it shall thereupon terminate only insofar as it covers depths below the stratigraphic equivalent of one hundred (100) feet below the deepest depth drilled on the leased premises or land pooled therewith. The Lessor shall have the right thereafter to grant leases for the purpose of exploring for and producing oil, gas and minerals from the depths as to which this lease has terminated; provided any such Lessee shall use the surface of the leased premises so as to not unreasonably interfere with the use of the surface of the Lessee herein.

24. In the event Lessee owes Lessor for unpaid royalties at the termination of this lease, then said unpaid royalties shall be a lien on all equipment, tubing, casing, unsold oil and personal property of the Lessee located on the leased premises or land pooled therewith.

25. Lessee shall not have the right of assignment of this lease or any rights accruing to Lessee under the terms hereof unless Lessor shall evidence consent thereto in writing. Any assignment without Lessor's consent shall be null and void. However, Lessor shall not unreasonably withhold consent.

26. The royalties to be paid to Lessor on oil, gas and casinghead gas is one-fifth (1/5), and wherever the word "one-eighth" appears in Paragraph 3 hereinabove, the same is amended to read "one-fifth". Lessee shall purchase or market Lessors' oil at a cash price equal to the market value of the day of sale.

27. Lessor hereby warrant and agrees to defend title to said land by, through or under Lessors but not otherwise.

In Witness Whereof, this instrument is executed on the date first above written.

~~CHARLES FRANK D'LABAY~~

*Dorothy Penicka Dlabay*  
DOROTHY PENICKA D'LABAY

SS# *DL*

SS# [REDACTED]

M. F. 94389 ③  
CORRESPONDENCE FILE  
TO Application  
From  
Dated 3-26-91

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. 1237, Page 355 in Official Records of said County on file in my office.

ATTEST

4-10-91  
Mary Ann Ward, County Clerk  
Brazos County, Texas

By Walter Smith, Deputy



April 4, 1991

Ray Sloan  
P.O. Box 716  
Caldwell, Texas 77836-0716

RE: Application to lease a portion of State Highway 21  
James Curtis, Jr. Survey, Abstract 12  
Brazos County, Texas

Dear Mr. Sloan:

We are in receipt of the above referenced application to lease Highway 21 in Brazos County. Please submit the following to complete this application:

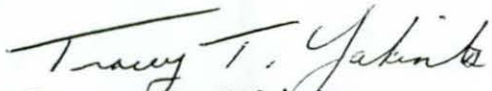
1. Names and addresses of adjacent mineral owners.
2. Affidavit of non-production within 2500 feet of the highway right-of-way. \*\*
3. \$100.00 process fee.
4. Written waiver of statutory notice to which the applicant is entitled.
5. Certified copy/copies of adjacent lease/leases.
6. Notarized affidavit of consideration paid for adjacent lease/leases. This should include bonus/acre paid, primary term, annual rental/acre, and royalty.
7. A title opinion or a letter from an attorney stating that title has been examined and the State of Texas owns the minerals under the highway right-of-way. \*\*

\*\* 2. If a well was producing in paying quantities on January 1, 1985 and was/is within 2500 feet of the highway right-of-way, a subsurface agreement can be obtained directly with the Texas Department of Highways and Public Transportation. Please contact Jimmy Perry at (512) 835-0803 for more information. Any part of the highway right-of-way outside the 2500 feet of production will need to be leased from the State by submitting an application, along with the required materials listed above.

\*\* 7. This is required by the Texas Department of Highways and Public Transportation.

If you have any questions concerning this application, please contact me at the number listed below.

Sincerely,



Tracey T. Yakints  
Geologist  
Petroleum & Minerals Division  
(512) 475-1500

TTY:wp

M. F. 94389 (4)  
CORRESPONDENCE FILE  
TO Ray Sloan  
From  
Dated 4.4.91



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

STATE DEPARTMENT OF HIGHWAYS  
AND PUBLIC TRANSPORTATION

P.O. BOX 5075  
AUSTIN, TEXAS 78763-5075

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

May 9, 1991

CONTACT: D-15

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

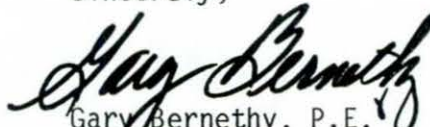
Dear Commissioner Mauro:

We have reviewed the proposed oil and gas leases and the following requests for preferential leases are 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> |
|---------------|---------------------------------|--------------|----------------|---------------------|---------------------|
| Hansford      | Jones Energy                    | \$75.00      | 1/5            | 3 years             | Paid up             |
| Brazos        | Union Pacific Resources Company | \$250.00     | 1/5            | 3 years             | \$10.00             |
| DeWitt        | U.S. Exploration Company        | \$200.00     | 1/4            | 2 years             | \$15.00             |

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

Sincerely,

  
Gary Bernethy, P.E.  
Right of Way Engineer

Attachments

Brazos County  
CSJ 116-4-2, 4 and 5  
S.H. 21  
No. 317

Exhibit "A"

Being 5.46 acres of land, more or less, situated in the James Curtis, Jr., Survey, Abstract Number 12. Said 5.46 acres being a portion of the same land obtained by the State, through condemnation proceedings, from Henry Reymund, et al as recorded in Volume 4, Page 200, of the Commissioners' Court Minutes of Brazos County, Texas. Said 5.46 acres of land being a strip of S.H. 21 of variable widths and is more particularly described as follows, to wit:

Beginning at a point located on the north right of way line of S.H. 21, 50.00 feet from and at right angles to Engineer's Centerline Station Number 272+98.77 Said point being further located as being S 79° 48' 00" W, 637.23 feet and S 45° 00' 00" W, 763.00 feet from the most extreme east property corner of the Henry Reymund property;

Thence S 79° 48' 00" W along the north right of way line of said highway, a distance of 298.77 feet to a point located 50.00 feet from and at right angles to Engineer's Centerline Station Number 270+00.00;

Thence S 85° 00' 00" W, a distance of 300.00 feet to a point located 90.00 feet from and at right angles to Engineer's centerline Station Number 267+00.00;

Thence S 79° 48' 00" W, a distance of 400.00 feet to a point located 90.00 feet from and at right angles to Engineer's Centerline Station Number 263+00.00;

Thence S 85° 00' 00" W, a distance of 200.00 feet to a point located 110.00 feet from and at right angles to Engineer's Centerline Station Number 261+00.00;

Thence S 79° 48' 00" W, a distance of 146.00 feet to a point located 110.00 feet from and at right angles to Engineer's Centerline Station Number 259+54.00. Said point being on a curve the right and has a radius of 2,500.00 feet;

Thence in a southwesterly direction around said curve crossing the centerline of S.H. 21 to a point on the south right of way line. Said point being located 110.00 feet from and at right angles to Engineer's Centerline Station Number 258+00.00;

Thence N 79° 48' 00" E along the south right of way line of said highway, a distance of 300.00 feet to a point located 110.00 feet from and at right angles to Engineer's Centerline Station Number 261+00.00;

Thence N 74° 00' 00" E, a distance of 200.00 feet to a point located 90.00 feet from and at right angles to Engineer's Centerline Station Number 263+00.00;

Thence N 79° 48' 00" E, a distance of 400.00 feet to a point located 90.00 feet from and at right angles to Engineer's Centerline Station Number 267+00.00;

Thence N 74° 00' 00" E, a distance of 300.00 feet to a point located 50.00 feet from and at right angles to Engineer's Centerline Station Number 270+00.00;

Thence N 79° 48' 00" E, a distance of 320.50 feet to a point located 50.00 feet from

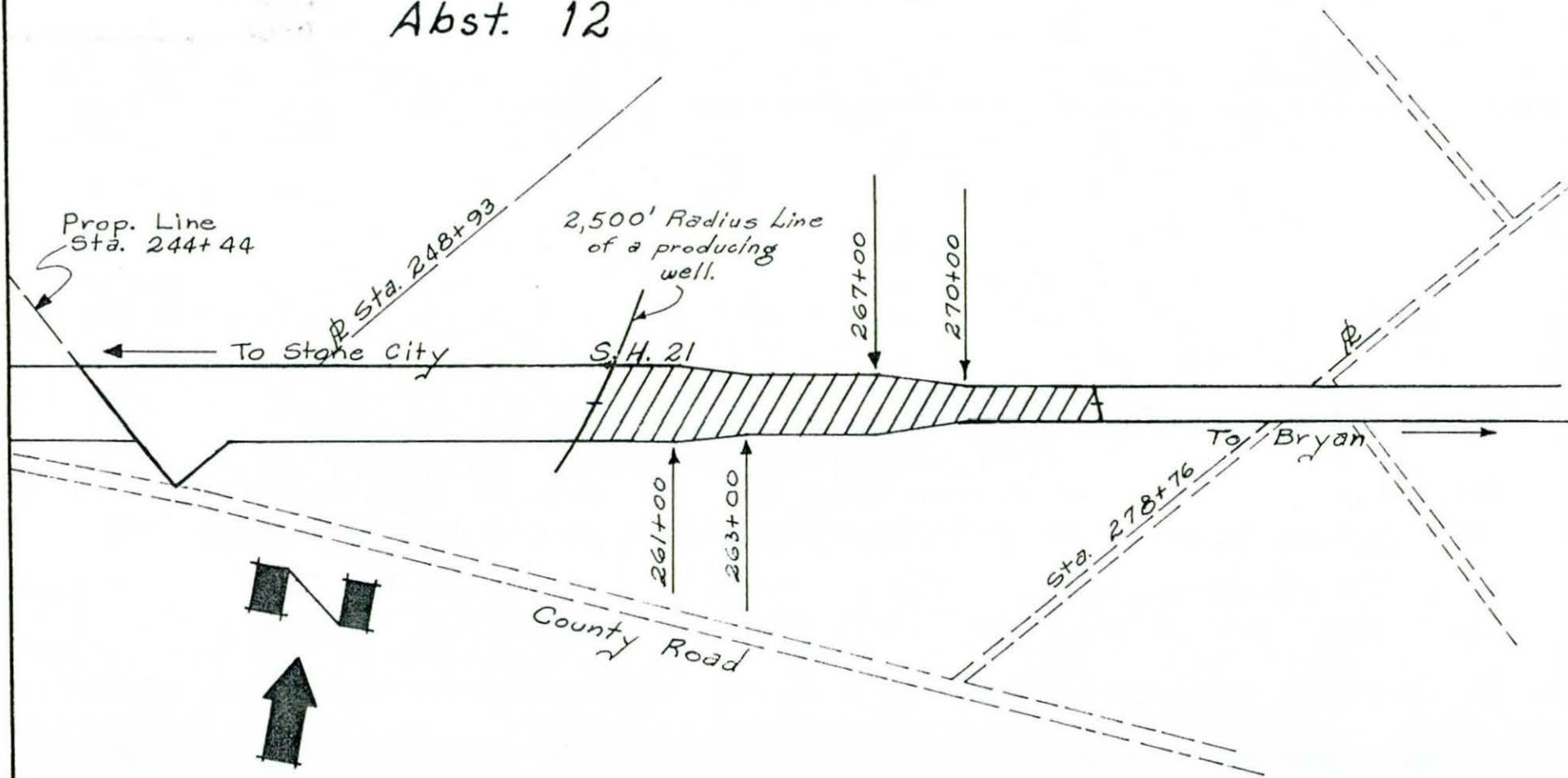
Brazos County  
CSJ 116-4-2, 4 and 5  
S.H. 21  
No. 317

and at right angles to Engineer's Centerline Station Number 273+20.50;

Thence N 23° 22' 25" W, departing from the south right of way line of said S.H. 21, crossing the centerline and continuing on to the point of beginning located on the north right of way line of said S.H. 21.

The above described strip of land contains 5.46 acres of land, more or less and being as indicated on the official right of way map which is on file with the Department of Highways and Public Transportation and identified under Control Numbers 116-4-2, 4 and 5.

James Curtis, Jr. Survey  
Abst. 12



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

BRAZOS COUNTY

 AREA TO BE LEASED - 5.46 ACS.

94389 ②

M. F.

CORRESPONDENCE FILE

TO

GLD

From

Rwzy dept

Dated

5-9-91

GENERAL LAND OFFICE

GARRY MAURO  
COMMISSIONER  
MEMORANDUM

DATE: June 4, 1991

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

APPLICANT: Union Pacific Resources Company

REFERENCE: Being 5.46 acres of land, more or less, situated in the James Curtis, Jr., Survey, Abstract 12 in Brazos County, Texas.

The following terms were provided for in adjacent leases:

|               | High     | Low     |
|---------------|----------|---------|
| Bonus/Acre:   | \$250.00 | \$80.00 |
| Royalty:      | 1/5      | 1/6     |
| Delay Rental: | \$10.00  | \$5.00  |
| Primary Term: | 3 years  | 5 years |

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

|               |                   |
|---------------|-------------------|
| Bonus/Acre:   | \$250.00 per acre |
| Royalty:      | 1/5               |
| Delay Rental: | \$10.00           |
| Primary Term: | 3 years           |

Union Pacific Resources 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 5.46 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. 94389 Q

CORRESPONDENCE FILE

TO SLB

From

Dated 6-4-91

Garry Mauro  
Commissioner  
General Land Office



June 7, 1991

Mr. Ray Sloan  
P. O. Box 716  
Caldwell, Texas 77836-0716

Re: Application to lease highway right-of-way  
Being 5.46 acres of land, more or less, situated in the James  
Curtis, Jr., Survey, Abstract 12 in Brazos County, Texas.

Dear Mr. Sloan:

The application on behalf of Union Pacific Resources Company to  
lease highway right-of-way for oil and gas was approved by the  
School Land Board on June 4, 1991, with the following conditions:

- o \$250.00 per acre bonus
- o 1/5 royalty
- o \$10.00 per acre delay rentals
- o primary term of 3 years.

Upon receipt of the bonus consideration of \$1365.00 and a  
separate check for \$20.48 which represents the 1 1/2% sales fee,  
the lease will be forwarded to you upon completion.

Sincerely,

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

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

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

Stephen F. Austin Building  
1700 North Congress Avenue  
Austin, Texas 78701  
(512) 463-5256

Printed on recycled paper

M. F. 94389 (7)

CORRESPONDENCE FILE

TO Ray Sloan

From

Dated 6-7-91

JONES & ZWIENER, INC.

*Professional Land Services*

1300 MAIN STREET  
SUITE 1720  
HOUSTON, TEXAS 77002

TEL. (713) 650-0903  
FAX (713) 650-3547

June 20, 1991

Texas General Land Office  
Stephen F. Austin Building  
1700 North Congress Avenue  
Austin, Texas 78701-1495

ATTN: Mr. Daryl Morgan  
Oil & Gas Section  
Leagal Services Division

Re: Application to lease highway right-of-way  
Being 5.46 acres of land, more or less, situated in the  
James Curtis, Jr. Survey, A-12; Brazos County, Texas

X 1,474.20 91054298

Dear Mr. Morgan:

Pursuant to your letter dated June 7, 1991, regarding the  
above referenced application, please find enclosed the  
following:

1. A sight draft in the amount of \$1,474.20 which  
represents the \$250.00 per acre bonus and the  
\$10.00 per acre delay rentals paid-up.
2. A check in the amount of \$20.48 which represents  
the 1 1/2% sales fee.

It is our understanding that this meets the conditions as  
set forth in your letter.

Upon completion of the Oil and Gas Lease in favor of **Union  
Pacific Resources Company, P. O. Box 7, Fort Worth, Texas  
76101-0007**, please present the Lease along with the Sight  
Draft to the Collection Department of your bank.

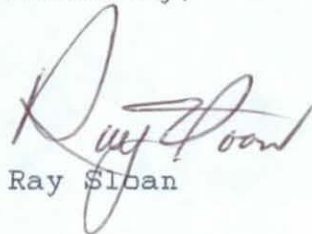
Should you have any questions, please call me collect at  
409/567-4661 Ext. 140.

*Union Pacific Resources  
Co.*

General Land Office  
Mr. Daryl Morgan  
June 20, 1991  
Page 3

Please address all correspondence regarding this matter to  
Ray Sloan, P. O. Box 716, Caldwell, Texas 77836-0716.

Sincerely,



Ray Sloan

RS: gm

Enclosures

cc: Tim Stephens  
Union Pacific Resources Company  
(with enclosures)

171  
161

X 20.48

91054297

RECEIVED

JUN 24 1991

ENERGY RESOURCES

91054297



MR. OR MRS. THOMAS R. MAYES  
LIC. 04995935 05839428  
PH. 409-567-3483  
ROUTE 5, BOX 14, HWY. 36 NORTH  
CALDWELL, TEXAS 77836

No. 1570

6/20

1991

88-565/1131

Pay to the order of

General Land Office  
Seventy and 48/100

\$ 20.48

DOLLARS

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

5.46 ac James Curtis #12  
1 1/2% Sales fee

Gloria J. Mayes

570



94389 (8)

M. F.

CORRESPONDENCE FILE

TO GLO

From Jones, J. J.

Dated 6-20-51

3102433A

3102433A



DO NOT DESTROY

GLO-36-10-84

-MEMO- 17307399737

Operator Union Pacific Res.

Unit Name FAZZINO-Penicka #1

County Brazos

Effective Date <sup>03</sup> 10-30-91

Unitized for: Oil  Gas  Oil & Gas

1. M.F. No. 94389

Area HROW Tr. \_\_\_\_\_

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

4.96

$$\frac{2.33.02}{.021028} \times \frac{1}{.200} = \frac{.4206}{.004206} \%$$

2. M.F. No. 94398

Area HROW Tr. \_\_\_\_\_

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

7.71

$$\frac{2.33.02}{.03323} \times \frac{1}{.200} = \frac{.6646}{.006646} \%$$

3. M.F. No. \_\_\_\_\_

Area \_\_\_\_\_ Tr. \_\_\_\_\_

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

\_\_\_\_\_ x \_\_\_\_\_ . \_\_\_\_\_ %

4. M.F. No. \_\_\_\_\_

Area \_\_\_\_\_ Tr. \_\_\_\_\_

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

\_\_\_\_\_ x \_\_\_\_\_ . \_\_\_\_\_ %

REMARKS:

# 2019

FILED

477536

91 NOV 18 PM 3:55

DESIGNATION OF UNIT

Mary Ann Ward, CO. CLERK  
BRAZOS COUNTY COURTHOUSE  
MIDLAND, TEXAS

FAZZINO-PENICKA UNIT NO. 1

BY *[Signature]* DEPUTY

STATE OF TEXAS  
COUNTY OF BRAZOS

KNOW ALL MEN BY THESE PRESENTS:

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

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

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

The undersigned reserves the right to amend this Designation of Unit from time to time, and at any time, in order to correct any error herein or to include in this Unit any newly acquired interests within the Unit boundaries or to enlarge the Unit area in accordance with the applicable rules and regulations of any governmental regulatory body or agency having jurisdiction insofar as such right is granted in the subject leases, by appropriate amendments or instruments correcting or committing any such interest to this Unit. Any such Amendment may be executed by the Operator of the Unit, on behalf of the undersigned, provided that such Amendment will not change the interests of the owner in the Unit.

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.

This instrument may be executed as one document signed by all parties, or

*[Handwritten mark]*

parties named herein may join herein by execution of a counterpart or ratification, with the same effect as if all parties executed this instrument. The failure of any one or more persons owning an interest in the Unit to execute this instrument or a counterpart or ratification thereof shall not in any manner affect the validity of same as to the parties who do execute this instrument. This Unit may not be ratified or joined in by any party who is not named hereinbelow without the consent of the parties hereto.

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

IN WITNESS WHEREOF, this Designation of Unit is executed on this 30<sup>th</sup> day of OCTOBER, 1991.

UNION PACIFIC RESOURCES COMPANY

By: \_\_\_\_\_  
Title: Attorney-in-Fact

ULTRAMAR OIL AND GAS LIMITED

By: [Signature]  
Title: EDWARD S. VOISINET  
VICE PRESIDENT FB

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 1991, by \_\_\_\_\_, the Attorney-in-Fact of UNION PACIFIC RESOURCES COMPANY, a Delaware corporation, on behalf of said corporation.

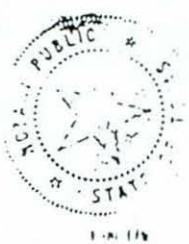
\_\_\_\_\_  
Notary Public in and for the  
State of Texas  
My commission expires: \_\_\_\_\_

STATE OF Texas  
COUNTY OF Tarrant

This instrument was acknowledged before me on the 30<sup>th</sup> day of October, 1991, by Edward S. Voisinet, the vice president of ULTRAMAR OIL AND GAS LIMITED, a Delaware corporation, on behalf of said corporation.

[Signature]  
Notary Public in and for the  
State of \_\_\_\_\_  
My commission expires: \_\_\_\_\_

JULIE ORTIZ  
Notary Public in and for the State of Texas  
My Commission Expires July 6, 1993



WHEN RECORDED RETURN TO:  
Union Pacific Resources Co.  
ATTN: Land Administration  
P.O. Box 7, MS 3110  
Fort Worth, TX 76101-0007

Exhibit "A"

Attached to and made a part of that "Designation of Unit - Fazzino-Penicka Unit No. 1" dated October 30th, 1991.

TX-  
40897

LESSOR: Josephine S. Fazzino  
LESSEE: Union Pacific Resources Company  
DATE: January 18, 1990  
RECORDED: Volume 1181, Page 36 of the Official Records of Brazos County, Texas

Uchman  
lease

LESSOR: Dorothy Penicka D'Labay  
LESSEE: FlairTex Resources, Inc.  
DATE: January 29, 1991  
RECORDED: Volume 1237, Page 355 of the Official Records of Brazos County, Texas

Uchman  
lease

LESSOR: State of Texas  
LESSEE: Union Pacific Resources Company  
DATE: September 3, 1991  
RECORDED: Volume 1342, Page 81 of the Official Records of Brazos County, Texas

TX-  
43244

LESSOR: State of Texas  
LESSEE: Union Pacific Resources Company  
DATE: June 4, 1991  
RECORDED: Volume 1293, Page 14 of the Official Records of Brazos County, Texas

EXHIBIT "B"

Attached to and made a part of that certain "Designation of Unit - Fazzino-Penicka Unit No. 1", dated March 30, 1991.

Fazzino-Penicka Unit Well No. 1  
233.02 Acre Unit  
Union Pacific Resources Company  
James Curtis, Jr. Survey, A-12  
H. Mitchell Survey, A-180  
Brazos County, Texas

Field notes of a 233.02 acre tract or parcel of land, lying and being situated in the James Curtis, Jr. Survey, Abstract No. 12 and in the H. Mitchell Survey, Abstract No. 180, Brazos County, Texas, and consisting of the following tracts:

All of the called 7.12 acre tract described in the Quitclaim Deed from Johnny Joseph Fazzino to Josephine Fazzino, as recorded in Volume 797, Page 126, of the Official Records of Brazos County, Texas;

All of the called 69.67 acre First Tract and all of the called 91.25 acre Second Tract described in the Partition Deed between Johnny Joseph Fazzino and Josephine Fazzino, as recorded in Volume 327, Page 41, of the Deed Records of Brazos County, Texas;

All of the called 50.67 acre (net) tract described in the deed from Anton Regmund to Frank Penicka, as recorded in Volume 128, Page 311, of Deed Records of Brazos County, Texas;

And part of State Highway No. 21, which lies between the beforementioned 69.67 acre tract and the beforementioned 91.25 acre tract, being part of the 11.72 acre Condemnation Tract to the State of Texas from Henry Regmund, et al, as recorded in Volume 4, Page 200, of the Commissioner's Court Minutes of Brazos County, Texas, and all of the called 2.63 acre tract (total) described in the deed from John F. Turek, et ux, to State of Texas, as recorded in Volume 79, Page 307, of the Deed Records of Brazos County, Texas, and said 225.31 acre tract being more particularly described as follows:

BEGINNING at the north corner of the beforementioned 91.25 acre tract, in the easterly right-of-way line of Old San Antonio Road, same being in the southwest fenced line of Fazzino Road;

THENCE S 45° 12' 12" E along the northeast line of the beforementioned 91.25 acre tract, the beforementioned 7.12 acre tract and the beforementioned 69.67 acre tract, along the southwest line of and skewing within Fazzino Road, at a distance of 1.31 feet, pass a 1/2" iron pipe found at a cross-tie fence corner post, continue on, for a total distance of 3183.47 feet to the east corner of the 69.67 acre tract in Fazzino Road (where said road turns to the southwest), a 3/4" iron rod found at a 15" Woolly Buckthorn tree bears N 45° 16' E 61.8 feet;

THENCE S 44° 47' 48" W along the southeast line of the beforementioned 69.67 acre tract, within Fazzino Road, for a distance of 749.01 feet to the north right-of-way line of State Highway No. 21;

THENCE S 77° 45' 53" W along the north right-of-way line of State Highway No. 21, for a distance of 637.23 feet;

VOL 1372 PAGE 197

Fazzino-Penicka Unit Well No. 1  
233.02 Acre Unit  
Union Pacific Resources Company  
James Curtis, Jr. Survey, A-12  
H. Mitchell Survey, A-180  
Brazos County, Texas  
Page 2

THENCE S 23° 22' 23" E across State Highway No. 21, at a distance of 101.92 feet; cross the south right-of-way line, at a distance of 102.02 feet, pass a 1/2" iron rod found marking the west corner of the John Regmund called 1.56 acre tract, described as a Save & Except tract in the beforementioned Volume 128, Page 311, (see Volume 1157, Page 889), continue on, for a total distance of 171.55 feet to a 1/2" iron rod found marking an interior ell corner of the 1.56 acre tract;

THENCE S 44° 21' 42" W along a northwest line of the beforementioned 1.56 acre tract, for a distance of 126.00 feet to a 4" creosote post fence corner marking the most southerly west corner of the 1.56 acre tract;

THENCE S 44° 48' 47" E along the southwest line of the beforementioned 1.56 acre tract, adjacent to a fence, for a distance of 172.49 feet to the south corner of the 1.56 acre tract, a 4" creosote post fence corner bears N 33° 02' W 4.1 feet, and a 12" creosote post at end of fence line bears N 44° 33' E 506.7 feet;

THENCE S 44° 33' 20" W along the southeast line of the beforementioned 50.67 acre tract, adjacent to a fence, for a distance of 1899.07 feet to an 8" creosote post fence angle point at the occupied southeast corner of the 50.67 acre tract;

THENCE S 77° 50' 16" W along an old, long standing fence line believed to be on the north line of an old abandoned road (formerly known as Bryan and Pitts Bridge Public Road), same being along the southerly line of the 1.12 acre tract mentioned in the beforementioned Volume 128, Page 311, at a distance of 328.2 feet, pass a 6" creosote post fence corner in the fenced northeast line of Kuder Road (County Road), continue on, for a total distance of 372.77 feet to the south corner of the 1.12 acre tract and the beforementioned 50.67 acre tract in the center of Kuder Road;

THENCE N 45° 12' 12" W along the average center of Kuder Road, same being the southwest line of the beforementioned 50.67 acre tract, for a distance of 1435.12 feet to the west corner of the 50.67 acre tract and the south corner of the beforementioned 2.63 acre State of Texas tract;

THENCE N 48° 30' 12" W across the beforementioned State Highway No. 21, for a distance of 345.61 feet to the south corner of the beforementioned 91.25 acre tract;

Fazzino-Penicka Unit Well No. 1  
233.02 Acre Unit  
Union Pacific Resources Company  
James Curtis, Jr. Survey, A-12  
H. Mitchell Survey, A-180  
Brazos County, Texas  
Page 3

THENCE N 45° 14' 29" W along the southwest line of the beforementioned 91.25 acre tract, adjacent to a fence, at a distance of 726.0 feet, pass an 8' creosote post fence corner in the fenced southeast line of Old San Antonio Road, continue on, for a total distance of 727.23 feet to the southeast right-of-way line of Old San Antonio Road (120 foot right-of-way);

THENCE along the southeast and easterly right-of-way line of Old San Antonio Road as follows:

N 43° 53' 03" E 2224.00 feet to the beginning of a curve, concave to the northwest, having a radius of 2924.79 feet,

Northeasterly along said curve, for an arc length of 1562.78 feet to the PLACE OF BEGINNING, (the chord bears N 28° 34'37" E 1544.26 feet), containing 233.02 acres of land, more or less.

Revised September 5, 1991.

LIMITED TO THE AUSTIN CHALK FORMATION, as found between 7312' and 7518' in the W.M. Buchanan #1 Fazzino Well, which is located 660' from the SWL and 710' from the SEL of the G. Byrne Survey, A-70, Brazos County, Texas.

ef:a:FazzPen.fnt

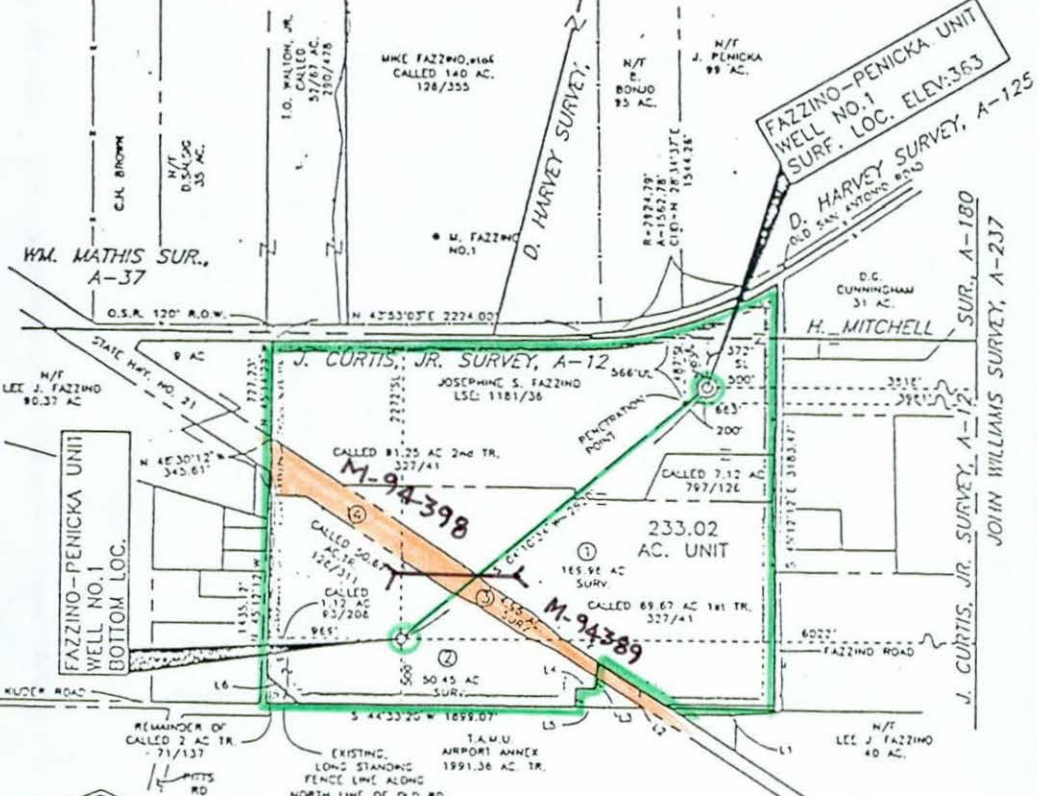
SCALE: 1" = 1000'

| FAZZINO-PENICKA UNIT WELL NO. 1 |                 |                        |             |
|---------------------------------|-----------------|------------------------|-------------|
| TRACT                           | ACREAGE IN UNIT | LEASE                  | WELL FC O/C |
| ①                               | 169.96          | JOSEPHINE S. FAZZINO   | 1167/73E    |
| ②                               | 50.45           | DOROTHY PENICKA D'LANA |             |
| ③                               | 4.90            | STATE OF TEXAS         |             |
| ④                               | 7.71            | STATE OF TEXAS         |             |
| 233.02 ACRE UNIT                |                 |                        |             |

| LINE | BEARING       | DIST.   |
|------|---------------|---------|
| L1   | S 44°47'40" W | 749.01' |
| L2   | S 77°45'55" W | 637.23' |
| L3   | S 23°22'23" E | 121.55' |
| L4   | S 44°21'42" W | 126.00' |
| L5   | S 44°48'47" E | 172.48' |
| L6   | S 77°50'14" W | 372.77' |

- NOTES:
1. BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION.
  2. WELL LOCATED 5 7/8 MILES FROM BRYAN, TEXAS.
  3. --- INDICATES LIMITS OF UNIT.
  4. -LEGEND: S.L. - SURVEY LINE  
U.L. - UNIT LINE

BRAZOS FARM LTD. & M.U.S.A. LTD.  
749.7 AC.



REVISED: 09-05-91 INCREASED UNIT FOR LEGAL LOCATION

EXHIBIT "C"  
Attached to and made a part of that certain "Designation of Unit - Fazzino Penicka Unit No. 1", dated \_\_\_\_\_, 1991.

WELL LOCATION  
FAZZINO-PENICKA UNIT WELL NO. 1

UNION PACIFIC RESOURCES COMPANY  
JAMES CURTIS, JR. SURVEY, A-12  
H. MITCHELL SURVEY, A-180  
BRAZOS COUNTY, TEXAS

SURVEYED FEBRUARY & APRIL, 1991

*S.M. Kling*  
S.M. KLING R.P.L.S. 2003

SCALE: 1" = 1000' JUNE 13, 1991

#9

Designation of  
Pooled Unit

M-94389

9-14-92

10/11/92



# Union Pacific Resources

A Subsidiary of Union Pacific Corporation

## DIVISION ORDER

DATE: 07/20/93

NCT

PROPERTY NUMBER: 026132 PRODUCT(S): CRUDE OIL

PROPERTY NAME: FAZZINO-PENICKA UNIT #1

COUNTY/PARISH: BRAZOS

OPERATOR: UNION PACIFIC RESOURCES

STATE: TEXAS

LEGAL DESCRIPTION: 233.02 ACRES - J. CURTIS JR. A-12 AND H. MITCHELL A-180 SURVEYS. UNIT 10/24/91, VOL. 1362, PAGE 132.

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

005772101001

100

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

OWNER SIGNATURE(S)/CORPORATE TITLE

SIGNATURE OF WITNESS #1

SOCIAL SECURITY OR TAX ID #

SIGNATURE OF WITNESS #2

NEW ADDRESS (IF CHANGED)

| OWNER NUMBER | DOI/ID | OWNER NAME     | INTEREST TYPE | INTEREST PAID BY UPRC |
|--------------|--------|----------------|---------------|-----------------------|
| 0057721 01   | 001    | STATE OF TEXAS | RI            | 0.010823              |

### INTEREST TYPE LEGEND:

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

UNION PACIFIC RESOURCES COMPANY

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

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



# Union Pacific Resources

A Subsidiary of Union Pacific Corporation

## DIVISION ORDER

DATE: 07/20/93

NCT

PROPERTY NUMBER: 026132 PRODUCT(S):GAS

PROPERTY NAME: FAZZINO-PENICKA UNIT #1<sup>F</sup>

COUNTY/PARISH: BRAZOS

OPERATOR: UNION PACIFIC RESOURCES

STATE: TEXAS

LEGAL DESCRIPTION: 233.02 ACRES - J. CURTIS JR. A-12 AND H. MITCHELL A-180 SURVEYS. UNIT 10/24/91, VOL. 1362, PAGE 132.

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

005772101001

200

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

OWNER SIGNATURE(S)/CORPORATE TITLE

SIGNATURE OF WITNESS #1

SOCIAL SECURITY OR TAX ID #

SIGNATURE OF WITNESS #2

### NEW ADDRESS (IF CHANGED)

| OWNER NUMBER | DOI/ID | OWNER NAME     | INTEREST TYPE | INTEREST PAID BY UPRC |
|--------------|--------|----------------|---------------|-----------------------|
| 0057721 01   | 001    | STATE OF TEXAS | RI            | 0.010823              |

### INTEREST TYPE LEGEND:

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

UNION PACIFIC RESOURCES COMPANY

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

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



Texas General Land Office  
Garry Mauro, Commissioner

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

July 27, 1993

Division Order Department  
Union Pacific Resources  
P.O. Box 2993  
Fort Worth, TX 76113-2993

RE: Mineral File No. M-94389  
Dear Sir or Madam:

This letter acknowledges the Division Order prepared by your company for execution by the individual royalty owners.

The statutes provide for the royalties that the State receives. It is not the policy of the General Land Office to execute division orders.

The General Land Office, insofar as permitted under the law, acquiesces in the sale of the oil and gas to you under the lease, as prescribed by law and under the terms and conditions set out in the lease covering the land in question.

We have filed the division order in the mineral file referenced above. If you have any questions, please feel free to call me at (512) 463-5042.

Sincerely,

Drew Reid, Landman  
Lease Administration  
Energy Resources

DR/dr



October 19, 2006

Terrell Gerard  
The Oil & Gas Asset Clearinghouse  
PO Box 671787  
Houston, TX 77267-1787

Re: GLO Assignment ID # 5698

Dear Ms. Gerard,

The General Land Office received the following instrument(s) and has filed them in the appropriate files. Please see attached "Exhibit A" for reference.

Assignment and Bill of Sale, executed August 9<sup>th</sup>, 2006, from Enerquest Oil & Gas, LLC, as Assignor, to Te-Ray Resources Inc., as Assignee, MF094389, MF094398.

Filing fees of \$125.00 were received in connection with the above lease. If you have any questions, please feel free to call me at (800) 998-4GLO, or at my direct number at (512) 463-6521.

Sincerely,

Beverly Boyd  
Mineral Leasing  
Energy Resources  
512-463-6521

---

## *Exhibit "A"*

---

| <i>GLO ID</i> | <i>County</i> | <i>Lease</i> |
|---------------|---------------|--------------|
| 5698          | Brazos        | MF094389     |
| 5698          | Brazos        | MF094398     |

---

*Thursday, October 19, 2006*

The Oil & Gas Asset  
**CLEARINGHOUSE**  
an affiliate of TRISTONE CAPITAL INC.

August 28, 2006

Texas General Land Office  
Stephen F. Austin Bldg.  
1700 North Congress Ave., Room 600  
Austin, TX 78701-1495

RE: Filing of Enclosed Document

Gentlemen:

Enclosed for your records is two (2) certified copies of Assignment and Bill of Sale covering certain state lands located in Anderson County, Texas. I have also enclosed a check totaling \$125.00 to cover the filing fees.

Please contact our office at (281) 873-4600 if you have any questions or require anything further in this regard..

Sincerely,

THE OIL & GAS ASSET CLEARINGHOUSE, INC.



Terrell Gerard  
Land Department

Enclosures

For CLEARINGHOUSE Purpose Only:

Sale #:209c - 149, 193



The Oil & Gas Asset  
**CLEARINGHOUSE**

A Petroleum Place Company  
P.O. Box 671787 Houston, Texas 77267-1787

CHECK DETAIL

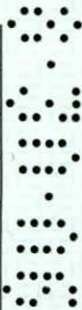
No. 401390

DATE: 8/28/06

PAY TO THE ORDER OF: TX General Land Office

06057716

| LOT No.                | CONTROL No. | DOCUMENT | FEE            |    |
|------------------------|-------------|----------|----------------|----|
| 149-# 50 <sup>00</sup> | 209c-125    | 2- ABOS  | <del>125</del> | 00 |
| 193-# 75 <sup>00</sup> |             |          |                |    |
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8-9-06

Doc Bk Vol Ps  
00938043 DR 7536 68

Fazzino-Penicka Unit 1

5698

PLEASE RETURN TO:  
TOGAC  
P O BOX 671787  
HOUSTON, TX 77267-1787

**ASSIGNMENT AND BILL OF SALE**

*How* 094389  
094398

*Unit # 2093*

STATE OF TEXAS §  
§  
COUNTY OF BRAZOS §

KNOW ALL MEN BY THESE PRESENTS:

**ENERQUEST OIL & GAS, L.L.C.**, an Oklahoma limited liability company, whose address is 9400 Broadway Ext., Suite 750, Oklahoma City, Oklahoma 73114-7401 (hereinafter referred to as "Assignor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby grant, sell, convey, and assign unto:

**TE-RAY RESOURCES, INC.**  
1105 SOVEREIGN ROW UNIT C  
OKLAHOMA CITY, OK 73108

(hereinafter referred to as "Assignee"), its successors and assigns, subject to the terms and conditions hereinafter set forth, all of Assignor's right, title and interest in and to the following (hereinafter referred to as the "Properties"):

1. The properties described on Exhibit "A" attached hereto, whether oil, gas and mineral leases and the leasehold estates created thereby, fee mineral interests, royalty interests, carried interests, overriding royalty interests, net profits interests, after payout interests, payments out of production, wells, gas plants, gathering systems, salt water disposal systems, platforms, pipelines, easements, rights-of-way, and/or any other properties described therein, subject to the exceptions, if any, contained therein;
2. All rights incident to the Properties, including without limitation, all rights with respect to the use and occupation of the surface of and the subsurface depths under the Properties, and all rights with respect to any pooled, communitized or unitized acreage by virtue of any Property being a part thereof, including all production from such pool or unit allocated to any such Property;
3. All easements, rights-of-way, servitudes, permits, licenses, franchises and other estates or similar rights and privileges related to or used solely in connection with the Properties;
4. All personal property, fixtures, inventory and improvements located on or used in connection with the Properties or with the production, treatment, sale, or disposal of oil, gas or other hydrocarbons, byproducts or waste produced therefrom or attributable thereto, including without limitation all rolling stock, vehicles, wells (whether producing, shut in or abandoned, and whether for production, injection or disposal), wellhead equipment, pumps, pumping units, flowlines, gathering systems, piping, tanks, buildings, treatment facilities, injection facilities, disposal facilities, compression facilities, and other materials, supplies, equipment, facilities and machinery; and
5. All contracts, agreements, leases, operating agreements and other arrangements as may be assignable, whether of record or not, that relate to the Properties, and with respect thereto, Assignee does hereby ratify, confirm and adopt said contracts and agreements for all intents and purposes as if had been an original signatory party thereto.

TO HAVE AND TO HOLD the Properties to the extent herewith conveyed, together with all rights, privileges and appurtenances in any way belonging or pertaining thereto, unto Assignee, its successors and assigns forever.

STATE OF TEXAS  
COUNTY OF BRAZOS  
The foregoing is a true and correct copy as  
the same appears on file and recorded in the  
appropriate records of Brazos County, Texas.

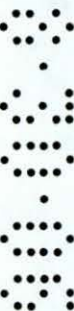
Sale No. 209C  
Lot No. 149

Thereby certify, on

*August 21, 2006*  
*Kelisa McQueen*



County Clerk:  
Brazos County, Texas



The Properties conveyed herein are conveyed subject to the following terms and conditions:

1. Any and all valid royalties, overriding royalties, production payments; and any and all agreements, including but not limited to easements, operating agreements, contracts, farmout agreements, acreage contribution agreements, unit agreements, conservation orders and prior assignments of interests pertaining to the Properties or any portion thereof.
2. All federal, state or local laws, rules, orders and regulations which may govern or apply to the acquisition, ownership, operation or transfer of the Properties or any portion thereof.
3. The obligation of Assignee to plug and abandon all wells located on the Properties on or land pooled therewith at such time as such wells are no longer capable of commercial production as required by the regulatory body having jurisdiction over such matters at no expense to Assignor, and Assignee shall be required to level all dumps, fill in all pits, remove all debris, and otherwise restore the surface of the land as required by the mineral servitude or lease under which the well was drilled and operated, as well as comply with all applicable orders and regulations.
4. Assignee shall file the appropriate regulatory forms required by the jurisdiction within which the Properties are located.
5. ASSIGNEE AGREES TO ASSUME AND TO INDEMNIFY AND HOLD ASSIGNOR, ITS PARTNERS, THEIR AFFILIATES, EMPLOYEES, DIRECTORS AND OFFICERS HARMLESS FROM AND AGAINST ANY AND ALL ENVIRONMENTAL REMEDIATION COSTS AND EXPENSES, WITH RESPECT TO THE PROPERTIES, PURSUANT TO ORDER, REGULATION OR AGREEMENT BY OR WITH ANY INDIVIDUAL, ENTITY OR GOVERNMENTAL AGENCY OF APPROPRIATE JURISDICTION, INCLUDING REASONABLE ATTORNEY FEES AND REGARDLESS OF WHETHER THE SAME OCCURRED PRIOR TO OR AFTER THE EFFECTIVE DATE HEREOF.
6. Assignee by acceptance of this Assignment acknowledges that it is a sophisticated purchaser of oil and gas properties as such may be defined in any local, state or federal statute or regulation, and ASSIGNEE HEREBY EXPRESSLY WAIVES all rights under any such existing local, state or federal statute to claim to be an unsophisticated purchaser.
7. From and after the effective date hereof, any and all benefits, obligations and liabilities associated with any gas production imbalance accounts relating to the Properties shall accrue to and be the responsibility of Assignee. Assignee shall assume Assignor's actual overproduction or underproduction position in the Properties as of the effective date hereof.
8. Assignor agrees to execute, acknowledge where necessary and deliver unto Assignee such other additional instruments, notices, division orders, letters in lieu, transfer orders and other documents, and to do such necessary acts to more fully grant, convey and assign unto Assignee the rights, interest and properties conveyed or intended to be conveyed hereby.
9. Assignee agrees to promptly notify all appropriate tax assessor-collectors of the rights and interest hereby conveyed. Assignee assumes sole responsibility for and agrees to promptly notify the purchasers of production of this Assignment and to furnish said purchaser such documentation for purchaser to change its records.

STATE OF TEXAS  
COUNTY OF BRAZOS  
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appropriate records of Brazos County, Texas.

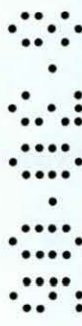
Thereby certify, on

*August 21, 2006*

*Karen McQueen*  
County Clerk:  
Brazos County, Texas



Sale No. 209C  
Lot No. 149



Fazzino-Penicka Unit 1

THIS ASSIGNMENT IS MADE WITHOUT REPRESENTATION OR WARRANTY OF TITLE, EITHER EXPRESS, IMPLIED OR STATUTORY. ASSIGNEE ACKNOWLEDGES THAT ASSIGNOR HAS NOT MADE, AND ASSIGNOR HEREBY EXPRESSLY DISCLAIMS AND NEGATES, AND ASSIGNEE HEREBY EXPRESSLY WAIVES, ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE OR OTHERWISE RELATING TO (a) PRODUCTION RATES, RECOMPLETION OPPORTUNITIES, DECLINE RATES, GAS BALANCING INFORMATION OR THE QUALITY, QUANTITY OR VOLUME OF THE RESERVES OF OIL AND GAS, IF ANY, ATTRIBUTABLE TO THE PROPERTIES, (b) THE ACCURACY, COMPLETENESS OR MATERIALITY OF ANY INFORMATION, DATA OR OTHER MATERIALS (WRITTEN OR ORAL) NOW, HERETOFORE OR HEREAFTER FURNISHED TO ASSIGNEE BY OR ON BEHALF OF ASSIGNOR, AND (c) THE ENVIRONMENTAL CONDITION OF THE PROPERTIES. ASSIGNOR AND ASSIGNEE AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE DISCLAIMERS OF CERTAIN WARRANTIES CONTAINED IN THIS ASSIGNMENT ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSES OF ANY APPLICABLE LAW, RULE OR ORDER.

ASSIGNEE AGREES TO PROTECT, INDEMNIFY AND HOLD ASSIGNOR HARMLESS, FREE AND CLEAR OF AND FROM ALL LIENS, CLAIMS, DEMANDS, ACTIONS AND CAUSES OF ACTION OF WHATSOEVER NATURE, INCLUDING ATTORNEY FEES AND COURT COSTS, ARISING OUT OF OR IN CONNECTION WITH THE OPERATIONS OF THE PROPERTIES FROM AND AFTER THE EFFECTIVE DATE HEREOF, AND AGREES TO PROMPTLY PAY ALL BILLS FOR LABOR AND OTHER ITEMS. ALL OPERATIONS CONDUCTED ON THE PROPERTIES SHALL COMPLY WITH ALL APPLICABLE LAWS, REGULATIONS, ORDINANCES AND PERMITS.

Any taxes (except income taxes) imposed by any governmental authority in the State within which the Properties are located by reason of sale, use or transfer of any of the Properties shall be paid by and be the sole responsibility of Assignee, and shall be in addition to the purchase price.

All taxes in the nature of property or ad valorem taxes for the tax years up to and including the effective date hereof shall be the responsibility of Assignor. After the effective date all taxes shall be the responsibility of Assignee.

Assignee at its sole risk, cost and expense shall be responsible for obtaining any and all consents, permits or governmental authorizations necessary or applicable to the assigned Properties or to the transfer or proposed use thereof.

In the event this Assignment covers any rights, privileges and interests which require filing, qualification, permit or consent or consents of or by third parties (governmental or otherwise) prior to the execution and delivery of an agreement such as this Assignment, then the said assigned Properties shall be deemed to have been assigned to Assignee only if and when such filing, qualification, permit, consent or consents are obtained or waived at Assignee's sole cost and expense.

This Assignment as it pertains to personal property herein conveyed is made by Assignor and accepted by Assignee "AS IS, WHERE IS", IF IT EXISTS AND WITHOUT WARRANTY EITHER EXPRESS OF IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND REDHIBITORY DEFECTS EVEN AS TO THE RETURN OF THE PURCHASE PRICE. FURTHER, ASSIGNEE ACKNOWLEDGES THAT IT HAS INSPECTED ALL PERSONAL PROPERTY CONVEYED HEREIN AND FINDS SAME TO BE IN WORKING ORDER, AND FREE FROM ALL LATENT AND PATENT DEFECTS.

This Assignment shall be binding upon and inure to the benefit of Assignor, Assignee and their respective heirs, successors and assigns.

IN WITNESS WHEREOF this Assignment is dated effective as of September 1, 2006, at 7:00 a. m. local time where the Properties are located.

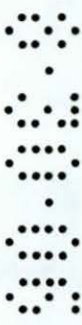
STATE OF TEXAS  
COUNTY OF BRAZOS  
The foregoing is a true and correct copy as  
the same appears on file and recorded in the  
appropriate records of Brazos, County, Texas.

Thereby certify, on August 21, 2006



*Kelisa McQueen*  
County Clerk:  
Brazos County, Texas

Sale No. 209C  
Lot No. 149







**EXHIBIT "A"**

To ASSIGNMENT AND BILL OF SALE dated effective September 1, 2006 from EnerQuest Oil & Gas, L.L.C. to TE-RAY RESOURCES, INC.

Fazzino-Penicka Unit #1  
Giddings Field  
Brazos County, Texas

| <u>LESSOR</u>           | <u>LESSEE</u>               | <u>DATE</u> | <u>RECORDING</u>   |
|-------------------------|-----------------------------|-------------|--------------------|
| Josephine S. Fazzino    | Union Pacific Resources Co. | 1/18/1990   | Vol. 1181, Pg. 36  |
| Dorothy Penicka D'Labay | FlairTex Resources, Inc.    | 1/29/1991   | Vol. 1237, Pg. 355 |
| State of Texas ✓        | Union Pacific Resources Co. | 9/3/1991    | Vol. 1342, Pg. 81  |
| State of Texas ✓        | Union Pacific Resources Co. | 6/4/1991    | Vol. 1293, Pg. 14  |

Filed for Record in:  
BRAZOS COUNTY

On: Aug 21, 2006 at 01:56P

As a  
Recordings

Document Number: 00938043

Amount 31.00

Receipt Number - 297881

By:  
Cathy Barcelona

STATE OF TEXAS COUNTY OF BRAZOS

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 Official Public records of:

BRAZOS COUNTY

as stamped hereon by me.

Aug 21, 2006

HONORABLE KAREN MCQUEEN, COUNTY CLERK  
BRAZOS COUNTY

STATE OF TEXAS  
COUNTY OF BRAZOS  
The foregoing is a true and correct copy as  
the same appears on file and recorded in the  
appropriate records of Brazos County, Texas.

Thereby certify, on August 21, 2006



Karen McQueen  
County Clerk:  
Brazos County, Texas

Sale No. 209C  
Lot No. 149



11.

File No. MF094389

ASSIGNMENT FILED IN MF-

Date Filed: 10/19/06

Jerry E. Patterson, Commissioner

By [Signature]

