

Leasing: _____

Analyst: _____

Maps: _____

GIS: _____

MF 094662

<i>County</i>	BURLESON
<i>Survey</i>	JAMES CURTIS A-17
<i>Block</i>	
<i>Block Name</i>	
<i>Township</i>	
<i>Section/tract</i>	BURLESON COUNTY IMPROVEMENTS
<i>Land Part</i>	
<i>Part Description</i>	
<i>Acres</i>	17.26
<i>Name</i>	UNION PACIFIC RESOURCES
<i>Lease Date</i>	8-6-1991
<i>Primary Term</i>	6-MONTHS
<i>Bonus (\$)</i>	\$19,020.52
<i>Rental (\$)</i>	\$5.00
<i>Lease Royalty</i>	1/4

MF 094662
F290892
UNION PACIFIC RESOURCES

STATE LEASE - UPLANDS M-94662

COUNTY (CODE) : Burleson (26)
SURVEY : James Curtis A-17
BLOCK : _____
TOWNSHIP : _____
SECTION : Burleson County Improvement Tract
PART : _____
ACRES : 17.26
DEPTH LIMITS : _____
BASE FILE (S) : _____
CONTROL NO. (S) : 15-009993

LESSEE : Union Pacific Resources Co.
DATE : 8-6-91
PRIMARY TERM : 6 months
BONUS : \$19.020.52
ROYALTY : 1/4
RENTALS : \$5.00

Legal _____

Rental NS

Min. A/c _____

Min. Max. *

Face Top

Contents of Mineral File Number: M-9466Z

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Scanned IW 4-20-2016

See MF D94399 #15, Arr # 10628

Anadarko (to) WHR 7-23-18

scanned PJ 8-28-2018

M-94662

Date
8-1-91



MINERAL LEASE BID APPLICATION
TEXAS General Land Office LDO - 01(2-88) Rev. 2

APPLICANT
AGREEMENT

I agree, if awarded a lease on the referenced tract, to comply with all terms and conditions of said lease and with all applicable laws that so govern said lease, as those laws may be amended.

APPLICANT
IDENTIFICATION TO
APPEAR ON LEASE

Name Union Pacific Resources Company
Address 801 Cherry Street
Ft. Worth, TX 76102
Telephone (817) 877-7272

AREA DESCRIPTION

County(ies) Burleson Survey/
Area James Curtis A-17
(if Applicable)
Block/Tsp N/A Section/Tract N/A Acres 17/26
(if Applicable)

BID SUBMISSION

Royalty 25% Rental Per Acre N/A Primary Term 6 mo. ~~Yrs.~~

Cash Bonus Enclosed Nineteen Thousand Twenty and 52/100

(Dollars) ~~\$ 19,020.52~~ **91062507**

Sales Fee Attached Two Hundred Eighty Five and 31/100

(Dollars) ~~\$ 285.31~~ **91062508**

161

This Sales Fee is 1- 1/2% of the cash bonus as provided in Section 32.310 of the Natural Resources Code as amended.

MGL. NO.

APPLICANT(S) Union Pacific Resources Company ✓ BONUS AMOUNT ENCLOSED
(\$)19,020.52

APPLICANT
TAX I.D. NUMBER

SIGNATURE OF
APPLICANT/AGENT

James R. Mellis
JB

① M-94662

Bid Application
8/6/91

①

0. 0. 0. 0.

The State of Texas



Austin, Texas

OIL AND GAS LEASE
NO. M-94662

WHEREAS, pursuant to the Texas Natural Resources Code Chapters 32, 33, 51, and Chapter 52, Subchapters A-D and H, (said Code being hereinafter referred to as N.R.C.), and subject to all rules and regulations promulgated by the Commissioner of the General Land Office and/or the School Land Board pursuant thereto, and all other applicable statutes and amendments to said N.R.C., the following area, to-wit:

Burleson County Improvement District Tract located within the D.D. Lightsey Tract, in the James Curtis Survey, A-17 as described by Exhibit "A" attached,

was, after being duly advertised, offered for lease on 6th day of August, 1991, at 10:00 o'clock A.M., by the Commissioner of the General Land Office of the State of Texas and the School Land Board of the State of Texas, for the sole and only purpose of prospecting and drilling for, and producing oil and/or gas that may be found and produced from the above described area; and

WHEREAS, after all bids and remittances which were received up to said time have been duly considered by the Commissioner of the General Land Office and the School Land Board at a regular meeting thereof in the General Land Office, on the 6th day of August, 1991, and it was found and determined that Union Pacific Resources Company whose address is 801 Cherry Street, Ft. Worth, TX 76102 had offered the highest and best bid for a lease of the area above described and is, therefore, entitled to receive a lease thereon:

NOW, THEREFORE, I, Garry Mauro, Commissioner of the General Land Office of the State of Texas, hereinafter sometimes referred to as "Lessor", whose address is Austin, Texas, by virtue of the authority vested in me and in consideration of the payment by the hereinafter designated Lessee, the sum of Nineteen Thousand Twenty and 52/100 Dollars (\$19,020.52), receipt of which is hereby acknowledged and of the royalties, covenants, stipulations and conditions contained and hereby agreed to be paid, observed and performed by Lessee, do hereby demise, grant, lease and let unto the above mentioned bidder the exclusive right to prospect for, produce and take oil and/or gas from the aforesaid area upon the following terms and conditions, to-wit:

1. **RESERVATION:** There is hereby excepted and reserved to Lessor the full use of the property covered hereby and all rights with respect to the surface and subsurface thereof for any and all purposes except those granted and to the extent herein granted to Lessee, together with the rights of ingress and egress and use of said lands by Lessor and its mineral lessees, for purposes of exploring for and producing the minerals which are not covered, or which may not be covered in the future, under the terms of this lease, but which may be located within the surface boundaries of the leased area. All of the rights in and to the leased premises retained by Lessor and all of the rights in and to the leased premises granted to Lessee herein shall be exercised in such a manner that neither shall unduly interfere with the operations of the other.

2. **TERM:** Subject to the other provisions hereof, this lease shall be for a term of Six (6) months from the effective date hereof (herein called "primary term") and as long thereafter as oil or gas is produced in paying quantities from said area.

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

(A) **OIL:** As a royalty on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, 1/4 part of the gross production or the market value thereof, at the option of the Lessor, such value to be determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity in the general area where produced and when run, or 2) the highest market price thereof offered or paid in the general area where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before any gas produced from the land hereby leased is sold, used or processed in a plant, it will be run free of cost to Lessor through an adequate oil and gas separator of conventional type or other equipment at least as efficient to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered. Upon written consent of Lessor, the requirement that such gas be run through such a separator or other equipment may be waived upon such terms and conditions as prescribed by Lessor.

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

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

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

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

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

(F) ROYALTY IN KIND: Notwithstanding anything contained herein to the contrary, Lessor may, at its option, upon not less than 60 days notice to Lessee, require at any time or from time to time that payment of all or any royalties accruing to Lessor under this lease be made in kind without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

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

(H) MINIMUM ROYALTY: During any year after the expiration of the primary term of this lease, if this lease is maintained by production, the royalties paid to Lessor in no event shall be less than an amount equal to Five and No/100 Dollars (\$5.00) per acre covered by this lease; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of this lease a sum equal to Five and No/100 Dollars (\$5.00) per acre covered by this lease less the amount of royalties paid during the preceding year.

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

Payment of royalty on production of oil and gas shall be as provided in the rules set forth in the Texas Register. Rules currently provide that 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, then 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.

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

(B) **DRILLING RECORDS:** Written notice of all operations on this lease shall be submitted to the Commissioner of the General Land Office by Lessee or operator five (5) days before spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above-described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall have an electrical and/or radioactivity survey made on the bore-hole section, from the base of the surface casing to the total depth of well, of all wells drilled on the above described premises and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.

(C) **PENALTIES:** Lessee shall incur a penalty whenever reports, documents or other materials are not filed in the General Land Office when due. The penalty for late filing shall be set by the General Land Office administrative rule which is effective on the date when the materials were due in the General Land Office.

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

(A) **VERTICAL:** In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 10 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Natural Resources Code Sections 52.151-52.153, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction.

(B) **HORIZONTAL:** In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall further terminate as to all depths below 100 feet below the total depth drilled (hereinafter "deeper depths") in each well located on each unit retained in Paragraph 6 (A) above, unless on or before two (2) years after the primary or extended term Lessee pays an amount equal to one-half (1/2) of the bonus originally paid as consideration for this lease (as specified on page 1 hereof). If such amount is paid, this lease shall be in force and effect as to such deeper depths, and said termination shall be delayed for an additional period of two (2) years and so long thereafter as oil or gas is produced in paying quantities from such deeper depths covered by this lease.

(B) **IDENTIFICATION AND FILING:** The surface acreage retained hereunder as to each well shall, as nearly as practical, be in the form of a square with the well located in the center thereof, or such other shape as may be approved by the School Land Board. Within thirty (30) days after partial termination of this lease as provided herein, Lessee shall execute and record a release or releases containing a satisfactory legal description of the acreage and/or depths not retained hereunder. The recorded release, or a certified copy of same, shall be filed in the General Land Office, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date the release is filed. If Lessee fails or refuses to execute and record such release or releases within ninety (90) days after being requested to do so by the General Land Office, then the Commissioner at his sole discretion may designate by written instrument the acreage and/or depths to be released hereunder and record such instrument at Lessee's expense in the county or counties where the lease is located and in the official records of the General Land Office and such designation shall be binding upon Lessee for all purposes. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes.

7. **OFFSET WELLS:** If oil and/or gas should be produced in commercial quantities from a well located on land privately owned or on State land leased at a lesser royalty, which well is within one thousand (1,000) feet of the area included herein, or which well is draining the area covered by this lease, the Lessee shall, within sixty (60) days after such initial production from the draining well or the well located within one thousand (1000) feet from the area covered by this lease begin in good faith and prosecute diligently the drilling of an offset well on the area covered by this lease, and such offset well shall be drilled to such depth as may be necessary to prevent the undue drainage of the area covered by this lease, and the Lessee, manager or driller shall use all means

necessary in a good faith effort to make such offset well produce oil and/or gas in commercial quantities. Only upon the determination of the Commissioner and with his written approval, may the payment of a compensatory royalty satisfy the obligation to drill an offset well or wells required under this Paragraph.

8. DRY HOLE CLAUSE: If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if at any time after the discovery and actual production of oil or gas from the leased premises such production thereof should cease from any cause, this lease shall not terminate if on or before the expiration of sixty (60) days from the date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon. If during the primary term a dry hole be completed and abandoned, or the production of oil or gas should cease for any cause, Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term. If at the expiration of the primary term or any time thereafter a shut-in oil or gas well is located on the leased premises payments may be made in accordance with the shut-in provisions hereof.

9. CESSATION, DRILLING, AND REWORKING: In the event production of oil or gas on the leased premises after once obtained shall cease from any cause at the expiration of the primary term hereof or at any time or times thereafter, this lease shall not terminate if Lessee commences additional drilling or reworking operations within sixty (60) days thereafter, and the lease shall remain in full force and effect so long as such operations continue in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days during any one such operation; and if such drilling or reworking operations result in the production of oil or gas, the lease shall remain in full force and effect so long as oil or gas is produced therefrom in paying quantities or payment of shut-in oil or gas well royalties or compensatory royalties is made as hereinafter provided or as provided elsewhere in the statutes of the State of Texas. Lessee shall give written notice to the General Land Office within thirty (30) days of any cessation of production.

10. SHUT-IN ROYALTIES: If at the expiration of the primary term or at any time after the expiration of the primary term a well or wells capable of producing oil or gas in paying quantities are located on the leased premises but oil or gas is not being produced for lack of suitable production facilities or a suitable market and the lease is not being maintained in force and effect, then Lessee may pay as a shut-in oil or gas royalty an amount equal to Ten and No/100 Dollars (\$10.00) per acre covered by this lease but not less than \$1,200 a year for each well capable of producing oil or gas in paying quantities; any shut-in oil or gas royalty must be paid on or before: (1) the expiration of the primary term, (2) 60 days after the lessee ceases to produce oil or gas from the leased premises, or (3) 60 days after lessee completes a drilling and reworking operation in accordance with the lease provisions; whichever date is latest; if the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term or from the first day of the month next succeeding the month in which production ceased and after that if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four additional and successive periods of one year by paying the same amount each year on or before the expiration of the extended term; if, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the leased premises and completed in the same producing reservoir or in any case in which drainage is occurring, the right to continue to extend the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid and for four additional and successive periods of one year each by Lessee paying compensatory royalty at the royalty rate provided in the lease of the value at the well of production from the well which is causing the drainage or which is completed in the same producing reservoir and within one thousand (1,000) feet of the leased premises; the compensatory royalty is to be paid monthly to the Commissioner beginning on or before the last day of the month next succeeding the month in which the oil or gas is sold and delivered from the well located within one thousand (1,000) feet of or draining the leased premises and completed in the same reservoir; if the compensatory royalty paid in any 12-month period is in an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period; and none of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in N.R.C. Section 52.034; however, at the determination of the Commissioner, and with his written approval, the payment of compensatory royalties shall satisfy the obligation to drill offset wells. (For purposes of determining due dates in accordance with this paragraph, the next succeeding month shall mean the following calendar month, e.g. February shall be considered the month next succeeding the month of January.)

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

12. USE OF WATER; SURFACE: Lessee shall have the right to use water produced on said land necessary for operations hereunder and solely upon the leased premises; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for water flood operations without the prior written consent of Lessor. Subject to its obligation to pay surface damages, Lessee shall have the right to use so much of the surface of the land that may be reasonably necessary for drilling and operating wells and transporting and marketing the production therefrom, such use to be conducted under conditions of least injury to the surface of the land. Lessee shall pay surface damages in an amount set by the General Land Office fee schedule which is effective on the date when the activity requiring the payment of surface damages occurs.

13. POLLUTION: In developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties.

(A) UPLANDS: Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level all slush pits and cellars and completely clean up the drilling site of all rubbish thereon.

(B) SUBMERGED LANDS: No discharge of solid waste or garbage shall be allowed into State waters from any drilling or support vessels, production platform, crew or supply boat, barge, jack-up rig or other equipment located on the leased area. Solid waste shall include but shall not be limited to containers, equipment, rubbish, plastic, glass, and any other man-made non-biodegradable items. A sign must be displayed in a high traffic area on all vessels and manned platforms stating, "Discharge of any solid waste or garbage into State Waters from vessels or platforms is strictly prohibited and may subject a State of Texas lease to forfeiture." such statement shall be in lettering of at least 1" in size.

(C) RIVERS: To the extent necessary to prevent pollution, the provisions found in subsections (a) and (b) of this paragraph shall also apply to rivers and riverbeds.

(D) PENALTY: Failure to comply with the requirements of this provision may result in the maximum penalty allowed by law including forfeiture of the lease. Lessee shall be liable for the damages caused by such failure and any costs and expenses incurred in cleaning areas affected by the discharged waste.

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

15. ASSIGNMENTS: The lease may be transferred at any time. All transfers must reference the lease by the file number and must be recorded in the county where the area is located, and the recorded transfer or a copy certified to by the County Clerk of the county where the transfer is recorded must be filed in the General Land Office within ninety (90) days of the execution date, as provided by N.R.C. Section 52.026, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such transfer or certified copy thereof. 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.

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

17. LIEN: In accordance with N.R.C. Section 52.136, the State shall have a first lien upon all oil and gas produced from the area covered by this lease to secure payment of all unpaid royalty and other sums of money that may become due under this lease. By acceptance of this lease, Lessee grants the State, in addition to the lien provided by N.R.C. Section 52.136 and any other applicable statutory lien, an express contractual lien on and security interest in all leased minerals in and extracted from the leased premises, all proceeds which may accrue to Lessee from the sale of such leased minerals, whether such proceeds are held by Lessee or by a third party, and all fixtures on and improvements to the leased premises used in connection with the production or processing of such leased minerals in order to secure the payment of all royalties or other amounts due or to become due under this lease and to secure payment of any damages or loss that Lessor may suffer by reason of Lessee's breach of any covenant or condition of this lease, whether express or implied. This lien and security interest may be foreclosed with or without court proceedings in the manner provided in the Title 1, Chapter 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's acquisition of this lease. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this lease forfeited as provided herein.

18. FORFEITURE: If Lessee shall fail or refuse to make the 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, the School Land Board, or the Railroad Commission, 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 Lessee shall knowingly violate any of the material provisions of this lease, or if this lease is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquired under this lease shall be subject to forfeiture by the Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease to the highest bidder, under the same regulations controlling the original sale of leases. However, nothing herein shall be construed as waiving the automatic termination of this lease by operation of law or by reason of any

special limitation arising hereunder. 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.

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

20. APPLICABLE LAWS AND DRILLING RESTRICTIONS: This lease shall be subject to all rules and regulations, and amendments thereto, promulgated by the Commissioner of the General Land Office governing drilling and producing operations on Permanent Free School Land, payment of royalties, and auditing procedures, and shall be subject to all other valid statutes, rules, regulations, orders and ordinances that may affect operations under the provisions of this lease. Without limiting the generality of the foregoing, Lessee hereby agrees, by the acceptance of this lease, to be bound by and subject to all statutory and regulatory provisions relating to the General Land Office's audit billing notice and audit hearings procedures. Said provisions are currently found at 31 Texas Administrative Code, Chapter 4, and Texas Natural Resources Code Sections 52.135 and 52.137 through 52.140. In the event this lease covers land franchised or leased or otherwise used by a navigation district or by the United States for the purpose of navigation or other purpose incident to the operation of a port, then Lessee shall not be entitled to enter or possess such land without prior approval as provided under Section 61.117 of the Texas Water Code, but Lessee shall be entitled to develop such land for oil and gas by directional drilling; provided, however, that no surface drilling location may be nearer than 660 feet and special permission from the Commissioner of the General Land Office is necessary to make any surface location nearer than 2,160 feet measured at right angles from the nearest bulkhead line or from the nearest dredged bottom edge of any channel, slip, or turning basin which has been authorized by the United States as a federal project for future construction, whichever is nearer.

21. REMOVAL OF EQUIPMENT; PLUGGING: It is understood by lessee that there may be open well bores and unusable and/or unsafe equipment on the area covered by this lease. By acceptance of this lease, lessee agrees to assume all responsibilities and liabilities with respect to plugging each open well bore, removing all abandoned equipment and restoring and cleaning the lease area, whether or not lessee actually re-enters such well bores or uses such equipment. No warranty or representation is made or intended as to the title to any equipment located on this lease. Nor does the General Land Office make any representation regarding the question of availability of the equipment on the subject tract. Lessee agrees to conduct such plugging and clean up within a reasonable time following the cessation of activities on the lease. Upon the termination of this lease for any cause, Lessee shall not, in any event, be permitted to remove the casing or any part of the equipment from any producing, dry, or abandoned well or wells without the written consent of the Commissioner of the General Land Office or his authorized representative; nor shall Lessee, without the written consent of said Commissioner or his authorized representative remove from the leased premises the casing or any other equipment, material, machinery, appliances or property owned by Lessee and used by Lessee in the development and production of oil or gas therefrom until all dry or abandoned wells have been plugged and until all slush or refuse pits have been properly filled and all broken or discarded lumber, machinery, or debris shall have been removed from the premises to the satisfaction of the said Commissioner or his authorized representative.

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

23. RAILROAD COMMISSION HEARINGS ON GAS: 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 of Texas unless the Railroad Commission of Texas, after notice and hearing as provided in Title 3 of the N.R.C., finds that (a) the person, agency, or entity that executed the lease in question does not require the natural gas or casinghead gas to meet its own existing needs for fuel; (b) no private or public hospital, nursing home, or other similar health-care facility in this State requires the natural gas or casinghead gas to meet its existing needs for fuel; (c) no public or private school in this State that provides elementary, secondary, or higher education requires the natural gas or casinghead gas to meet its existing needs for fuel; (d) no facility of the State or of any county, municipality, or other political subdivision in this State requires the natural gas or casinghead gas to meet its existing needs for fuel; (e) no producer of food and fiber requires the natural gas or casinghead gas necessary to meet the existing needs of irrigation pumps and other machinery directly related to this production; and (f) no person who resides in this State and who relies on natural gas or casinghead gas to provide in whole or part his existing needs for fuel or raw material requires the natural gas or casinghead gas to meet those needs. However, the Railroad Commission of Texas may grant exceptions to these provisions as set forth in N.R.C. Section 52.296.

24. LEASE SECURITY: Lessee shall take the highest degree of care and all proper safeguards to protect said premises and to prevent theft of oil, gas, and other hydrocarbons produced from said lease. This includes, but is not limited to, the installation of all necessary equipment, seals, locks, or other appropriate protective devices on or at all access points at the lease's production, gathering and storage systems where theft of hydrocarbons can occur. Lessee shall be liable for the loss of any hydrocarbons resulting from theft and shall pay the State of Texas royalties thereon as provided herein on all oil, gas or other hydrocarbons lost by reason of theft.

25. REDUCTION OF PAYMENTS: If, at any time after the expiration of the primary term or the extended term, this lease covers a lesser number of acres than the total amount described herein, payments that are made on a per acre basis hereunder shall be reduced according to the number of acres released, surrendered, or otherwise severed, so that payments determined on a per acre basis under the terms of this lease shall be calculated based upon the number of acres actually retained and covered by this lease.

26. **INDEMNITY:** Lessee agrees to indemnify and hold harmless Lessor, its officers and employees, and specifically the School Land Board members, whether in their official or individual capacities, from and against any and all claims and damages of every kind or character without limit, including, but not limited to, any and all claims and damages for injury to or the death of any person or persons and for damage to or loss of property, arising out of or attributed, directly or indirectly, to the operations or performance of Lessee under this lease, from the use of the premises leased hereby, and/or any breach by Lessee of the terms, covenants, or conditions herein provided, including any claims and damages which may arise in whole or in part from the negligence of Lessor, its officers and employees, and specifically the School Land Board members, whether in their official or individual capacities. Lessee agrees to defend or pay judgments against Lessor, its officers and employees, and specifically the School Land Board members, whether in their official or individual capacities, from and against any and all claims, demands, or causes of action, including claims for contribution or indemnity, and the reasonable and necessary costs, including attorney's fees, incurred in the defense of any such claim made against Lessor, its officers and employees, and specifically the School Land Board members, whether in their official capacity or an individual capacity.

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

IN TESTIMONY WHEREOF, witness the signature of the Commissioner of the General Land Office of the State of Texas under the seal of the General Land Office, effective this 6th day of August, 1991.

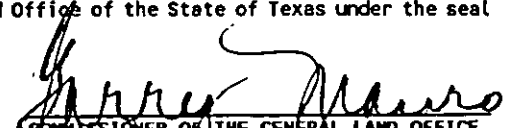


COMMISSIONER OF THE GENERAL LAND OFFICE
OF THE STATE OF TEXAS
APPROVED
Legal
Geology
Executive 

Exhibit "A"

17.26 Acre Tract

out of

Called 46.1 Acre Parker Tract

(Burleson County Improvement District No. 1)

James Curtis, Sr., Survey, A-17

Burleson County, Texas

Field notes of a 17.26 acre tract or parcel of land, lying and being situated in the James Curtis, Sr., Survey, Abstract No. 17, Burleson County, Texas, and being part of the called 46.1 acre First Tract described in the deed from John K. Parker and G. S. Parker, Executors of the Estate of M. Parker, deceased, to John K. Parker, (with authorization to convey said property to the Burleson County Improvement District No. 1), recorded in Volume 40, Page 96, of the Deed Records of Burleson County, Texas, and also being partly contained within the called 332.25 acre tract described in the deed from Thomas C. Ward, Administrator of the Estate of Ward T. Mooring, deceased, to D. D. Lightsey, recorded in Volume 129, Page 314, of the Burleson County Deed Records, and also being partly contained within the called 172.89 acre tract described in the deed from Ward Mooring to Peter Morello, recorded in Volume 82, Page 395, of the Burleson County Deed Records, said 17.26 acre tract being more particularly described as follows:

BEGINNING at the southmost west corner of the description contained in Volume 40, Page 96, described above, at the "west end of dam" therein referenced;

THENCE N 10° 44' 01" W with the west end of said dam and description, pass at 7.62 feet the existing fence found occupying the division line between the above referenced 172.89 and 332.25 acre tracts, a cross-tie found at an angle point in said division line bears S 80° 58' 33" W 38.0 feet, continue on for a total distance of 150.00 feet to the northmost west corner of the just mentioned description, bearings are referenced to true north obtained by solar observation;

THENCE with the north and east lines of the 46.1 acre tract through the 332.25 acre tract, for the following calls:

N 79° 15' 59" E 402.56 feet,

N 82° 11' 39" E 743.13 feet,

S 63° 38' 01" E 1446.41 feet,

S 46° 57' 01" E 847.27 feet,

S 16° 16' 01" E 1484.62 feet, to a point on the centerline of Moehlman Slough;

THENCE with the centerline of said slough for the following calls:

S 22° 32' 21" W 98.33 feet,

S 08° 41' 40" E 296.60 feet,

S 05° 51' 21" W 77.27 feet;

Exhibit "A" Cont.

17.26 Acre Tract
out of
Called 46.1 Acre Parker Tract
(Burleson County Improvement District No. 1)
James Curtis, Sr., Survey, A-17
Burleson County, Texas
Page 2

THENCE with the west and south lines of said 46.1 acre tract across the 172.89 acre and the 332.25 acre tracts, for the following calls:

N 25° 52' 01" W 121.09 feet,
N 16° 18' 01" W pass at 1387.64 feet the division line of the 172.89 acre and 332.25 acre tracts, having a bearing of S 14° 48' 32" E, continue on for a total distance of 1766.28 feet, a cross-tie at an angle point in the fence on the previously mentioned division line bears S 56° 28' 27" E 10.17 feet,
N 46° 57' 01" W 797.36 feet, a cross-tie at a second angle point bears N 36° 34' 52" W 13.77 feet,
N 53° 38' 01" W 1376.79 feet, a cross-tie at a third angle point bears N 11° 57' 54" E 10.94 feet.
S 82° 11' 59" W 678.43 feet to a point opposite Station 0+00 of the original centerline in the description contained in Volume 129, Page 314,
S 79° 15' 59" W 398.72 feet to the PLACE OF BEGINNING, containing 17.26 acres of land, more or less, with 16.82 acres being out of the called 332.25 acre tract and 0.44 acre being out of called 172.89 acre tract.

kas-2a:Levee.prk

② m-94662

O: 12 Gas Lease
8/26/91

②

7

Garry Mauro
Commissioner
General Land Office



August 26, 1991

Union Pacific Resources Company
801 Cherry Street
Ft. Worth, Texas 76102

Gentlemen:

Thank you for your participation in the State of Texas Oil and Gas Lease Sale held on August 6, 1991. The sale was a tremendous success. You were the high bidder on the marginal number listed below, that has been assigned the corresponding lease number:

MGL NO. 1

M-94662

The lease agreement for this marginal number is enclosed. The lease will serve as your receipt for the amount of your bid. Also, your contractual and statutory responsibilities to the General Land Office are outlined in the lease agreement. Section 5(B) requires operators to submit written notice of all drilling, production, and related activities. More specifically, when a lessee files various forms with the Texas Railroad Commission and the Department of Energy, they are required to submit copies of these forms to the General Land Office. Examples of these forms are:

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

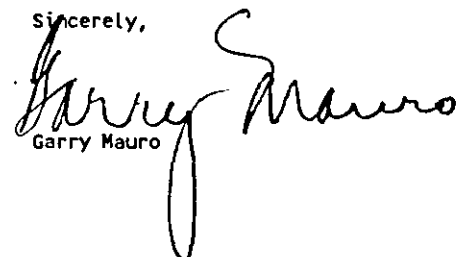
When production is secured from this lease(s) it is required that monthly production/royalty reports (GLO Forms 1,1a,2,2a) be submitted to the General Land Office outlining production/disposition activities for the month. If you are not familiar with the required forms and procedures, please call the Royalty Management and Compliance Division of the General Land Office at (512)463-5042 and request the Oil and Gas reports and payments procedures booklet.

Lessees should contact the coding agency of the General Land Office Resource Management Division for updates and any additional information prior to drilling.

Your 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. Failure to comply with these requirements will subject your lease to possible forfeiture.

Please do not hesitate to contact my office at (512)463-5022 if you need any assistance in the future, or if you have questions concerning the State lease that you operate.

Sincerely,


Garry Mauro

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

③ M-94662

③

Ltr. to UPRC

8/26/91

ASSIGNMENT OF LEASE

KNOW ALL MEN BY THESE PRESENTS, THAT:

Union Pacific Resources Company, whose address is P. O. Box 7, Fort Worth, Texas 76101-0007 (hereinafter called "Assignor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby assign, transfer, sell and convey unto C. W. Alcorn, whose address is P. O. Box 2879, Victoria, Texas 77902 (hereinafter called "Assignee"), and Assignee's successors and assigns, an undivided 4.6875% interest in and to the Oil and Gas Lease (hereinafter called "the Lease", whether one or more) described in Exhibit "A", attached hereto and by reference made a part hereof.

The rights assigned by this Assignment are transferred WITHOUT WARRANTY, EXPRESS OR IMPLIED.

TO HAVE AND TO HOLD said right, title and interest unto Assignee, its successors and assigns forever, subject to the terms, covenants and provisions hereof and of said Lease.

Every provision of this Assignment is intended to be severable. If any term or provisions hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Assignment. THIS ASSIGNMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE LAND COVERED BY THE LEASE DESCRIBED ON EXHIBIT "A" IS LOCATED. The provisions hereof run with the land and inure to the benefit of and bind the respective successors and assigns of the parties.

Executed as of this 16th day of December, 1991.

ASSIGNOR:

UNION PACIFIC RESOURCES COMPANY

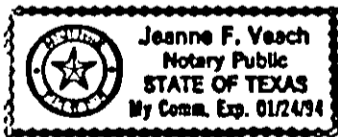
By: Debra Johnson *cc*
Its: Attorney-in-Fact *js*
gkm

ASSIGNEE:

C. W. Alcorn
C. W. Alcorn

STATE OF TEXAS
COUNTY OF TARRANT

This instrument was acknowledged before me on December 16, 1991, by DEBRA JOHNSON, Attorney-in-Fact of UNION PACIFIC RESOURCES COMPANY, a Delaware corporation, on behalf of said corporation.

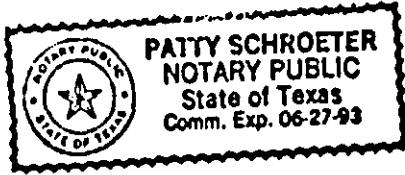


[Signature]
Signature

Name (Print)
My commission expires _____

STATE OF Texas
COUNTY OF Victoria

This instrument was acknowledged before me on December 20, 1991,
by C. W. Alcorn.



Patty Schroeter
Signature

Name (Print)
My commission expires _____

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

EXHIBIT "A"
TO ASSIGNMENT OF LEASE

FILED FOR RECORD
AT 9:00 O'clock A.M.
JAN 27 1992
Evelyn M. Henry
EVELYN M. HENRY
COUNTY CLERK, BURLESON CO., TEX.

STATE OF TEXAS
COUNTY OF BURLESON

Date	LESSOR	LESSEE	Recording Information	
			Book	Page
08/06/91	State of Texas NO. M-94662	Union Pacific Resources Company	190	638

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

Page 1 of 1

VOL 196 PAGE 884

THE STATE OF TEXAS
COUNTY OF BURLESON

I, EVELYN M. HENRY, CLERK OF THE COUNTY COURT OF SAID COUNTY, DO HEREBY CERTIFY THE FOREGOING INSTRUMENT OF WRITING WITH ITS CERTIFICATE OF AUTHENTICATION WAS FILED FOR RECORD IN MY OFFICE ON THE 27 DAY OF January, 19 92, AT 9:00 O'CLOCK A. M., AND DULY RECORDED ON 3 DAY OF February, 19 92, AT 4:00 O'CLOCK P. M., IN THE Oil & Gas Lease RECORD OF SAID COUNTY, IN VOL. 196, PAGE 882-884

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

Evelyn M. Henry
EVELYN M. HENRY
COUNTY CLERK, BURLESON COUNTY, TEXAS

BY _____ DEPUTY

STATE OF TEXAS }
COUNTY OF BURLISON }

I, EVELYN M. HENRY, County Clerk, Burlison County, Texas, do hereby certify that the foregoing is a true and correct copy of the original, as same appears of record in Vol. 196, Page 882-884, Oil & Gas Lease Records, Burlison County, Texas.

Witness my hand and seal of office on this the 6 day of February

Evelyn M. Henry
A.D. 1992
EVELYN M. HENRY

County Clerk, Burlison County, Texas

BY _____

Deputy



4

MF 94662
Item Assignment
To _____
From _____
Date 2-19-92

5.78.85

ASSIGNMENT OF LEASE

KNOW ALL MEN BY THESE PRESENTS, THAT:

Union Pacific Resources Company, whose address is P. O. Box 7, Fort Worth, Texas 76101-0007 (hereinafter called "Assignor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby assign, transfer, sell and convey unto Columbia Gas Development Corporation, whose address is One Riverway, P. O. Box 1350, Houston, Texas 77251-1350 (hereinafter called "Assignee"), and Assignee's successors and assigns, an undivided 25.0% interest in and to the Oil and Gas Lease (hereinafter called "the Lease", whether one or more) described in Exhibit "A", attached hereto and by reference made a part hereof.

The rights assigned by this Assignment are transferred WITHOUT WARRANTY, EXPRESS OR IMPLIED.

TO HAVE AND TO HOLD said right, title and interest unto Assignee, its successors and assigns forever, subject to the terms, covenants and provisions hereof and of said Lease.

Every provision of this Assignment is intended to be severable. If any term or provisions hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Assignment. THIS ASSIGNMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE LAND COVERED BY THE LEASE DESCRIBED ON EXHIBIT "A" IS LOCATED. The provisions hereof run with the land and inure to the benefit of and bind the respective successors and assigns of the parties.

Executed as of this 16th day of December, 1991.

ASSIGNOR:

UNION PACIFIC RESOURCES COMPANY

By: Debra Johnson *DL*
Its: Attorney-in-Fact *SSB*

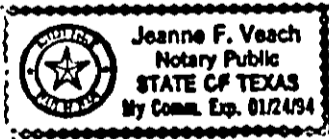
ASSIGNEE:

COLUMBIA GAS DEVELOPMENT CORPORATION

By: Leslie M. Moor *JEM*
Its: Leslie M. Moor, Jr., Vice President

STATE OF TEXAS
COUNTY OF TARRANT

This instrument was acknowledged before me on DECEMBER 16, 1991, by DEBRA JOHNSON, Attorney-in-Fact of UNION PACIFIC RESOURCES COMPANY, a Delaware corporation, on behalf of said corporation.

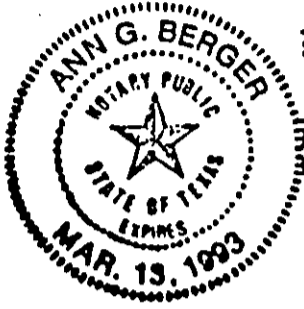


F. V.
Signature

Name (Print) _____
My commission expires _____

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on January 2,
1992, by Leslie M. Moor, Jr., Vice President of COLUMBIA
GAS DEVELOPMENT CORPORATION, a Delaware corporation, on behalf of
said corporation.



Ann H Berger
Signature

Name (Print)

My commission expires

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

EXHIBIT "A"
TO ASSIGNMENT OF LEASE

FILED FOR RECORD
at 9:00 o'clock H...M
JAN 23 1992
Evelyn M. Henry
EVELYN M. HENRY
COUNTY CLERK, BURLESON CO., TEX

STATE OF TEXAS
COUNTY OF BURLESON

Date	LESSOR	LESSEE	Recording Information	
			Book	Page
08/06/91	State of Texas NO. M-94662	Union Pacific Resources Company	190	638

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

Page 1 of 1

VOL 196-887

THE STATE OF TEXAS
COUNTY OF BURLESON

I, EVELYN M. HENRY, CLERK OF THE COUNTY COURT OF SAID COUNTY, DO HEREBY CERTIFY THE FOREGOING INSTRUMENT OF WRITING WITH ITS CERTIFICATE OF AUTHENTICATION WAS FILED FOR RECORD IN MY OFFICE ON THE 27 DAY OF January, 19 92, AT 9:00 O'CLOCK A.M., AND DULY RECORDED ON 3 DAY OF February, 19 92, AT 4:00 O'CLOCK P.M., IN THE Oil & Gas Lease RECORD OF SAID COUNTY, IN VOL. 196, PAGE 885-887

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

Evelyn M. Henry
EVELYN M. HENRY

COUNTY CLERK, BURLESON COUNTY, TEXAS

BY _____ DEPUTY

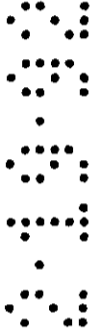
STATE OF TEXAS }
COUNTY OF BURLESON }

I, EVELYN M. HENRY, County Clerk, Burleson County, Texas, do hereby certify that the foregoing is a true and correct copy of the original, as same appears of record in Vol. 196, Page 885-887 Oil & Gas Lease Records, Burleson County, Texas.

Witness my hand and seal of office on this the 6 day of February

A.D. 1992
Evelyn M. Henry
EVELYN M. HENRY
County Clerk, Burleson County, Texas

BY _____
Deputy



5

MF _____
Item 94662
Assignment
To _____
From _____
Date 2-19-99

5.77.85

ASSIGNMENT OF LEASE

KNOW ALL MEN BY THESE PRESENTS, THAT:

Union Pacific Resources Company, whose address is P. O. Box 7, Fort Worth, Texas 76101-0007 (hereinafter called "Assignor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby assign, transfer, sell and convey unto Fred Alcorn, whose address is First RepublicBank San Felipe, 5005 Riverway, Suite 430, Houston, Texas 77056 (hereinafter called "Assignee"), and Assignee's successors and assigns, an undivided 1.5625% interest in and to the Oil and Gas Lease (hereinafter called "the Lease", whether one or more) described in Exhibit "A", attached hereto and by reference made a part hereof.

The rights assigned by this Assignment are transferred WITHOUT WARRANTY, EXPRESS OR IMPLIED.

TO HAVE AND TO HOLD said right, title and interest unto Assignee, its successors and assigns forever, subject to the terms, covenants and provisions hereof and of said Lease.

Every provision of this Assignment is intended to be severable. If any term or provisions hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Assignment. THIS ASSIGNMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE LAND COVERED BY THE LEASE DESCRIBED ON EXHIBIT "A" IS LOCATED. The provisions hereof run with the land and inure to the benefit of and bind the respective successors and assigns of the parties.

Executed as of this 16th day of December, 1991.

ASSIGNOR:

UNION PACIFIC RESOURCES COMPANY

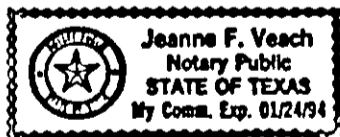
By: Debra Johnson
Its: Attorney-in-Fact *JJS*
jan

ASSIGNEE:

Fred Alcorn
Fred Alcorn

STATE OF TEXAS
COUNTY OF TARRANT

This instrument was acknowledged before me on December 16, 1991, by DEBRA JOHNSON, Attorney-in-Fact of UNION PACIFIC RESOURCES COMPANY, a Delaware corporation, on behalf of said corporation.



J. F. Veach
Signature

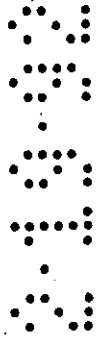
Name (Print)
My commission expires _____

STATE OF Texas
COUNTY OF Harris

This instrument was acknowledged before me on December 24, 1991,
by Fred Alcorn.

Alice J. Wilkinson
Signature

Name (Print)
My commission expires



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

EXHIBIT "A"
TO ASSIGNMENT OF LEASE

FILED FOR RECORD
at 9:00 clock 7:00 M
JAN 27 1992
Evelyn M. Henry
EVELYN M. HENRY
COUNTY CLERK, BURLESON CO., TEX.

STATE OF TEXAS
COUNTY OF BURLESON

Date	Lessor	Lessee	Recording Information	
			Book	Page
08/06/91	State of Texas NO. M-94662	Union Pacific Resources Company	190	638

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

Page 1 of 1

VOL 196-890

THE STATE OF TEXAS
COUNTY OF BURLESON

I, EVELYN M. HENRY, CLERK OF THE COUNTY COURT OF SAID COUNTY, DO HEREBY CERTIFY THE FOREGOING INSTRUMENT OF WRITING WITH ITS CERTIFICATE OF AUTHENTICATION WAS FILED FOR RECORD IN MY OFFICE ON THE 27 DAY OF January, 19 92, AT 9:00 O'CLOCK A. M., AND DULY RECORDED ON 3 DAY OF February, 19 92, AT 4:00 O'CLOCK P. M., IN THE Oil & Gas Lease RECORD OF SAID COUNTY, IN VOL. 196, PAGE 888-890

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

Evelyn M. Henry
EVELYN M. HENRY
COUNTY CLERK, BURLESON COUNTY, TEXAS

BY _____ DEPUTY

STATE OF TEXAS
COUNTY OF BURLESON

I, EVELYN M. HENRY, County Clerk, Burleson County, Texas, do hereby certify that the foregoing is a true and correct copy of the original, as same appears of record in Vol. 196, Page 888-890 Oil & Gas Lease Records, Burleson County, Texas.

Witness my hand and seal of office on this the 6 day of February

Evelyn M. Henry
A.D. 19 92
EVELYN M. HENRY
County Clerk, Burleson County, Texas

BY _____
Deputy



6

MF 94662
Item Assignment
To _____
From _____
Date 2-19-92

5.10.85



Texas General Land Office
Garry Mauro, Commissioner

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

February 21, 1992

Amy D. Lindsey
Union Pacific Resources
P.O. Box 7
Fort Worth, Texas 76101-0007

RE: ASSIGNMENT FILING

Dear Ms. Lindsey:

The General Land Office received the following instruments on February 19, 1992, and has filed them in Mineral File M-94662.

1. Assignment of Oil and Gas Lease dated December 16, 1991, from Union Pacific Resources Company to Columbia Gas Development Corporation, recorded in Burleson County, Texas.

Filing Fee: \$25.00
Late Fee : \$0.00
Total Fee : \$25.00

2. Assignment of Oil and Gas Lease dated December 16, 1991, from Union Pacific Resources Company to C.W. Alcorn, recorded in Burleson County, Texas.

Filing Fee: \$25.00
Late Fee : \$0.00
Total Fee : \$25.00

3. Assignment of Oil and Gas Lease dated December 16, 1991, from Union Pacific Resources Company to Fred Alcorn, recorded in Burleson County, Texas.

Filing Fee: \$25.00
Late Fee : \$0.00
Total Fee : \$25.00

The total amount of the fees received for the filing of the instruments listed above is \$75.00, the receipt of which is acknowledged by the General Land Office.

Sincerely,

Joe Shannon, Landman
Lease Administration
Energy Resources
(512) 475-1533

MF 94662
Item Ltr. to UPRC
To _____
From _____
Date 2-21-92

7

Unit #
2076

DO NOT DESTROY

GLO-36-10-84

-MEMO-

17422344626

Operator Durst Oil Co.

Unit Name Lightsey-Lightsey Unit

County Burleson

Effective Date ⁰³ Aug. 6, 1991

Unitized for: Oil Gas Oil & Gas

1. M.F. No. 94662

Area _____ Tr. _____

Sec. A-17 Blk. _____ Survey James Curtis

17.26				
185.84	x	$\frac{1}{4}$	<u>2.32</u>	%
<u>.042876</u>		<u>.25</u>	<u>.023219</u>	

2. M.F. No. _____

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

_____ x _____ . _____ %

3. M.F. No. _____

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

_____ x _____ . _____ %

4. M.F. No. _____

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

_____ x _____ . _____ %

REMARKS:

original

Unit # 2076

POOLING COMMITTEE REPORT

TO: SCHOOL LAND BOARD
 DATE: August 6, 1991
 OPERATOR: Durst Oil Company COUNTY: Burleson
 UNIT NAME: Lightsey-Lightsey Unit FIELD: Giddings
 (Austin Chalk-3)

STATE LEASE(S) IN UNIT

Lease *Type	State Number	State Royalty	Expiration Date	Term Year	Acres	Acres In Unit	Lessee of Record
SF	***	***	***	***	17.26	17.26	***
***	M-94662	1/4	2-6-92	6 mo.			Union Pacific Resource Co
*** Unleased at this time.							

*RAL = Relinquishment Act
 *SF = State Fee
 *FR = Free Royalty

PRIVATE ACRES IN UNIT: 168.58

SIZE OF UNIT: 185.84

Unitized for: Depth(s): Well Location:
 See Remarks
 Oil _____ State Land _____
 Gas _____ Formation: Private Land X
 Both X See Remarks

Participation: Railroad Commission Rules:
 Basis Surface Acreage Spacing 160 acre
 State Acreage 9.3 % Acreage Factor 86.1 %
 State Unit Royalty 2.32%

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

REMARKS:

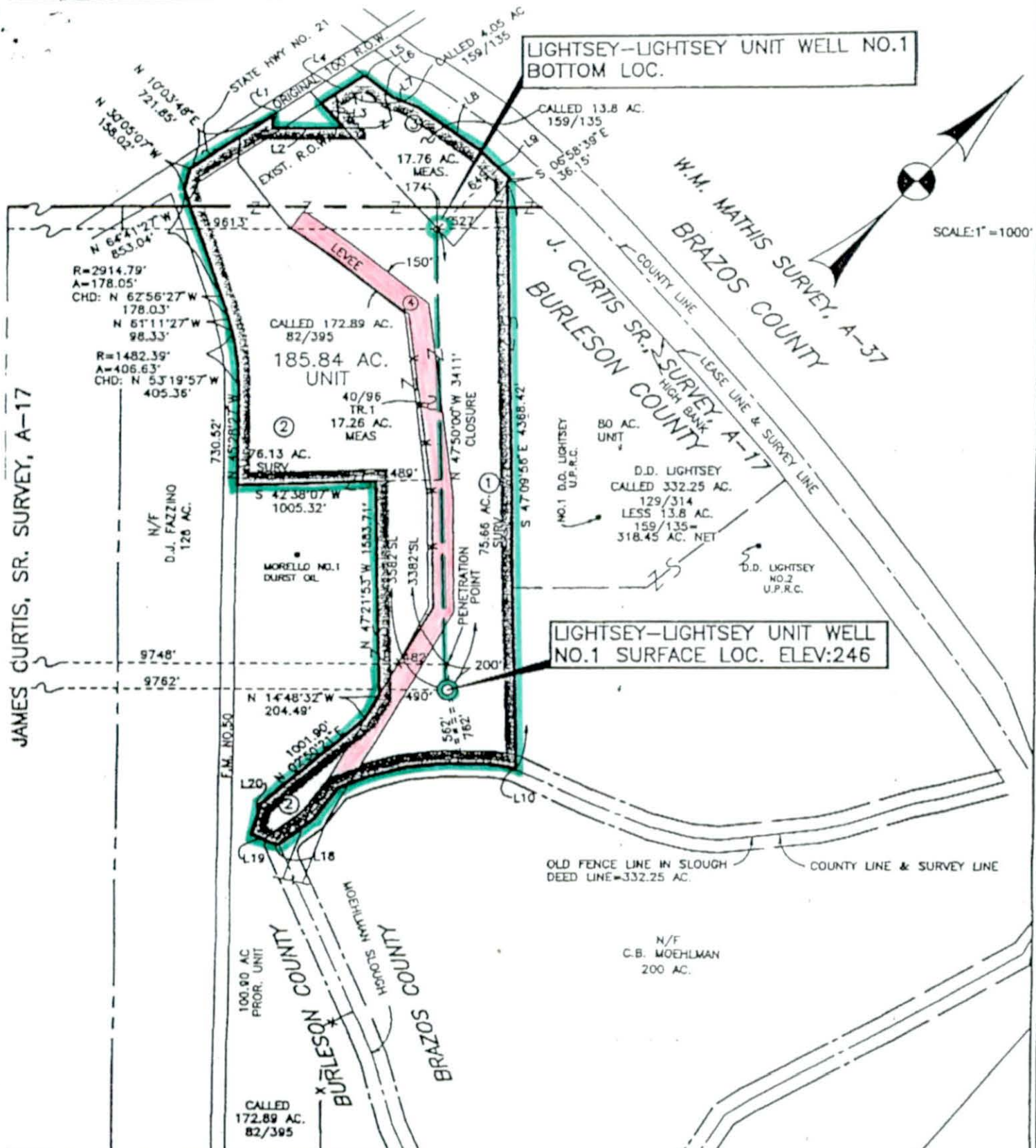
- . Durst Oil Company requests oil and gas pooling of the Austin Chalk Formation defined as the stratigraphic interval or its correlative equivalent occurring from 7323 feet to 7471 feet on the Dual Induction SFL-Sonic Log of the Peter Morello No.1 Well, James Curtis Survey, A-17, Burleson County, Texas.
- . The proposed unit well was drilled and completed as a horizontal well in the Austin Chalk Formation in March 1991.
- . The Pooling Committee recommends Board approval of the proposed unit as requested by the applicant subject to the following conditions:
 - Title to the subject tract (17.26 acre in the unit) is subject of Cause No. 20,329, Lightsey, et al. v. State of Texas, now pending in the 335th Judicial District Court, Burleson County, Texas.
 - The operator shall deposit the royalty revenue attributed to the subject tracts participation in the unit.
- . Horizontal severance is not recommended due to the configuration of the subject tract.

APPROVAL: Recommended X

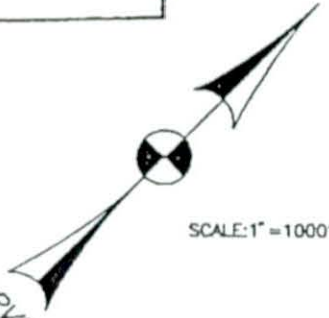
Not Recommended _____

Susan D. Albers
Susan D. Albers
Priscilla M. Hubenak
Priscilla M. Hubenak

Peter A. Boone
Peter A. Boone
Chris Macomb
Chris Macomb
Lynn T. Pham
Lynn T. Pham



SCALE: 1" = 1000'



LIGHTSEY-LIGHTSEY UNIT WELL NO.1
BOTTOM LOC.

LIGHTSEY-LIGHTSEY UNIT WELL
NO.1 SURFACE LOC. ELEV:246

JAMES CURTIS, SR. SURVEY, A-17

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

J. CURTIS SR. SURVEY A-17
BURLESON COUNTY

LIGHTSEY-LIGHTSEY UNIT WELL NO.1		
ACREAGE IN UNIT	LEASE	VOL/PG
75.66	DELBERT DOUGLAS LIGHTSEY, ET UX	18/392 O/G
76.13	LOUIS MORELLO, ET UX	154/462 O/G
16.79	GUY FRANCESCHINI, ET UX	159/135 D.R.
17.26	BURLESON COUNTY IMPROVEMENT DIST	40/96 DR
185.84 AC. UNIT		

ED: 04-30-91 ADDED LEVEE TRACT & AS DRILLED BHL
ED: 05-20-91 INCREASED UNIT SIZE
ED: 05-29-91 REVISED UNIT TO 185.84 AC.

NOTES:
1. BEARINGS BASED ON TRUE NORTH, OBTAINED BY SOLAR OBSERVATION

LINE	BEARING	DIST.
L1	S 45°28'40"E	97.12'
L2	N 44°18'21"E	513.50'
L3	N 87°36'58"W	185.33'
L4	N 10°03'48"E	379.67'
L5	N 82°59'46"E	257.11'
L6	N 85°44'21"E	81.00'
L7	N 66°59'21"E	196.70'
L8	N 80°28'21"E	566.30'
L9	N 88°20'21"E	307.30'
L10	S 60°58'21"W	68.20'
L11	S 52°33'21"W	117.90'
L12	S 45°23'21"W	326.90'
L13	S 38°21'21"W	277.00'
L14	S 28°54'21"W	289.80'
L15	S 22°32'21"W	233.50'
L16	S 08°41'40"E	296.60'
L17	S 05°51'21"W	316.60'
L18	S 67°12'21"W	77.00'

① M-94662

⑧

Pooling Committee Rpt.
FILED: 3-11-92

**RATIFICATION OF UNIT AGREEMENT
DURST OIL COMPANY
LIGHTSEY-LIGHTSEY UNIT
BURLESON COUNTY, TEXAS**

WHEREAS, a certain instrument, entitled "Designation of Unit Agreement" ("Unit Agreement"), has been executed as of the 19th day of July, 1991, by various persons for conducting Unit Operations with respect to the Austin Chalk Formation underlying the boundaries of the pooled unit, defined as the stratigraphic interval or its correlative equivalent occurring from 7323 feet to 7471 feet on the Dual Induction SFL-Sonic Electric Log of the Durst Oil Company-Peter Morello No. 1 Well, in Burleson County, Texas ("Unitized Interval"), as may be more particularly described in said agreement; and,

WHEREAS, the Unit Agreement, by Exhibit "B" describes each Tract in the Unit Area, and, by Exhibit "C" shows on a map the boundary lines of the Unit Area and the Tract therein; and,

WHEREAS, a person may become a party to said Unit Agreement by signing the original of said instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions thereof;

WHEREAS, the State of Texas claims to be the owner of a Royalty Interest in Tract 4 within the Unit Area, containing approximately 17.26 acres of land, and pursuant to the provisions of Subchapter E, Chapter 52 of the Natural Resources Code, the School Land Board has approved the inclusion of said Tract 4 and Royalty Interest as a part of said Unit Agreement, upon the condition, however, that the Working Interest Owners agree to the terms hereinafter set forth in consideration of the commitment of the State's Royalty Interests to said Unit Agreement, and the Commissioner of the General Land Office is authorized by said statute to commit the State's royalty interests to said Unit on behalf of the State:

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the undersigned, the Commissioner of the General Land Office of the State of Texas, acting on behalf of the State, for and in consideration of the premises and the benefits anticipated to accrue to the State under said Unit Agreement, does hereby commit to said Unit Agreement all Royalty Interests of the State of Texas in all Tracts within the Unit Area as described in Exhibit "B" and shown on Exhibit "C" of said Unit Agreement, and does hereby agree that the State of Texas shall be bound by all of the provisions of said Unit Agreement, except as hereinafter set forth, the same as if the undersigned had executed the original or a counterpart of said Unit Agreement.

This instrument is executed by the undersigned upon the condition that the Working Interest Owners agree to the following

terms in consideration of the commitment of the State's Royalty Interests to said Unit Agreement:

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit known as the Austin Chalk Formation defined as the stratigraphic interval or its correlative equivalent occurring from 7323 feet to 7471 feet on the Duval Induction SFL-Sonic Electric Log of the Durst Oil Company-Peter Morello Well No. 1 ("unitized interval").

POOLING AND EFFECT:

4.

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

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Ratification.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Ratification.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom.
- (e) A shut-in oil or gas well located upon any lease included within said unit shall be considered as a shut-in oil or gas well located upon each lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners or otherwise diminished by reason of this Ratification.
- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "A" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in

royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "A" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that the area inside the surface boundaries of the pooled unit, if held, will be held as to those depths and horizons insofar and only insofar as provided in the state lease included as a part of this Ratification.

- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 80 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Ratification shall not relieve Lessee from the duty of protecting the above described leases from drainage from any well situated on privately owned land, but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offset to any other well on separate tracts within the unit, nor to develop the tracts separately, as to the pooled mineral except as provided herein.
- (j) Should the Unit Agreement terminate for any cause, in whole or in part, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and condition in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Ratification.

ALLOCATION OF PRODUCTION:

5.

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

ROYALTY:

6.

- (a) It is understood that title to Tract 4 of said Unit Area and the Royalty Interest therein is the subject of that cause styled Lightsey, et al. v. State of Texas, Cause No. 20,329, pending, as of the date of approval of this Ratification by the School Land Board, in the 335th Judicial District Court of Burleson County, Texas. All royalty on production from the Unit Area attributable to Tract 4 of said Unit Area, prior to final disposition of the above-styled and numbered cause, shall be paid into an interest bearing account for the benefit of the party determined from said cause to be the lawful owner of Tract 4 of the Unit Area, and Lessee agrees hereby to file with the School Land Board of the State of Texas a monthly accounting on the royalty so paid into said account. Upon final disposition of said cause, said account shall be liquidated and paid to the owner of Tract 4 of the Unit Area and thereafter additional royalty on production, if not taken in-kind, shall be paid according to the lease, contract, pooling agreement, ratification or other agreement governing the payment of royalty on production from the Unit Area attributable to Tract 4.
- (b) Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this pooling or unitization agreement be made in kind, without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

FULL MARKET VALUE:

7.

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

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

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

EFFECTIVE DATE: 8.

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

TERM: 9.

This Ratification shall remain in effect so long as the pooled mineral is being produced from said unit, or so long as all leases included in the pooled unit are maintained in force by payment of delay rentals or shut-in oil or gas well royalties, by drilling or rework, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof which are contained in any State lease covered by this Ratification.

STATE LAND: 10.

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

DISSOLUTION:

11.

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

COUNTERPARTS:

12.

This Ratification may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Ratification so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

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

Date Executed 2/11/92

STATE OF TEXAS

Legal me
Geology VIP
Execution [Signature]

By Garry Mauro
Garry Mauro, Commissioner
of the General Land Office

Date Executed 2/4/92

DURST OIL COMPANY

By [Signature]
Its President

Date Executed _____

UNION PACIFIC RESOURCES COMPANY

By _____
Its _____

ATTEST:

DISSOLUTION:

11.

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

COUNTERPARTS:

12.

This Ratification may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Ratification so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

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

Date Executed _____

STATE OF TEXAS

Legal _____
Geology LTD
Execution [Signature]

By

Garry Mauro
Garry Mauro, Commissioner
of the General Land Office

Date Executed _____

DURST OIL COMPANY

By _____
Its _____

Date Executed _____

UNION PACIFIC RESOURCES COMPANY

By Leticia Johnson
Its Attorney-IN-FACT

ATTEST:

[Signature]

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 6th day of August, 1991,, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

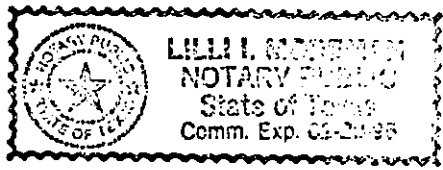
IN TESTIMONY WHEREOF, witness my hand this the 11th day of February, 1992.

Linda K. Fisher
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF Quevas

This instrument was acknowledged before me on February 4, 1992, by Lee A. Durst Jr. as President of Durst Oil Company, a Texas corporation, on behalf of said corporation.



Lilli I. Moreman
Notary Public in and for the State of Texas
Commission expires: 2-28-95

STATE OF TEXAS

COUNTY OF _____

This instrument was acknowledged before me on _____, 1991, by _____ as _____ of Union Pacific Resources Company, a _____ corporation, on behalf of said corporation.

Notary Public in and for the State of Texas
Commission expires: _____

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 6th day of August, 1991,, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the _____ day of _____, 19____.

Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF _____

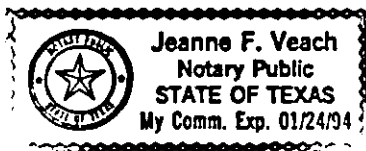
This instrument was acknowledged before me on _____, 1991, by _____ as _____ of Durst Oil Company, a _____ corporation, on behalf of said corporation.

Notary Public in and for the State of Texas
Commission expires: _____

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on JANUARY 23, 1991 by DEBRA VONKSON as ATTORNEY-IN-FACT of Union Pacific Resources Company, a DELAWARE corporation, on behalf of said corporation.



J. F. Veach

Notary Public in and for the State of Texas
Commission expires: _____

DATE EXECUTED November 5, 1991

AIR EQUIPMENT RENTAL, INC.

By: C. E. Hale
Its: President

THE STATE OF TEXAS §

COUNTY OF VICTORIA §

BEFORE ME, the undersigned authority, on this day personally appeared C. E. Hale, known to me to be the person whose name is subscribed to the foregoing instrument as President of AIR EQUIPMENT RENTAL, INC. and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 5th day of November 5, 1991.

Donna L. Lardy
NOTARY PUBLIC, STATE OF TEXAS
Donna L. Lardy
Printed/Stamped Name of Notary
My Commission Expires: 5-3-92

DATE EXECUTED November 12, 1991

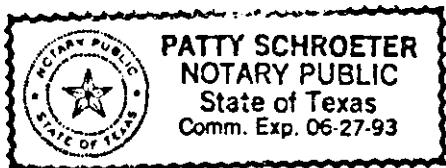
C. W. Alcorn, Jr.
C. W. ALCORN, JR.

THE STATE OF Texas §

COUNTY OF Victoria §

BEFORE ME, the undersigned authority, on this day personally appeared C. W. ALCORN, JR., 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 12th day of November, 1991.



Patty Schroeter
NOTARY PUBLIC, STATE OF TEXAS
Patty Schroeter
Printed/Stamped Name of Notary
My Commission Expires: 6-27-93

DATE EXECUTED 11/11/91

Fred C. Alcorn
FRED C. ALCORN

THE STATE OF Texas §

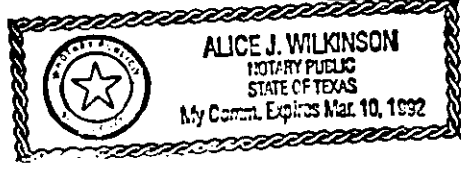
COUNTY OF Harris §

BEFORE ME, the undersigned authority, on this day personally appeared FRED C. ALCORN, 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 11th day of November, 1991.

Alice J. Wilkinson
NOTARY PUBLIC, STATE OF TEXAS

Printed/Stamped Name of Notary
My Commission Expires: _____



DATE EXECUTED 11-19-91

AMERICAN DENTAL PLAN, INC.

By: *Rick Sheriff*
Its: PRES

THE STATE OF Colorado §

COUNTY OF PITKIN §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument as RIK SHERIFF of AMERICAN DENTAL PLAN, INC. and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 19th day of November, 1991.

Jay Rickstrew
My Commission expires 7/18/95
Central Bank Aspen, N.A.
Box 3318, Aspen, CO 81612

Jay Rickstrew
NOTARY PUBLIC, STATE OF TEXAS
Jay Rickstrew
Printed/Stamped Name of Notary
My Commission Expires: 7-18-95

DATE EXECUTED 12-12-91

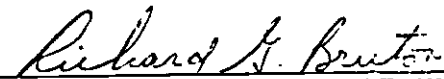

H. M. BRUTON

THE STATE OF _____ §

COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared H. M. BRUTON, 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 12 day of DECEMBER, 1991.


NOTARY PUBLIC, STATE OF TEXAS
RICHARD G. BRUTON
Printed/Stamped Name of Notary
My Commission Expires: 8-17-93

DATE EXECUTED 11-19-91

BURLESON COUNTY VENTURE

By: J.B. Stahala
Its: Managing Partner

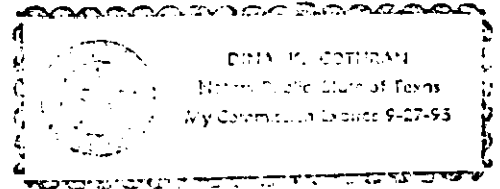
THE STATE OF Texas §

COUNTY OF Bexar §

BEFORE ME, the undersigned authority, on this day personally appeared J.B. STAHALA, known to me to be the person whose name is subscribed to the foregoing instrument as Managing Partner of BURLESON COUNTY VENTURE and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 19th day of November, 1991.

Dina K. Cottran
NOTARY PUBLIC, STATE OF TEXAS
DINA K. COTTRAN
Printed/Stamped Name of Notary
My Commission Expires: 9-27-95



APR 19 1991
LAND
LEGAL <i>JW</i>
TREAS.

DATE EXECUTED November 22, 1991

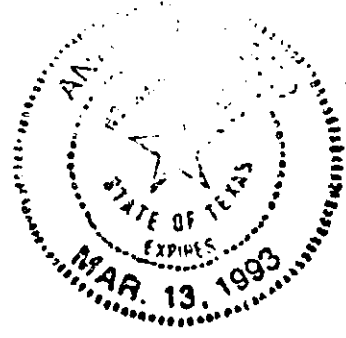
COLUMBIA GAS DEVELOPMENT

By: *Leslie M. Moor*
 Its: Leslie M. Moor, Jr., Vice President

THE STATE OF TEXAS §
 COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Leslie M. Moor, Jr., known to me to be the person whose name is subscribed to the foregoing instrument as Vice President of COLUMBIA GAS DEVELOPMENT and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 22nd day of November, 1991.



Ann G. Berger
 NOTARY PUBLIC, STATE OF TEXAS
 Printed/Stamped Name of Notary
 My Commission Expires: _____

DATE EXECUTED 11/06/91

L. A. Durst
L. A. DURST

THE STATE OF TEXAS §

COUNTY OF VICTORIA §

BEFORE ME, the undersigned authority, on this day personally appeared L. A. DURST, 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 6th day of November, 1991.



Doris Brunz
NOTARY PUBLIC, STATE OF TEXAS

Printed/Stamped Name of Notary
My Commission Expires: _____

DATE EXECUTED November 7, 1991

ELAND ENERGY

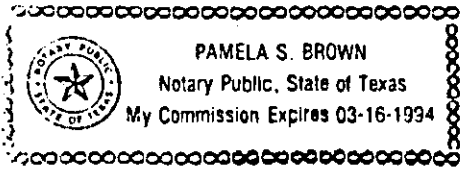
By: *[Signature]*
Its: President

THE STATE OF Texas §

COUNTY OF Dallas §

BEFORE ME, the undersigned authority, on this day personally appeared Tim Allen, known to me to be the person whose name is subscribed to the foregoing instrument as President of ELAND ENERGY and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 7th day of November, 1991.



Pamela S. Brown
NOTARY PUBLIC, STATE OF TEXAS
Pamela S. Brown
Printed/Stamped Name of Notary
My Commission Expires: 3/16/94

DATE EXECUTED December 22, 1991

HARKEN ENERGY CORPORATION

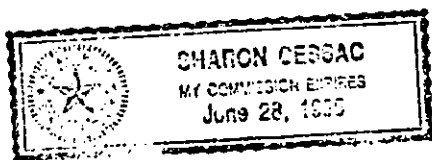
By: *T. W. Beechler*
Its: T. W. Beechler, President

THE STATE OF Texas §

COUNTY OF Tarrant §

BEFORE ME, the undersigned authority, on this day personally appeared T. W. Beechler, known to me to be the person whose name is subscribed to the foregoing instrument as President of HARKEN Energy Corporation and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 22 day of December, 1991.



Sharon Cessac
NOTARY PUBLIC, STATE OF TEXAS
Sharon Cessac
Printed/Stamped Name of Notary
My Commission Expires: _____

DATE EXECUTED NOV 6, 1991

Edward C. Huffman
EDWARD C. HUFFMAN

THE STATE OF TEXAS §

COUNTY OF BEXAR §

BEFORE ME, the undersigned authority, on this day personally appeared EDWARD C. HUFFMAN, 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 6th day of November, 1991.



Maria G Coates
NOTARY PUBLIC, STATE OF TEXAS

Printed/Stamped Name of Notary
My Commission Expires: _____

DATE EXECUTED NOV 6, 1991

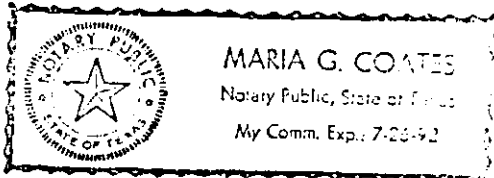
Ruth Huffman
RUTH HUFFMAN

THE STATE OF TEXAS §

COUNTY OF BEXAR §

BEFORE ME, the undersigned authority, on this day personally appeared RUTH HUFFMAN, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 6th day of November, 1991.



Maria G Coates
NOTARY PUBLIC, STATE OF TEXAS

Printed/Stamped Name of Notary
My Commission Expires: _____

DATE EXECUTED 11/15/91

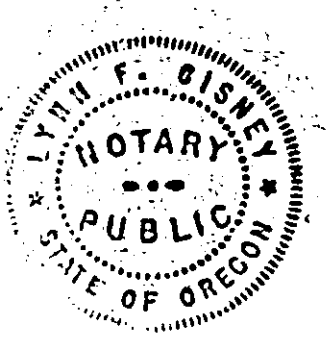
Richard H. Hill
RICHARD H. HILL

THE STATE OF Oregon §

COUNTY OF Lane §

BEFORE ME, the undersigned authority, on this day personally appeared RICHARD H. HILL, 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 15th day of November, 1991.



Lynn Cisney
NOTARY PUBLIC, STATE OF ~~TEXAS~~ Oregon
Printed/Stamped Name of Notary
My Commission Expires: 8/31/93

DATE EXECUTED 11-15-91

Gloria G. Hill
GLORIA G. HILL

THE STATE OF Oregon §

COUNTY OF Lane §

BEFORE ME, the undersigned authority, on this day personally appeared GLORIA G. HILL, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 15 day of November, 1991.

Brenda L. King
BRENDA L. KING
NOTARY PUBLIC - OREGON
MY COMMISSION EXPIRES

~~NOTARY PUBLIC, STATE OF TEXAS~~ Oregon

Printed/Stamped Name of Notary
My Commission Expires: 2-26-94

CENTENNIAL BANK
— Valley River Branch —
1141 VALLEY RIVER DRIVE
EUGENE, OREGON 97401

DATE EXECUTED 11/8/91

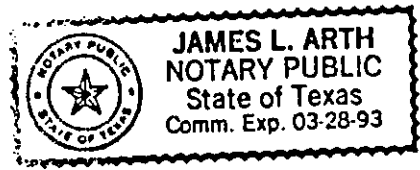
Jean R. Hixson
JEAN R. HIXSON

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

BEFORE ME, the undersigned authority, on this day personally appeared JEAN R. HIXSON, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 8th day of November, 1991.



James L. Arth

NOTARY PUBLIC, STATE OF TEXAS

Printed/Stamped Name of Notary
My Commission Expires: _____

DATE EXECUTED 11-11-91

INSURANCE MARKETING SPECIALISTS, INC.

By: William J. Kpac
Its: Vice President

THE STATE OF Texas §
COUNTY OF Travis §

BEFORE ME, the undersigned authority, on this day personally appeared William J. Kpac, known to me to be the person whose name is subscribed to the foregoing instrument as Vice President of INSURANCE MARKETING SPECIALISTS, INC. and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 11th day of November, 1991.

Suzann D. Baird
NOTARY PUBLIC, STATE OF TEXAS

Printed/Stamped Name of Notary
My Commission Expires: _____

DATE EXECUTED 11-13-91

LITTLE SCOTT, INC.

By: Edgar A. Brown Jr
Its: President

THE STATE OF Texas §

COUNTY OF Travis §

BEFORE ME, the undersigned authority, on this day personally appeared Edgar A Brown Jr, known to me to be the person whose name is subscribed to the foregoing instrument as President of LITTLE SCOTT, INC. and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 13th day of November, 1991.

Carolyn Keecee Griffin
 CAROLYN KEESEE GRIFFIN
 NOTARY PUBLIC, STATE OF TEXAS
 MY COMMISSION EXPIRES
 November 7, 1992
 Carolyn Keecee Griffin
 Printed/Stamped Name of Notary
 My Commission Expires: 11-7-92

DATE EXECUTED 11-12-91

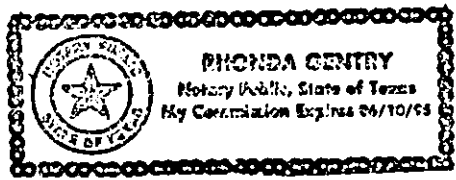
John F. Maner
JOHN F. MANER

THE STATE OF Texas §

COUNTY OF Lubbock §

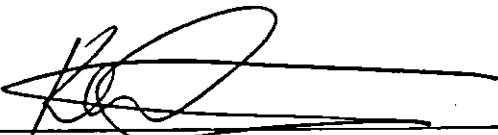
BEFORE ME, the undersigned authority, on this day personally appeared JOHN F. MANER, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 12th day of November, 1991.



Rhonda Gentry
NOTARY PUBLIC, STATE OF TEXAS
Rhonda Gentry
Printed/Stamped Name of Notary
My Commission Expires: 6-10-95

DATE EXECUTED November 25, 1991


KENTON McDONALD

THE STATE OF TEXAS §

COUNTY OF NUECES §

BEFORE ME, the undersigned authority, on this day personally appeared KENTON McDONALD, 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 25th day of November, 1991.




NOTARY PUBLIC, STATE OF TEXAS

Printed/Stamped Name of Notary _____
My Commission Expires: _____

DATE EXECUTED 11-5-91

PETRUS INTERESTS

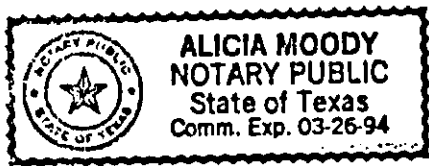
By: J. J. Petrus Jr.
Its: PARTNER

THE STATE OF Texas §

COUNTY OF San Patricio §

BEFORE ME, the undersigned authority, on this day personally appeared J. L. Petrus, Jr., known to me to be the person whose name is subscribed to the foregoing instrument as a partner of PETRUS INTERESTS and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

am November GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 5th day of October, 1991.



Alicia Moody
NOTARY PUBLIC, STATE OF TEXAS

Printed/Stamped Name of Notary
My Commission Expires: 3-26-94

DATE EXECUTED 11/7/91

RTG INVESTMENTS, INC.
By: Gerald J. Essl
Its: V. President.

THE STATE OF Texas §
COUNTY OF Hays §

BEFORE ME, the undersigned authority, on this day personally appeared Gerald J. Essl, known to me to be the person whose name is subscribed to the foregoing instrument as Vice President of RTG INVESTMENTS, INC. and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 7th day of November, 1991.

Donna J. Phillips
NOTARY PUBLIC, STATE OF TEXAS
Donna J. Phillips
Printed/Stamped Name of Notary
My Commission Expires: 8-20-93

DATE EXECUTED December 6, 1991

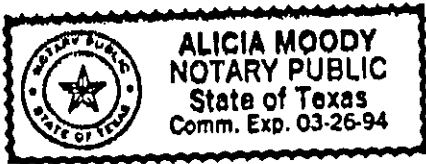
Alfred C. Thomas
ALFRED C. THOMAS

THE STATE OF Texas §

COUNTY OF San Patricio §

BEFORE ME, the undersigned authority, on this day personally appeared ALFRED C. THOMAS, 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 6th day of December, 1991.



Alicia Moody
NOTARY PUBLIC, STATE OF TEXAS
Alicia Moody
Printed/Stamped Name of Notary
My Commission Expires: 3/26/94

DATE EXECUTED 12/5/91

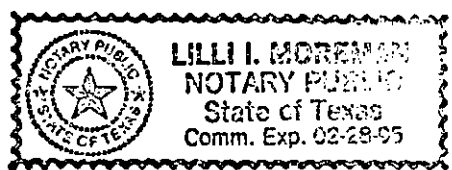
Florence J. Thomas
FLORENCE J. THOMAS

THE STATE OF Texas §

COUNTY OF Quetas §

BEFORE ME, the undersigned authority, on this day personally appeared FLORENCE J. THOMAS, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 5th day of December, 1991.



Lilli I. Mooreman
NOTARY PUBLIC, STATE OF TEXAS
Lilli I. Mooreman
Printed/Stamped Name of Notary
My Commission Expires: 2-28-95

DATE EXECUTED December 6, 1991

JOE THOMAS "O-G-M", INC.

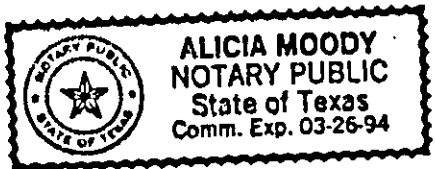
By: Alfred C. Thomas
Its: President

THE STATE OF Texas §

COUNTY OF San Patricio §

BEFORE ME, the undersigned authority, on this day personally appeared Alfred C. Thomas, known to me to be the person whose name is subscribed to the foregoing instrument as President of JOE THOMAS "O-G-M", INC. and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 6th day of December, 1991.



Alicia Moody
NOTARY PUBLIC, STATE OF TEXAS
Alicia Moody
Printed/Stamped Name of Notary
My Commission Expires: 3/26/94

DATE EXECUTED December 10, 1991

~~JOSEPH W.~~ ^{JOE} & JOYE THOMAS
FAMILY PARTNERSHIP

By: Mrs. Joseph W. (Joye D.) Thomas
Its: Joye D. Thomas, (Individually and
Independent Executrix and Testamentary
Trustee of the Estate of Joseph W.
Thomas, Deceased, its Partners

THE STATE OF Texas §

COUNTY OF San Patricio §

BEFORE ME, the undersigned authority, on this day personally
appeared Joye D. Thomas, known to me to be the person whose
name is subscribed to the foregoing instrument as Partners of
JOSEPH W. & JOYE THOMAS FAMILY PARTNERSHIP and acknowledged to me that he
or she executed the same for the purposes and consideration therein
expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 10th day of
December, 1991.



Alicia Moody
NOTARY PUBLIC, STATE OF TEXAS
Alicia Moody
Printed/Stamped Name of Notary
My Commission Expires: 3/26/94

DATE EXECUTED 11-7-91

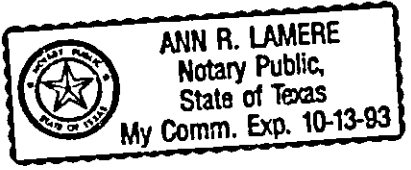
Leonard F. Thornton
LEONARD F. THORNTON

THE STATE OF TEXAS §

COUNTY OF BEXAR §

BEFORE ME, the undersigned authority, on this day personally appeared LEONARD F. THORNTON, 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 NOVEMBER, 1991.



Ann R. Lamere
NOTARY PUBLIC, STATE OF TEXAS
ANN R. LAMERE
Printed/Stamped Name of Notary
My Commission Expires: 10-13-93

DATE EXECUTED Nov 6, 1991

Bob Wilson
BOB WILSON

THE STATE OF Texas §

COUNTY OF Michita §

BEFORE ME, the undersigned authority, on this day personally appeared BOB WILSON, 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 6th day of November, 1991.



Lori Mae Duke
NOTARY PUBLIC, STATE OF TEXAS
Lori Mae Duke
Printed/Stamped Name of Notary
My Commission Expires: Jan. 22 1995

DATE EXECUTED 1/16/92

PAIDEIA TRUST

By: Robert W. Chatman
Its: REPRESENTATIVE

THE STATE OF Colorado §
COUNTY OF Garfield §

BEFORE ME, the undersigned authority, on this day personally appeared Robert W. Chatman, known to me to be the person whose name is subscribed to the foregoing instrument as EXECUTOR / REPRESENTATIVE of PAIDEIA TRUST and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 16th day of January, 1992.

Carla Pronto
NOTARY PUBLIC, STATE OF ~~THE~~ Colorado
CARLA PRONTO
Printed/Stamped Name of Notary
My Commission Expires: 03-20-93

DATE EXECUTED 1/23/92

PRUDENTIAL-BACHE ENERGY INCOME
PRODUCTION PARTNERSHIP VP-18
PRUDENTIAL-BACHE ENERGY INCOME
PRODUCTION PARTNERSHIP VP-19

WITNESSES:

By: Graham Royalty, Ltd.
Managing General Partner

[Signature]
[Signature]

BY: [Signature]
James W. Carrington Jr
Its: Vice President-Land

STATE OF LOUISIANA

PARISH OF ST. TAMMANY

BEFORE ME, the undersigned authority, a Notary Public duly commissioned, qualified and acting in and for said parish and state, on this day personally appeared JAMES W. CARRINGTON, JR., known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be the Vice President-Land of GRAHAM ROYALTY, LTD., as Managing General Partner for PRUDENTIAL-BACHE ENERGY INCOME PRODUCTION PARTNERSHIP VP-18 and PRUDENTIAL-BACHE ENERGY INCOME PRODUCTION PARTNERSHIP VP-19, as Louisiana general partnerships, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and as the act of said partnerships.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 23rd day of Janaury, 1992.

[Signature]

PAIGE D. LANE
NOTARY PUBLIC

STATE OF LOUISIANA

My commission is issued for life.

PAIGE D. LANE
Notary Public

Duly Commissioned in St. Tammany Parish, LA
MY COMMISSION IS ISSUED FOR LIFE

EXHIBIT "B"
TO
RATIFICATION OF DESIGNATION
OF UNIT AGREEMENT
DURST OIL COMPANY: LIGHTSEY-LIGHTSEY UNIT NO. 1

LEASES

1. That certain Oil, Gas and Mineral Lease dated April 21, 1976, from Delbert Douglas Lightsey and wife, Edile Lightsey, as Lessors, to Fred Prickett, as Lessee, recorded in Volume 18 at Page 392, of the Oil and Gas Lease Records of Burleson County, Texas.
2. That certain Oil, Gas and Mineral Lease dated april 20, 1989, from Louis Morello and wife, Mamie Ruth Morello, as Lessors, to the Durst Oil Company, as Lessee, recorded in Volume 154 at Page 462, of the Oil and Gas Lease Records of Burleson County, Texas.
3. That certain Oil, Gas and Mineral Lease dated April 20, 1989, from D. D. Lightsey et ux, as Lessors, to the Durst Oil Company, as Lessee, recorded in Volume 154 at Page 464 of the Oil and Gas Lease Records of Burleson County, Texas.
4. That certain Oil, Gas and Mineral Lease dated January 15, 1991, from Guy A. Franceschini and wife, Doris M. Franceschini, as Lessors, to the Durst Oil Company, as Lessee, recorded in Volume 179 at Page 432, of the Oil and Gas Lease Records of Burleson County, Texas.
5. That certain Oil and Gas Lease dated August 6, 1991, covering the 17.26 acre tract and being situated in the James Curtis, Sr., Survey A-17, as recorded in Volume 190, Page 638 in Oil and Gas Lease Records, Burleson County, Texas, and being State of Texas Lease No. M-94662.

EXHIBIT "A"
TO
RATIFICATION OF DESIGNATION
OF UNIT AGREEMENT
DURST OIL COMPANY; LIGHTSEY-LIGHTSEY
UNIT NO. 1
Lightsey-Lightsey Unit Well No. 1
185.84 Acre Unit
Durst Oil Company
James Curtis Survey, A-17
Beverly A. Porter Survey, A-46
Burleson County, Texas

Field notes of a 185.84 acre tract or parcel of land, lying and being situated in the James Curtis Survey, Abstract No. 17 and in the Beverly A. Porter Survey, Abstract No. 46, Burleson County, Texas, and being part of the called 332.25 acre tract described in the deed from Thomas C. Ward, Administrator of the Estate of Ward T. Mooring, Deceased, to D. D. Lightsey, as recorded in Volume 129, Page 314, of the Deed Records of Burleson County, Texas, and part of the called 172.89 acre tract described in the deed from Ward Mooring to Peter Morello, as recorded in Volume 82, Page 395, of the Deed Records of Burleson County, Texas, and all of the called 13.80 acre tract and part of the called 4.05 acre tract described in the deed from M. Martin Kramer to Guy A. Franceschini and wife, Doris Franceschini, as recorded in Volume 159, Page 135, of the Deed Records of Burleson County, Texas, and also being part of the called 46.1 acre First Tract described in the deed from John K. Parker and G. S. Parker, Executors of the Estate of M. Parker, deceased, to John K. Parker (with authorization to convey said property to the Burleson County Improvement District No. 1), recorded in Volume 40, Page 96, of the Deed Records of Burleson County, Texas, and said 185.84 acre tract being more particularly described as follows:

BEGINNING at the intersection of the northerly right-of-way line of Farm-to-Market Road No. 50, with the east right-of-way line of the original 100 foot wide right-of-way for State Highway No. 21, from which a concrete monument bears S 79° 56' 12" E 120.3 feet, and another bears S 42° 51' 52" E 247.9 feet;

THENCE N 10° 03' 48" E as referenced to true north obtained by solar observation, along the east line of the original 100 foot wide right-of-way, of Highway 21, pass at 437.65 feet the northwest corner of the beforementioned 172.89 acre tract and the southwest corner of the beforementioned 332.25 acre tract, continue on, for a total distance of 721.85 feet and corner;

THENCE S 45° 28' 40" E for a distance of 97.12 feet and corner;

THENCE N 44° 18' 21" E for a distance of 513.50 feet to the south corner of the above-referenced 4.05 acre tract, same being the southwest corner of the above-referenced 13.80 acre tract;

THENCE N 87° 36' 58" W with the south line of said 4.05 acre tract, for a distance of 257.11 feet and corner on the present right-of-way line of State Highway 21;

THENCE N 10° 03' 48" E with said right-of-way line, for a distance of 379.67 feet and corner on the west bank of the Brazos River;

Lightsey-Lightsey Unit Well No. 1
185.84 Acre Unit
Durst Oil Company
James Curtis Survey, A-17
Beverly A. Porter Survey, A-46
Burleson County, Texas
Page 2

THENCE down the West Bank of the Brazos River, for the following calls:

N 82° 59' 46" E 185.33 feet,
N 85° 44' 21" E 81.00 feet,
N 66° 59' 21" E 196.70 feet,
N 80° 28' 21" E 566.30 feet,
N 88° 20' 21" E 307.30 feet;

THENCE S 06° 58' 39" E with the east line of the 13.80 acre tract, as fenced, for a distance of 36.15 feet;

THENCE S 47° 09' 56" E across the called 332.25 acre tract, for a distance of 4368.42 feet to a point in the centerline of Moehlman Slough, said centerline being the boundary line between Burleson and Brazos Counties;

THENCE with the centerline of Moehlman Slough for the following calls:

S 60° 58' 21" W 68.20 feet,
S 52° 33' 21" W 117.90 feet,
S 45° 23' 21" W 326.90 feet,
S 38° 21' 21" W 277.00 feet,
S 28° 54' 21" W 289.80 feet,
S 22° 32' 21" W 233.50 feet,
S 08° 41' 40" E 296.60 feet,
S 05° 51' 21" W 316.60 feet;

THENCE with the southmost lines of the called 332.25 acres, for the following calls:

S 57° 12' 21" W 75.20 feet,
S 70° 44' 21" W 142.10 feet to a point on the common line
between the called 332.25
acre tract and the 179.89 acre tract;

THENCE along the said common line, for the following calls:

N 30° 36' 40" W 237.30 feet,
N 02° 50' 21" E 1001.90 feet,
N 14° 48' 32" W 204.49 feet;

THENCE through the interior of the called 172.89 acre tract, for the following calls:

N 47° 21' 53" W 1583.71 feet,
S 42° 38' 07" W 1005.32 feet to a point on the northeast right-
of-way line of Farm-to-Market Road No. 50;

Lightsey-Lightsey Unit Well No. 1
185.84 Acre Unit
Durst Oil Company
James Curtis Survey, A-17
Beverly A. Porter Survey, A-46
Burleson County, Texas
Page 3

THENCE along the northeasterly right-of-way line of the
beforementioned Farm-to-Market Road No. 50, as follows:

N 45° 28' 27" W 730.52 feet to the beginning of a curve,
concave to the southwest, having a radius of
1482.39 feet,

Northwesterly along said curve, for an arc length of 406.63
feet to the end of this curve, the
chord bears N 53° 19' 57" W 405.36 feet,

N 61° 11' 27" W for a distance of 98.33 feet to the
beginning of a curve, concave to the
south, having a radius of 2914.79 feet,

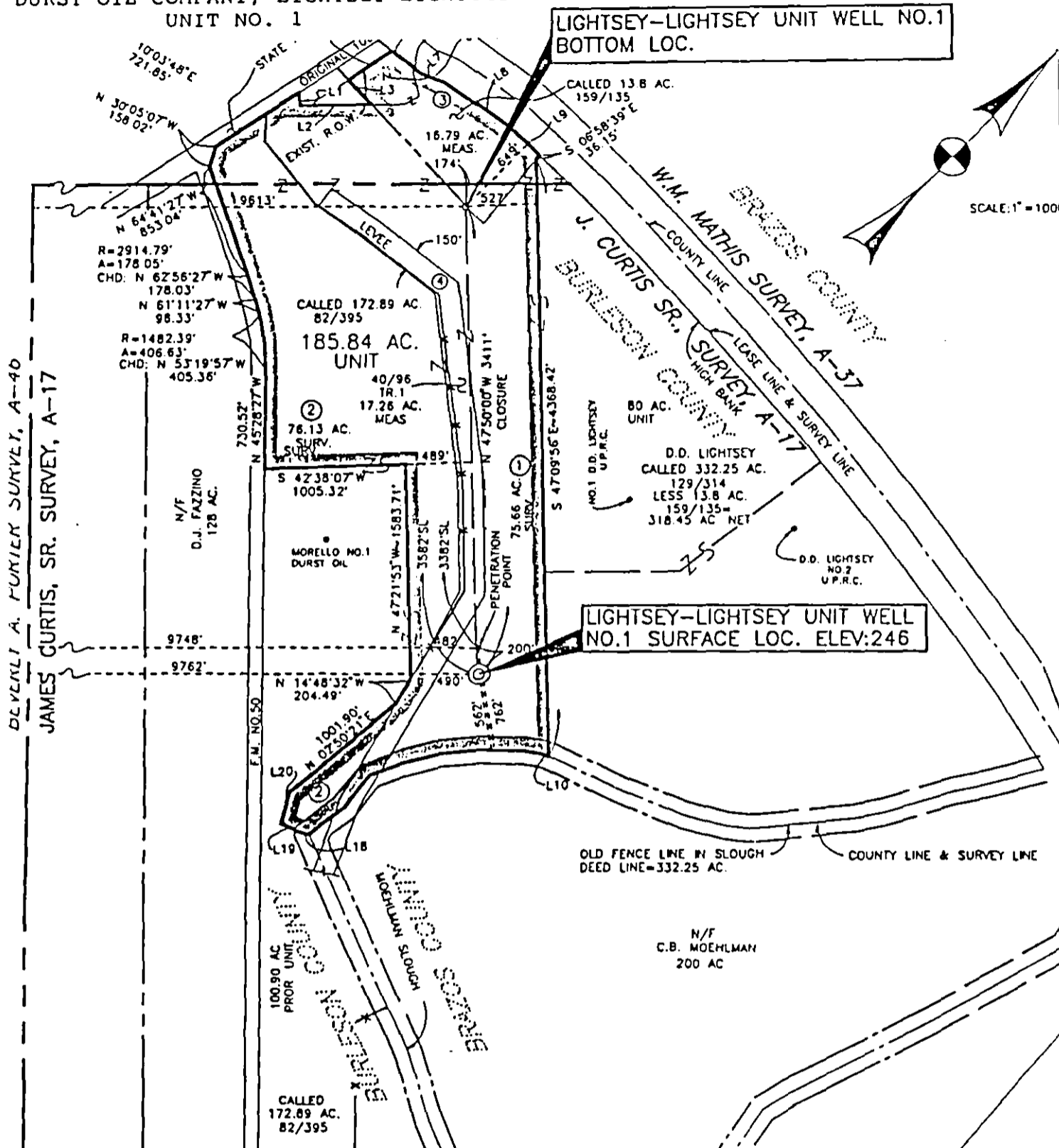
Northwesterly along said curve, for an arc length of 178.05 feet
to the end of this curve, the chord bears
N 62° 56' 27" W 178.03 feet,

N 64° 41' 27" W for a distance of 853.04 feet,

N 30° 05' 07" W for a distance of 158.02 feet to the PLACE OF
BEGINNING, containing 185.84 acres of land,
more or less.

kes-5:a:\lightsy.dur

EXHIBIT "C"
 TO
 DESIGNATION OF UNIT AGREEMENT
 DURST OIL COMPANY; LIGHTSEY-LIGHTSEY
 UNIT NO. 1



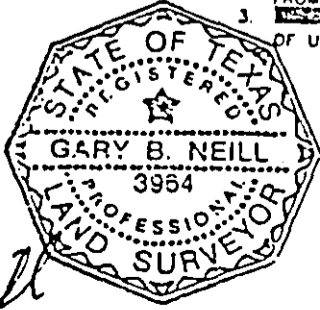
LIGHTSEY-LIGHTSEY UNIT WELL NO.1

TRACT	ACREAGE IN UNIT	LEASE	VOL/PG
1)	75.66	DELBERT DOUGLAS LIGHTSEY ET UX	18/392 O/G
2)	76.13	LOUIS MORELLO ET UX	154/462 O/G
3)	16.79	GUY FRANCESCINI ET UX	159/135 D.R.
4)	17.26	BURLESON COUNTY IMPROVEMENT DIST	40/96 DR
185.84 AC UNIT			

LINE	BEARING	DIST.
L1	S 45°28'40"E	97.12'
L2	N 44°18'21"E	513.50'
L3	N 87°36'58"W	257.11'
L4	N 10°03'48"E	379.67'
L5	N 82°59'46"E	185.33'
L6	N 85°44'21"E	81.00'
L7	N 66°59'21"E	196.70'
L8	N 80°28'21"E	566.30'
L9	N 88°20'21"E	307.30'
L10	S 60°58'21"W	68.20'
L11	S 52°33'21"W	117.90'
L12	S 45°23'21"W	326.90'
L13	S 38°21'21"W	277.00'
L14	S 28°54'21"W	289.80'
L15	S 22°32'21"W	233.50'
L16	S 08°41'40"E	296.60'
L17	S 05°51'21"W	316.60'
L18	S 57°12'21"W	75.20'
L19	S 70°44'21"W	142.10'
L20	N 30°36'40"W	237.30'

REVISIONS:
 VISED 04-30-91 ADDED LEVEE TRACT & AS DRILLED BHL N/F W.L. LIGHTSEY 200 AC.
 VISED 05-20-91 INCREASED UNIT SIZE N/F J. SCARMARDO 53 AC.
 VISED 05-29-91 REVISED UNIT TO 185.84 AC.
 VISED 07-15-91 CHANGED TR. NO. 3 ACREAGE ON PLAT

NOTES:
 1. BEARINGS BASED ON TRUE NORTH, OBTAINED BY SOLAR OBSERVATION.
 2. WELL LOCATED N 57° E 11.6 MILES FROM CALDWELL.
 3. DASHED LINES INDICATE LIMITS OF UNIT.



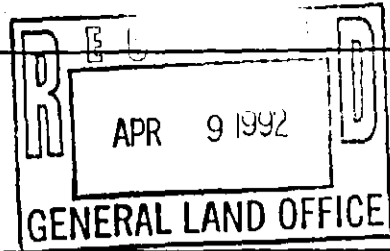
SURVEYED MAY, 1991

Gary B. Neill
 GARY B. NEILL R.P.L.S. #3964

WELL LOCATION
LIGHTSEY-LIGHTSEY UNIT WELL NO.1
 DURST OIL COMPANY
 JAMES CURTIS, SR. SURVEY, A-17
 BEVERLY A. PORTER SURVEY, A-46
 BURLESON COUNTY, TEXAS
 SCALE: 1" = 1000' MAY, 1991

⑨ M-94662

Ratification of Pooling Agreement ⑨
FILED: 3-11-92



**RATIFICATION OF UNIT AGREEMENT
DURST OIL COMPANY
LIGHTSEY-LIGHTSEY UNIT
BURLESON COUNTY, TEXAS**

1189

WHEREAS, a certain instrument, entitled "Designation of Unit Agreement" ("Unit Agreement"), has been executed as of the 19th day of July, 1991, by various persons for conducting Unit Operations with respect to the Austin Chalk Formation underlying the boundaries of the pooled unit, defined as the stratigraphic interval or its correlative equivalent occurring from 7323 feet to 7471 feet on the Dual Induction SFL-Sonic Electric Log of the Durst Oil Company-Peter Morello No. 1 Well, in Burleson County, Texas ("Unitized Interval"), as may be more particularly described in said agreement; and,

WHEREAS, the Unit Agreement, by Exhibit "B" describes each Tract in the Unit Area, and, by Exhibit "C" shows on a map the boundary lines of the Unit Area and the Tract therein; and,

WHEREAS, a person may become a party to said Unit Agreement by signing the original of said instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions thereof;

WHEREAS, the State of Texas claims to be the owner of a Royalty Interest in Tract 4 within the Unit Area, containing approximately 17.26 acres of land, and pursuant to the provisions of Subchapter E, Chapter 52 of the Natural Resources Code, the School Land Board has approved the inclusion of said Tract 4 and Royalty Interest as a part of said Unit Agreement, upon the condition, however, that the Working Interest Owners agree to the terms hereinafter set forth in consideration of the commitment of the State's Royalty Interests to said Unit Agreement, and the Commissioner of the General Land Office is authorized by said statute to commit the State's royalty interests to said Unit on behalf of the State:

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the undersigned, the Commissioner of the General Land Office of the State of Texas, acting on behalf of the State, for and in consideration of the premises and the benefits anticipated to accrue to the State under said Unit Agreement, does hereby commit to said Unit Agreement all Royalty Interests of the State of Texas in all Tracts within the Unit Area as described in Exhibit "B" and shown on Exhibit "C" of said Unit Agreement, and does hereby agree that the State of Texas shall be bound by all of the provisions of said Unit Agreement, except as hereinafter set forth, the same as if the undersigned had executed the original or a counterpart of said Unit Agreement.

This instrument is executed by the undersigned upon the condition that the Working Interest Owners agree to the following

vol 198-400

terms in consideration of the commitment of the State's Royalty Interests to said Unit Agreement:

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit known as the Austin Chalk Formation defined as the stratigraphic interval or its correlative equivalent occurring from 7323 feet to 7471 feet on the Duval Induction SFL-Sonic Electric Log of the Durst Oil Company-Peter Morello Well No. 1 ("unitized interval").

POOLING AND EFFECT:

4.

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

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Ratification.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Ratification.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom.
- (e) A shut-in oil or gas well located upon any lease included within said unit shall be considered as a shut-in oil or gas well located upon each lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners or otherwise diminished by reason of this Ratification.
- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "A" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in

royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "A" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that the area inside the surface boundaries of the pooled unit, if held, will be held as to those depths and horizons insofar and only insofar as provided in the state lease included as a part of this Ratification.

- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 80 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Ratification shall not relieve Lessee from the duty of protecting the above described leases from drainage from any well situated on privately owned land, but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offset to any other well on separate tracts within the unit, nor to develop the tracts separately, as to the pooled mineral except as provided herein.
- (j) Should the Unit Agreement terminate for any cause, in whole or in part, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and condition in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Ratification.

ALLOCATION OF PRODUCTION:

5.

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

ROYALTY:

6.

- (a) It is understood that title to Tract 4 of said Unit Area and the Royalty Interest therein is the subject of that cause styled Lightsey, et al. v. State of Texas, Cause No. 20,329, pending, as of the date of approval of this Ratification by the School Land Board, in the 335th Judicial District Court of Burleson County, Texas. All royalty on production from the Unit Area attributable to Tract 4 of said Unit Area, prior to final disposition of the above-styled and numbered cause, shall be paid into an interest bearing account for the benefit of the party determined from said cause to be the lawful owner of Tract 4 of the Unit Area, and Lessee agrees hereby to file with the School Land Board of the State of Texas a monthly accounting on the royalty so paid into said account. Upon final disposition of said cause, said account shall be liquidated and paid to the owner of Tract 4 of the Unit Area and thereafter additional royalty on production, if not taken in-kind, shall be paid according to the lease, contract, pooling agreement, ratification or other agreement governing the payment of royalty on production from the Unit Area attributable to Tract 4.
- (b) Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this pooling or unitization agreement be made in kind, without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

FULL MARKET VALUE:

7.

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

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

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

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

EFFECTIVE DATE:

8.

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

TERM:

9.

This Ratification shall remain in effect so long as the pooled mineral is being produced from said unit, or so long as all leases included in the pooled unit are maintained in force by payment of delay rentals or shut-in oil or gas well royalties, by drilling or rework, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof which are contained in any State lease covered by this Ratification.

STATE LAND:

10.

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

DISSOLUTION:

11.

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

COUNTERPARTS:

12.

This Ratification may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Ratification so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

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

Date Executed 2/11/92

Legal Amc
Geology KJP
Execution [Signature]

STATE OF TEXAS

By [Signature]
Garry Madro, Commissioner
of the General Land Office

Date Executed 2/4/92

DURST OIL COMPANY

By [Signature]
Its President

Date Executed _____

UNION PACIFIC RESOURCES COMPANY

By _____
Its _____

ATTEST:

DISSOLUTION:

11.

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

COUNTERPARTS:

12.

This Ratification may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Ratification so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

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

Date Executed _____

Legal _____
Geology LT
Execution [Signature]

STATE OF TEXAS

By [Signature]
Gary Mauro, Commissioner
of the General Land Office

Date Executed _____

DURST OIL COMPANY

By _____
Its _____

Date Executed _____

UNION PACIFIC RESOURCES COMPANY

By [Signature]
Its Attorney-in-FACT

ATTEST:

[Signature]

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 6th day of August, 1991,, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

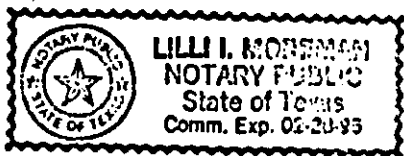
IN TESTIMONY WHEREOF, witness my hand this the 11th day of February, 1992.

Linda K. Fisher
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF Quevas

This instrument was acknowledged before me on February 4, 1992, by Leo A. Duvst Jr. as President of Duvst Oil Company, a Texas corporation, on behalf of said corporation.



Lilli I. Monseman
Notary Public in and for the
State of Texas
Commission expires: 2-28-95

STATE OF TEXAS

COUNTY OF _____

This instrument was acknowledged before me on _____, 1991, by _____ as _____ of Union Pacific Resources Company, a _____ corporation, on behalf of said corporation.

Notary Public in and for the
State of Texas
Commission expires: _____

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 6th day of August, 1991,, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the _____ day of _____, 19____.

Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF _____

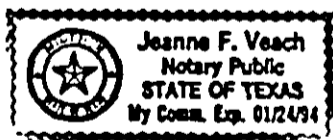
This instrument was acknowledged before me on _____, 1991, by _____ as _____ of Durst Oil Company, a _____ corporation, on behalf of said corporation.

Notary Public in and for the State of Texas
Commission expires: _____

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on JANUARY 23, 1991 by DEBRA JOHNSON as ATTORNEY-IN-FACT of Union Pacific Resources Company, a DELAWARE corporation, on behalf of said corporation.



J. F. Veach

Notary Public in and for the State of Texas
Commission expires: _____

DATE EXECUTED November 5, 1991

AIR EQUIPMENT RENTAL, INC.

By: C. E. Hale
Its: President

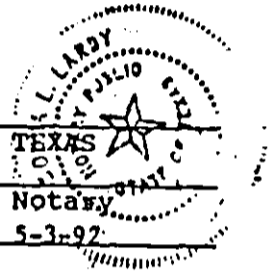
THE STATE OF TEXAS §

COUNTY OF VICTORIA §

BEFORE ME, the undersigned authority, on this day personally appeared C. E. Hale, known to me to be the person whose name is subscribed to the foregoing instrument as President of AIR EQUIPMENT RENTAL, INC. and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 5th day of November 5, 1991.

Donna L. Lardy
NOTARY PUBLIC, STATE OF TEXAS
Donna L. Lardy
Printed/Stamped Name of Notary
My Commission Expires: 5-3-92



DATE EXECUTED November 12, 1991

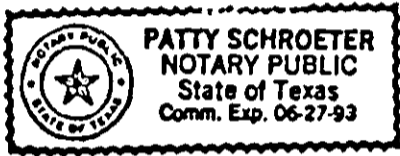
C. W. Alcorn, Jr.
C. W. ALCORN, JR.

THE STATE OF Texas §

COUNTY OF Victoria §

BEFORE ME, the undersigned authority, on this day personally appeared C. W. ALCORN, JR., 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 12th day of November, 1991.



Patty Schroeter
NOTARY PUBLIC, STATE OF TEXAS
Patty Schroeter
Printed/Stamped Name of Notary
My Commission Expires: 6-27-93

VOL 198:411

DATE EXECUTED 11/11/91

Fred C. Alcorn
FRED C. ALCORN

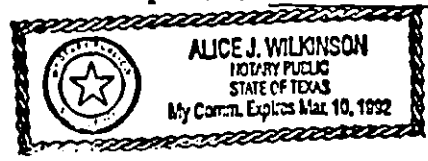
THE STATE OF Texas §
COUNTY OF Harris §

BEFORE ME, the undersigned authority, on this day personally appeared FRED C. ALCORN, 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 11th day of November, 1991.

Alice J. Wilkinson
NOTARY PUBLIC, STATE OF TEXAS

Printed/Stamped Name of Notary
My Commission Expires:



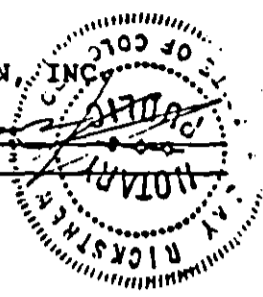
VOL 198-412

H2

DATE EXECUTED 11-19-91

AMERICAN DENTAL PLAN, INC.

By: [Signature]
Its: PRES



THE STATE OF Colorado §

COUNTY OF PITKIN §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument as ROK SHERIFF of AMERICAN DENTAL PLAN, INC. and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 19th day of November, 1991.

Jay Rickstrew
My Commission expires 7/18/95
Central Bank Aspen, N.A.
Box 3318, Aspen, CO 81612

[Signature]
NOTARY PUBLIC, STATE OF TEXAS
Jay Rickstrew
Printed/Stamped Name of Notary
My Commission Expires: 7-18-95

L-L

DATE EXECUTED 12-12-91

[Handwritten Signature]
H. M. BRUTON

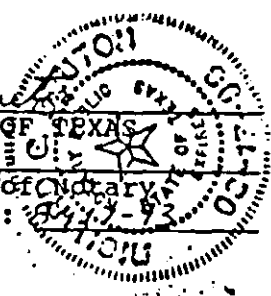
THE STATE OF _____ §

COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared H. M. BRUTON, 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 12 day of DECEMBER, 1991.

Richard G. Bruton
NOTARY PUBLIC, STATE OF TEXAS
RICHARD G. BRUTON
Printed/Stamped Name of Notary
My Commission Expires: 8-13-93



DATE EXECUTED 11-19-91

BURLESON COUNTY VENTURE

By: [Signature]
Its: Managing Partner

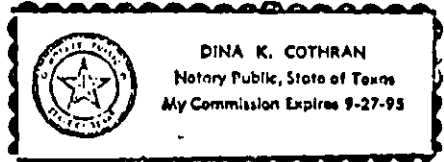
THE STATE OF Texas §

COUNTY OF Baylor §

BEFORE ME, the undersigned authority, on this day personally appeared J.B. STAHALA, known to me to be the person whose name is subscribed to the foregoing instrument as Managing Partner of BURLESON COUNTY VENTURE and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 19th day of November, 1991.

[Signature]
NOTARY PUBLIC, STATE OF TEXAS
DINA K. COTHRAN
Printed/Stamped Name of Notary
My Commission Expires: 9-27-95



VOL 198:415

APPROVED
LAYD
LEGAL <i>LM</i>
TREASURER

DATE EXECUTED November 23, 1991

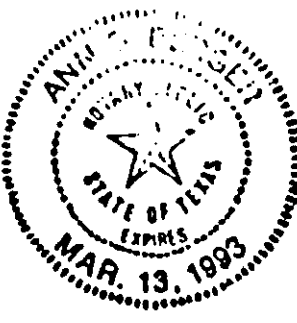
COLUMBIA GAS DEVELOPMENT

By: *Leslie M. Moor*
 Its: Leslie M. Moor, Jr., Vice President

THE STATE OF TEXAS §
 COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Leslie M. Moor, Jr., known to me to be the person whose name is subscribed to the foregoing instrument as Vice President of COLUMBIA GAS DEVELOPMENT and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 22nd day of November, 1991.



Ann G. Boyer
 NOTARY PUBLIC, STATE OF TEXAS
 Printed/Stamped Name of Notary
 My Commission Expires: _____

VOL 198-416

DATE EXECUTED 11/06/91

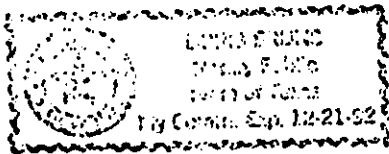
L. A. Durst
L. A. DURST

THE STATE OF TEXAS §

COUNTY OF VICTORIA §

BEFORE ME, the undersigned authority, on this day personally appeared L. A. DURST, 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 6th day of November, 1991.



Debra Brunz
NOTARY PUBLIC, STATE OF TEXAS

Printed/Stamped Name of Notary
My Commission Expires: _____

VOL 198: 417

DATE EXECUTED November 7, 1991

ELAND ENERGY

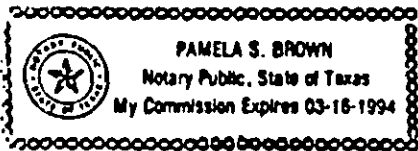
By: *[Signature]*
Its: President

THE STATE OF Texas §

COUNTY OF Dallas §

BEFORE ME, the undersigned authority, on this day personally appeared Tim Allen, known to me to be the person whose name is subscribed to the foregoing instrument as President of ELAND ENERGY and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 7th day of November, 1991.



Pamela S. Brown
NOTARY PUBLIC, STATE OF TEXAS
Pamela S. Brown
Printed/Stamped Name of Notary
My Commission Expires: 3/16/94

VOL. 198-418

DATE EXECUTED December 22, 1991

HARKEN ENERGY CORPORATION

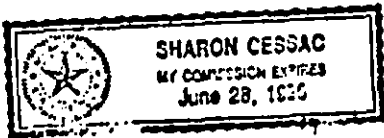
By: *T. W. Beechler*
Its: T. W. Beechler, President

THE STATE OF Texas §

COUNTY OF Tarrant §

BEFORE ME, the undersigned authority, on this day personally appeared T. W. Beechler, known to me to be the person whose name is subscribed to the foregoing instrument as President of HARKEN Energy Corporation and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 22 day of December, 1991.



Sharon Cessac
NOTARY PUBLIC, STATE OF TEXAS
Sharon Cessac
Printed/Stamped Name of Notary
My Commission Expires: _____

VOL. 198-2-1 419

DATE EXECUTED NOV 6, 1991

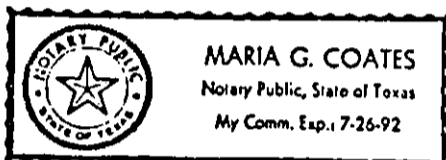
Edward C. Huffman
EDWARD C. HUFFMAN

THE STATE OF TEXAS §

COUNTY OF BEXAR §

BEFORE ME, the undersigned authority, on this day personally appeared EDWARD C. HUFFMAN, 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 6th day of November, 1991.



Maria G Coates
NOTARY PUBLIC, STATE OF TEXAS
Printed/Stamped Name of Notary
My Commission Expires: _____

VOL 198-420

DATE EXECUTED NOV 6, 1991

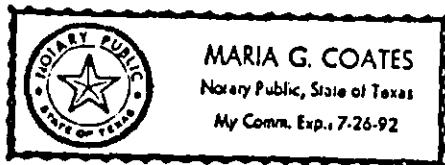
Ruth Huffman
RUTH HUFFMAN

THE STATE OF TEXAS §

COUNTY OF DEYAR §

BEFORE ME, the undersigned authority, on this day personally appeared RUTH HUFFMAN, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 6th day of November, 1991.



Maria G. Coates
NOTARY PUBLIC, STATE OF TEXAS

Printed/Stamped Name of Notary
My Commission Expires: _____

VOL 198-421

DATE EXECUTED 11/15/91

Richard H. Hill
RICHARD H. HILL

THE STATE OF Oregon §

COUNTY OF Lane §

BEFORE ME, the undersigned authority, on this day personally appeared RICHARD H. HILL, 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 15th day of November, 1991.



Ann Kinnery
NOTARY PUBLIC, STATE OF ~~TEXAS~~ Oregon
Printed/Stamped Name of Notary
My Commission Expires: 8/31/93

VOL 198-2-422

DATE EXECUTED 11-15-91

Gloria G. Hill
GLORIA G. HILL

THE STATE OF Oregon §
COUNTY OF Tillamook §

BEFORE ME, the undersigned authority, on this day personally appeared GLORIA G. HILL, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed,

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 15 day of November, 1991.

Brenda L. King
BRENDA L. KING
NOTARY PUBLIC - OREGON

MY COMMISSION EXPIRES NOTARY PUBLIC, STATE OF TEXAS Oregon

Printed/Stamped Name of Notary
My Commission Expires: 2-26-94

CENTENNIAL BANK
— Valley River Branch —
1141 VALLEY RIVER DRIVE
EUGENE, OREGON 97401

VOL 198-423

DATE EXECUTED 11/8/91

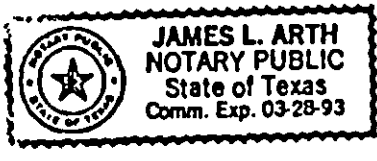
Jean R. Hixson
JEAN R. HIXSON

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

BEFORE ME, the undersigned authority, on this day personally appeared JEAN R. HIXSON, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 8th day of November, 1991.



James L. Arth
NOTARY PUBLIC, STATE OF TEXAS
Printed/Stamped Name of Notary
My Commission Expires: _____

VOL 198-24 424

DATE EXECUTED 11-11-91

INSURANCE MARKETING SPECIALISTS,
INC.

By: William J. Kiser
Its: Vice President

THE STATE OF Texas §
COUNTY OF Travis §

BEFORE ME, the undersigned authority, on this day personally appeared William J. Kiser, known to me to be the person whose name is subscribed to the foregoing instrument as Vice President of INSURANCE MARKETING SPECIALISTS, INC. and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 11th day of November, 1991.

Suzann J. Baird
NOTARY PUBLIC, STATE OF TEXAS

Printed/Stamped Name of Notary
My Commission Expires:



VOL 198-425

DATE EXECUTED 11-13-91

LITTLE SCOTT, INC.

By: Edgar A. Brown Jr
Its: President

THE STATE OF Texas §

COUNTY OF Tarrant §

BEFORE ME, the undersigned authority, on this day personally appeared Edgar A Brown Jr, known to me to be the person whose name is subscribed to the foregoing instrument as President of LITTLE SCOTT, INC. and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 13th day of November, 1991.

Carolyn Keese Griffin
CAROLYN KEESEE GRIFFIN
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
November 7, 1993
Carolyn Keese Griffin
Printed/Stamped Name of Notary
My Commission Expires: 11-7-93

VOL 198-426

DATE EXECUTED 11-12-91

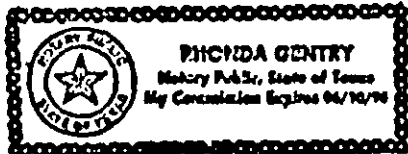
John F. Maner
JOHN F. MANER

THE STATE OF Texas §

COUNTY OF Lubbock §

BEFORE ME, the undersigned authority, on this day personally appeared JOHN F. MANER, 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 12th day of November, 1991.



Rhonda Gentry
NOTARY PUBLIC, STATE OF TEXAS
Rhonda Gentry
Printed/Stamped Name of Notary
My Commission Expires: 6-10-95

VOL 198-427

DATE EXECUTED November 25, 1991

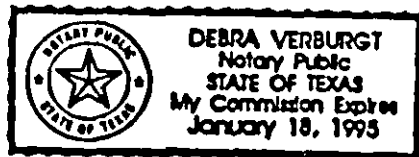

KENTON McDONALD

THE STATE OF TEXAS §

COUNTY OF NUECES §

BEFORE ME, the undersigned authority, on this day personally appeared KENTON McDONALD, 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 25th day of November, 1991.




NOTARY PUBLIC, STATE OF TEXAS

Printed/Stamped Name of Notary
My Commission Expires: _____

VOL 198-428

DATE EXECUTED 11-5-91

PETRUS INTERESTS

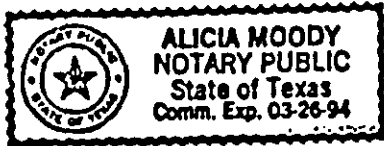
By: J. J. Petrus Jr.
Its: PARTNER

THE STATE OF Texas §

COUNTY OF San Patricio §

BEFORE ME, the undersigned authority, on this day personally appeared J. J. Petrus, Jr., known to me to be the person whose name is subscribed to the foregoing instrument as a partner of PETRUS INTERESTS and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

am ~~October~~ November GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 5th day of November, 1991.



Alicia Moody
NOTARY PUBLIC, STATE OF TEXAS

Printed/Stamped Name of Notary
My Commission Expires: 3-26-94

VOL 198-429

DATE EXECUTED 11/7/91

RTG INVESTMENTS, INC.
By: Gerald J. Essl
Its: V. President.

THE STATE OF Texas §
COUNTY OF Hays §

BEFORE ME, the undersigned authority, on this day personally appeared Gerald J. Essl, known to me to be the person whose name is subscribed to the foregoing instrument as Vice President of RTG INVESTMENTS, INC. and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 7th day of November, 1991.



Donna J. Phillips
NOTARY PUBLIC, STATE OF TEXAS
Donna J. Phillips
Printed/Stamped Name of Notary
My Commission Expires: 8-20-93

VOL 198-430

DATE EXECUTED December 6, 1991

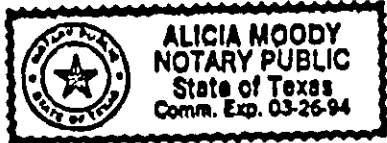
Alfred C. Thomas
ALFRED C. THOMAS

THE STATE OF Texas 5

COUNTY OF San Patricio 5

BEFORE ME, the undersigned authority, on this day personally appeared ALFRED C. THOMAS, 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 6th day of December, 1991.



Alicia Moody
NOTARY PUBLIC, STATE OF TEXAS
Alicia Moody
Printed/Stamped Name of Notary
My Commission Expires: 3/26/94

VOL 198-431

DATE EXECUTED 12/5/91

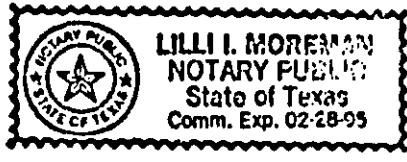
Florence J. Thomas
FLORENCE J. THOMAS

THE STATE OF Texas §

COUNTY OF Queens §

BEFORE ME, the undersigned authority, on this day personally appeared FLORENCE J. THOMAS, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 5th day of December, 1991.



Lilli I. Moreman
NOTARY PUBLIC, STATE OF TEXAS
Lilli I. Moreman
Printed/Stamped Name of Notary
My Commission Expires: 2-28-95

VOL 198-432

DATE EXECUTED December 6, 1991

JOE THOMAS "O-G-M", INC.

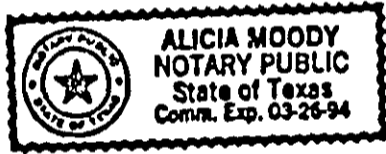
By: Alfred C. Thomas
Its: President

THE STATE OF Texas §

COUNTY OF San Patricio §

BEFORE ME, the undersigned authority, on this day personally appeared Alfred C. Thomas, known to me to be the person whose name is subscribed to the foregoing instrument as President of JOE THOMAS "O-G-M", INC. and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 6th day of December, 1991.



Alicia Moody
NOTARY PUBLIC, STATE OF TEXAS
Alicia Moody
Printed/Stamped Name of Notary
My Commission Expires: 3/26/94

VOL 198:433

DATE EXECUTED December 10, 1991

~~JOSEPH W.~~ ^{JOE} & JOYE THOMAS
FAMILY PARTNERSHIP

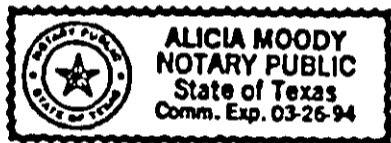
By: Mrs. Joseph W. (Joye D.) Thomas
Its: Joye D. Thomas, (Individually and
Independent Executrix and Testamentary
Trustee of the Estate of Joseph W.
Thomas, Deceased, its Partners

THE STATE OF Texas §

COUNTY OF San Patricio §

BEFORE ME, the undersigned authority, on this day personally
appeared Joye D. Thomas, known to me to be the person whose
name is subscribed to the foregoing instrument as Partners of
JOSEPH W. & JOYE THOMAS FAMILY PARTNERSHIP and acknowledged to me that he
or she executed the same for the purposes and consideration therein
expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 10th day of
December, 1991.



Alicia Moody
NOTARY PUBLIC, STATE OF TEXAS
Alicia Moody
Printed/Stamped Name of Notary
My Commission Expires: 3/26/94

VOL 198 of 434

DATE EXECUTED 11-7-91

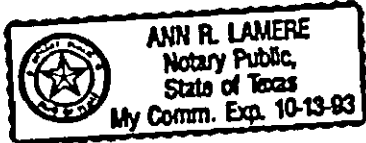
Leonard F. Thornton
LEONARD F. THORNTON

THE STATE OF TEXAS §

COUNTY OF BEXAR §

BEFORE ME, the undersigned authority, on this day personally appeared LEONARD F. THORNTON, 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 NOVEMBER, 1991.



Ann R. Lamere
NOTARY PUBLIC, STATE OF TEXAS
ANN R. LAMERE
Printed/Stamped Name of Notary
My Commission Expires: 10-13-93

VOL 198-435

DATE EXECUTED Nov 6, 1991

Bob Wilson
BOB WILSON

THE STATE OF Texas §

COUNTY OF Michita §

BEFORE ME, the undersigned authority, on this day personally appeared BOB WILSON, 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 6th day of November, 1991.



Lori Mae Duke
NOTARY PUBLIC, STATE OF TEXAS
Lori Mae Duke

Printed/Stamped Name of Notary
My Commission Expires: Jan. 22, 1995

VOL 198-436

L-2
Encl. 2005
State Rat. F.

DATE EXECUTED 1/16/92

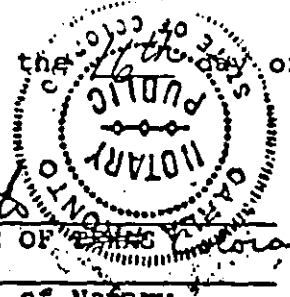
PAIDEIA TRUST
By: Robert W. Chatman
Its: REPRESENTATIVE

THE STATE OF Colorado §
COUNTY OF Garfield §

BEFORE ME, the undersigned authority, on this day personally appeared Robert W. Chatman, known to me to be the person whose name is subscribed to the foregoing instrument as EXECUTOR REPRESENTATIVE of PAIDEIA TRUST and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 16th day of January, 1992 of the State of Colorado

Carla Pronto
NOTARY PUBLIC, STATE OF COLORADO
CARLA PRONTO
Printed/Stamped Name of Notary
My Commission Expires: 03-20-93



DATE EXECUTED 1/23/92

PRUDENTIAL-BACHE ENERGY INCOME
PRODUCTION PARTNERSHIP VP-18
PRUDENTIAL-BACHE ENERGY INCOME
PRODUCTION PARTNERSHIP VP-19

WITNESSES:

By: Graham Royalty, Ltd.
Managing General Partner

[Signature]
[Signature]

BY: [Signature]
James W. Carrington, Jr.
Its: Vice President-Land

STATE OF LOUISIANA

PARISH OF ST. TAMMANY

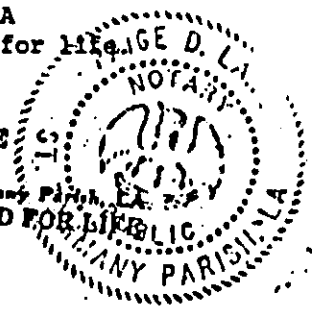
BEFORE ME, the undersigned authority, a Notary Public duly commissioned, qualified and acting in and for said parish and state, on this day personally appeared JAMES W. CARRINGTON, JR., known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be the Vice President-Land of GRAHAM ROYALTY, LTD., as Managing General Partner for PRUDENTIAL-BACHE ENERGY INCOME PRODUCTION PARTNERSHIP VP-18 and PRUDENTIAL-BACHE ENERGY INCOME PRODUCTION PARTNERSHIP VP-19, as Louisiana general partnerships, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and as the act of said partnerships.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 23rd day of January, 1992.

Paige D Lane

PAIGE D. LANE
NOTARY PUBLIC
STATE OF LOUISIANA
My commission is issued for life.

PAIGE D. LANE
Notary Public
Duly Commissioned in St. Tammany Parish, LA
MY COMMISSION IS ISSUED FOR LIFE



Vol. 198-2:1 438

EXHIBIT "A"
TO
RATIFICATION OF DESIGNATION
OF UNIT AGREEMENT
DURST OIL COMPANY; LIGHTSEY-LIGHTSEY
UNIT NO. 1

Lightsey-Lightsey Unit Well No. 1
185.84 Acre Unit
Durst Oil Company
James Curtis Survey, A-17
Beverly A. Porter Survey, A-46
Burleson County, Texas

Field notes of a 185.84 acre tract or parcel of land, lying and being situated in the James Curtis Survey, Abstract No. 17 and in the Beverly A. Porter Survey, Abstract No. 46, Burleson County, Texas, and being part of the called 332.25 acre tract described in the deed from Thomas C. Ward, Administrator of the Estate of Ward T. Mooring, Deceased, to D. D. Lightsey, as recorded in Volume 129, Page 314, of the Deed Records of Burleson County, Texas, and part of the called 172.89 acre tract described in the deed from Ward Mooring to Peter Morello, as recorded in Volume 82, Page 395, of the Deed Records of Burleson County, Texas, and all of the called 13.80 acre tract and part of the called 4.05 acre tract described in the deed from M. Martin Kramer to Guy A. Franceschini and wife, Doris Franceschini, as recorded in Volume 159, Page 135, of the Deed Records of Burleson County, Texas, and also being part of the called 46.1 acre First Tract described in the deed from John K. Parker and G. S. Parker, Executors of the Estate of M. Parker, deceased, to John K. Parker (with authorization to convey said property to the Burleson County Improvement District No. 1), recorded in Volume 40, Page 96, of the Deed Records of Burleson County, Texas, and said 185.84 acre tract being more particularly described as follows:

BEGINNING at the intersection of the northerly right-of-way line of Farm-to-Market Road No. 50, with the east right-of-way line of the original 100 foot wide right-of-way for State Highway No. 21, from which a concrete monument bears S 79° 56' 12" E 120.3 feet, and another bears S 42° 51' 52" E 247.9 feet;

THENCE N 10° 03' 48" E as referenced to true north obtained by solar observation, along the east line of the original 100 foot wide right-of-way, of Highway 21, pass at 437.65 feet the northwest corner of the beforementioned 172.89 acre tract and the southwest corner of the beforementioned 332.25 acre tract, continue on, for a total distance of 721.85 feet and corner;

THENCE S 45° 28' 40" E for a distance of 97.12 feet and corner;

THENCE N 44° 18' 21" E for a distance of 513.50 feet to the south corner of the above-referenced 4.05 acre tract, same being the southwest corner of the above-referenced 13.80 acre tract;

THENCE N 87° 36' 58" W with the south line of said 4.05 acre tract, for a distance of 257.11 feet and corner on the present right-of-way line of State Highway 21;

THENCE N 10° 03' 48" E with said right-of-way line, for a distance of 379.67 feet and corner on the west bank of the Brazos River;

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Lightsey-Lightsey Unit Well No. 1
185.84 Acre Unit
Durst Oil Company
James Curtis Survey, A-17
Beverly A. Porter Survey, A-46
Burleson County, Texas
Page 2

THENCE down the West Bank of the Brazos River, for the following calls:

N 82° 59' 46" E 185.33 feet,
N 85° 44' 21" E 81.00 feet,
N 66° 59' 21" E 196.70 feet,
N 80° 28' 21" E 566.30 feet,
N 88° 20' 21" E 307.30 feet;

THENCE S 06° 58' 39" E with the east line of the 13.80 acre tract, as fenced, for a distance of 36.15 feet;

THENCE S 47° 09' 56" E across the called 332.25 acre tract, for a distance of 4368.42 feet to a point in the centerline of Moehlman Slough, said centerline being the boundary line between Burleson and Brazos Counties;

THENCE with the centerline of Moehlman Slough for the following calls:

S 60° 58' 21" W 68.20 feet,
S 52° 33' 21" W 117.90 feet,
S 45° 23' 21" W 326.90 feet,
S 38° 21' 21" W 277.00 feet,
S 28° 54' 21" W 289.80 feet,
S 22° 32' 21" W 233.50 feet,
S 08° 41' 40" E 296.60 feet,
S 05° 51' 21" W 316.60 feet;

THENCE with the southmost lines of the called 332.25 acres, for the following calls:

S 57° 12' 21" W 75.20 feet,
S 70° 44' 21" W 142.10 feet to a point on the common line
between the called 332.25
acre tract and the 179.89 acre tract;

THENCE along the said common line, for the following calls:

N 30° 36' 40" W 237.30 feet,
N 02° 50' 21" E 1001.90 feet,
N 14° 48' 32" W 204.49 feet;

THENCE through the interior of the called 172.89 acre tract, for the following calls:

N 47° 21' 53" W 1583.71 feet,
S 42° 38' 07" W 1005.32 feet to a point on the northeast right-
of-way line of Farm-to-Market Road No. 50;

VOL 198-34 440

Lightsey-Lightsey Unit Well No. 1
185.84 Acre Unit
Durst Oil Company
James Curtis Survey, A-17
Beverly A. Porter Survey, A-46
Burleson County, Texas
Page 3

THENCE along the northeasterly right-of-way line of the
beforementioned Farm-to-Market Road No. 50, as follows:

N 45° 28' 27" W 730.52 feet to the beginning of a curve,
concave to the southwest, having a radius of
1482.39 feet,

Northwesterly along said curve, for an arc length of 406.63
feet to the end of this curve, the
chord bears N 53° 19' 57" W 405.38 feet,

N 61° 11' 27" W for a distance of 98.33 feet to the
beginning of a curve, concave to the
south, having a radius of 2914.79 feet,

Northwesterly along said curve, for an arc length of 178.05 feet
to the end of this curve, the chord bears
N 62° 56' 27" W 178.03 feet,

N 64° 41' 27" W for a distance of 853.04 feet,

N 30° 05' 07" W for a distance of 158.02 feet to the PLACE OF
BEGINNING, containing 185.84 acres of land,
more or less.

kes-5-a:Lightsey.dur

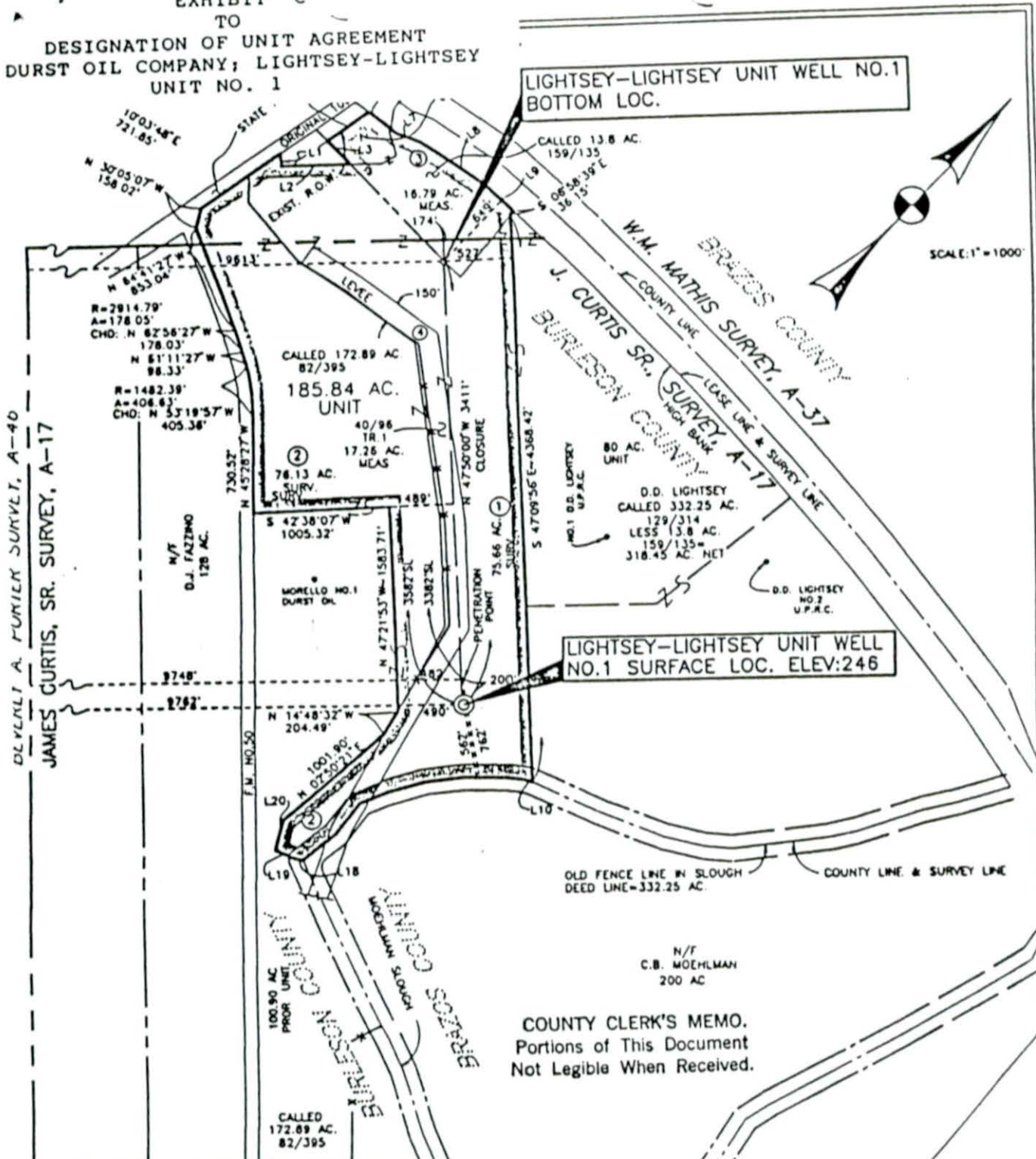
VOL 198-441

EXHIBIT "B"
TO
RATIFICATION OF DESIGNATION
OF UNIT AGREEMENT
DURST OIL COMPANY: LIGHTSEY-LIGHTSEY UNIT NO. 1

LEASES

1. That certain Oil, Gas and Mineral Lease dated April 21, 1976, from Delbert Douglas Lightsey and wife, Edile Lightsey, as Lessors, to Fred Prickett, as Lessee, recorded in Volume 18 at Page 392, of the Oil and Gas Lease Records of Burleson County, Texas.
2. That certain Oil, Gas and Mineral Lease dated april 20, 1989, from Louis Morello and wife, Mamie Ruth Morello, as Lessors, to the Durst Oil Company, as Lessee, recorded in Volume 154 at Page 482, of the Oil and Gas Lease Records of Burleson County, Texas.
3. That certain Oil, Gas and Mineral Lease dated April 20, 1989, from D. D. Lightsey et ux, as Lessors, to the Durst Oil Company, as Lessee, recorded in Volume 154 at Page 464 of the Oil and Gas Lease Records of Burleson County, Texas.
4. That certain Oil, Gas and Mineral Lease dated January 15, 1991, from Guy A. Franceschini and wife, Doris M. Franceschini, as Lessors, to the Durst Oil Company, as Lessee, recorded in Volume 179 at Page 432, of the Oil and Gas Lease Records of Burleson County, Texas.
5. That certain Oil and Gas Lease dated August 6, 1991, covering the 17.26 acre tract and being situated in the James Curtis, Sr., Survey A-17, as recorded in Volume 190, Page 638 in Oil and Gas Lease Records, Burleson County, Texas, and being State of Texas Lease No. M-94662.

EXHIBIT "C"
TO
DESIGNATION OF UNIT AGREEMENT
DURST OIL COMPANY; LIGHTSEY-LIGHTSEY
UNIT NO. 1



COUNTY CLERK'S MEMO.
Portions of This Document
Not Legible When Received.

LIGHTSEY-LIGHTSEY UNIT WELL NO.1			
ACT	ACREAGE IN UNIT	LEASE	VOL/PG
1	75.66	DELBERT DOUGLAS LIGHTSEY, ET UX	18/392 O/C
2	76.13	LOUIS MORELLO, ET UX	154/462 O/G
3	16.79	GUY FRANCESCHINI, ET UX	159/135 D.R.
4	17.26	BURLESON COUNTY IMPROVEMENT DIST	40/96 DR
185.84 AC UNIT			

LINE	BEARING	DIST.
L1	S 45°28'40"E	97.12'
L2	N 44°18'21"E	513.50'
L3	N 87°36'58"W	257.11'
L4	N 10°03'48"E	379.67'
L5	N 82°59'46"E	185.33'
L6	N 85°44'21"E	81.00'
L7	N 86°59'21"E	196.70'
L8	N 80°28'21"E	566.30'
L9	N 88°20'21"E	307.30'
L10	S 60°58'21"W	68.20'
L11	S 52°33'21"W	117.90'
L12	S 45°23'21"W	326.90'
L13	S 38°21'21"W	277.00'
L14	S 28°54'21"W	289.80'
L15	S 22°32'21"W	233.50'
L16	S 08°41'40"E	296.60'
L17	S 05°51'21"W	316.60'
L18	S 57°12'21"W	75.20'
L19	S 70°44'21"W	142.10'
L20	N 30°36'40"W	237.30'

USED 04-30-91 ADDED LEVEE TRACT & AS DRILLED BHL
 USED 05-20-91 INCREASED UNIT SIZE
 USED 05-29-91 REVISED UNIT TO 185.84 AC.
 USED 07-15-91 CHANGED TR. NO. 3 ACREAGE ON PLAT

NOTES:
 1. BEARINGS BASED ON TRUE NORTH, OBTAINED BY SOLAR OBSERVATION.
 2. WELL LOCATED N 57E 11.6 MILES FROM CALDWELL FARM.
 3. ~~INDICATES~~ INDICATES LIMITS OF UNIT.

FILED FOR RECORD
 at 9:00 o'clock A.M.
 MAR 6 1992
 Evelyn M. Henry
 COUNTY CLERK, BURLESON CO., TEX.
 SURVEYED MAY, 1991



WELL LOCATION
LIGHTSEY-LIGHTSEY UNIT WELL NO.1
 DURST OIL COMPANY
 JAMES CURTIS, SR. SURVEY, A-17
 BEVERLY A. PORTER SURVEY, A-46
 BURLESON COUNTY, TEXAS
 SCALE: 1" = 1000' MAY, 1991

Gary B Neill
 GARY B NEILL R.P.L.S. #3964

ALONG ENGINEERING & SURVEYING
 DALLAS, TEXAS

VOL 198: 443

Filed for record March 6, 1992 at 9:00 o'clock A.M.
 and recorded March 16, 1991 at 4:00 o'clock P.M.
 Volume 198 Page 400-443 Oil & Gas Lease Record
 By Thomas L. Schriber Deputy

Evelyn M. Henry, Clerk
 Burleson County, Texas

STATE OF TEXAS }
COUNTY OF BURLESON }

I, EVELYN M. HENRY, County Clerk, Burleson County, Texas, do hereby certify that the foregoing is a true and correct copy of the original, as same appears of record in Vol. 198, Page 400-443 Oil & Gas Lease Records, Burleson County, Texas.

Witness my hand and seal of office on this the 26 day of March

Evelyn M. Henry
A.D. 1992
EVELYN M. HENRY
County Clerk, Burleson County, Texas

BY _____
Deputy

⑩

Certified Copy of ~~BBMA~~
Agreement Retification
M-9466Z
8.4.92

Return each W-1 with plat and \$10000 fee. Make a check or money order payable to the State Treasurer of Texas. Address to: Railroad Commission of Texas, Oil and Gas Division, Drilling Permits, P. O. Drawer 12987, Capitol Station, Austin, Texas 78711.

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

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

Read Instructions on Back

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

Purpose of filing (mark appropriate boxes): <input checked="" type="checkbox"/> Drill <input type="checkbox"/> Deepen (below casing) <input type="checkbox"/> Deepen (within casing) <input type="checkbox"/> Plug Back <input type="checkbox"/> Re-Enter (Horizontal) <input checked="" type="checkbox"/> Directional Well <input type="checkbox"/> Sidetrack <input checked="" type="checkbox"/> Amended Permit (enter permit no. at right & explain fully in Remarks)						Enter here, If assigned: API No. 42-051-33163 Permit No. 381699 Rule 37 Case No.								
1. Operator's Name (exactly as shown on Form P.5, Organization Report) UNION PACIFIC RESOURCES COMPANY		3. RRC Operator No. 876645	4. RRC District No. 03	5. County of Well Site Burleson										
2. Address (including city and zip code) P.O. Box 7 - MS 3407 Fort Worth, Texas 76101-0007		6. Lease Name (72 spaces maximum) Lightsey-Lightsey Unit		7. RRC Lease/ID No.	8. Well No. 1	9. Total Depth 12,000'								
10. Location • Section _____ Block _____ Survey SL & TL; James Curtis Abstract No. A- 17 • This well is to be located 11.6 miles in a NE direction from Caldwell, Texas which is the nearest town in the county of the well site.														
11. Distance from proposed location to nearest lease or unit line 490 ft.			12. Number of contiguous acres in lease, pooled unit, or unitized tract 160 (OUTLINE ON PLAT.)											
13. FIELD NAME (Exactly as shown on RRC promotion schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line. Giddings (Austin Chalk-31)		14. Completion depth 12,000'	15. Spacing pattern (ft.) 467/1200	16. Density pattern (acres) 160/80	17. Number of acres in drilling unit for this well. OUTLINE ON PLAT. 160	18. Is this acreage assigned to another well on this lease or in this reservoir? If so, explain in Remarks. No	19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease or reservoir. (ft.) N/A	20. Oil, gas, or other type well (Specify) OIL	21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir. <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; text-align:center;">OIL</td> <td style="width:50%; text-align:center;">GAS</td> </tr> <tr> <td style="text-align:center;">1</td> <td style="text-align:center;">0</td> </tr> </table>		OIL	GAS	1	0
OIL	GAS													
1	0													
22. Perpendicular surface location from two nearest designated lines: • Well/Unit 556' FE'LYSEL & 490' FE'LYSWL • Survey/ SWHPSW 5581' FNWL & 9750' FSWL				If a directional well, show also projected bottom-hole location: • Well/Unit 498' FN'LYNEL & 571' FN'LYNWL • Survey/ SWHPSW 90' FNWL & 9638' FSWL										
23. Is this a pooled unit? Yes <input checked="" type="checkbox"/> (Attach Form P.12 and certified plat.) No <input type="checkbox"/>			24. Is item 17 less than item 18 (substandard acreage for any field applied for)? Yes <input type="checkbox"/> (Attach Form W.1A) No <input checked="" type="checkbox"/>											
25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			If subject to Rule 36, is Form H.9 filed? Yes <input type="checkbox"/> No <input type="checkbox"/> If not filed, explain in Remarks.											
26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> See Instructions for Rule 37. *Except portions inside unit.			I certify that information stated in this application is true and complete, to the best of my knowledge. <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><i>J.R. Carter, Jr.</i> Signature</p> <p>02-12-91 Date: mo day yr.</p> </div> <div style="width: 45%;"> <p>J.R. Carter, Jr./Regulatory Manager Name and title of operator's representative</p> <p>817-877-7950 Tel: Area Code Number</p> </div> </div> <p style="text-align: center;">* RRC Use Only *</p>											
Remarks HORIZONTAL DRAINHOLE Penetration point location: 754' FE'LYSEL & 490' FE'LYSWL of unit; 5381' FNWL & 9745' FSWL of survey. Amend permit to correct unit and to revise location and total depth.														

RECEIVED
JUN 7 1991
GENERAL LAND OFFICE

① M-94662
Form W-1 Application to Drill Well #1
FILED 8-14-92

REGISTERED
JUN 7 1991
GENERAL LAND OFFICE

Type or print only

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

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

Oil Well Potential Test, Completion or Recompletion Report, and Log				API No. 42-051-33163		7. RRC District No. 3	
1. FIELD NAME (as per RRC Records or Wildcat) Giddings (Austin Chalk-3)				2. LEASE NAME Lightsey-Lightsey Unit		9. Well No. 1	
3. OPERATOR'S NAME (Exactly as shown on Form P 5, Organization Report) Durst Oil Company				RRC Operator No. 236455		10. County of well site Burleson	
4. ADDRESS 1702 American Bank Plaza, Corpus Christi, Texas 78475				11. Purpose of filing Initial Potential <input checked="" type="checkbox"/>			
5. If Operator has changed within last 60 days, name former operator Union Pacific Resources Company				Retest <input type="checkbox"/>			
6a. Location (Section, Block, and Survey) James Curtis A-17		6b. Distance and direction to nearest town in this county 11.6 Miles from Caldwell, Texas		Reclass <input type="checkbox"/>			
12. If workover or reclass, give former field (with reservoir) & gas ID or oil lease no. FIELD # RESERVOIR		GAS ID or OIL LEASE #	OIL O Gas G	WELL NO		Well record only <input type="checkbox"/> (explain in Remarks)	
13. Type of electric or other log run None				14. Completion or recompletion date 3-11-91			

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

15. Date of test 3-15-91		16. No. of hours tested 24		17. Production method (Flowing, Gas Lift, Jetting, Pumping— Size & Type of pump) Pumping 1-3/4"		18. Choke size	
19. Production during Test Period		Oil BBLS 247	Gas — MCF 100	Water BBLS 55	Gas/Oil Ratio 405	Flowing Tubing Pressure PSI	
20. Calculated 24-Hour Rate		Oil BBLS 247	Gas — MCF 100	Water — BBLS 55	Oil Gravity—API—60" 40°	Casing Pressure 100 PSI	
21. Was swab used during this test? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			22. Oil produced prior to test (New & Reworked wells) 1369			23. Injection Gas—Oil Ratio	

REMARKS

Horizontal Drainhole

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

WELL TESTER'S CERTIFICATION

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

Signature: Well Tester

Durst Oil Company
Name of Company

RRC Representative

OPERATOR'S CERTIFICATION

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

Lee A. Durst, Jr.
Typed or printed name of operator's representative

President
Title of Person

(512) 888-4741
Telephone Area Code Number

3 / 25 / 91
Date mo day year

Signature

SECTION II D. ON WELL COMPLETION AND LOG (Not Required on ...)

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

25. Permit to Drill, Plug Back or Deepen DATE 11/30/90 PERMIT NO. 381699
 Rule 37 CASE NO.
 Exception
 Water Injection PERMIT NO.
 Permit
 Salt Water Disposal PERMIT NO.
 Permit
 Other PERMIT NO.

26. Notice of Intention to Drill this well was filed in Name of
 Union Pacific Resources Company

27. Number of producing wells on this lease in this field (reservoir) including this well: 1
 28. Total number of acres in this lease: 160

29. Date Plug Back, Deepening, WorkOver or Drilling Operations: Commenced 12-21-90 Completed 3-11-91
 30. Distance to nearest well Same Lease & Reservoir

31. Location of well, relative to nearest lease boundaries of lease on which this well is located: 500 Feet From West Line and 500 Feet from North Line of the Lightsey-Lightsey Unit Lease

32. Elevation (D.F., RKB, RT, GR, ETC.): 246 GR.
 33. Was directional survey made other than Inclination (Form W-12)? Yes No

34. Top of Pav 7388' 35. Total Depth 10,685' 36. P. B. Depth 10,685' 37. Surface Casing Determined by: Field Rules Recommendation of T.D.W.R. Railroad Commission (Special)
 Dt. of Letter 12-18-90

38. Is well multiple completion? No
 39. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No. FIELD & RESERVOIR
 GAS ID or OIL LEASE # OIL-O Gas-G WELL #
 40. Intervals Drilled by: Rotary Tools X Cable Tools
 41. Name of Drilling Contractor: Driller's, Inc.
 42. Is Cementing Affidavit Attached? Yes No

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

CASING SIZE	WT #/FT	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu ft
10 3/4"	40.50	1,011'		650 sks std & MODHCL	14 3/4"	Surface	1,232'
7 5/8"	26.40	7,413'	DV 3,496'	1065 sks STD	9 7/8"	Surface	2,260'
		Shoe 7,420'		370 sks PO2	9 7/8"		435.2

44. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen

45. TUBING RECORD

Size	Depth Set	Packer Set	From	To
2 7/8"	7,015'	None	From 7,413'	To 10,685 Open Hole
			From	To
			From	To

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

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

Depth Interval	Amount and Kind of Material Used
None	

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

Formations	Depth	Formations	Depth

REMARKS

~~110~~ M-94662

(12)

Completion Report Well #1
FILED 8-4-92

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