



CAUTION

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Archives and Records Staff



POV *141.25 acres Terminated NS

Compensatory Royalty
Agreements within

1. Cougar Unit # 2854

~~2. Bush - Bush Unit #2855~~

~~3. Bush Warren Unit #2853~~

EXPIRED

STATE LEASE - RIVERBEDS M-94708

COUNTY (CODE) : Brazos (21) & Burleson (26)
RIVER NAME : Brazos River
TRACT : 14
ACRES : 190 Approx. 48.75 Unitized
DEPTH LIMITS : 10.89AC
BASE FILES :
CONTROL NO. (s) : 01-00076-7, 01-00075-8

LESSEE : UNION PACIFIC RESOURCES
COMPANY

DATE : OCTOBER 1, 1991
PRIMARY TERM : Five Years (3)
BONUS : \$59,090.00
ROYALTY : 1/4
RENTALS : \$5.00

Rental NS

Min. A/c NS

Min. Max NS

Pass To:

CS-AS

94708

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1. Bid Form	MICK 11-12-91	
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Cent. Facts

11-12-92

For: Kelly Scott, JR.
c/o La Quinta

94708



Garry Mauro
Commissioner
General Land Office

Date
October 1, 1991



MINERAL LEASE BID APPLICATION
Texas General Land Office ED - 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

Fort Worth, Texas 76102 - 6849

Telephone (817) 877-6782

AREA DESCRIPTION

County(ies) Brazos & Burleson Survey/
Area Brazos River
(If Applicable)

Block/Tsp _____ Section/Tract 14 Acres 190.0
(If Applicable)

BID SUBMISSION

Royalty 25% Rental Per Acre \$5.00 Primary Term 3 Yrs.

Cash Bonus Enclosed Fifty Nine Thousand Ninty & 00/100

(Dollars) \$ 59,090.00 **92005504**

Sales Fee Attached Eight Hundred Eighty Six & 35/100

(Dollars) \$ 886.35 **92005505**

This Sales Fee is 1- 1/2% of the cash bonus as provided in Section 32.110 of the Natural Resources Code as amended.

MGL. NO.
25

APPLICANT(S)
UNION PACIFIC RESOURCES COMPANY

BONUS AMOUNT ENCLOSED
(\$ 59,090.00)

APPLICANT
TAX I.D. NUMBER

[REDACTED]

SIGNATURE OF
APPLICANT/AGENT

[Signature]

BID FORM (1.)
M-94708
11-12-91 MICH

The State of Texas



Austin, Texas

OIL AND GAS LEASE NO. M-94708

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:

Tract 14, Brazos River, Brazos & Burleson Counties, Texas, containing approximately 190 acres, is bound on the Northwest by a Southwesterly extension of the Northwest line of the Thos. J. Wootton Survey, A-59, and is bound on the Southeast by a Southwesterly extension of the Northwest line of the John M. Jones Survey, A-26, both surveys being in Brazos County, Texas,

was, after being duly advertised, offered for lease on the 1st day of October, 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 1st day of October, 1991, and it was found and determined that UNION PACIFIC RESOURCES COMPANY whose address is 801 Cherry Street, Fort Worth, Texas 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 Fifty Nine Thousand Ninety and no/100 Dollars (\$59,090.00), receipt of which is hereby acknowledged and of the royalties, covenants, stipulations and conditions contained and hereby agreed to be paid, observed and performed by Lessee, do hereby demise, grant, lease and let unto 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 three (3) years 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. **DELAY RENTALS:** If no well be commenced on the land hereby leased on or before the anniversary date of this lease, this lease shall terminate as to both parties unless the Lessee on or before said date shall pay or tender to the Commissioner of the General Land Office of the State of Texas at Austin, Texas, the sum of Five Dollars (\$5.00), per acre, which shall operate as rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively during the primary term hereof.

4. **PRODUCTION ROYALTIES:** Subject to the provisions for royalty reductions set out in subparagraph (E) of this paragraph 4, 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, $\frac{1}{4}$ 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) VARIABLE ROYALTY: (i) Subject to the other provisions of this lease, it is hereby provided that in the event production in paying quantities is established pursuant to the terms of this lease and such production is brought on line and sales thereof are commenced within twelve (12) months of the effective date hereof, the royalty rate provided herein shall be reduced to 20%, and shall apply to each subsequent well drilled and produced on the land covered by this lease. Provided that, if during such twelve (12) month term during which Lessee may earn a reduced royalty rate of 20% as herein provided, Lessee should drill in good faith and complete the first well as a dry hole on the land covered by this lease, Lessee may receive a three (3) month extension of the term in which to earn a reduced royalty rate by giving notice to the Commissioner of the General Land Office, commencing drilling operations on an additional well prior to the expiration of such three (3) month period and prosecuting diligently and in good faith the drilling of such additional well and completing same so that production in paying quantities is established and so that such production is brought on line and sales thereof are commenced prior to the expiration of such three (3) month extension period.

(ii) In the event production in paying quantities is established pursuant to the terms of this lease and such production is brought on line and sales thereof are commenced after the expiration of twelve (12) months from the effective date hereof but prior to the expiration of twenty-four (24) months from the effective date hereof, the royalty rate provided herein shall be reduced to 22.5% and shall apply to each subsequent well drilled and produced on the land covered by this lease. Provided that, if during such twenty-four (24) month term during which Lessee may earn a reduced royalty rate of 22.5% as herein provided, Lessee should drill in good faith and complete the first well as a dry hole on the land covered by this lease, Lessee may receive a three (3) month extension of the term in which to earn a reduced royalty rate by giving notice to the Commissioner of the General Land Office, commencing drilling operations on an additional well prior to the expiration of such three (3) month period and prosecuting diligently and in good faith the drilling of such additional well and completing same so that production in paying quantities is established and so that such production is brought on line and sales thereof are commenced prior to the expiration of such three (3) month extension period.

(F) 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.

(G) 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.

(H) 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.

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

5. 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.

6. (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.

7. 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 7 (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.

(C) 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.

8. 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 (1,000) 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.

9. 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 date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or, if it be within the primary term, commences or resumes the payment of the annual delay rental in the same manner as provided in this lease. If, during the last year of the primary term or within sixty (60) days prior thereto, 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. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in oil or gas well within the primary term hereof, Lessee may resume payment of the annual rental in the same manner as provided herein on or before the rental paying date following the expiration of sixty (60) days from the date of completion of such shut-in oil or gas well and upon the failure to make such annual rental payment, this lease shall ipso facto terminate. 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.

10. 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.

11. 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 double the annual rental provided in the lease but not less than \$1,200 a year for each well capable of producing oil or gas in paying quantities; 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.)

12. **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.

13. **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.

14. **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.

15. **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.

16. **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.

17. 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.

18. 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.

19. 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.

20. 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.

21. 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.

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

23. 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.

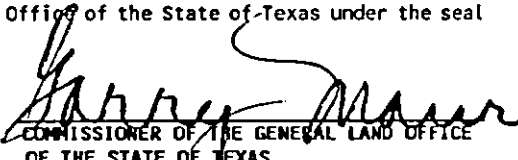
24. **RAILROAD COMMISSION HEARINGS ON GAS:** No natural gas or casinghead gas, including both associated and non-associated gas, produced from the mineral estate subject to this lease may be sold or contracted for sale to any person for ultimate use outside the State of Texas unless the Railroad Commission of Texas, after notice and hearing as provided in Title 3 of the M.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 M.R.C. Section 52.296.

25. **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.

26. **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.

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 1st day of October, 1991.


COMMISSIONER OF THE GENERAL LAND OFFICE
OF THE STATE OF TEXAS

APPROVED

Legal
Geology
Executive



OIL AND GAS LEASE NO. M-94708

(2)

DATE 11-12-91 BY MICK

Garry Mauro
Commissioner
General Land Office

October 24, 1991



UNION PACIFIC RESOURCES COMPANY
801 Cherry Street
Fort Worth, Texas 76102

Attn: Steve Byrom

Gentlemen:

Thank you for your participation in the State of Texas Oil and Gas Lease Sale held on the 1st day of October, 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. 25

M-94708

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 6(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

TRANSMITTAL LETTER (3.)
M-99708
11-12-91
mick



Texas General Land Office
Garry Mauro, Commissioner

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

June 12, 1992

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

Attn: Mr. James McNeil
Land Supervisor

RE: **Offset Obligation**
Brazos River Tract 14
Brazos and Burleson Counties
State Lease M-94708

Dear Mr. McNeil:

We note the completion of the Bush-Warren Unit well #1 being produced within 1000 feet of the above referenced river tract.

As you are aware, your lease requires you to protect the State tract from undue drainage by drilling as many wells on the State lease as the facts justify to the necessary depth for effective protection against drainage. Due consideration will be given towards pooling the State tract for offset obligation relief.

Please inform us of your plans to protect the State's interest from drainage and include any geologic data you would like us to consider, to substantiate the validity of your plans.

If I can be of any assistance, please contact me at the number below.

Sincerely,

Tracey T. Yakints
Geologist
Mineral Evaluation
(512) 475-1500

TTY:wp

④ M-94708

Ltr. to OPRC

FILED: 6-12-92

⑤ M-94708
Recty' Menu
10-2-92

DO NOT DESTROY



MEMO
GLO-36-11-97

Compensatory
Royalty

Unit 2854

Operator Union Pacific Resources Co.

Unit Name Cougar Unit

County Burleson

Effective Date _____

Unitized for: Oil ___ Gas ___ Oil & Gas ___

1. M.F. No. ~~94078~~ 94708

Area _____ Tr. 1

Sec. _____ Blk. _____ Survey _____

^{10.99}
304.67 x 22.5% = .8042%
.035744

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:

Royalty decimal = .008042

MS. 4-7-00

Prepared by: Marc A. Fuenteb

Date

M-94708

COUGAR UNIT COMPENSATORY ROYALTY AGREEMENT
STATE OF TEXAS - UNION PACIFIC RESOURCES COMPANY
BRAZOS AND BURLESON COUNTIES, TEXAS

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office (hereinafter referred to as "Commissioner") on behalf of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress Avenue, Austin, Texas 78701, and Union Pacific Resources Company, Lessee, and other such parties as may join in the execution hereof, (hereinafter referred to as "Lessee"),

WITNESSETH THAT:

WHEREAS, Lessee is or was the owner of a certain oil and gas lease or leases, listed on Exhibit "A" attached hereto (hereinafter referred to as "State Lease", whether one or more); and

WHEREAS, a Well (or Wells, hereinafter referred to as "Draining Well" whether one or more) listed on Exhibit "B" is located on the Cougar Unit, which Well is within 1,000 feet of the State Lease, or which Well is draining the area covered by the State Lease; and

WHEREAS, Lessee is the operator of the Cougar Unit shown on a plat attached hereto as Exhibit "C", which unit is adjacent to the State Lease, and covers land that is privately owned or State land leased at a lesser royalty; and

WHEREAS, Lessee has a continuing obligation under the provisions of the State Lease and the present conditions to make payment of a compensatory royalty to satisfy the obligation to drill an offset well or wells as provided therein; and

WHEREAS, Lessee has obtained the written approval of the Commissioner by execution hereof to make payment of compensatory royalty to satisfy the obligation to drill an offset well or wells as required under the provisions of the State Lease;

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions contained herein, the parties hereto agree as follows:

1.

PURPOSES:

This Agreement is made to preserve correlative rights. To such end, it is the purpose of this Agreement to effect equitable participation in production from the Draining Well. This Agreement is entered into pursuant to the authority granted in Subchapter C, Chapter 52, of the Texas Natural Resources Code, the provisions of the State Lease and Chapter 9 of Title 31 of the Texas Administrative Code and 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 minerals from the Draining Well and in the interpretation and application hereof this Agreement shall be, in all things, subject thereto.

2.

AREA DESCRIPTION:

The portion of the State Lease to which production from the Draining Well shall be attributed and considered held by payment of a compensatory royalty pursuant to the terms of this Agreement shall consist of the 10.89 acres out of the State Lease adjacent to the Cougar Unit.

3.

MINERAL COVERED:

The mineral covered by the terms hereof shall be all oil and gas and associated hydrocarbons produced from the Draining Well located on the Cougar Unit and shall extend to any producing interval in which the Draining Well is completed.

4.

COMPENSATORY ROYALTY AND EFFECT:

The payment of compensatory royalty shall operate to have the following effect:
~~The parties hereto commit to this Agreement all of their interests in and to the land covered by the State Lease and the Cougar Unit for and during the term hereof, so that the payment of a compensatory royalty shall operate to have the following effect:~~

(a) The area of the State Lease designated for participation in production by payment of a compensatory royalty in lieu of pooling, unitization or drilling an offset well, to the extent as above described, shall be operated in conjunction with the area covered by the Cougar Unit for the exploration, development and production of minerals.

Cougar Unit

(b) In lieu of drilling an offset well or pooling or unitization as required by the terms of the State Lease, Lessee, during the term of this Agreement, shall pay in the manner provided in the State Lease $(10.89/304.67 \times 22.5\%)$ 0.8042% of the gross production, or the market value thereof, as defined in Section 6 hereof, from the Draining Well. Roy. Pct. = .08042

(c) All drilling operations, reworking or other operations with respect to the Draining Well shall be considered as though same were on the area designated for participation pursuant to the terms of this Agreement and production from the Draining Well for all purposes under the terms of the State Lease, regardless of the actual location of the Draining Well.

(d) Production of minerals from the Draining Well shall be deemed to have been produced from the area covered by the portion of the State Lease designated for participation pursuant to the terms of this Agreement, regardless of the actual location of the Draining Well for all purposes under the terms of the State Lease and this Agreement.

(e) All rights to production from the Draining Well and paid as compensatory royalties, and all other payments, if any, shall be determined, governed, and paid pursuant to the specific provisions of the State Lease or other contract, if any, pertaining to the area covered by the State Lease, based upon the production so allocated to the State Lease in lieu of actual production from such Lease.

~~(f) In the event the Draining Well located on the Cougar Unit is shut in, such Draining Well shall be considered as a shut-in well located upon the State Lease, provided, however, that shut-in well royalties shall be paid according to the terms and conditions of the State Lease as though such shut-in well were actually located on said State Lease. If the shut-in royalties are not paid in accordance with the terms of the State Lease, this Agreement shall, nevertheless, remain in full force and effect and the shut-in royalties due under the terms of the State Lease and the terms of this Agreement shall continue to be an obligation and a debt owed by the Lessee.~~

(g) In the event the area designated for participation pursuant to the terms of this Agreement covers less than the total number of acres described on the State Lease, and notwithstanding any other provision hereof, it is expressly agreed that areas lying outside the area included for participation in this Agreement may be held only as provided in the State Lease or other agreement thereon, without regard to operations or production from the Draining Well located on the Cougar Unit. Neither production from the Draining Well on the Cougar Unit, nor operations with respect thereto, nor the payment of shut-in royalties on the Draining Well on such land or lease, shall serve to hold the State Lease or any other agreement concerning any portion thereof as to any portion of the lease outside the area included for participation in this Agreement.

(h) This Agreement shall not relieve Lessee from the duty of protecting from drainage any portion of the land covered by the State Lease that is outside the area designated for participation in this Agreement from drainage from any well situated on privately owned land or State land leased at a lesser royalty, other than the Draining Well. This Agreement shall only operate to satisfy Lessee's duty to protect from drainage the portion of the State Lease designated for participation in this Agreement.

5.

TAKING ROYALTY IN KIND:

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

6.

FULL MARKET VALUE:

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

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

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

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

7.

EFFECTIVE DATE:

This Agreement shall be effective when executed by the Commissioner of the General Land Office of the State of Texas and then shall be operative as of the date of first production from the Draining Well.

8.

TERM:

This Agreement shall remain in effect so long as there is production from the Draining Well or so long as the Cougar Unit is maintained in force. This Agreement shall be binding upon the successors, agents and assigns of the State of Texas, and Lessee.

9.

DRILLING RECORDS:

~~Written notice of all operations on the Draining Well shall be submitted to the Commissioner of the General Land Office by Lessee or operator thirty (30) days before spud date, workover, re-entry, temporary abandonment or plugging and abandonment. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill, well tests, completion reports and plugging records. Lessee agrees to supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the Draining Well, which may be requested by the General Land Office, in addition to those herein expressly provided. 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 the Draining Well and shall transmit a true copy of the log of each survey on the Draining Well to the General Land Office within fifteen (15) days after the making of said survey.~~

10.

STATE MINERALS:

Insofar as the compensatory royalty interest paid to the State of Texas and attributable to the State Lease is concerned, this Agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter C, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code were duly considered, made and obtained.

11.

DISSOLUTION:

At any time after the permanent cessation of production from and the abandonment of the Draining Well, this Agreement and all conditions, covenants and obligations provided for herein may be dissolved by Lessee, its successors or assigns, by an instrument of release or dissolution filed in the General Land Office.

12.

COUNTERPARTS:

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

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

Date Executed 4-5-93

STATE OF TEXAS

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

Legal me
Geology me
Execution me

Date Executed _____

UNION PACIFIC RESOURCES COMPANY

By Joseph F. Carroll

ATTEST: _____

Its _____

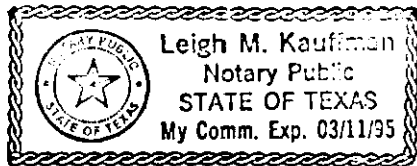
**JOSEPH F. CARROLL
ATTORNEY IN FACT**

see
af

STATE OF TEXAS
COUNTY OF TARRANT

§
§
§

This instrument was acknowledged before me on April 16, 1993, by Joseph F. Carroll
as ATTORNEY IN FACT of Union Pacific Resources Company, a Delaware corporation, on behalf of said
corporation.



Leigh M. Kauffman
Notary Public in and for the
State of Texas

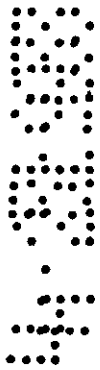


EXHIBIT "A"

State Lease No. M-94708

Oil and Gas Lease dated October 1, 1991 between the Commissioner of the General Land Office of the State of Texas and Union Pacific Resources Company covering Tract 14, Brazos River, Brazos and Burleson Counties, Texas currently on file in the Archives and Records Division of the Texas General Land Office, Austin, Texas.

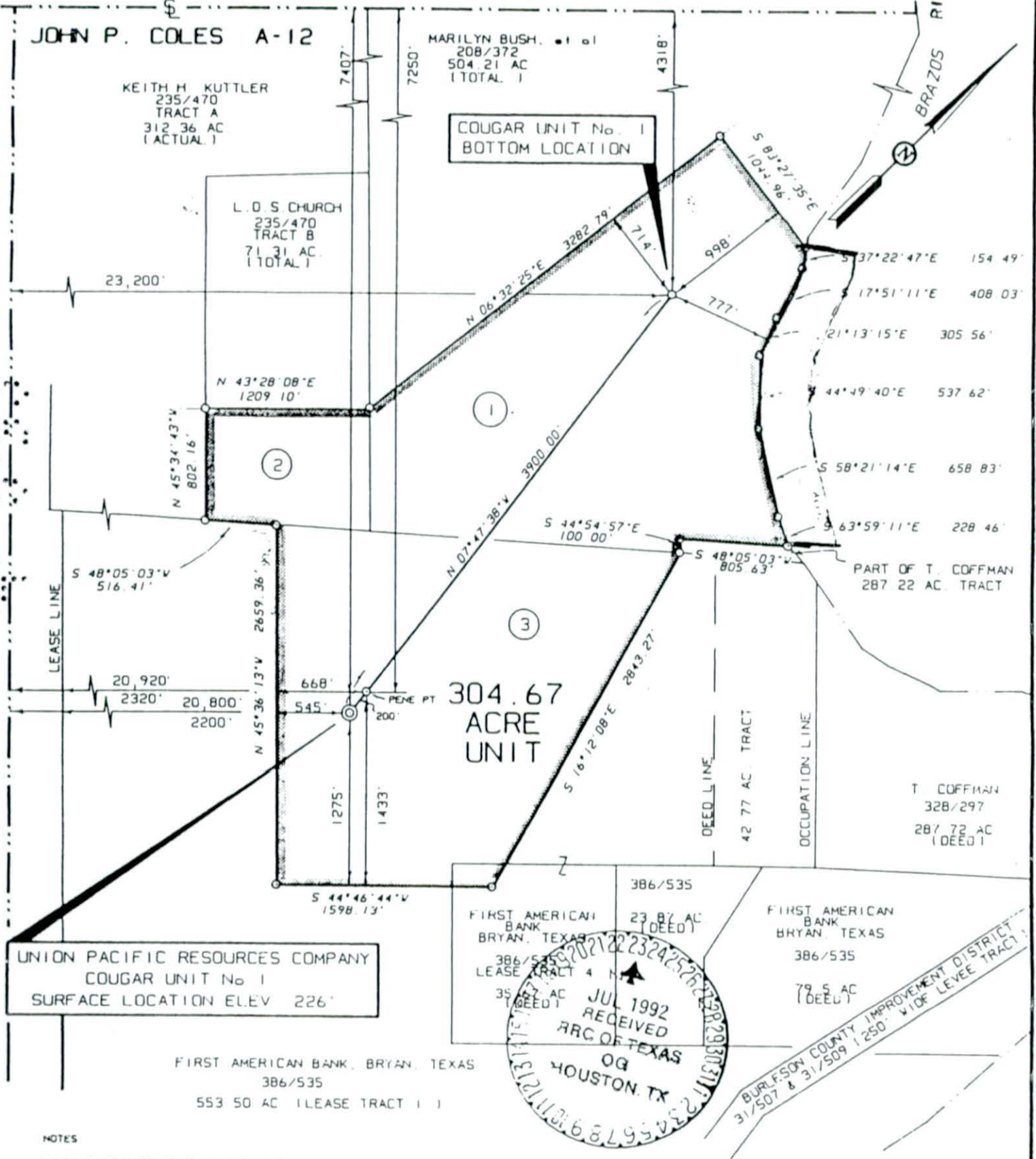
EXHIBIT "B"

Union Pacific Resources Company's Cougar Unit well No. 1, Giddings (Austin Chalk-3) Field, Burleson County, Texas, Railroad Commission Lease No. 21588.



CHARLES FALENASH

A-22



UNION PACIFIC RESOURCES COMPANY
COUGAR UNIT No. 1
SURFACE LOCATION ELEV 226'

FIRST AMERICAN BANK, BRYAN, TEXAS
386/535
553 50 AC (LEASE TRACT 1)

- NOTES
- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
 - 2) WELL IS LOCATED 5.2 MILES NORTHEAST OF TULLIS, TEXAS
 - 3) ~~INDICATES~~ INDICATES LIMITS OF UNIT

COUGAR UNIT No. 1

TRACT	ACRES IN UNIT	DESCRIPTION	VOL./PG DEED RECORDS
1	144.00	MARILYN BUSH, et al	208/372
2	23.67	L. D. S. CHURCH	235/470 TRACT B
3	137.00	FIRST AMERICAN BANK BRYAN, TEXAS	386/535 (LEASE TRACT 1&4)
304.67 ACRES TOTAL IN UNIT			

SURVEYED APRIL 2, 1992

Warren L. Simpson
WARREN L. SIMPSON R.P.L.S. No. 4122
7701 CAMERON ROAD SUITE No. 108
AUSTIN TEXAS 78752

UNION PACIFIC RESOURCES COMPANY
COUGAR UNIT No. 1
JOHN P. COLES SURVEY, A-12
BURLESON COUNTY, TEXAS

⑥ M-94708

Compensatory Royalty Agreement
FILED: 4-12-93

4 200



DO NOT DESTROY



MEMO *Compensa for y*
GLO-36-11-97 *Royalty*
Unit 2855

Operator *Union Pacific Resources*

Unit Name *Bush-Bush*

County *Burleson*

Effective Date _____

Unitized for: Oil Gas Oil & Gas

1. M.F. No. *94708*

Area _____ Tr. *1*

Sec. _____ Blk. _____ Survey _____

42.16 / 360 x *22.5 %* = *2.635 %*
.11712 *2.635020*

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:

Royalty Decimal = .02635

Prepared by: *Marc A. Fuentes*

Date _____

~~BUSH-BUSH UNIT COMPENSATORY ROYALTY AGREEMENT~~
STATE OF TEXAS - UNION PACIFIC RESOURCES COMPANY
BRAZOS AND BURLESON COUNTIES, TEXAS

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office (hereinafter referred to as "Commissioner") on behalf of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress Avenue, Austin, Texas 78701, and Union Pacific Resources Company, Lessee, and other such parties as may join in the execution hereof, (hereinafter referred to as "Lessee"),

WITNESSETH THAT:

WHEREAS, Lessee is or was the owner of a certain oil and gas lease or leases, listed on Exhibit "A" attached hereto (hereinafter referred to as "State Lease", whether one or more); and

WHEREAS, a Well (or Wells, hereinafter referred to as "Draining Well" whether one or more) listed on Exhibit "B" is located on the Bush-Bush Unit, which Well is within 1,000 feet of the State Lease, or which Well is draining the area covered by the State Lease; and

WHEREAS, Lessee is the operator of the Bush-Bush Unit shown on a plat attached hereto as Exhibit "C", which unit is adjacent to the State Lease, and covers land that is privately owned or State land leased at a lesser royalty; and

WHEREAS, Lessee has a continuing obligation under the provisions of the State Lease and the present conditions to make payment of a compensatory royalty to satisfy the obligation to drill an offset well or wells as provided therein; and

WHEREAS, Lessee has obtained the written approval of the Commissioner by execution hereof to make payment of compensatory royalty to satisfy the obligation to drill an offset well or wells as required under the provisions of the State Lease;

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions contained herein, the parties hereto agree as follows:

1.

PURPOSES:

This Agreement is made to preserve correlative rights. To such end, it is the purpose of this Agreement to effect equitable participation in production from the Draining Well. This Agreement is entered into pursuant to the authority granted in Subchapter C, Chapter 52, of the Texas Natural Resources Code, the provisions of the State Lease and Chapter 9 of Title 31 of the Texas Administrative Code and 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 minerals from the Draining Well and in the interpretation and application hereof this Agreement shall be, in all things, subject thereto.

2.

AREA DESCRIPTION:

The portion of the State Lease to which production from the Draining Well shall be attributed and considered held by payment of a compensatory royalty pursuant to the terms of this Agreement shall consist of the 42.16 acres out of the State Lease adjacent to the Bush-Bush Unit.

3.

MINERAL COVERED:

The mineral covered by the terms hereof shall be all oil and gas and associated hydrocarbons produced from the Draining Well located on the Bush-Bush Unit and shall extend to any producing interval in which the Draining Well is completed.

4.

COMPENSATORY ROYALTY AND EFFECT:

The payment of compensatory royalty shall operate to have the following effect:
~~The parties hereto commit to this Agreement all of their interests in and to the land covered by the State Lease and the Bush-Bush Unit for and during the term hereof, so that the payment of a compensatory royalty shall operate to have the following effect:~~

(a) The area of the State Lease designated for participation in production by payment of a compensatory royalty in lieu of pooling, unitization or drilling an offset well, to the extent as above described, shall be operated in conjunction with the area covered by the Bush-Bush Unit for the exploration, development and production of minerals.

(b) In lieu of drilling an offset well or pooling or unitization as required by the terms of the State Lease, Lessee, during the term of this Agreement, shall pay in the manner provided in the State Lease (42.16/360 x 22.5%) 2.635% of the gross production, or the market value thereof, as defined in Section 6 hereof, from the Draining Well. Roy. Dec. = .02635

(c) All drilling operations, reworking or other operations with respect to the Draining Well shall be considered as though same were on the area designated for participation pursuant to the terms of this Agreement and production from the Draining Well for all purposes under the terms of the State Lease, regardless of the actual location of the Draining Well.

(d) Production of minerals from the Draining Well shall be deemed to have been produced from the area covered by the portion of the State Lease designated for participation pursuant to the terms of this Agreement, regardless of the actual location of the Draining Well for all purposes under the terms of the State Lease and this Agreement.

(e) All rights to production from the Draining Well and paid as compensatory royalties, and all other payments, if any, shall be determined, governed, and paid pursuant to the specific provisions of the State Lease or other contract, if any, pertaining to the area covered by the State Lease, based upon the production so allocated to the State Lease in lieu of actual production from such Lease.

~~(f) In the event the Draining Well located on the Bush-Bush Unit is shut-in, such Draining Well shall be considered as a shut-in well located upon the State Lease, provided, however, that shut-in well royalties shall be paid according to the terms and conditions of the State Lease as though such shut-in well were actually located on said State Lease. If the shut-in royalties are not paid in accordance with the terms of the State Lease, this Agreement shall, nevertheless, remain in full force and effect and the shut-in royalties due under the terms of the State Lease and the terms of this Agreement shall continue to be an obligation and a debt owed by the Lessee.~~

(g) In the event the area designated for participation pursuant to the terms of this Agreement covers less than the total number of acres described on the State Lease, and notwithstanding any other provision hereof, it is expressly agreed that areas lying outside the area included for participation in this Agreement may be held only as provided in the State Lease or other Agreement thereon, without regard to operations or production from the Draining Well located on the Bush-Bush Unit. Neither production from the Draining Well on the Bush-Bush Unit, nor operations with respect thereto, nor the payment of shut-in royalties on the Draining Well on such land or lease, shall serve to hold the State Lease or any other Agreement concerning any portion thereof as to any portion of the lease outside the area included for participation in this Agreement.

(h) This Agreement shall not relieve Lessee from the duty of protecting from drainage any portion of the land covered by the State Lease that is outside the area designated for participation in this Agreement from drainage from any well situated on privately owned land or State land leased at a lesser royalty, other than the Draining Well. This Agreement shall only operate to satisfy Lessee's duty to protect from drainage the portion of the State Lease designated for participation in this Agreement.

5.

TAKING ROYALTY IN KIND:

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

6.

FULL MARKET VALUE:

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

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

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

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

7.

EFFECTIVE DATE:

This Agreement shall be effective when executed by the Commissioner of the General Land Office of the State of Texas and then shall be operative as of the date of first production from the Draining Well.

8.

TERM:

This Agreement shall remain in effect so long as there is production from the Draining Well or so long as the Bush-Bush Unit is maintained in force. This Agreement shall be binding upon the successors, agents and assigns of the State of Texas, and Lessee.

9.

DRILLING RECORDS:

~~Written notice of all operations on the Draining Well shall be submitted to the Commissioner of the General Land Office by Lessee or operator thirty (30) days before spud date, workover, re-entry, temporary abandonment or plugging and abandonment. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill, well tests, completion reports and plugging records. Lessee agrees to supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the Draining Well, which may be requested by the General Land Office, in addition to those herein expressly provided. 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 the Draining Well and shall transmit a true copy of the log of each survey on the Draining Well to the General Land Office within fifteen (15) days after the making of said survey.~~

10.

STATE MINERALS:

Insofar as the compensatory royalty interest paid to the State of Texas and attributable to the State Lease is concerned, this Agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter C, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code were duly considered, made and obtained.

11.

DISSOLUTION:

At any time after the permanent cessation of production from and the abandonment of the Draining Well, this Agreement and all conditions, covenants and obligations provided for herein may be dissolved by Lessee, its successors or assigns, by an instrument of release or dissolution filed in the General Land Office.

12.

COUNTERPARTS:

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

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

Date Executed 4-8-93

STATE OF TEXAS

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

Legal me
Geology Am
Execution JK

UNION PACIFIC RESOURCES COMPANY

By Joseph F. Carroll

Its JOSEPH F. CARROLL
ATTORNEY IN FACT

Date Executed _____

ATTEST: _____

STATE OF TEXAS

§

COUNTY OF TARRANT

§

§

This instrument was acknowledged before me on April 16, 1993, by Joseph F. Carroll
as ATTORNEY IN FACT of Union Pacific Resources Company, a Delaware corporation, on behalf of said
corporation.

Joseph F. Carroll
Leigh M. Kauffman
Notary Public in and for the
State of Texas

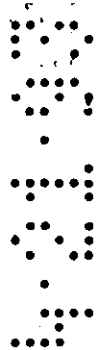
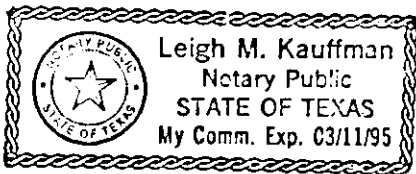


EXHIBIT "A"

State Lease No. M-94708

Oil and Gas Lease dated October 1, 1991 between the Commissioner of the General Land Office of the State of Texas and Union Pacific Resources Company covering Tract 14, Brazos River, Brazos and Burleson Counties, Texas currently on file in the Archives and Records Division of the Texas General Land Office, Austin, Texas.

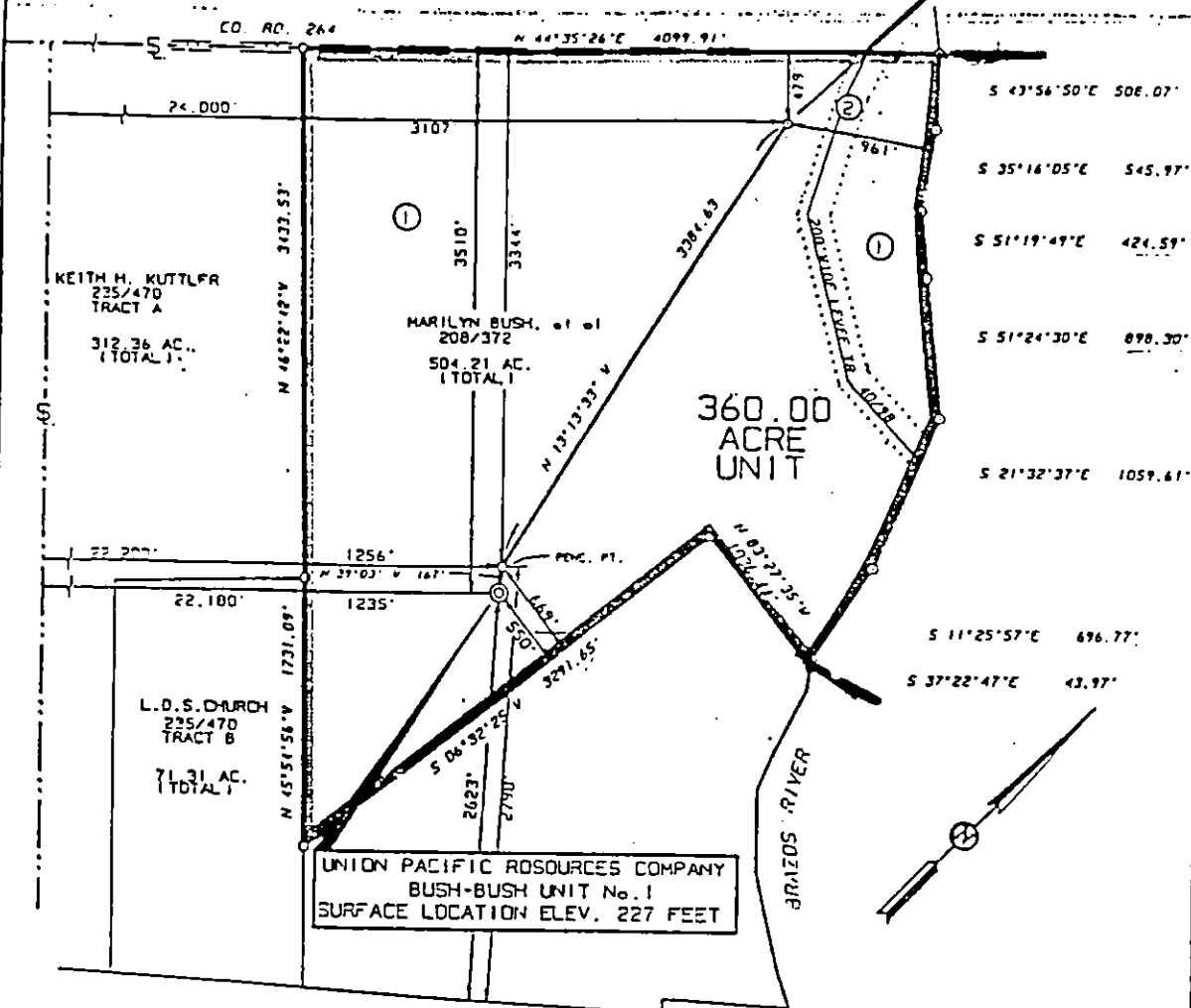
EXHIBIT "B"

Union Pacific Resources Company's Bush-Bush Unit well No. 1, Giddings (Austin Chalk-3) Field, Burleson County, Texas, Railroad Commission Lease No. 21684.



CHARLES FALENASH A-22

BUSH-BUSH UNIT No. 1
BOTTOM LOCATION



JOHN P. COLES A-12

FIRST AMERICAN BANK; BRYAN TEXAS
386/525
553.50 AC. (LEASE TRACT 1)

NOTES

- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- 2) WELL IS LOCATED 5.1 MILES NORTHEAST OF TUNIS, TEXAS
- 3) INDICATES LIMITS OF UNIT
- 4) EASEMENTS RECORDED IN VOL. 142, PG. 156 & VOL. 142, PG. 161 AND BLANKET EASEMENTS TO BUTLER BAYOU DRAINAGE ASSOCIATION
- 5) EASEMENT RECORDED IN VOL. 82 PG. 301 IS A BLANKET EASEMENT FOR ELECTRIC AND TELEPHONE LINES TO THE CITY OF BRYAN, TEXAS

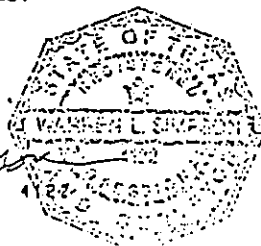
AS-DRILLED

BUSH-BUSH UNIT No. 1

TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL./PG
1	345.00	MARILYN BUSH, et al	208/372
2	15.00	STATE OF TEXAS	40/9P
360.00 ACRES TOTAL IN UNIT			

- SURVEYED APRIL 20, 1992
- REVISED APRIL 21, 1992 (UNIT ACRES)
- REVISED APRIL 23, 1992 (LEASE WELL)
- REVISED MAY 11, 1992 (LEEVE TRACT)
- REVISED MAY 12, 1992 (WELL NAME CHANGE)
- REVISED JULY 31, 1992 (AS-DRILLED)

Warren L. Simpson
WARREN L. SIMPSON R.P.L.S. No. 4122
7701 CAMERON ROAD SUITE 140
AUSTIN TEXAS 78752
PHONE (512) 451-1110



UNION PACIFIC RESOURCES COMPANY

BUSH-BUSH UNIT No. 1

JOHN P. COLES SURVEY, A-12
BURLESON COUNTY, TEXAS

⑦ M-94708

Compensatory Royalty Agreement
FILED: 4-12-73

4. 2. 03

4

DO NOT DESTROY



MEMO
GLO-36-11-97

*Compensatory
Royalty
Unit 2853*

Operator Union Pacific Resources Co

Unit Name Bush - Warren

County Brazos

Effective Date _____

Unitized for: Oil Gas Oil & Gas

1. M.F. No. 94708

Area _____ Tr. 1

Sec. 27.16 Blk. 296.19 Survey _____
1.091698 x 22.5% 2.0632085

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:

Royalty Decimal = .02063

MS 4-1-00

Prepared by: Marc A. Smith

Date _____

BUSH-WARREN UNIT COMPENSATORY ROYALTY AGREEMENT
STATE OF TEXAS - UNION PACIFIC RESOURCES COMPANY
BRAZOS AND BURLESON COUNTIES, TEXAS

M 94708

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office (hereinafter referred to as "Commissioner") on behalf of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress Avenue, Austin, Texas 78701, and Union Pacific Resources Company, Lessee, and other such parties as may join in the execution hereof, (hereinafter referred to as "Lessee"),

WITNESSETH THAT:

WHEREAS, Lessee is or was the owner of a certain oil and gas lease or leases, listed on Exhibit "A" attached hereto (hereinafter referred to as "State Lease", whether one or more); and

WHEREAS, a Well (or Wells, hereinafter referred to as "Draining Well" whether one or more) listed on Exhibit "B" is located on the Bush-Warren Unit, which Well is within 1,000 feet of the State Lease, or which Well is draining the area covered by the State Lease; and

WHEREAS, Lessee is the operator of the Bush-Warren Unit shown on a plat attached hereto as Exhibit "C", which unit is adjacent to the State Lease, and covers land that is privately owned or State land leased at a lesser royalty; and

WHEREAS, Lessee has a continuing obligation under the provisions of the State Lease and the present conditions to make payment of a compensatory royalty to satisfy the obligation to drill an offset well or wells as provided therein; and

WHEREAS, Lessee has obtained the written approval of the Commissioner by execution hereof to make payment of compensatory royalty to satisfy the obligation to drill an offset well or wells as required under the provisions of the State Lease;

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions contained herein, the parties hereto agree as follows:

1.

PURPOSES:

This Agreement is made to preserve correlative rights. To such end, it is the purpose of this Agreement to effect equitable participation in production from the Draining Well. This Agreement is entered into pursuant to the authority granted in Subchapter C, Chapter 52, of the Texas Natural Resources Code, the provisions of the State Lease and Chapter 9 of Title 31 of the Texas Administrative Code and 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 minerals from the Draining Well and in the interpretation and application hereof this Agreement shall be, in all things, subject thereto.

2.

AREA DESCRIPTION:

The portion of the State Lease to which production from the Draining Well shall be attributed and considered held by payment of a compensatory royalty pursuant to the terms of this Agreement shall consist of the 27.16 acres out of the State Lease adjacent to the Bush-Warren Unit.

3.

MINERAL COVERED:

The mineral covered by the terms hereof shall be all oil and gas and associated hydrocarbons produced from the Draining Well located on the Bush-Warren Unit and shall extend to any producing interval in which the Draining Well is completed.

4.

COMPENSATORY ROYALTY AND EFFECT:

The payment of compensatory royalty shall operate to have the following effect: ~~The parties hereto commit to this Agreement all of their interests in and to the land covered by the State Lease and the Bush-Warren Unit for and during the term hereof, so that the payment of a compensatory royalty shall operate to have the following effect:~~

(a) The area of the State Lease designated for participation in production by payment of a compensatory royalty in lieu of pooling, unitization or drilling an offset well, to the extent as above described, shall be operated in conjunction with the area covered by the Bush-Warren Unit for the exploration, development and production of minerals.

Bush - Warren

(b) In lieu of drilling an offset well or pooling or unitization as required by the terms of the State Lease, Lessee, during the term of this Agreement, shall pay in the manner provided in the State Lease (27.16/296.19 x 22.5%) 2.063% of the gross production, or the market value thereof, as defined in Section 6 hereof, from the Draining Well. Roy. Dec. = .02063

(c) All drilling operations, reworking or other operations with respect to the Draining Well shall be considered as though same were on the area designated for participation pursuant to the terms of this Agreement and production from the Draining Well for all purposes under the terms of the State Lease, regardless of the actual location of the Draining Well.

(d) Production of minerals from the Draining Well shall be deemed to have been produced from the area covered by the portion of the State Lease designated for participation pursuant to the terms of this Agreement, regardless of the actual location of the Draining Well for all purposes under the terms of the State Lease and this Agreement.

(e) All rights to production from the Draining Well and paid as compensatory royalties, and all other payments, if any, shall be determined, governed, and paid pursuant to the specific provisions of the State Lease or other contract, if any, pertaining to the area covered by the State Lease, based upon the production so allocated to the State Lease in lieu of actual production from such Lease.

~~(f) In the event the Draining Well located on the Bush-Warren Unit is shut-in, such Draining Well shall be considered as a shut-in well located upon the State Lease, provided, however, that shut-in well royalties shall be paid according to the terms and conditions of the State Lease as though such shut-in well were actually located on said State Lease. If the shut-in royalties are not paid in accordance with the terms of the State Lease, this Agreement shall, nevertheless, remain in full force and effect and the shut-in royalties due under the terms of the State Lease and the terms of this Agreement shall continue to be an obligation and a debt owed by the Lessee.~~

(g) In the event the area designated for participation pursuant to the terms of this Agreement covers less than the total number of acres described on the State Lease, and notwithstanding any other provision hereof, it is expressly agreed that areas lying outside the area included for participation in this Agreement may be held only as provided in the State Lease or other agreement thereon, without regard to operations or production from the Draining Well located on the Bush-Warren Unit. Neither production from the Draining Well on the Bush-Warren Unit, nor operations with respect thereto, nor the payment of shut-in royalties on the Draining Well on such land or lease, shall serve to hold the State Lease or any other agreement concerning any portion thereof as to any portion of the lease outside the area included for participation in this Agreement.

(h) This Agreement shall not relieve Lessee from the duty of protecting from drainage any portion of the land covered by the State Lease that is outside the area designated for participation in this Agreement from drainage from any well situated on privately owned land or State land leased at a lesser royalty, other than the Draining Well. This Agreement shall only operate to satisfy Lessee's duty to protect from drainage the portion of the State Lease designated for participation in this Agreement.

5.

TAKING ROYALTY IN KIND:

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

6.

FULL MARKET VALUE:

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

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

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

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

7.

EFFECTIVE DATE:

This Agreement shall be effective when executed by the Commissioner of the General Land Office of the State of Texas and then shall be operative as of the date of first production from the Draining Well.

8.

TERM:

This Agreement shall remain in effect so long as there is production from the Draining Well or so long as the Bush-Warren Unit is maintained in force. This Agreement shall be binding upon the successors, agents and assigns of the State of Texas, and Lessee.

9.

DRILLING RECORDS:

~~Written notice of all operations on the Draining Well shall be submitted to the Commissioner of the General Land Office by Lessee or operator thirty (30) days before spud date, workover, re-entry, temporary abandonment or plugging and abandonment. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill, well tests, completion reports and plugging records. Lessee agrees to supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the Draining Well, which may be requested by the General Land Office, in addition to those herein expressly provided. 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 the Draining Well and shall transmit a true copy of the log of each survey on the Draining Well to the General Land Office within fifteen (15) days after the making of said survey.~~

10.

STATE MINERALS:

Insofar as the compensatory royalty interest paid to the State of Texas and attributable to the State Lease is concerned, this Agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter C, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code were duly considered, made and obtained.

11.

DISSOLUTION:

At any time after the permanent cessation of production from and the abandonment of the Draining Well, this Agreement and all conditions, covenants and obligations provided for herein may be dissolved by Lessee, its successors or assigns, by an instrument of release or dissolution filed in the General Land Office.

12.

COUNTERPARTS:

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

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

Date Executed 4-8-93

STATE OF TEXAS

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

Legal [Signature]
Geology [Signature]
Execution [Signature]

Date Executed _____

UNION PACIFIC RESOURCES COMPANY

By [Signature] [Signature]

ATTEST: _____

Its JOSEPH F. CARROLL
ATTORNEY IN FACT

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me on April 16, 1993, by Joseph F. Carroll
as ATTORNEY IN FACT of Union Pacific Resources Company, a Delaware corporation, on behalf of said
corporation.

Leigh M. Kauffman
Notary Public in and for the
State of Texas

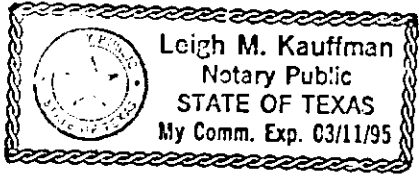


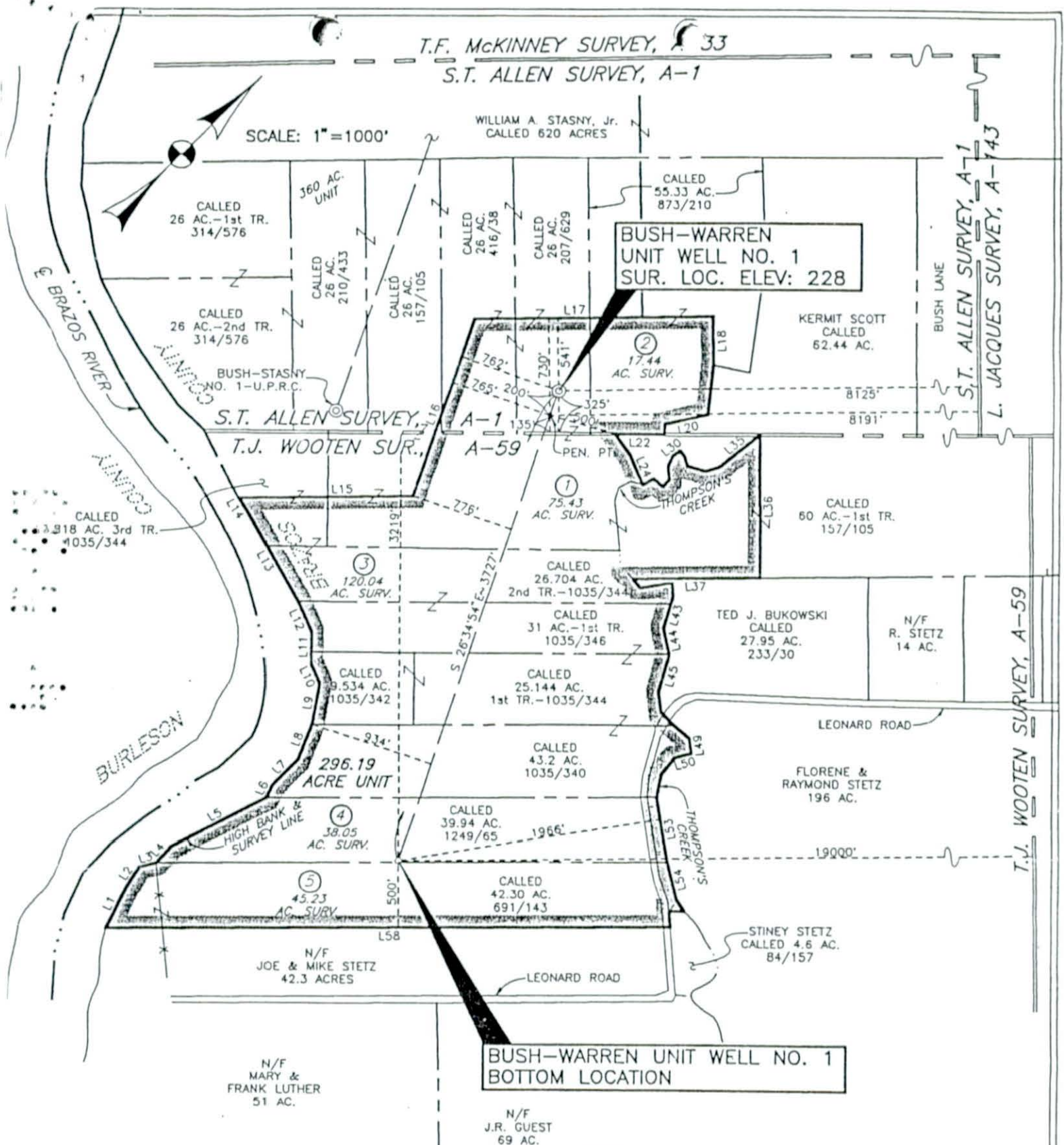
EXHIBIT "A"

State Lease No. M-94708

Oil and Gas Lease dated October 1, 1991 between the Commissioner of the General Land Office of the State of Texas and Union Pacific Resources Company covering Tract 14, Brazos River, Brazos and Burleson Counties, Texas currently on file in the Archives and Records Division of the Texas General Land Office, Austin, Texas.

EXHIBIT "B"

Union Pacific Resources Company's Bush-Warren Unit well No. 1, Giddings (Austin Chalk-3) Field, Brazos County, Texas, Railroad Commission Lease No. 21469.



NOTES:

1. BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION.
2. WELL LOCATED S 45°W-6.9 MI. FROM BRYAN, TEXAS.
3. **THICK LINE** INDICATES LIMITS OF UNIT.
4. SEE EXHIBIT "A" FOR UNIT PERIMETER METES.
5. LEGEND:
U.P.R.C.=UNION PACIFIC RESOURCES COMPANY

REVISED: 02-03-92
CHANGED UNIT CONFIGURATION

EXHIBIT "C"

Attached to and made a part of that certain "Designation of Unit - Bush-Warren Unit" dated MARCH 9, 1992.

BUSH-WARREN UNIT WELL NO. 1			
TRACT	ACREAGE IN UNIT	LEASE	VOL/PG
①	75.43	EDWARD H. BUSH, Sr., etux	1238/360
②	17.44	ZACHARY YANTA, etux	1245/100
③	120.04	CLYDE C. BERGER AND MILDRED J. BERGER, CO-TRUSTEES	1238/355
④	38.05	LILLIE MAE WARREN	1338/112
⑤	45.23	RICHARD PENA, etux	1263/165
296.19 TOTAL ACRES IN UNIT			



WELL LOCATION
BUSH-WARREN UNIT WELL NO. 1

UNION PACIFIC RESOURCES COMPANY
S.T. ALLEN SURVEY, A-1
T.J. WOOTEN SURVEY, A-59
BRAZOS COUNTY, TEXAS

SURVEYED: NOVEMBER, 1991

© M-94708

Compensatory Royalty Agreement
FILED: 4-12-43

4 200

2



March 17, 1993

Mr. Mel Fife
Union Pacific Resources Company
P. O. Box 7
Fort Worth, Texas 76202-0007

Re: Compensatory Royalty Agreements
State Leases M-94707 and M-94708
Brazos and Burleson Counties, Texas

Dear Mr. Fife:

The Commissioner of the General Land Office approved your proposal to pay a compensatory royalty in lieu of drilling offset wells as required under the terms of the captioned leases. The payment of a compensatory royalty was approved subject to the terms and conditions included in the enclosed Compensatory Royalty Agreements.

Enclosed herewith are duplicate originals of the Agreements to be executed and acknowledged by the duly authorized representative of Union Pacific Resources Company. After proper execution and acknowledgment, please return the duplicate originals of the Compensatory Royalty Agreements for execution by the Commissioner. An executed original of each agreement will then be returned to you.

If you have any questions, please contact me at the number listed.

Sincerely,


J. Daryl Morgan
Legal Services Division
(512) 463-5311

JDM/cac

Enclosure

⑨ M-94-708

Ltr. to VPEC

FILED: 4-12-93



Texas General Land Office
Garry Mauro, Commissioner

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

April 12, 1993

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

Re: Compensatory Royalty Agreements
State Leases M-94707 and M-94708
Brazos and Burleson Counties, Texas

Dear Ms. Markley:

Enclosed are duplicate originals of the Compensatory Royalty Agreements, executed by Garry Mauro, Commissioner of the General Land Office. We have retained a duplicate original of each instrument for our files.

As we discussed by voice mail on April 12th, I have enclosed the acknowledgment pages from our copies of the agreements. Please have the acknowledgments completed for Joseph F. Carrol's signature, and return them to me at the General Land Office.

If you have any questions, please contact me at (512) 463-5311.

Sincerely,

J. Daryl Morgan
Legal Services Division
(512) 463-5311

JDM/cb

M-94708 (10)

Ltr. to UPRC

4-12-93

UNION PACIFIC RESOURCES COMPANY

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

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2. **GAS** : Gas shall include natural gas, gas liquids, casinghead gas, associated gaseous hydrocarbons and plant by-products marketed in conjunction with the production of oil and gas. The settlement for all gas produced and marketed from the property shall be made on the basis of measurements in accordance with industry standards and shall be priced in accordance with the applicable gas sales contract or processing agreement, less any fair and reasonable charges for, but not limited to, A) compression, B) processing, C) making it merchantable, and D) transportation, if sold or taken off the property.
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Union Pacific Resources

A Subsidiary of Union Pacific Corporation

DIVISION ORDER

DATE: 04/08/93

ME

PROPERTY NUMBER: 018145 PRODUCT(S): CRUDE OIL
B

PROPERTY NAME: COUGAR UNIT #1

COUNTY/PARISH: BURLESON

OPERATOR: UNION PACIFIC RESOURCES

STATE: TEXAS

LEGAL DESCRIPTION: 304.67 ACRES OUT OF JOHN P. COLES SURVEY, A-12
REPLACES 018138-100. MW PETROLEUM CRUDE T-I-K.

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

005772101001

100

IMPORTANT: YOU MUST PROVIDE YOUR SOCIAL SECURITY OR TAX ID NUMBER. YOUR SIGNATURE AND THOSE OF TWO WITNESSES MUST ALSO BE PROVIDED. YOUR SIGNATURE CONFIRMS THE INTEREST IDENTIFIED BELOW TO OWNER #0057721-01 DOI ID# 001, AND BINDS YOU TO THE TERMS ON THE REVERSE SIDE OF THIS DOCUMENT. FURTHER, YOU HEREBY CERTIFY UNDER PENALTIES OF PERJURY, AS REQUIRED BY THE INTERNAL REVENUE CODE, THAT THE NUMBER SHOWN ON THIS FORM IS YOUR CORRECT TAX ID NUMBER. PLEASE RETURN THE EXECUTED DIVISION ORDER TO UNION PACIFIC RESOURCES CO. P.O. BOX 2993, FORT WORTH, TEXAS 76113-2993. THIS DIVISION ORDER SHALL BE EFFECTIVE AS OF 7:00 A.M. ON THE FIRST DAY OF MARCH 1993.

OWNER SIGNATURE(S)/CORPORATE TITLE

SIGNATURE OF WITNESS #1

SOCIAL SECURITY OR TAX ID #

SIGNATURE OF WITNESS #2

NEW ADDRESS (IF CHANGED)

OWNER NUMBER	DOI/ID	OWNER NAME	INTEREST TYPE	INTEREST PAID BY UPRC
0057721 01	001	STATE OF TEXAS	RI	0.008042

INTEREST TYPE LEGEND:

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

UNION PACIFIC RESOURCES COMPANY

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

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Union Pacific Resources

A Subsidiary of Union Pacific Corporation

DATE: 05/19/93

DIVISION ORDER

ME

PROPERTY NUMBER: 007090 PRODUCT(S): GAS
 PROPERTY NAME: BERGER-PORTERFIELD UT #1 (GAS) COUNTY/PARISH: BRAZOS
 OPERATOR: UNION PACIFIC RESOURCES STATE: TEXAS
 LEGAL DESCRIPTION: 360 ACRES OUT OF THOMAS J. WOOTEN SURVEY, A-59.
 (SEE 007190 FOR OIL.)

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

005772101001

200

IMPORTANT: YOU MUST PROVIDE YOUR SOCIAL SECURITY OR TAX ID NUMBER. YOUR SIGNATURE AND THOSE OF TWO WITNESSES MUST ALSO BE PROVIDED. YOUR SIGNATURE CONFIRMS THE INTEREST IDENTIFIED BELOW TO OWNER #0057721-01 DOI ID# 001, AND BINDS YOU TO THE TERMS ON THE REVERSE SIDE OF THIS DOCUMENT. FURTHER, YOU HEREBY CERTIFY UNDER PENALTIES OF PERJURY, AS REQUIRED BY THE INTERNAL REVENUE CODE, THAT THE NUMBER SHOWN ON THIS FORM IS YOUR CORRECT TAX ID NUMBER. PLEASE RETURN THE EXECUTED DIVISION ORDER TO UNION PACIFIC RESOURCES CO. P.O. BOX 2993, FORT WORTH, TEXAS 76113-2993. THIS DIVISION ORDER SHALL BE EFFECTIVE AS OF 7:00 A.M. ON THE FIRST DAY OF MAY 1992.

OWNER SIGNATURE(S)/CORPORATE TITLE

SIGNATURE OF WITNESS #1

SOCIAL SECURITY OR TAX ID #

SIGNATURE OF WITNESS #2

NEW ADDRESS (IF CHANGED)

OWNER NUMBER	DOI/ID	OWNER NAME	INTEREST TYPE	INTEREST PAID BY UPRC
0057721 01	001	STATE OF TEXAS	RI	0.000489

INTEREST TYPE LEGEND:

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

UNION PACIFIC RESOURCES COMPANY

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

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



Union Pacific Resources

A Subsidiary of Union Pacific Corporation

DIVISION ORDER

DATE: 05/19/93

ME

m-64708

PROPERTY NUMBER: 007190 PRODUCT(S): CRUDE OIL
 PROPERTY NAME: BERGER-PORTERFIELD UT #1 (OIL) COUNTY/PARISH: BRAZOS
 OPERATOR: UNION PACIFIC RESOURCES STATE: TEXAS
 LEGAL DESCRIPTION: 360 ACRES OUT OF THOMAS J. WOOTEN SURVEY, A-59.
 (SEE 007090 FOR GAS.)

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

005772101001

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OWNER SIGNATURE(S)/CORPORATE TITLE

SIGNATURE OF WITNESS #1

SOCIAL SECURITY OR TAX ID #

SIGNATURE OF WITNESS #2

NEW ADDRESS (IF CHANGED)

OWNER NUMBER	DOI/ID	OWNER NAME	INTEREST TYPE	INTEREST PAID BY UPRC
0057721 01	001	STATE OF TEXAS	RI	0.000326

INTEREST TYPE LEGEND:

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

UNION PACIFIC RESOURCES COMPANY

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

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Union Pacific Resources

A Subsidiary of Union Pacific Corporation

DATE: 07/01/93

DIVISION ORDER

VGS

PROPERTY NUMBER: 007534 PRODUCT(S): CRUDE OIL

PROPERTY NAME: BIENSKI-PORTERFIELD #1 (99)

COUNTY/PARISH: BRAZOS

OPERATOR: UNION PACIFIC RESOURCES

STATE: TEXAS

LEGAL DESCRIPTION: 327.83 ACRES OUT OF T.J. WOOTEN SURVEY, A-59, AND I.L. JACQUES SURVEY, A-143. (SEE 007434)

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

005772101001

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OWNER SIGNATURE(S)/CORPORATE TITLE

SIGNATURE OF WITNESS #1

SOCIAL SECURITY OR TAX ID #

SIGNATURE OF WITNESS #2

NEW ADDRESS (IF CHANGED)

OWNER NUMBER	DOI/ID	OWNER NAME	INTEREST TYPE	INTEREST PAID BY UPRC
0057721 01	001	STATE OF TEXAS	RI	0.000817
2294257 01	001	JOE P. WHITE JR.	RI	0.001212
2294269 01	001	DOROTHY S. BIENSKI AND LEON L. BIENSKI	RI	0.086399
2294271 01	001	CLYDE J. PORTERFIELD AND IRENE H. PORTERFIELD	RI	0.027256
2294283 01	001	W.E. MARSHALL AND BLANCHE O. MARSHALL	RI	0.002624

INTEREST TYPE LEGEND:

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

UNION PACIFIC RESOURCES COMPANY

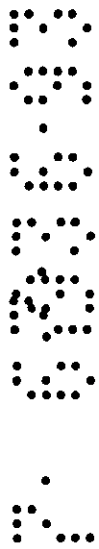
TO: Union Pacific Resources Company.
P.O.Box 2993
Fort Worth, Texas 76113-2993

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Union Pacific Resources

A Subsidiary of Union Pacific Corporation



OWNER NUMBER	DOI/ID	NAME	INTEREST TYPE	INTEREST PAID BY UPRC
2294295 01	001	GERALDINE VAN DYKE CRANFORD AND ORAN A. CRANFORD	RI	0.001312
2294302 01	001	FLORENCE H. VAN DYKE BELL AND J. FREDRIC BELL	RI	0.001312
2294314 01	001	MICHAEL R. MARSHALL	RI	0.000656
2294326 01	001	LOUISE MARSHALL ROLLO	RI	0.000656
2294338 01	001	GEORGE H. MARSHALL	RI	0.000656
2294340 01	001	GWENDOLYN MARSHALL	RI	0.000218
2294352 01	001	LOUIS DANIEL MARSHALL	RI	0.000218
2294364 01	001	KEVIN WADE MARSHALL	RI	0.000218
2294376 01	001	ANTON KRZESIENSKI	RI	0.000045
2294388 01	001	CHARLES KRZESIENSKI	RI	0.000045
2294390 01	001	LOUIS KRZESIENSKI	RI	0.000045
2294407 01	001	MARY KRZESIENSKI WISNOSKI	RI	0.000045
2294419 01	001	AMELIA KRZESIENSKI BIALAS	RI	0.000045
2294421 01	001	AGNES KRZESIENSKI HILTON	RI	0.000045
2294433 01	001	ANN KRZESIENSKI FRANK	RI	0.000045
2294445 01	001	LOU ANN KRZENSKI	RI	0.000045
2294457 01	001	FRANK C. FEHR SR.	RI	0.000045
2294469 01	001	KENNETH W. KENNEDY AND IMOGENE KENNEDY	RI	0.000255
2294471 01	001	HOWARD PORTERFIELD AND LINDA D. PORTERFIELD	RI	0.000553
2294483 01	001	G.R. MILLER AND MAGGIE MILLER	RI	0.000114
2294495 01	001	VERNICE V. BORISKIE	RI	0.001053
1535505 01	001	BALANCING ITEM	WI	0.333330

INTEREST TYPE LEGEND:

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

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

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3. **COMMINGLING** : If production from the property is commingled with production from other properties, a portion of the total shall be allocated to the property on the basis of lease meter readings or any other method generally accepted in the industry.
4. **UNITIZATION** : In the event the production from the property is pooled, unitized or communitized with one or more other properties by voluntary agreement, declaration, operation of law, or by action of a governmental authority with jurisdiction, the oil and/or gas allocated to the property from the total oil and/or gas produced and marketed from the pooled, unitized or communitized area shall be deemed for all purposes to have been actually produced from the property.
5. **TITLES** : If any dispute or question arises concerning title to the interest of the owner(s) in the property or the proceeds from the sale of production therefrom, UPRC shall be furnished, at its request, such evidence of title as it may require. Until such evidence of title is furnished and such dispute or question is resolved to the satisfaction of UPRC, or until satisfactory indemnity is furnished to UPRC, UPRC is authorized to withhold proceeds due the owner(s) of the disputed or questioned interest. If any action or suit is filed in any state or federal court or administrative body affecting an owner(s) interest or proceeds due, owner(s) shall immediately provide written notice to UPRC stating the court or administrative body in which the action is filed and the title of the action.
6. **CHANGE OF OWNERSHIP** : Owner(s), their heirs, representatives, successors or assigns, shall timely notify UPRC, at the address above, of each change in the person or entity entitled to receive payment hereunder. No transfer of ownership or change in the person or entity entitled to receive payment, however effected, shall be binding upon UPRC until it has received, at no expense to UPRC: A) a properly recorded instrument or instruments evidencing such transfer or change; B) such further evidence as UPRC may require; and C) a properly executed division order/transfer order executed by all parties in interest. Furthermore, owner(s) relieve UPRC from the responsibility and liability for determining when and whether such owner's interest shall change or revert to or otherwise become owned by another party. Owner(s) shall indemnify UPRC and hold UPRC harmless from any and all claims, causes of action, damages or losses including, but not limited to, court costs and reasonable attorney's fees which may arise or result to any owner in the event of a change of ownership for which timely and sufficient notice is not received by UPRC. The accounting for all such transfers or changes of interests shall be as of 7:00 AM on the first day of the calendar month following the month in which notice is received by UPRC.
7. **WARRANTIES** : Owner(s) hereby warrants and agrees to forever defend the title to such owner's interest including that owner's share in proceeds from sales. The operator and other working interest owners severally represent that all oil and/or gas produced and marketed from the property has been or will be produced in compliance with all applicable federal, state and local laws, rules and regulations.
8. **TAXES AND ASSESSMENTS** : UPRC shall deduct, as required by applicable law, from any proceeds due an owner, any or all production, severance, ad valorem, excise, sales, and other or dissimilar taxes. Any charges or assessments or any interest or penalties in connection therewith, now or hereafter levied, assessed or placed on such proceeds or an owners interest by a governmental authority will also be deducted.
9. **SETTLEMENT** : Settlement shall be made monthly to owner(s). If the proceeds payable to an owner in any one month amount to less than twenty-five dollars (\$25.00), UPRC may, at its option, accrue such proceeds and proceeds of subsequent months, until the amounts accrued total twenty-five dollars (\$25.00).
10. **EXECUTION** : This document shall be binding upon all signatory parties, their heirs, representatives, successors or assigns.



TO ALL INTEREST OWNERS:

Enclosed please find two copies of our Division Order. Please read the Division Order carefully and execute one copy. Return the fully executed copy directly to the address below. Retain one copy for your records.

UNION PACIFIC RESOURCES COMPANY
P.O. Box 2993
Ft. Worth, Texas 76113-2993
Attn: Division Order Section

1. Sign as shown on the Division Order. Your signature must be witnessed by two people.

If signing for a corporation, signature must be attested, corporate seal affixed, and title of signatory party shown.

2. If you have more than **one ownership interest** reflected on the Division Order, you must sign and return a division order for each separate ownership interest.
3. Signature by Agents, Attorneys-in-Fact, or Guardians other than the named interest owner must be verified by attaching evidence of the rights vested in the signatory party.
4. Include the proper Social Security Number or Tax Identification, whichever applies, in the space provided below your signature.
5. Insert the address to which checks are to be mailed. **Please print or type. Please do not abbreviate.**
6. You should notify us promptly of any change in your mailing address. This notice must be over your own signature, or the signature of your appointed agent. Always include your owner number and your old address, then state your new address with zip code.

UNION PACIFIC RESOURCES COMPANY

- PLEASE SEE REVERSE SIDE -



Union Pacific Resources Company Settlement Check Statement.

Price/Unit
Value per unit of sales or purchases for each product delivered. Determined by dividing Gross Value by Gross Quantity.

Gross Quantity
Barrels of Crude Oil, Condensate or Gas Liquid Products; MCF of Gas or Casinghead Gas; and Tons of Sulphur in sales or purchases of products delivered.

Property Number
The six digit identification number assigned to the Division of Interest associated with the sales or purchases for each product delivered.

Date
Month and year of sales or purchases included in this payment.

Product
The three digit code assigned to identify the type of sales or purchases delivered. The type is explained by referencing the Product Code legend on the reverse side of the Settlement Check Statement.

Owner Number
The number assigned exclusively to you as an Interest Owner. When corresponding please refer to this number.

Gross Value
The total value of sales or purchases for each product delivered.

Total Value After Tax
Net Value after Production Taxes have been deducted from Gross Value.

Actual Interest
Owners actual decimal interest in the proceeds of production distributed through this property.

After Tax
The amount payable to the Interest Owner for each sale or purchase of products delivered determined by applying the Owner Decimal against the Total Value After Tax and adjustments to the amount payable.

Adjustment Amount
Identifies the total value of each owner adjustment including Crude Oil Excise Tax deductions as required.

Adjustment Code
The one digit code identifying the type of adjustment to the amount payable to the Interest Owner. Each adjustment type is explained by referencing the Adjustment Code legend on the reverse side of the Settlement Check Statement.

Before Tax
Portion of the Gross Value applicable to the Interest Owner. Determined by applying the Owner Decimal against the Gross Value.

Computational Interest
Owners share of proceeds received by Union Pacific Resources Company, (if Union Pacific Resources Company receives less than 100% of production this figure will be an inflation of owners actual decimal interest).

SALES OR PURCHASE INFORMATION								OWNER INFORMATION				
PROPERTY NO.	DATE	P.C.	GROSS QUANTITY	PRICE/UNIT	GROSS VALUE	PRODUCTION TAX	TOTAL VALUE AFTER TAX	ACT. INT.	COMP. INT.	BEFORE TAX	ADJUSTMENT AMOUNT (S)	AFTER TAX
PAGE TOTAL												
OWNER NUMBER		CHECK NUMBER		CHECK DATE		CHECK AMOUNT						

FORM 8022 12/78

(-) DENOTES DEDUCTION * SEE REVERSE SIDE-PRODUCT CODES ** SEE REVERSE SIDE-ADJUSTMENT CODES

Production Tax
State severance and other production taxes paid as required.

Check Amount
The total amount payable on the check.

The settlement check statement will be mailed separate from the check. Please refer to the check number when corresponding.

M W

Division Order

DOI 01

PAGE 1

TO: MW Petroleum Corporation ("Company")
One Post Oak Central
2000 Post Oak Boulevard
Houston, Texas 77056-4400

DATE: JANUARY 11, 1993
EFFECTIVE DATE: NOVEMBER 1, 1992
DIVISION ORDER NO.: 1000152-01

Each of the undersigned ("Owner") hereby certifies and guarantees that he is the legal Owner, and hereby warrants title to his respective interest, as set out herein, in the oil (which term includes all liquid hydrocarbons) and in the proceeds realized from the sale of gas (which term includes all casinghead and other gaseous hydrocarbons) produced and saved or deemed to be produced and saved from the Lease, Unit and/or well (the "Property") described as:

Property: BUSH-BUSH UNIT #1

PROPERTY LEGAL COMMENTS:
360 ACS M/L BEING PART OF J.P. COLES
7-1/2 LEAGUE SURVEY A-12

Description:

~~BRAZOS~~
Burleson

COUNTY TEXAS

From the effective date stated above, and until further notice, Company is hereby authorized and directed to purchase and receive oil and to give credit for proceeds realized from the sale of gas produced from the above Property to each Owner signing this Division Order in the respective proportions set forth herein. Each Owner signing this Division Order in the space provided below agrees to be bound by the provisions which follow.

WITNESS/ATTEST:

OWNER SIGNATURE
STATE OF TEXAS
GENERAL LAND OFFICE
STEPHEN F. AUSTIN BUILDING
AUSTIN, TEXAS 78701
TAX I.D. [REDACTED]

SOCIAL SECURITY
OR TAX I.D. NUMBER:

BY: _____

TITLE: _____

ADDRESS: _____

BY: _____

TITLE: _____

ADDRESS: _____

THIS COPY FOR YOUR FILE

WELL ZONE NBR : WZ50067
 PROPERTY NAME : BUSH-BUSH UNIT #1
 PROPERTY NBR : 1000152-01

PRODUCT : OIL
 DECK CODE : M2

OWNER/ -----*	NAME/ADDRESS	DECIMAL	INT TYP	PAY STA
-	APACHE CORPORATION *** NO ADDRESS FOUND ***	0.27730000	TI	Y
0004390-02	STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OFFICE 1700 CONGRESS AUSTIN TX 78701	0.00277600	RI	Y
0005090-01	BALANCING *** NO ADDRESS *** *****	0.66670000	WI	N
0102610-01	INTERNAL REVENUE SERVICE F/A/O MITT A BUSH LEVY PROCEEDS P O BOX 1031 BRYAN TX 77806	0.00987000	RI	Y
0102611-01	GREAT HILLS BANCSHARES, INC 8858 MOUNTAIN RIDGE CIRCLE AUSTIN TX 78759	0.02661400	RI	Y
0102612-01	MARILYN SUE BUSH 8858 MOUNTAIN RIDGE CIRCLE AUSTIN TX 78759	0.00837000	RI	Y
0102613-01	MARGARET SUZANNE BUSH 8858 MOUNTAIN RIDGE CIRCLE AUSTIN TX 78759	0.00279000	RI	Y

TO: MW Petroleum Corporation ("Company")
One Post Oak Central
2000 Post Oak Boulevard
Houston, Texas 77056-4400

DATE: JUNE 02, 1993
EFFECTIVE DATE: NOVEMBER 01, 1992
DIVISION ORDER NO.: 1000107-01

Each of the undersigned ("Owner") hereby certifies and guarantees that he is the legal Owner, and hereby warrants title to, his respective interest, as set out herein, in the oil (which term includes all liquid hydrocarbons) and in the proceeds realized from the sale of gas (which term includes all casinghead and other gaseous hydrocarbons) produced and saved or deemed to be produced and saved from the Lease, Unit and/or well (the "Property") described as:

Property: BERGER-PORTERFIELD UNIT #1

PROPERTY LEGAL COMMENTS:
360 ACS M/L OUT OF THOMAS J. WOOTEN
SURVEY A-59

Description:

BRAZOS

COUNTY TEXAS

OWNER NO.

OWNER NAME AND ADDRESS

INTEREST(Expressed in Decimals)

0004390-01

STATE OF TEXAS
1700 NORTH CONGRESS AVE

0.00048900 RI

COMMISSIONER OF THE
GENERAL LAND OFFICE

AUSTIN TX 78701

PLEASE BE SURE YOUR
CORRECT MAILING ADDRESS
TO WHICH YOU WANT YOUR
CHECKS DEPOSITED ON
THIS DIVISION ORDER.

Interest formerly credited to: UNIDENTIFIED ROYALTY #0000538

Giving effect to:

NOTE: INTEREST WILL BE SUSPENDED UNTIL RECEIPT OF:

From the effective date stated above, and until further notice, Company is hereby authorized and directed to purchase and receive oil and to give credit for proceeds realized from the sale of gas produced from the above Property to each Owner signing this Division Order in the respective proportions set forth herein. Each Owner signing this Division Order in the space provided below agrees to be bound by the provisions which follow.

WITNESS/ATTEST:

OWNER SIGNATURE:

SOCIAL SECURITY
OR TAX I.D. NUMBER:

BY: _____

TITLE: _____

ADDRESS: _____

BY: _____

TITLE: _____

ADDRESS: _____

Sign & Return Copy

In consideration of the distribution of the proceeds from the production covered by this Division Order, the agreements provided herein, and other good consideration, the parties hereto agree as follows:

1. Purchase or Sale - Oil shall become the property of the purchaser thereof ("Purchaser"), designated by Company upon its actual delivery into any facility or pipeline, designated by Purchaser. Settlements to Owner for both oil and gas shall be based upon the net proceeds actually received at the wellhead by Company from Purchaser, less compression, gathering, transportation, treating, conditioning, marketing and other post-production costs downstream of the wellhead, and further shall be net of any gross production, severance or other similar taxes on production or the proceeds thereof withheld by the Purchaser or paid or payable by Company. The Purchaser's measurements and grading of oil and gas received shall be controlling. Company does not warrant or represent the volumes which will be taken by the Purchaser designated by Company, or as to whether said Purchaser will consider the production merchantable, and in no event shall Company be liable to Owner for Purchaser's failure to take all or any portion of the production covered by this Division Order. Each Owner agrees that all oil and gas hereunder shall be produced and delivered in compliance with all applicable federal, state and local laws, orders, rules and regulations.
2. Payment - Settlement shall be made monthly by mailing or tendering to each Owner signing this Division Order an amount calculated according to their respective interest specified in Exhibit "A". Production for each month shall be paid on or before the last day of the second succeeding month by check or draft for the amount due sent to the address of each such Owner; provided, however, when an amount due is less than twenty-five dollars (\$25), Company may withhold said amount until twenty-five dollars (\$25) or more is due without any obligation to pay interest, thereon, except that payment will be made at least annually.
3. Title - Without impairing the warranty heretofore made, in the event of any dispute, defect or question concerning title to or ownership of any interest of the Owners in either production or proceeds thereof, Company is authorized to withhold, without interest and without liability for conversion, the proceeds of the sale of any production attributable to such disputed interest until such dispute, defect or question is resolved to Company's satisfaction, or until indemnity satisfactory to Company has been furnished. Owner agrees to notify Company in writing immediately upon the filing of any action or suit in any court affecting title to all or a portion of Owner's interest in the Property above described, the production therefrom or the proceeds from such production, stating the court in which such action is filed, the title of such action and such other particulars as Company may request.
4. Transfers of Title - Company is not responsible for determining if and when any change occurs in any interest set forth on Exhibit "A" including any change resulting from the expiration or vesting of a contingent or limited term interest, even if Company is aware of the existence of such interest. Company shall not be bound by any change of ownership of the production or proceeds thereof unless it is notified in writing thereof and is furnished with the original or recorded copy of the document by which such ownership is changed or otherwise evidencing such change and is furnished with transfer orders or division orders satisfactory to Company. Company may, without liability, continue payments as set forth in this Division Order until it is furnished such documents and transfer orders or division orders. Any assignee of the production shall take subject to the provisions of this Division Order. Any such change shall become effective as of 7:00 A.M. of the first day of the month following fifteen (15) days after Company's receipt of such satisfactory documents and orders.
5. Commingling - If production from the property is commingled with production from other properties, a portion of the total shall be allocated to the property on the basis of the formula or methodology used by the operators of the leases from which such commingled production is produced and Company shall be entitled to rely upon the data and allocations of such operators without liability to Owners.
6. Units - Should all or any part of the Property or the production obtained from any formation underlying the Property become a part of a unit, then, with respect to each Owner who is otherwise bound by the unit agreement or who has had its interest therein pooled or unitized by governmental order, the portion of unitized production deemed to have been produced from the Property or underlying formation by such agreement, order or amendments thereto or by law shall be controlling for all purposes as to the amount of production from the Property.
7. Offsets and Refunds - If Company determines that it has paid Owner for production covered by this Division Order amounts in excess of amounts permitted by law or, because of miscalculation or other unintentional cause, amounts in excess of that due under the terms of this Division Order or the applicable production purchase contract, Owner undertakes to refund said amounts, with interest if required by applicable law. Should any sums be due or owing to Company from an Owner for any reason, Company is authorized to withhold any amount payable to such Owner under this Division Order, and offset and apply such amounts to the sums due or owing Company. Company shall not be liable for interest upon or damages due to any such good faith offset and application which proves to be in error. If production from any well or wells covered under this Division Order is, in Company's sole discretion, subject to federal, state or other governmental authority's regulations or orders, Company is authorized to suspend part or all of the proceeds from the sale of production which appear in Company's sole discretion to be subject to refund, or as may be ordered by such federal, state or other governmental authority. In the event Company has already made payments to Owner for such production, Owner agrees to promptly repay all such refund amounts, including interest and other charges relating thereto or Company may, at its discretion, recoup such amounts, other charges and interest from other payments due hereunder to such Owner.
8. Execution - This Division Order may be executed in counterparts, and it shall become valid and binding upon all signatory parties, their heirs, representatives, successors or assigns, whether or not it is signed by all parties named herein. Any and all previously existing Division Orders relating to production from the above Property relative to Owner's interest referenced herein are hereby revoked and cancelled.
9. Indemnification - The undersigned hereby agrees to indemnify, hold harmless and defend the Company and all legal entities thereof, and Purchaser from and against any and all claims, damages, demands, actions, judgments and expenses of every nature and character, including refund orders of any court or governmental body having jurisdiction, which the Company and/or any legal entity thereof may sustain arising from the payment of the proceeds of production as set out in this Division Order in the proportions shown opposite of the named parties.
10. Conflicts and Severability - If any provision of this Division Order conflicts with any provision of applicable law and such law permits the parties to contract in a manner different than provided by such law, then Owner and Company expressly agree that, by this Division Order, they intend to contract for different terms. If the parties are not permitted to contract for terms different than those provided by law, then, to the extent, and only to the extent, of a conflict, the provisions of applicable law shall control, by all other provisions of this Division Order shall remain in full force and effect.



Texas General Land Office
Garry Mauro, Commissioner

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

July 19, 1993

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

RE: Mineral File No. M-94708
Dear Sir or Madam:

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

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

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

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

Sincerely,

Drew Reid, Landman
Lease Administration
Energy Resources

DR/dr

M-94768

Division Orders

7-19-93

(11)

DISTRICT > 03 OIL LEASE LEDGER STATUS INQUIRY
 FIELD > GIDDINGS (AUSTIN CHALK-3) # 34733 500
 OPERATOR > ANADARKO E&P ONSHORE LLC # 020528
 LEASE > COUGAR UNIT # 21588

MM/YYYY	OIL ALLOW	OIL PROD	* * DISPOSITIONS * *		EOM BAL	CUMU OVERAGE	MOVEABLE BAL
			AMT CODE	AMT CODE			
09/2014	360	333	189 1		229	0	229
10/2014	372	214	375 1	1 8	67	0	67
11/2014	360	257	182 1	3 8	139	0	139
12/2014	372	152	181 1	1 8	109	0	109
01/2015	279	261	188 1	1 8	181	0	181
02/2015	392	376	378 1	3 8	176	0	176
03/2015	434	333	377 1	3 8	129	0	129
04/2015	420	312	385 1	2 8	54	0	54
05/2015	434	342	190 1	2 8	204	0	204
06/2015	360	323	378 1		149	0	149
07/2015	372	241	192 1	3 8	195	0	195
08/2015	372	NO RPT				0	195

GO TO DIST > LEASE # >
 PF1=HELP PF2=CSGHD LDGR INQ PF3=MENU PF4=PROD RMKS PF6=PROD
 PF7=SCHED PF8=P4 PF9=LDGR _ PF17=P-17 PMT _ PF18=T1 INQ _ PF19=HIST LDG
 ** PRESS ENTER TO SCROLL **

DISTRICT > 03 OIL LEASE LEDGER STATUS INQUIRY
 FIELD > GIDDINGS (AUSTIN CHALK-3) # 34733 500
 OPERATOR > ANADARKO E&P ONSHORE LLC # 020528
 LEASE > COUGAR UNIT # 21588

MM/YYYY	OIL ALLOW	OIL PROD	* * DISPOSITIONS * *		EOM BAL	CUMU OVERAGE	MOVEABLE BAL
			AMT CODE	AMT CODE			
09/2013	150	42	3 8		68	0	68
10/2013	155	38			106	0	106
11/2013	150	21	2 8		125	0	125
12/2013	155	140	180 1		85	0	85
01/2014	248	224	183 1		126	0	126
02/2014	224	186	186 1		126	0	126
03/2014	248	158	189 1		95	0	95
04/2014	390	379	361 1		113	0	113
05/2014	403	295	368 1	1 8	39	0	39
06/2014	330	48			87	0	87
07/2014	341	53			140	0	140
08/2014	527	506	560 1	1 8	85	0	85

GO TO DIST > LEASE # >
 PF1=HELP PF2=CSGHD LDGR INQ PF3=MENU PF4=PROD RMKS PF6=PROD
 PF7=SCHED PF8=P4 PF9=LDGR _ PF17=P-17 PMT _ PF18=T1 INQ _ PF19=HIST LDG
 ** PRESS ENTER TO SCROLL **

DISTRICT > 03 HISTORICAL OIL LEDGER INQUIRY
 FIELD > GIDDINGS (AUSTIN CHALK-3) # 34733 500
 OPERATOR > ANADARKO E&P ONSHORE LLC # 020528
 LEASE > COUGAR UNIT # 21588

MM/YYYY	ALLOW	OIL PROD	* * DISPOSITIONS * *		EOM BAL	CUMU OVERAGE	MOVEABLE BAL
			AMT	CODE			
01/2013	155	48	1	8	122	0	122
02/2013	140	29	2	8	149	0	149
03/2013	155	39	2	8	186	0	186
04/2013	150	37	175	1	47	0	47
05/2013	155	38			85	0	85
06/2013	150	51			136	0	136
07/2013	155	37	1	8	172	0	172
08/2013	155	37	180	1	29	0	-29

GO TO DIST > LEASE # > YEAR >
 PF1=HELP PF2=CSGHD PF3=MENU PF4=PREV YR PF5=NEXT YR PF6=LDGR
 PF8=P4 PF9=DISPOSITIONS

File No. ME 94708

Production Report

Date Filed: 9-16-15

By VH George P. Bush, Commissioner