

MF 094905

<i>County</i>	BURLESON (26)
<i>Survey</i>	B.C.I.D. NO. 1
<i>Block</i>	
<i>Block Name</i>	
<i>Township</i>	
<i>Section/tract</i>	2
<i>Land Part</i>	
<i>Part Description</i>	
<i>Acres</i>	38.00
<i>Name</i>	UNION PACIFIC RESOURCES
<i>Lease Date</i>	4-7-1992
<i>Primary Term</i>	3-YEARS
<i>Bonus (\$)</i>	\$31,198.00
<i>Rental (\$)</i>	\$5.00
<i>Lease Royalty</i>	

Leasing: _____

Analyst: _____

Maps: _____

GIS: _____



UNIT # ~~2094~~ *Altmore unit acres 9.89*
 # 2847 ~~non unit acres 15.90~~
 UNIT # 2202 *Scarmado unit acres 13.21*

STATE LEASE - UPLANDS M-94905

COUNTY (CODE) : BURLESON (26)
 SURVEY : B.C.I.D. NO. 1
 BLOCK : _____
 TOWNSHIP : _____
 SECTION : 2
 PART : SEE LEASE
 ACRES : ~~38.00~~ 22.10 22.10
 DEPTH LIMITS : _____
 BASE FILE (S) : ~~154556~~ 154557
 CONTROL NO. (S) : ~~04-102864~~ 04-102873
 LESSEE : Union Pacific Resources Co.
 DATE : 4/7/92
 PRIMARY TERM : 3 years
 BONUS : \$31,198.00
 ROYALTY : *
 RENTALS : \$5.00

Legal _____
 Mental NS
 Min. A/c _____
 Min. Map. JA

Partial Release 8/22/95 MS

CONTENTS OF FILE NO. 94905

1. Bid Form	APR - 7 1992	26. ^{POLL of 15.90 outside UNIT 2202} Release 7-19-95
2. Lease	APR - 7 1992	27. ^{MOVED TO MF095252} Release 7-19-95
3. Transmittal Letter	APR 22 1992	28. ^{MOVED TO 994906 in file} Release 7-19-95
4. Pooling Committee Rpt	^{UNIT 2094} 9-8-92	29. Ltr to Union Pacific Co. 8-22-95
(Temp. 6 month - Altimore - Searmardo)		UNION PACIFIC → AURY A. STEPHENS-ALLRIGHT
5. Pooling Agreement	UNIT 2094	30. Assignment 12-8-95
6. Pooling Committee Rpt	^{UNIT 2094} 1-29-93	31. Letter to A. Stephens 8/29/96
(Extension - Altimore - Searmardo)		32. letter to Union 8/29/96
7. Pooling Agreement Amendment	UNIT 2094	33. A. letter 10/9/96
8. Rental Payment	3-6-93	33. Billing 3-8-01
9. Pooling Committee Rpt	^{UNIT 2847} 4-8-93	34. Rental Payment 5/17/07
(Extension - Altimore - Searmardo)		Above rental payment did not
10. Pooling Agreement	UNIT 2847	apply to this lease. ID 1-31-13
11. Pooling Committee Rpt	5-21-93	34. Rental pymnt. stub 5/17/07
(Permanent)		See MF094399 #12 For Assignment #9185
12. Pooling Agreement	"	Scanned LW 3-22-2016
13. Division Order	8-30-93	(See MF094399 #15 Assign #10628
(Temp. Searmardo - Carruba)		Anadarko (D) WITHR 7-23-18
14. Pooling Committee Rpt	^{UNIT 2202} 9-16-93	Scanned PJ 8-28-2018
(Temp. Searmardo - Carruba)		35. Notice of Temporary Cessation of 2/5/20
15. Pooling Agreement	UNIT 2202	Production - Unit 2202
16. Appl. to Drill Well # 1	"	Scanned sm 02/10/2020
17. Pooling Committee Rpt	^{UNIT 2202}	36. Assign #11219
(Permanent - Searmardo - Carruba)		Endeavor (D) Hibbard 10-7-22
18. Pooling Agreement	UNIT 2202	Scanned PJ 11 Oct 2022
19. Compl. rpts well # 1	"	
20. P.O.U. rental pymnt	3-11-94	
21. Ltr from Apache Corp.	8-4-94	
UNION PACIFIC → MW PETROLEUM 1/3 WI		
22. Assignment	8-4-94	
^{MOVED TO MF095252}		
23. Assignment	8-4-94	
24. Ltr to Apache Corp.	8-8-94	
25. Ltr From Union Pacific Co.	7-19-95	

Garry Mauro
Commissioner
General Land Office

Date
3/31/92



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 76101 - 18803
Telephone (817) 877-7272

AREA DESCRIPTION

County(ies) Burleson Survey/
Area Wm Raleigh A-47
(If Applicable)
Block/Tsp _____ Section/Tract _____ Acres 38.00
(If Applicable)

BID SUBMISSION

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

Cash Bonus Enclosed Thirty-one thousand One hundred ninty-eight

& 00/100 (Dollars) \$ 31,198.00 **92038174**

Sales Fee Attached Four hundred Sixty-seven & 97/100

(Dollars) \$ 467.97 **92038175**

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.

14

APPLICANT(S)

Union Pacific Resources Company

BONUS AMOUNT ENCLOSED

(\$) 31,198.00

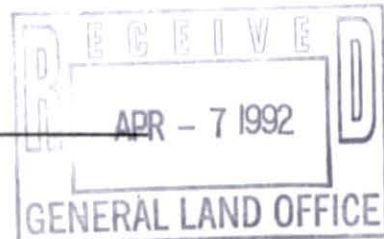
801 Cherry Street, Fort Worth, TX

APPLICANT
TAX I.D. NUMBER

[REDACTED]

SIGNATURE OF
APPLICANT/AGENT

[Signature]



38
190.00

M-94905 (1)
BID FORM
4-7-92 MUR

The State of Texas



Austin, Texas

OIL AND GAS LEASE NO. M-94905

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:

ALL OF THAT LAND OUT OF THE WILLIAM RALEIGH SURVEY, A-47, BURLESON COUNTY, TEXAS, BEING 38.00 ACRES, APPROXIMATELY, AS DESCRIBED BY METES AND BOUNDS IN DEEDS TO THE BURLESON COUNTY IMPROVEMENT DISTRICT NO. 1, OF RECORD IN VOLUME 31, PAGE 519, VOLUME 31, PAGE 521, VOLUME 31, PAGE 523, VOLUME 31, PAGE 524, AND VOLUME 40, PAGE 97, DEED RECORDS OF BURLESON COUNTY, TEXAS, SUBJECT TO A CURRENT SURVEY,

was, after being duly advertised, offered for lease on the 7th day of April, 1992, 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 7th day of April, 1992, and it was found and determined that Union Pacific Resources Company whose address is 801 Cherry Street, Fort Worth, Texas 76101 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 Thirty-one Thousand One Hundred Ninety-eight and No/100 Dollars (\$31,198.00), 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 twelve (12) 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.

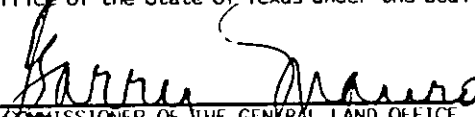
24. RAILROAD COMMISSION HEARINGS ON GAS: No natural gas or casinghead gas, including both associated and non-associated gas, produced from the mineral estate subject to this lease may be sold or contracted for sale to any person for ultimate use outside the State of Texas unless the Railroad Commission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

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, during the primary term, a portion of the land covered by this lease is included within the boundaries of a pooled unit that has been approved by the School Land Board in accordance with Natural Resources Code Sections 52.151-52.153, or 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 pooled, released, surrendered, or otherwise severed, so that payments determined on a per acre basis under the terms of this lease during the primary term shall be calculated based upon the number of acres outside the boundaries of a pooled unit, or, if after the expiration of the primary term, 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 7th day of April, 1992.


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

OIL AND GAS LEASE NO. M-94905 (2.)

DATE 4-7-92 BY MICK

Garry Mauro
Commissioner
General Land Office



April 22, 1992

Union Pacific Resources Company
801 Cherry Street
Fort Worth, Texas 76101-6803

Attn: Steve Byrom

Gentlemen:

Thank you for your participation in the State of Texas Oil and Gas Lease Sale held on the 7th day of April, 1992. 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. 14

M-94905

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

#2094

DO NOT DESTROY

GLO-36-10-84

-MEMO-

17307399737

Operator Union PACIFIC RES.

Unit Name ALTimore - Scarmardo #1

County Barleson

Effective Date ⁰³ 6-16-92

Unitized for: Oil Gas Oil & Gas

1. M.F. No. 094905

Area Uplands Tr. _____

Sec. _____ Blk. _____ Survey _____

8.89
 $\frac{283.93}{.031311} \times \frac{1}{4} = \frac{.7828}{.007828} \%$

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:

2094

POOLING COMMITTEE REPORT

TO: SCHOOL LAND BOARD
DATE: June 16, 1992
OPERATOR: Union Pacific Resources Co. COUNTY: Burleson
UNIT NAME: Altimore-Scarmardo Unit #1 FIELD: Giddings (Austin Chalk-3)

STATE LEASE(S) IN UNIT

Table with 8 columns: Lease Type, State Number, State Royalty, Expiration Date, Term Year, Acres, Acres In Unit, Lessee of Record. Row 1: Fee, M-94905, 1/4**, 4/7/95, 3, 38.00, 8.89, Union Pacific Resources Co.

** Subject to Royalty Reduction Provision

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

PRIVATE ACRES IN UNIT: 275.04

SIZE OF UNIT: 283.93

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

Participation: Basis See Remarks
State Acreage 3.13%
State Unit Royalty 3.16% 2.00%
See Remarks
Railroad Commission Rules: Spacing 320 Acres, Acreage Factor 100%

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

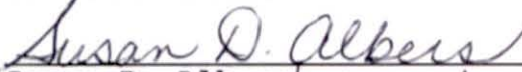
REMARKS:

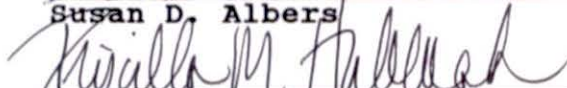
- . Union Pacific Resources Company is requesting temporary six month oil and gas pooling of the Austin Chalk Formation defined as the stratigraphic interval or its correlative equivalent occurring from 7828 feet MD to 8000 feet MD on the Dual Induction-Density Neutron Log of Robinson Bros. Drilling Co.'s Scarmardo #1 well.
- . The applicant plans to drill the proposed horizontal well to test the Austin Chalk Formation. The anticipated spud date is June 20, 1992.
- . If the unit well is drilled and the actual horizontal distance is not equal to the proposed 3038 feet length, the applicant is required to re-size the unit based upon the field rules for horizontal wells completed in the Giddings (Austin Chalk-3) field.
- . The State's unit royalty participation is based upon 8.89 levee tract acres and an additional 36 acres as if the latter were included in the unit as leased riverbed acreage.
- . If the applicant completes the proposed unit well and commences production prior to April 7, 1993, the applicant is entitled to the royalty reduction provision and the State's unit royalty participation will be reduced from 3.31% to 3.16%.
- . The Pooling Committee recommends Board approval as requested by the applicant.
- . Horizontal severance is effective at the end of 2 years after the primary or extended term as provided in the lease agreement.

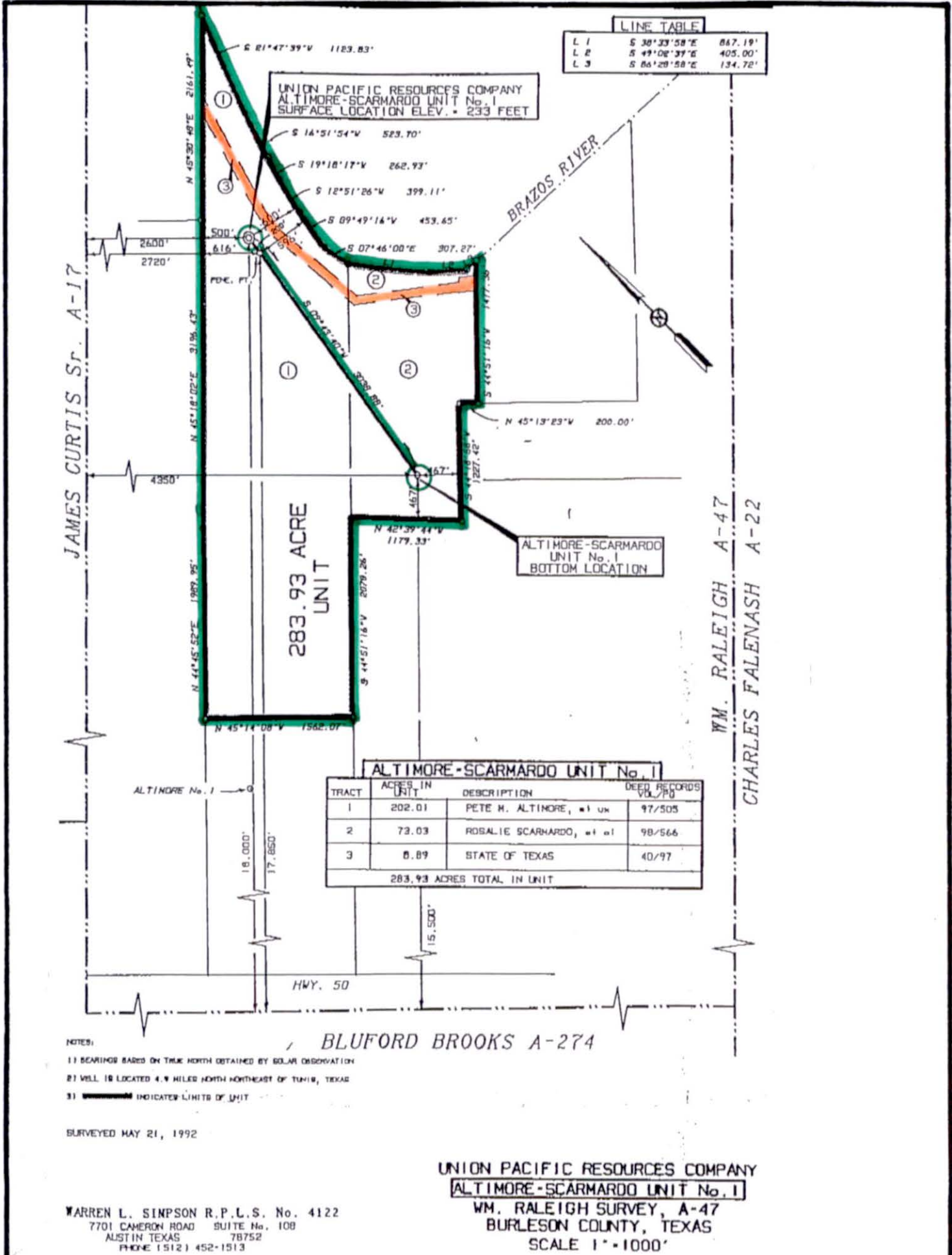
APPROVAL: Recommended

Not Recommended


Peter A. Boone


Susan D. Albers


Priscilla M. Hubenak



LINE TABLE

L 1	S 30°33'58"E	867.19'
L 2	S 49°08'37"E	405.00'
L 3	S 86°28'58"E	134.72'

UNION PACIFIC RESOURCES COMPANY
 ALTIMORE-SCARMARDO UNIT No. 1
 SURFACE LOCATION ELEV. = 233 FEET

ALTIMORE-SCARMARDO
 UNIT No. 1
 BOTTOM LOCATION

ALTIMORE-SCARMARDO UNIT No. 1

TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL./PG
1	202.01	PETE H. ALTIMORE, et ux	97/505
2	73.03	ROSALIE SCARMARDO, et al	98/566
3	8.89	STATE OF TEXAS	40/97
283.93 ACRES TOTAL IN UNIT			

JAMES CURTIS SR. A-17

WM. RALEIGH A-47
 CHARLES FALENASH A-22

BLUFORD BROOKS A-274

- NOTES:
- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
 - 2) WELL IS LOCATED 4.9 MILES NORTH-NORTHEAST OF TUNIS, TEXAS
 - 3) INDICATES LIMITS OF UNIT

SURVEYED MAY 21, 1992

UNION PACIFIC RESOURCES COMPANY
ALTIMORE-SCARMARDO UNIT No. 1
 WM. RALEIGH SURVEY, A-47
 BURLESON COUNTY, TEXAS
 SCALE 1" = 1000'

WARREN L. SIMPSON R.P.L.S. No. 4122
 7701 CAMERON ROAD SUITE No. 108
 AUSTIN TEXAS 78752
 PHONE 1512) 452-1513

④ M-94905

Pooling Committee Rpt
FILED: 9-8-42

TERM POOLING AGREEMENT
UNION PACIFIC RESOURCES COMPANY
ALTIMORE-SCARMARDO UNIT #1
BURLESON COUNTY, TEXAS

UNIT 2094

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Union Pacific Resources Company, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", 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 which follow:

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit within the Austin Chalk Formation defined as the stratigraphic interval or its correlative equivalent occurring from 7830 feet MD to 8035 feet MD on the Dual Induction-Density Neutron Log of the Robinson Bros. Drilling Co.'s Scarmardo #1 well ("unitized interval").

POOLING AND EFFECT:

4.

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

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom.
- (e) A shut-in oil or gas well located upon any lease included within said unit shall be considered as a shut-in oil or gas well located upon each lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms

of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners or otherwise diminished by reason of this Agreement.

- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "A" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "A" regardless of whether the production or operations on the unit are actually located on the State lease or not.
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 283.93 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Agreement shall not relieve Lessee from the duty of protecting the above described leases from drainage from any well situated on privately owned land, but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offset to any other well on separate tracts within the unit, nor to develop the tracts separately, as to the pooled mineral except as provided herein.
- (j) Should this Agreement terminate for any cause, in whole or in part, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION:

5.

For the purpose of computing the share of production of the pooled mineral to which the state shall be entitled from the pooled unit, there shall be allocated to the state that pro rata portion of the pooled mineral produced from the pooled unit which the number of surface acres included in the unit bears to the total number of surface acres included in said unit. It is agreed and understood that the total number of surface acres attributed to state ownership in the unit shall be considered for purposes of this Agreement to be 44.96 acres; and the total number of surface acres included in the unit shall be considered for purposes of this Agreement to be 320 acres.

TAKING ROYALTY IN KIND:

6.

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

FULL MARKET VALUE:

7.

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

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

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

EFFECTIVE DATE: 8.

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

TERM: 9.

Unless this Agreement expires earlier pursuant to the terms of the respective leases included as a part of this Agreement, this Agreement shall expire on December 16, 1992. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof which are contained in any State lease covered by this Agreement.

STATE LAND: 10.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this 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 E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code having been duly considered, made and obtained.

DISSOLUTION: 11.

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

COUNTERPARTS: 12.

This 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 9-4-92

Legal me
Geology me
Execution me

STATE OF TEXAS
By Garry Mauro
Garry Mauro, Commissioner
of the General Land Office

Date Executed _____

UNION PACIFIC RESOURCES COMPANY
By Debra Johnson
Its Attorney In - FACT

ATTEST:

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 16th day of June, 1992, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 4th day of September, 1992.

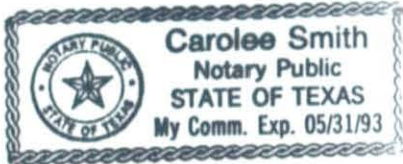
Linda K. Fisher
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on June 30, 1992, by Debra Johnson as Attorney-in-Fact of Union Pacific Resources Company, a Delaware corporation, on behalf of said corporation.

Carolee Smith
Notary Public in and for the
State of Texas
Commission expires: 5/31/93



Carolee Smith

4



EXHIBIT "A"- TERM POOLING AGREEMENT
UNION PACIFIC RESOURCES COMPANY
ALTIMORE-SCARMARDO UNIT NO. 1
BURLESON COUNTY, TEXAS

FIELD NOTES

ALTIMORE-SCARMARDO UNIT No.1
283.93 ACRE UNIT

Being 283.93 acres of land out of the William Raleigh Survey, Abstract No. 47 in Burleson County, Texas; being 202.01 acres of land out of that certain tract of land conveyed to Pete M. Altimore Sr., et ux, by deed recorded in Volume 97, Page 505; being 73.03 acres of land out of that certain tract of land conveyed to W. C. Scarmardo, et al, by deed recorded in Volume 98, Page 556; being 8.89 acres of land comprised of all that certain tract of land conveyed to John K. Parker by deed recorded in Volume 40, Page 97, and a portion of that certain tract of land conveyed to the Burleson County Improvement District No. 1, by deed recorded in Volume 31, Page 523, all in the Deed Records of Burleson County, Texas and being more particularly described as follows:

BEGINNING at a fence corner post on the west bank of the Brazos River for the north corner of said Pete M. Altimore Sr., et ux, tract;

THENCE along said west bank of the Brazos River and with the northeast lines of said Pete M. Altimore Sr., et ux, and W.C. Scarmardo, et al, tracts, the following nine (9) courses and distances:

- 1) S 21°47'39" W, 1123.83 feet,
- 2) S 16°51'54" W, 523.70 feet,
- 3) S 19°18'17" W, 262.93 feet,
- 4) S 12°51'26" W, 399.11 feet,
- 5) S 09°49'16" W, 453.65 feet,
- 6) S 07°46'00" E, 307.27 feet to a fence corner post for the north corner of said W. C. Scarmardo, et al, tract,
- 7) S 38°33'58" E, 867.19 feet,
- 8) S 49°02'39" E, 405.00 feet,
- 9) S 86°28'58" E, 134.72 feet to a point for the east corner of the Scarmardo No. 1 Unit described in Volume 132, Page 732 in the Oil and Gas Records of Burleson County, Texas;

THENCE S 44°51'16" W, traversing the interior of said W. C. Scarmardo, et al, tract, and with a southeast line of said Scarmardo No. 1 Unit, a distance of 1477.36 feet to a point for corner in a fenced interior northeast line of said W. C. Scarmardo, et al, tract;

THENCE N 45°13'23" W, along said fenced interior northeast line, a distance of 200.00 feet to a fence corner post for an interior ell corner of said W. C. Scarmardo, et al, tract and said Scarmardo No. 1 Unit;

THENCE S 44°18'58" W, at 795.81 feet passing an interior ell corner of said W. C. Scarmardo, et al, tract, a total distance of 1227.42 feet to a point for the most easterly south corner of the herein described unit and the most southerly corner of the said Scarmardo No. 1 Unit;

THENCE N 42°39'44" W, along the southwest line of said Scarmardo No. 1 Unit, a distance of 1179.33 feet to a point for the west corner of said Scarmardo No. 1 Unit in the fenced southeast line of said Pete M. Altimore, Sr., et ux, tract;

THENCE S 44°51'16" W, along the fenced southeast line of said Pete M. Altimore Sr., et ux, tract, a distance of 2078.26 feet to a point for the most westerly south corner of the herein described unit;

THENCE N 45°14'08" W, traversing the interior of said Pete M. Altimore Sr., et ux, tract, a distance of 1562.07 feet to a point for the west corner of the herein described unit;

THENCE along the fenced northwest line of said Pete M. Altimore Sr., et ux, tract the following three (3) courses and distances:

- 1) N 44°45'52" E, 1989.95 feet,
- 2) N 45°18'02" E, 3196.43 feet,
- 3) N 45°30'48" E, 2161.49 feet to the PLACE OF BEGINNING and containing 283.93 acres of land, more or less.



Warren L. Simpson

Warren L. Simpson
Registered Professional Land Surveyor No. 4122
May 21, 1992

EXHIBIT "B"

Term Pooling Agreement Union Pacific Resources Company Altimore-Scarmardo Unit No. 1 Burleson County, Texas.

Description of Leases within the Pooled Unit

LESSOR: Rosalie Scarmardo, et al (TX1-44911)
LESSEE: Union Pacific Resources Company
DATED: March 23, 1992
FILED: Memorandum of Oil and Gas Lease filed in the Oil and Gas Lease Records of Burleson County, Texas
RECORDED: Volume 199, Page 379

LESSOR: Pete M. Altimore, Sr., et ux (TX1-44742)
LESSEE: Union Pacific Resources Company
DATED: April 9, 1992
FILED: Oil and Gas Lease Records of Burleson County, Texas
RECORDED: Volume 200, Page 559

LESSOR: State of Texas M-94905 (TX2-45518)
LESSEE: Union Pacific Resources Company
DATED: April 7, 1992
FILED: Oil and Gas Lease Records of Burleson County, Texas
RECORDED: Volume 204, Page 77

EXHIBIT "C" - TERM POOLING AGREEMENT - UNION PACIFIC RESOURCES COMPANY

ALTIMORE-SCARMARDO UNIT #1
BURLESON COUNTY, TEXAS

LINE TABLE

L 1	S 38°33'58"E	867.19'
L 2	S 49°02'39"E	405.00'
L 3	S 86°28'58"E	134.72'

UNION PACIFIC RESOURCES COMPANY
ALTIMORE-SCARMARDO UNIT No. 1
SURFACE LOCATION ELEV. = 233 FEET

BRAZOS RIVER

JAMES CURTIS Sr. A-17

WM. RALEIGH A-47
CHARLES FALENASH A-22

283.93 ACRE UNIT

ALTIMORE-SCARMARDO UNIT No. 1
BOTTOM LOCATION

ALTIMORE-SCARMARDO UNIT No. 1

TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL/PG
1	202.01	PETE M. ALTIMORE, et ux	97/505
2	73.03	ROSALIE SCARMARDO, et al	98/556
3	8.89	STATE OF TEXAS	40/97 31/523
283.93 ACRES TOTAL IN UNIT			

NOTES:

- BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- WELL IS LOCATED 4.9 MILES NORTH NORTHEAST OF TUNIS, TEXAS
- INDICATES LIMITS OF UNIT
- EASEMENTS RECORDED IN VOL. 63/P. 211 & VOL. 142/P. 548 ARE DRAINAGE EASEMENTS TO BUTLER BAYOU DRAINAGE ASSN.
- EASEMENTS RECORDED IN VOL. 82/P. 346 IS AN OVERHEAD ELECTRIC EASEMENT TO THE CITY OF BRYAN
- EASEMENTS RECORDED IN VOL. 407/P. 107 & 409/P. 70 TO CLAYTON GAS CO. DO NOT AFFECT THIS UNIT.

SURVEYED MAY 21, 1992
REVISED AUGUST 29, 1992 (AS-DRILLED)

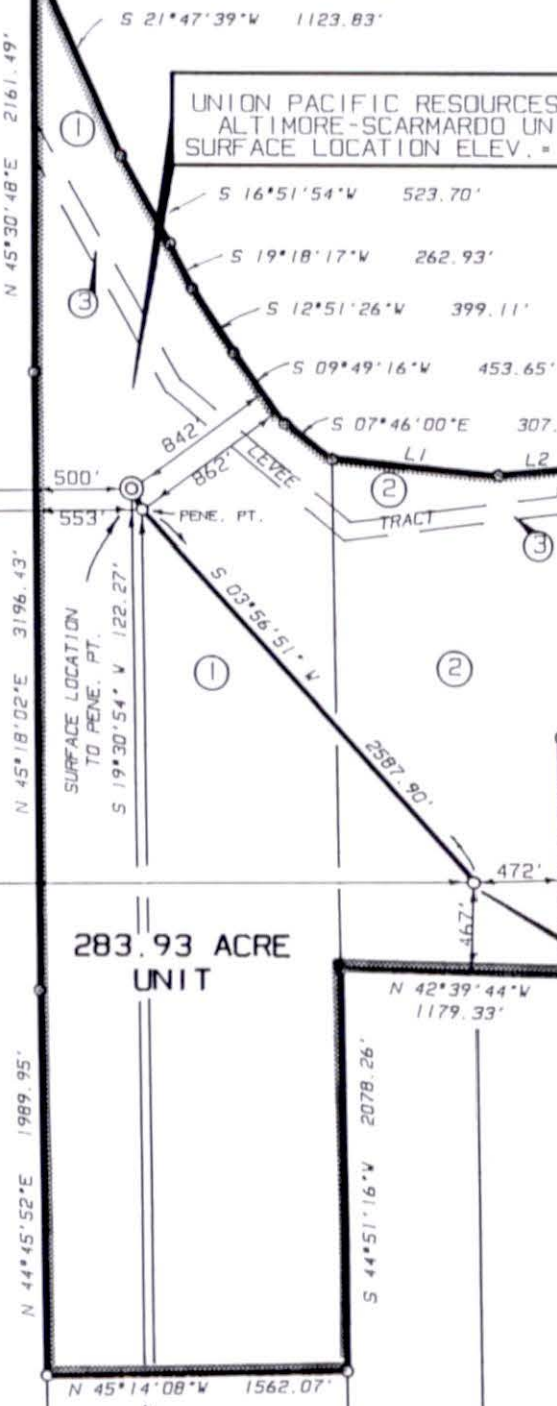
WARREN L. SIMPSON R.P.L.S. No. 4122
7701 CAMERON ROAD SUITE No. 108
AUSTIN TEXAS 78752
PHONE (512) 452-1513



(AS-DRILLED)
UNION PACIFIC RESOURCES COMPANY
ALTIMORE-SCARMARDO UNIT No. 1
WM. RALEIGH SURVEY, A-47
BURLESON COUNTY, TEXAS
SCALE 1" = 1000'

BLUFORD BROOKS A-274

HWY. 50



⑤ M-94905

Pooling Agreement
FILED: 9-8-92

3. 4. 05

POOLING COMMITTEE REPORT

UNIT 2094

TO: SCHOOL LAND BOARD
 DATE: December 15, 1992
 OPERATOR: Union Pacific Resources Co. COUNTY: Burleson
 UNIT NAME: Altimore-Scarmardo Unit #1 FIELD: Giddings
 (Austin Chalk-3)

STATE LEASE(S) IN UNIT

Lease *Type	State Number	State Royalty	Expiration Date	Term Year	Acres Acres	Acres In Unit	Lessee of Record
Fee	M-94905	1/4**	4/7/95	3	38.00	8.89	Union Pacific Resources Co.

** Subject to Royalty Reduction Provision

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

PRIVATE ACRES IN UNIT: 275.04

SIZE OF UNIT: 283.93

Unitized for:	Depth(s):	Well Location:
Oil _____	See Remarks	State Land _____
Gas _____	Formation:	Private Land <u> x </u>
Both <u> x </u>	See Remarks	

Participation:	Railroad Commission Rules:
Basis <u> See Remarks </u>	Spacing <u> 320 Acres </u>
State Acreage <u> 3.13% </u>	Acreage Factor <u> 100% </u>
State Unit Royalty <u> 2.88% </u>	
<u> See Remarks </u>	

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

REMARKS:

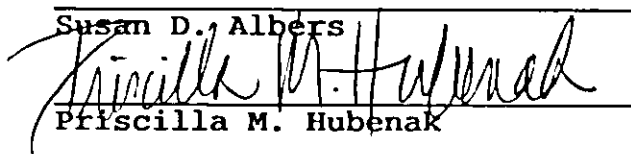
- . Union Pacific Resources Company is requesting permanent oil and gas pooling of the Austin Chalk Formation defined as the stratigraphic interval or its correlative equivalent occurring from 7828 feet MD to 8000 feet MD on the Dual Induction-Density Neutron Log of Robinson Bros. Drilling Co.'s Scarmardo #1 well.
- . The applicant has completed a horizontal well in the Austin Chalk Formation. The completion date was October 5, 1992. The initial potential of the well was 104 bbls and 330 mcf per day.
- . The State's unit royalty participation is based upon 8.89 levee tract acres and an additional 36 acres as if the latter were included in the unit as leased riverbed acreage.
- . If the unit is approved, the applicant will earn a royalty reduction.
- . Horizontal severance is effective at the end of 2 years after the primary or extended term as provided in the lease agreement.
- . APPROVAL BY THE SCHOOL LAND BOARD IN NO WAY RATIFIES ANY OF THE STATE LEASES INCLUDED IN THIS PROPOSED UNIT.

POOLING COMMITTEE RECOMMENDATION:

- . Pooling Committee recommends a 90 day extension of the temporary unit.



Peter A. Boone

Susan D. Albers


Priscilla M. Hubenak

JAMES CURTIS Sr. A-17

WM. RALEIGH A-47
CHARLES FALENASH A-22

LINE TABLE			
L 1	S 30°33'58"E	667.19'	
L 2	S 49°06'39"E	405.00'	
L 3	S 86°28'58"E	134.72'	

UNION PACIFIC RESOURCES COMPANY
ALTIMORE-SCARMARDO UNIT No. 1
SURFACE LOCATION ELEV. = 233 FEET

BRAZOS RIVER

283.93 ACRE
UNIT

ALTIMORE-SCARMARDO
UNIT No. 1
BOTTOM LOCATION

ALTIMORE-SCARMARDO UNIT No. 1

TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL./PG.
1	202.01	PETE H. ALTIMORE, et ux	97/505
2	73.03	ROSALIE SCARMARDO, et al	98/566
3	8.89	STATE OF TEXAS	40/97
283.93 ACRES TOTAL IN UNIT			

- NOTES:
- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
 - 2) WELL IS LOCATED 4.8 MILES NORTH-NORTHEAST OF TUNW, TEXAS
 - 3) INDICATES LIMITS OF UNIT

SURVEYED MAY 21, 1992

BLUFORD BROOKS A-274

WARREN L. SIMPSON R.P.L.S. No. 4122
7701 CAMERON ROAD SUITE No. 108
AUSTIN TEXAS 78752
PHONE 1512 452-1513

UNION PACIFIC RESOURCES COMPANY
ALTIMORE-SCARMARDO UNIT No. 1
WM. RALEIGH SURVEY, A-47
BURLESON COUNTY, TEXAS
SCALE 1" = 1000'

⑥ M-94905

Pooling Committee Rpt
FILED: 1-29-93

AMENDMENT OF TERM POOLING AGREEMENT
UNION PACIFIC RESOURCES COMPANY
ALTIMORE-SCARMARDO UNIT #1
BURLESON COUNTY, TEXAS

Unit 2094

WHEREAS, on June 16, 1992, the UNION PACIFIC RESOURCES COMPANY ALTIMORE-SCARMARDO UNIT #1 in Burleson County, Texas, was presented to and approved by the School Land Board of the State of Texas pursuant to the provisions of Subchapter E, Chapter 52, of the Texas Natural Resources Code; and

WHEREAS, pursuant to such approval, Union Pacific Resources Company ("Lessee") and the Commissioner of the General Land Office of the State of Texas entered into that certain Term Pooling Agreement to pool certain State lands into the said ALTIMORE-SCARMARDO UNIT #1 covering 283.93 acres of land, more or less, situated in and including lands located in Burleson County, Texas, said lands more particularly described in the said Term Pooling Agreement on file in the Archives and Records of the General Land Office of the State of Texas, Austin, Texas, in Mineral File No. M-94905; and

WHEREAS, said Agreement was executed by the parties thereto subject to the provision that said Agreement be for a term of six (6) months and, therefore, would expire automatically on December 16, 1992; and

WHEREAS, on December 15, 1992, Lessee made application and the School Land Board approved Lessee's application to renew and extend the terms of said Agreement for an additional ninety (90) days from the date of approval so that said Agreement, as renewed and amended, shall expire automatically on March 15, 1993; and

WHEREAS, the Commissioner of the General Land Office finds that such renewal and extension of said Agreement is in the best interest of the State of Texas:

NOW THEREFORE, in consideration of the premises and of the mutual agreements contained in said Agreement, it is agreed that said Agreement be renewed and extended as hereinafter amended as to Paragraph 9 thereof by deleting said paragraph in its entirety and substituting the following paragraph therefor:

"TERM: 9.

Unless this Agreement expires earlier pursuant to the provisions of the respective leases included as a part hereof, this Agreement shall terminate on March 15, 1993. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof which are contained in any State lease covered by this Agreement."

Nothing in this Amendment, nor the approval of this Amendment by the School Land Board, nor the execution of this Amendment by the Commissioner shall: (1) operate as a ratification or revivor of any State lease that has expired, terminated, or has been released in whole or in part or terminated under the terms of such State lease or the laws applicable thereto; (2) constitute a waiver or release of any claim for money, oil, gas or other hydrocarbons, or other thing due to the State by reason of the existence or failure of such lease; (3) constitute a waiver or release of any claim by the State that such lease is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or failure of consideration; or (4) constitute a confirmation or recognition of any boundary or acreage of any tract or parcel of land in which the State has or claims an interest.

This Amendment of Pooling 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 Amendment of Pooling Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Amendment of Pooling 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 Amendment of Pooling Agreement upon the respective dates indicated below.

Date Executed 1/27/93

Legal cmg
Geology cmg
Execution cmg

STATE OF TEXAS

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

Date Executed _____

UNION PACIFIC RESOURCES COMPANY

By Carolyn J. David
Its ATTORNEY IN FACT

*see
memo
file*

ATTEST:

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 15th day of December, 1992, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 22nd day of January, 1993.

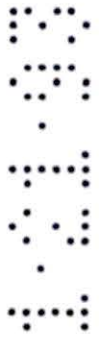
Linda K. Fisher
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on January 5, ¹⁹⁹³ 1992, by Carolyn J. David 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
Commission expires: 3/11/95



⑦ M-94905
Pooling Agreement Amendment
FILED: 1-29-93



1 3 9 3

LESSOR:

ST OF TX M-94905

IF CORRESPONDENCE IS REQUIRED, PLEASE
MAKE REFERENCE TO THE LEASE NUMBER BELOW

121217

LEASE DATE	STATE	COUNTY OR PARISH	RECORDING	FOR PERIOD		ETY	COMPANY LEASE NUMBER	
				MOS.	BEGINNING			
04/07/92	TX	BURLESON	V204 P77	12	04/07/93	02	TX2	45518

FOR CREDIT TO:

AMOUNT

~~\$145.55~~

ST OF TX M-94905
STEPHEN F AUSTIN BLDG

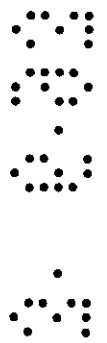
1700 NORTH CONGRESS AVE
AUSTIN TX 78701

93039258

121
Union Pacific Resources

PLEASE SIGN THE RECEIPT COPY AND RETURN
DETACH STATEMENT BEFORE DEPOSITING

⑧ M-94905
Rental Payment
3-6-93



UNIT 2094

POOLING COMMITTEE REPORT

TO: SCHOOL LAND BOARD

DATE: March 2, 1993

OPERATOR: Union Pacific Resources Co. COUNTY: Burleson

UNIT NAME: Altimore-Scarmardo Unit #1 FIELD: Giddings
(Austin Chalk-3)

STATE LEASE(S) IN UNIT

Lease *Type	State Number	State Royalty	Expiration Date	Term Year	Acres Acres	Acres In Unit	Lessee of Record
Fee	M-94905	1/4**	4/7/95	3	38.00	8.89	Union Pacific Resources Co.

** Subject to Royalty Reduction Provision

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

PRIVATE ACRES IN UNIT: 275.04

SIZE OF UNIT: 283.93

Unitized for: Depth(s): Well Location:

Oil _____ See Remarks State Land _____

Gas _____ Formation: Private Land x

Both x See Remarks

Participation: Railroad Commission Rules:

Basis See Remarks Spacing 320 Acres

State Acreage 3.13% Acreage Factor 100%

State Unit Royalty 2.88% → $\frac{8.89}{283.93} \times 20\% = .00626211$

See Remarks $\frac{36 + 320 \times 20\%}{36 + 320} = .0225$ } = .02876211

Agree to drill to density of field rules: Yes x No _____

Holds only acreage included in the unit Yes x No _____

past primary term: Yes x No _____

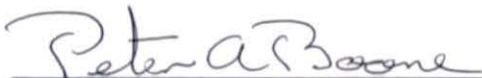
Satisfactory geological data furnished: Yes x No _____

REMARKS:

- . Union Pacific Resources Company is requesting permanent oil and gas pooling of the Austin Chalk Formation defined as the stratigraphic interval or its correlative equivalent occurring from 7828 feet MD to 8000 feet MD on the Dual Induction-Density Neutron Log of Robinson Bros. Drilling Co.'s Scarmardo #1 well.
- . The School Land Board approved temporary oil and gas pooling to all depths on June 16, 1992 and a 90 day extension of the temporary Altimore-Scarmardo unit on December 15, 1992. The extension expires on March 15, 1993.
- . The applicant has completed a horizontal well in the Austin Chalk Formation. The completion date was October 5, 1992. The initial potential of the well was 104 bbls and 330 mcf per day.
- . The State's unit royalty participation is based upon 8.89 levee tract acres and an additional 36 acres as if the latter were included in the unit as leased riverbed acreage.
- . If the unit is approved, the applicant will earn a royalty reduction to 20% making the State's unit royalty participation 2.88%.
- . Horizontal severance is effective at the end of 2 years after the primary or extended term as provided in the lease agreement.
- . APPROVAL BY THE SCHOOL LAND BOARD IN NO WAY RATIFIES ANY OF THE STATE LEASES INCLUDED IN THIS PROPOSED UNIT.

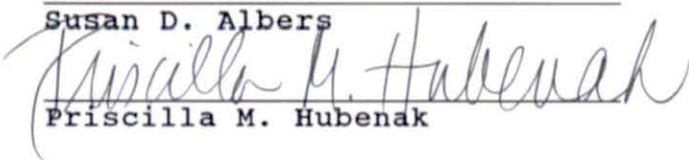
POOLING COMMITTEE RECOMMENDATION:

- . The Pooling Committee recommends a 30 day extension of the temporary unit, under the provisions set out above.

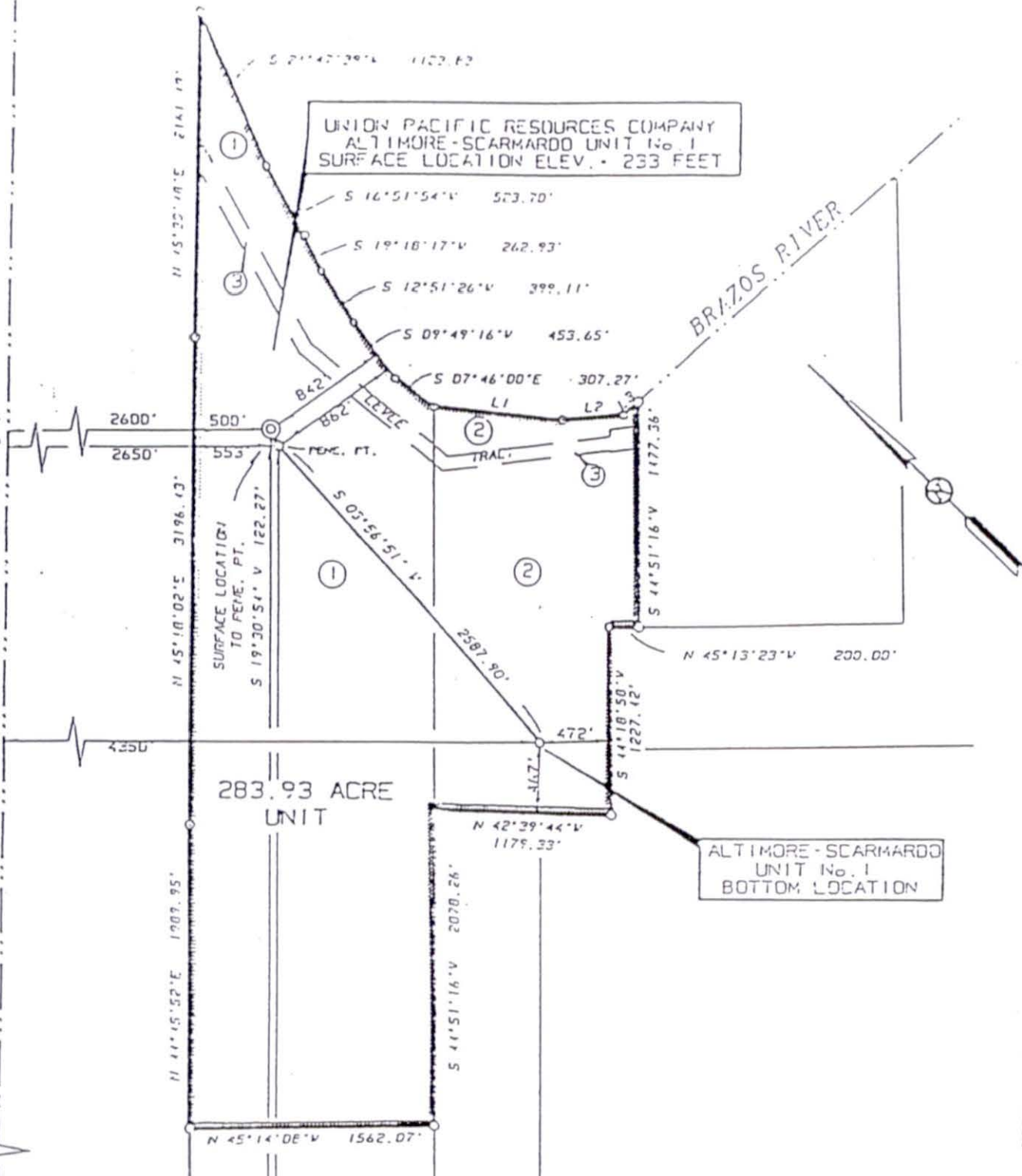


Peter A. Boone

Susan D. Albers


Priscilla M. Hubenak

JAMES CURTIS Sr. A-17



Union Pacific Resources Company
Altimore-Scarmardo Unit #1
M-94905
Burleson County

⑨ M-94905

Pooling Committee Rpt
FILED: 4-8-93

UNIT 2094

AMENDMENT OF TERM POOLING AGREEMENT
UNION PACIFIC RESOURCES COMPANY
ALTIMORE-SCARMARDO UNIT #1
BURLESON COUNTY, TEXAS

WHEREAS, on June 16, 1992, the UNION PACIFIC RESOURCES COMPANY ALTIMORE-SCARMARDO UNIT #1 in Burleson County, Texas, was presented to and approved by the School Land Board of the State of Texas pursuant to the provisions of Subchapter E, Chapter 52, of the Texas Natural Resources Code; and

WHEREAS, pursuant to such approval, Union Pacific Resources Company ("Lessee") and the Commissioner of the General Land Office of the State of Texas entered into that certain Term Pooling Agreement to pool certain State lands into the said ALTIMORE-SCARMARDO UNIT #1 covering 283.93 acres of land, more or less, situated in and including lands located in Burleson County, Texas, said lands more particularly described in the said Term Pooling Agreement on file in the Archives and Records of the General Land Office of the State of Texas, Austin, Texas, in Mineral File No. M-94905; and

WHEREAS, said Agreement was executed by the parties thereto subject to the provision that said Agreement be for a term of six (6) months and, therefore, would expire automatically on December 16, 1992; and

WHEREAS, on December 15, 1992, the School Land Board approved Lessee's application to renew and extend the terms of said Agreement so that said Agreement would expire automatically on March 15, 1993; and

WHEREAS, on March 2, 1993, Lessee made application and the School Land Board approved Lessee's application to renew and extend the terms of said agreement so that said Agreement as renewed and amended shall expire automatically on April 14, 1993; and

WHEREAS, the Commissioner of the General Land Office finds that such renewal and extension of said Agreement is in the best interest of the State of Texas:

NOW THEREFORE, in consideration of the premises and of the mutual agreements contained in said Agreement, it is agreed that said Agreement be renewed and extended as hereinafter amended as to Paragraph 9 thereof by deleting said paragraph in its entirety and substituting the following paragraph therefor:

"TERM: 9.

Unless this Agreement expires earlier pursuant to the provisions of the respective leases included as a part hereof, this Agreement shall terminate on April 14, 1993. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof which are contained in any State lease covered by this Agreement."

Nothing in this Amendment, nor the approval of this Amendment by the School Land Board, nor the execution of this Amendment by the Commissioner shall: (1) operate as a ratification or revivor of any State lease that has expired, terminated, or has been released in whole or in part or terminated under the terms of such State lease or the laws applicable thereto; (2) constitute a waiver or release of any claim for money, oil, gas or other hydrocarbons, or other thing due to the State by reason of the existence or failure of such lease; (3) constitute a waiver or release of any claim by the State that such lease is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or failure of consideration; or (4) constitute a confirmation or recognition of any boundary or acreage of any tract or parcel of land in which the State has or claims an interest.

This Amendment of Pooling 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 Amendment of Pooling Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Amendment of Pooling 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 Amendment of Pooling Agreement upon the respective dates indicated below.

Date Executed 3/31/93

Legal _____
Geology _____
Execution _____

STATE OF TEXAS
By Garry Mauro
Garry Mauro, Commissioner
of the General Land Office

Date Executed 3-18-93

UNION PACIFIC RESOURCES COMPANY

By Carolyn J. David
Its ATTORNEY IN FACT

*See
www
Act*

ATTEST:

Virginia Mankley

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 2nd day of March 1993, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 29th day of March, 1993.

Linda K. Fisher
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on March 18, 1993, by Carolyn J. David 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
Commission expires: _____



⑩ M-94905

Pooling Agreement
FILED: 4-8-93

35403

DO NOT DESTROY



UNIT AGREEMENT MEMO

Unit No. 2847

*needs to be
keyed*

Operator Union Pacific Resources Company

Unit Name Altimore - Scarmardo Unit #1

County Burleson

Effective Date 4/6/93

Unitized for: Oil Gas Oil & Gas

1. M.F. No. 94905

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

.14381 x 1/4** = 2.88 %

.14381 .20 = .028762

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: The state's unit royalty participation is based upon 8.89 levee tract acres and an additional 36 acres as if it were included in the unit as leased riverbed acreage. ** Subject to roy. reduction provision

$\frac{8.89}{283.91} \times 20\% = .006262$ (levee acreage)
 $\frac{36}{20} \times 20\% = .0225$ (additional riverbed acreage)
 $.028762 \times 289\% = .20 \times .14381$

Prepared by: Marc A. Fuentes

Date 3-22-00

Map & GIS updated by:

Date

Keyed into database by: M.S. WA

Date 3-23-00

POOLING COMMITTEE REPORT

TO: SCHOOL LAND BOARD
 DATE: April 6, 1993
 OPERATOR: Union Pacific Resources Co. COUNTY: Burleson
 UNIT NAME: Altimore-Scarmardo Unit #1 FIELD: Giddings
 (Austin Chalk-3)

STATE LEASE(S) IN UNIT

Lease *Type	State Number	State Royalty	Expiration Date	Term Year	Acres In Unit	Acres In Unit	Lessee of Record
Fee	M-94905	1/4**	4/7/95	3	38.00	8.89	Union Pacific Resources Co.

** Subject to Royalty Reduction Provision

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

PRIVATE ACRES: 275.04
 STATE ACRES: 8.89
 TOTAL UNIT ACRES: 283.93

Unitized for:

Oil _____
 Gas _____
 Both x

Depth(s):
 See Remarks

Formation:
 See Remarks

Well Location:

State Land _____
 Private Land x

Participation:

Basis See Remarks
 State Acreage 3.13%
 State Unit Royalty 2.88%

See Remarks

7PF
 (1.26 : 0.31311)
 + 112500
 143811

$\frac{9.89}{283.93} \times 20\% = .006262$
 $\frac{36}{320} \times 20\% = .0225$
 = .028762

Railroad Commission Rules:

Spacing 320 Acres
 Acreage Factor 100%


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

REMARKS:

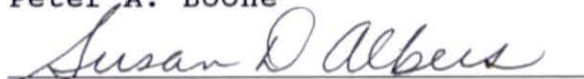
- . Union Pacific Resources Company is requesting permanent oil and gas pooling of the Austin Chalk Formation defined as the stratigraphic interval or its correlative equivalent occurring from 7828 feet MD to 8000 feet MD on the Dual Induction-Density Neutron Log of Robinson Bros. Drilling Co.'s Scarmardo #1 well.
- . The applicant has completed a horizontal well in the Austin Chalk Formation. The completion date was October 5, 1992. The initial potential of the well was 104 bbls and 330 mcf per day.
- . The State's unit royalty participation is based upon 8.89 levee tract acres and an additional 36 acres as if the latter were included in the unit as leased riverbed acreage.
- . If the unit is approved, the applicant will earn a royalty reduction to 20% making the State's unit royalty participation 2.88%.
- . Horizontal severance is effective at the end of 2 years after the primary or extended term as provided in the lease agreement.
- . APPROVAL BY THE SCHOOL LAND BOARD IN NO WAY RATIFIES ANY OF THE STATE LEASES INCLUDED IN THIS PROPOSED UNIT.

POOLING COMMITTEE RECOMMENDATION:

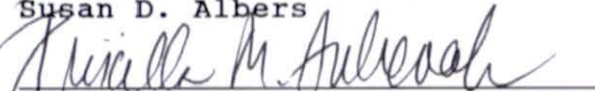
- . The Pooling Committee recommends Board approval of a permanent unit, under the provisions set out above.



Peter A. Boone

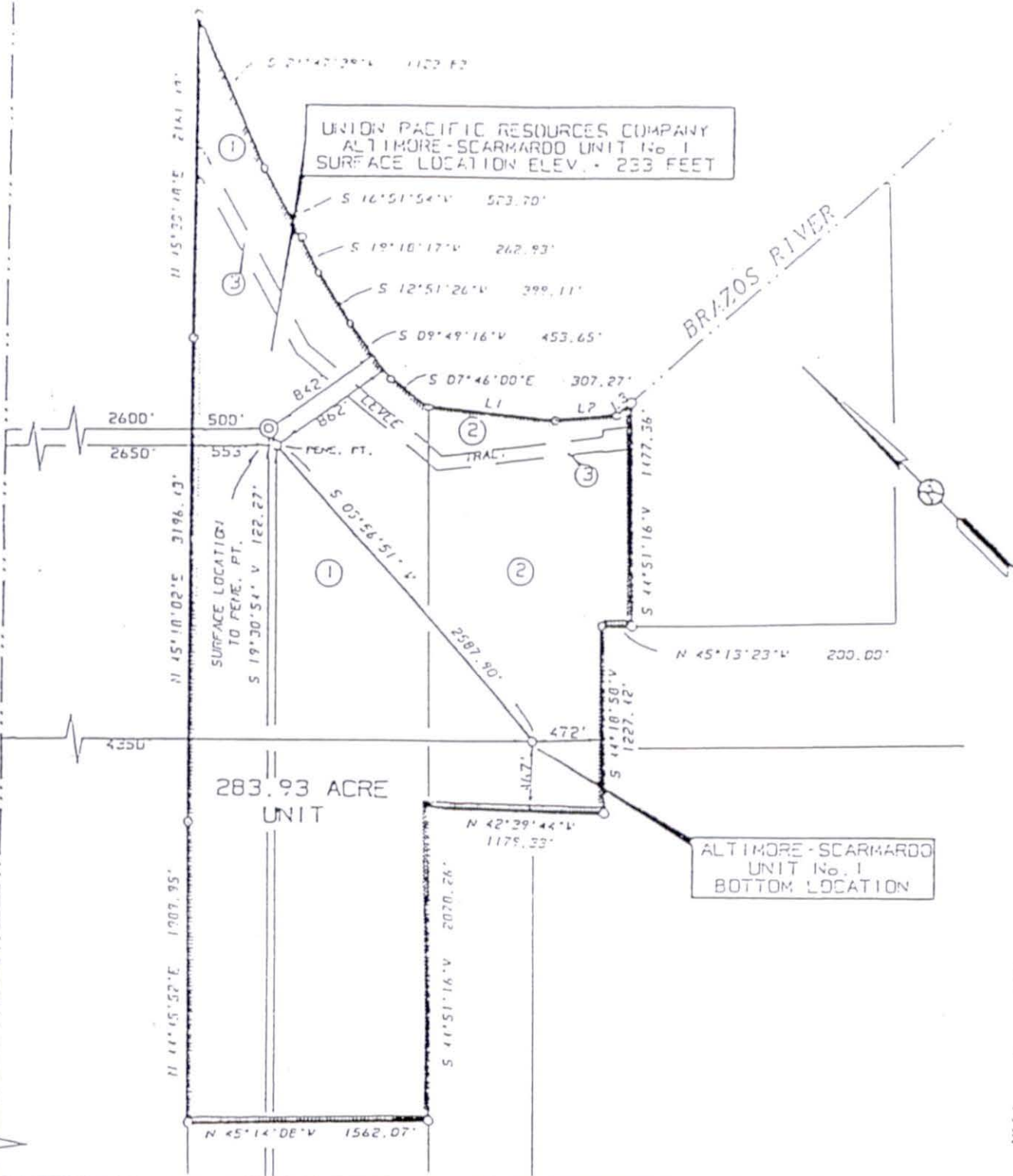


Susan D. Albers



Priscilla M. Hubenak

JAMES CURTIS Sr. A-17



Union Pacific Resources Company
Altimore-Scarmardo Unit #1
M-94905
Burleson County

⑪ M-94905

Pooling Committee Rpt
FILED: 5-21-93

POOLING AGREEMENT
UNION PACIFIC RESOURCES COMPANY
ALTIMORE-SCARMARDO UNIT NO. 1
BURLESON COUNTY, TEXAS

UNIT 2847

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Union Pacific Resources Company, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", 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 which follow:

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit in the Austin Chalk Formation defined as the stratigraphic interval or its correlative equivalent occurring from 7828 feet measured depth to 8000 feet measured depth on the Dual Induction-Density Neutron Log of Robinson Bros. Drilling Co.'s Scarmardo No. 1 well ("unitized interval").

POOLING AND EFFECT:

4.

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

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom.
- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit,

according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners or otherwise diminished by reason of this Agreement.

- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 283.93 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offset to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral except as provided herein.
- (j) Should this Agreement terminate for any cause, in whole or in part, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION:

5.

For the purpose of computing the share of production of the pooled mineral to which each interest owner shall be entitled from the pooled unit, there shall be allocated to each tract committed to said unit that pro rata portion of the pooled mineral produced from the pooled unit which the number of surface acres covered by each such tract and included in the unit bears to the total number of surface acres included in said unit, and the share of production to which each interest owner is entitled shall be computed on the basis of such owner's interest in the production so allocated to each tract. Provided that the State's participation is an amount not less than 2.88% (unit royalty) of total production from the Unitized Formation and the State's participation may not be decreased without approval of the School Land Board.

TAKING ROYALTY IN KIND:

6.

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

FULL MARKET VALUE:

7.

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

- (a) As to royalty on oil by (1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity for the field where produced and when run, or (2) the

highest market price thereof offered or paid for the field where produced and when run, or (3) gross proceeds of the sale thereof, whichever is the greater;

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

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

EFFECTIVE DATE: 8.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of April 6, 1993, such that the State will participate in the production from the Unit well from the date the pooled mineral is first produced.

TERM: 9.

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

STATE LAND: 10.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this 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 E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code having been duly considered, made and obtained.

DISSOLUTION: 11.

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

RATIFICATION/WAIVER: 12.

Nothing in this Agreement, nor the approval of this Agreement by the School Land Board, nor the execution of this Agreement by the Commissioner shall: (1) operate as a ratification or revivor of any State lease that has expired, terminated, or has been released in whole or in part or terminated under the terms of such State lease or the laws applicable thereto; (2) constitute a waiver or release of any claim for money, oil, gas or other hydrocarbons, or other thing due to the State by reason of the existence or failure of such lease; (3) constitute a waiver or release of any claim by the State that such lease is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or failure of consideration; (4) constitute a confirmation or recognition of any boundary or acreage of any tract or parcel of land in which the State has or claims an interest; or (5) constitute a ratification of, or a waiver or release of any claim by the State with respect to any violation of a statute, regulation, or any of the common laws of this State, or any breach of any contract, duty, or other obligation owed to the State.

COUNTERPARTS: 13.

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 5/7/93

Legal
Geology
Execution

STATE OF TEXAS
By Jack Geberson
Garry Mauro, Commissioner
of the General Land Office acting

Date Executed _____

UNION PACIFIC RESOURCES COMPANY

By Carolyn J. David

Its Attorney-In-Fact

[Handwritten signature]
UW W

ATTEST:

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 6th day of April, 1993, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 7th day of May, 1993.

Linda K. Fisher
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF Tarrant

This instrument was acknowledged before me on May 4, 1993, by Carolyn J. David 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
Commission expires: _____

Exhibit "A"

Attached to and made a part of that certain Pooling Agreement
for the Altimore-Scarmardo Unit #1.

Schedule of Leases

LESSOR: Rosalie Scarmardo, et al (TX1-44911)
LESSEE: Union Pacific Resources Company
DATED: March 23, 1992
FILED: Memorandum of Oil and Gas Lease filed in the Oil and
Gas Lease Records of Burleson County, Texas
RECORDED: Volume 199, Page 379

LESSOR: Pete M. Altimore, Sr., et ux (TX1-44742)
LESSEE: Union Pacific Resources Company
DATED: April 9, 1992
FILED: Oil and Gas Lease Records of Burleson County, Texas
RECORDED: Volume 200, Page 559

LESSOR: State of Texas M-94905 (TX2-45518)
LESSEE: Union Pacific Resources Company
DATED: April 7, 1992
FILED: Oil and Gas Lease Records of Burleson County, Texas
RECORDED: Volume 204, Page 77

Attached to and made a part of that certain
the Altimore-Scarmardo Unit #1.

Pooling Agreement for

FIELD NOTES

ALTIMORE-SCARMARDO UNIT No.1
283.93 ACRE UNIT

Being 283.93 acres of land out of the William Raleigh Survey, Abstract No. 47 in Burleson County, Texas; being 202.01 acres of land out of that certain tract of land conveyed to Pete M. Altimore Sr., et ux, by deed recorded in Volume 97, Page 505; being 73.03 acres of land out of that certain tract of land conveyed to W. C. Scarmardo, et al, by deed recorded in Volume 98, Page 556; being 8.89 acres of land comprised of all that certain tract of land conveyed to John K. Parker by deed recorded in Volume 40, Page 97, and a portion of that certain tract of land conveyed to the Burleson County Improvement District No. 1, by deed recorded in Volume 31, Page 523, all in the Deed Records of Burleson County, Texas and being more particularly described as follows:

BEGINNING at a fence corner post on the west bank of the Brazos River for the north corner of said Pete M. Altimore Sr., et ux, tract;

THENCE along said west bank of the Brazos River and with the northeast lines of said Pete M. Altimore Sr., et ux, and W.C. Scarmardo, et al, tracts, the following nine (9) courses and distances:

- 1) S 21°47'39" W, 1123.83 feet,
- 2) S 16°51'54" W, 523.70 feet,
- 3) S 19°18'17" W, 262.93 feet,
- 4) S 12°51'26" W, 399.11 feet,
- 5) S 09°49'16" W, 453.65 feet,
- 6) S 07°46'00" E, 307.27 feet to a fence corner post for the north corner of said W. C. Scarmardo, et al, tract,
- 7) S 38°33'58" E, 867.19 feet,
- 8) S 49°02'39" E, 405.00 feet,
- 9) S 86°28'58" E, 134.72 feet to a point for the east corner of the Scarmardo No. 1 Unit described in Volume 132, Page 732 in the Oil and Gas Records of Burleson County, Texas;

THENCE S 44°51'16" W, traversing the interior of said W. C. Scarmardo, et al, tract, and with a southeast line of said Scarmardo No. 1 Unit, a distance of 1477.36 feet to a point for corner in a fenced interior northeast line of said W. C. Scarmardo, et al, tract;

THENCE N 45°13'23" W, along said fenced interior northeast line, a distance of 200.00 feet to a fence corner post for an interior ell corner of said W. C. Scarmardo, et al, tract and said Scarmardo No. 1 Unit;

THENCE S 44°18'58" W, at 795.81 feet passing an interior ell corner of said W. C. Scarmardo, et al, tract, a total distance of 1227.42 feet to a point for the most easterly south corner of the herein described unit and the most southerly corner of the said Scarmardo No. 1 Unit;

THENCE N 42°39'44" W, along the southwest line of said Scarmardo No. 1 Unit, a distance of 1179.33 feet to a point for the west corner of said Scarmardo No. 1 Unit in the fenced southeast line of said Pete M. Altimore, Sr., et ux, tract;

THENCE S 44°51'16" W, along the fenced southeast line of said Pete M. Altimore Sr., et ux, tract, a distance of 2078.26 feet to a point for the most westerly south corner of the herein described unit;

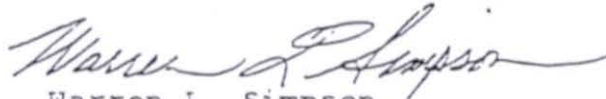
THENCE N 45°14'08" W, traversing the interior of said Pete M. Altimore Sr., et ux, tract, a distance of 1562.07 feet to a point for the west corner of the herein described unit;

THENCE along the fenced northwest line of said Pete M. Altimore Sr., et ux, tract the following three (3) courses and distances:

1) N 44°45'52" E, 1989.95 feet,

2) N 45°18'02" E, 3196.43 feet,

3) N 45°30'48" E, 2161.49 feet to the PLACE OF BEGINNING and containing 283.93 acres of land, more or less.



Warren L. Simpson

Registered Professional Land Surveyor No. 4122
May 21, 1992

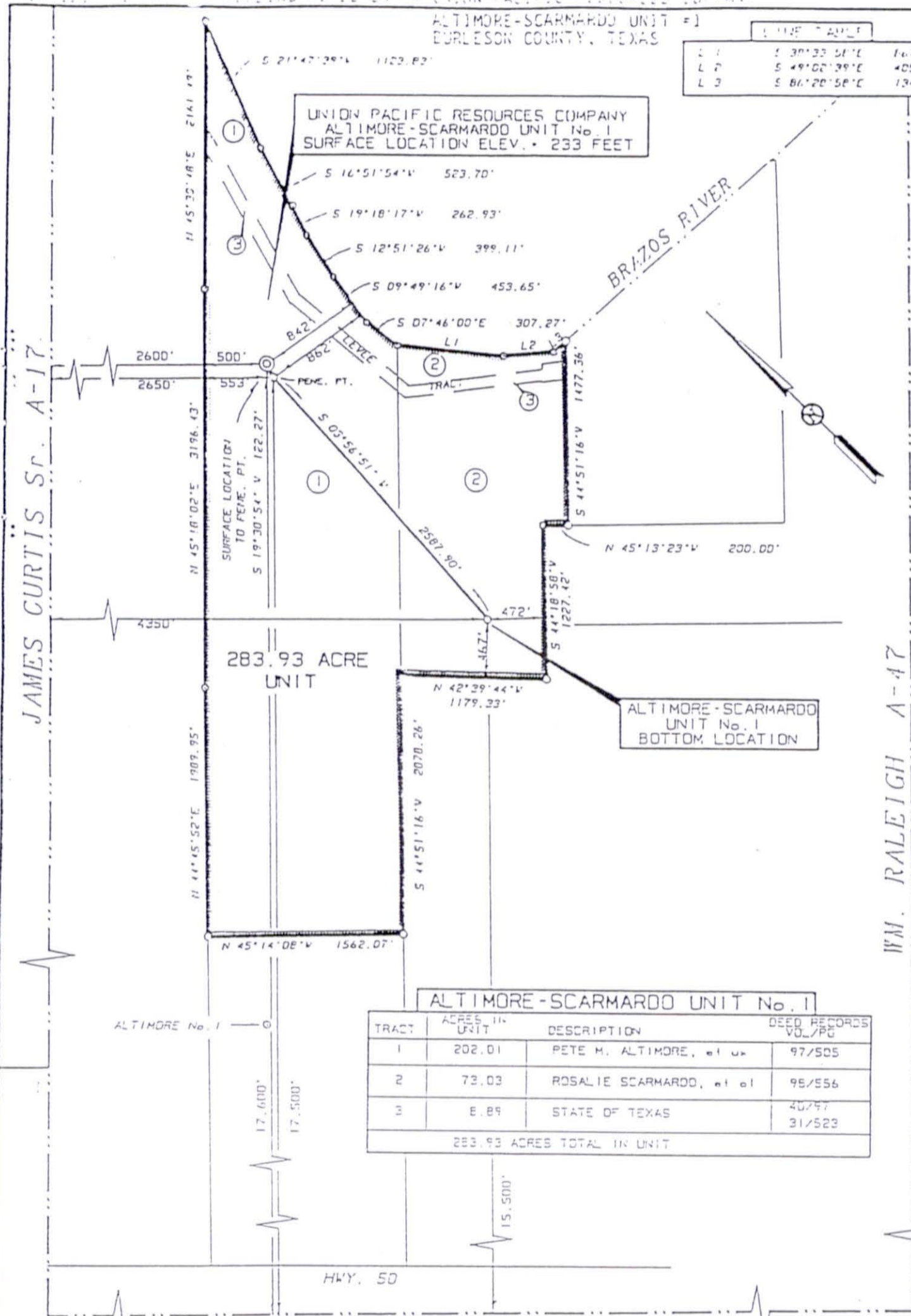
LIMITED TO THE AUSTIN CHALK FORMATION, as found between 7,830 feet and 8,035 feet in the Robinson Bros. No. 1 Scarmardo Well located 6,000 feet from the southeast line and 16,350 feet from the southwest line of the W. Raleigh Survey, A-47, Brazos County, Texas.

ALTIMORE-SCARMARDO UNIT #1
BURLESON COUNTY, TEXAS

UNIT # 1

L 1	S 30°33'51"E	167'
L 2	S 49°02'39"E	405'
L 3	S 86°20'58"E	134'

UNION PACIFIC RESOURCES COMPANY
ALTIMORE-SCARMARDO UNIT No. 1
SURFACE LOCATION ELEV. - 233 FEET



283.93 ACRE UNIT

ALTIMORE-SCARMARDO UNIT No. 1
BOTTOM LOCATION

ALTIMORE-SCARMARDO UNIT No. 1

TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL./PG
1	202.01	PETE M. ALTIMORE, et ux	97/505
2	73.03	ROSALIE SCARMARDO, et al	95/556
3	E.89	STATE OF TEXAS	40/757 31/523
283.93 ACRES TOTAL IN UNIT			

NOTES:

- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- 2) WELL IS LOCATED 4.9 MILES NORTH NORTHEAST OF TUNIS, TEXAS
- 3) INDICATES LIMITS OF UNIT
- 4) EASEMENTS RECORDED IN VOL. 63/PG 211 & VOL. 142/PG 548 ARE DRAINAGE EASEMENTS TO BUTLER BAYOU DRAINAGE ASSN.
- 5) EASEMENTS RECORDED IN VOL. 82/PG 346 IS AN OVERHEAD ELECTRIC EASEMENT TO THE CITY OF BRYAN
- 6) EASEMENTS RECORDED IN VOL. 407/PG 107 & 409/PG 70 TO CLAYTON GAS CO. DO NOT AFFECT THIS UNIT.

SURVEYED MAY 21, 1992
REVISED AUGUST 29, 1992 (AS-DRILLED)

Warren L. Simpson
WARREN L. SIMPSON R.P.L.S. No. 4122
7701 CAMERON ROAD SUITE No. 10B
AUSTIN TEXAS 78752
PHONE (512) 452-1513

(AS-DRILLED)
UNION PACIFIC RESOURCES COMPANY
ALTIMORE-SCARMARDO UNIT No. 1
WM. RALEIGH SURVEY, A-47
BURLESON COUNTY, TEXAS
SCALE 1" = 1000'

BLUFORD BROOKS A-274

JAMES CURTIS Sr. A-17

WM. RALEIGH A-47

⑫ M-94905

Pooling Agreement
FILED: 5-21-93

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.
7. **WARRANTIES** : Owner(s) hereby warrants and agrees to forever defend the title to such owner's interest including that owner's share in proceeds from sales. The operator and other working interest owners severally represent that all oil and/or gas produced and marketed from the property has been or will be produced in compliance with all applicable federal, state and local laws, rules and regulations.
8. **TAXES AND ASSESSMENTS** : UPRC shall deduct, as required by applicable law, from any proceeds due an owner, any or all production, severance, ad valorem, excise, sales, and other or dissimilar taxes. Any charges or assessments or any interest or penalties in connection therewith, now or hereafter levied, assessed or placed on such proceeds or an owners interest by a governmental authority will also be deducted.
9. **SETTLEMENT** : Settlement shall be made monthly to owner(s). If the proceeds payable to an owner in any one month amount to less than twenty-five dollars (\$25.00), UPRC may, at its option, accrue such proceeds and proceeds of subsequent months, until the amounts accrued total twenty-five dollars (\$25.00).
10. **EXECUTION** : This document shall be binding upon all signatory parties, their heirs, representatives, successors or assigns.



Texas General Land Office
Garry Mauro, Commissioner

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

August 30, 1993

Division Order Department
UNION PACIFIC RESOURCES
P.O. BOX 2993
FORT WORTH, TX 76113-2993

RE: Mineral File No. M-94905
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

MF 94905 (B)
Name Division Order
T1
8-30-43

POOLING COMMITTEE REPORT

UNIT 2202

TO: SCHOOL LAND BOARD
 DATE: April 6, 1993
 OPERATOR: Union Pacific Resources Co. COUNTY: Brazos & Burleson
 UNIT NAME: Scarmardo-Carrabba Unit #1 FIELD: Giddings (Austin Chalk-3)

STATE LEASE(S) IN UNIT

Lease *Type	State Number	State Royalty	Expiration Date	Term Year	Acres	Acres In Unit	Lessee of Record
SF	M-94905	1/4**	4-7-95	3	38.00	13.21	UPRC
SF	M-94906	1/4**	4-7-95	3	40.00	9.63	UPRC
SF	N/A	1/4**	4-6-96	3	85.00	75.92	UPRC

** Subject to Royalty Reduction Provision

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

PRIVATE ACRES: 661.24
 STATE ACRES: 98.76
 TOTAL UNIT ACRES: 760.00

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

Participation: Basis See Remarks
 State Acreage 13.00%
 State Unit Royalty 2.60%
 Railroad Commission Rules: Spacing 745.88 Acres
 Acreage Factor 98.14%

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

REMARKS:

- . Union Pacific Resources Company is requesting six month temporary oil and gas pooling to all depths.
- . The applicant spudded the proposed unit well on March 13, 1993. The proposed horizontal length is 5,100 feet. The operator plans on completing a horizontal oil well in the Austin Chalk Formation.
- . If the unit is approved, the applicant will earn a royalty reduction to 20%, making the State's unit royalty participation 2.60%.
- . Horizontal severance is effective 2 years after the primary or extended term, as provided in the lease agreement.
- . APPROVAL BY THE SCHOOL LAND BOARD IN NO WAY RATIFIES ANY OF THE STATE LEASES INCLUDED IN THIS PROPOSED UNIT.

POOLING COMMITTEE RECOMMENDATION:

- . The Pooling Committee recommends Board approval of a six month temporary unit, under the provisions as set out above, contingent upon Union Pacific Resources Company being the successful bidder on Brazos river tract 9, Marginal number 11.

Susan D. Albers

Susan D. Albers

Priscilla M. Hubenak

Priscilla M. Hubenak

Peter A. Boone

Peter A. Boone

① M-94905

Pooling Comm: Hec Rpt.

FILED: 9-16-93

TERM POOLING AGREEMENT
UNION PACIFIC RESOURCES COMPANY
SCARMARDO-CARRABBA UNIT #1
BRAZOS AND BURLESON COUNTIES, TEXAS

UNIT 2202

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Union Pacific Resources Company, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", 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 which follow:

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to all depths underlying the surface boundaries of the pooled unit ("unitized interval").

POOLING AND EFFECT:

4.

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

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom.
- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State

lease shall not be shared with other royalty owners or otherwise diminished by reason of this Agreement.

- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 760 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offset to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral except as provided herein.
- (j) Should this Agreement terminate for any cause, in whole or in part, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

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

FULL MARKET VALUE:

7.

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

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

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

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

EFFECTIVE DATE:

8.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of April 6, 1993, such that the State will participate in the production from the Unit well from the date the pooled mineral is first produced.

TERM:

9.

Unless this agreement expires earlier pursuant to the terms of the respective leases included as a part of this Agreement, this Agreement shall expire on October 6, 1993. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof which are contained in any State lease covered by this Agreement.

STATE LAND:

10.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this 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 E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code having been duly considered, made and obtained.

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

Nothing in this Agreement, nor the approval of this Agreement by the School Land Board, nor the execution of this Agreement by the Commissioner shall: (1) operate as a ratification or revivor of any State lease that has expired, terminated, or has been released in whole or in part or terminated under the terms of such State lease or the laws applicable thereto; (2) constitute a waiver or release of any claim for money, oil, gas or other hydrocarbons, or other thing due to the State by reason of the existence or failure of such lease; (3) constitute a waiver or release of any claim by the State that such lease is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or failure of consideration; (4) constitute a confirmation or recognition of any boundary or acreage of any tract or parcel of land in which the State has or claims an interest; or (5) constitute a ratification of, or a waiver or release of any claim by the State with respect to any violation of a statute, regulation, or any of the common laws of this State, or any breach of any contract, duty, or other obligation owed to the State.

COUNTERPARTS:

13.

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 9/13/93

Legal
Geology
Execution



STATE OF TEXAS

By


Garry Mauro, Commissioner
of the General Land Office

Date Executed _____

UNION PACIFIC RESOURCES COMPANY

By Carolyn J. David
Its Attorney-In-Fact

*see
copy
A.D.*

ATTEST:

Date Executed _____

MW Petroleum Corporation

By A. W. Erleben
Its A.W. Erleben
Attorney - in - Fact



Attest:

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 6th day of April, 1993, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 13th day of September, 1993.

Linda K. Fisher
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF Tarrant

This instrument was acknowledged before me on July 6, 1993, by Carolyn J. David 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
Commission expires: _____

State of Texas

County of Harris

This instrument was acknowledged before me on August 16, 1993 by A. W. ERKLEBEN as Attorney-in-Fact of MW Petroleum Corporation, a Colorado corporation, on behalf of said corporation.

Margie Carter
Notary Public in and for the
State of Texas
Commission expires: 4-7-1994

Exhibit "A"

Attached to and made a part of that certain Pooling Agreement-
Scarmardo-Carrabba Unit #1.

Schedule of Leases

Lessor: State of Texas M-94905 TX-45518
Lessee: Union Pacific Resources Company
Date: April 7, 1992
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 204, Page 77

Lessor: Carrabba Brothers, Inc. TX-44918-1
Lessee: GSI Oil & Gas, Inc.
Date: March 20, 1992
Filed: Memorandum of Oil & Gas Lease
Oil and Gas Records of Burleson County
Recorded: Volume 199, Page 670

Lessor: Cecilia E. Torres, et al TX-44819-4
Lessee: Fred Patton-Independent
Date: July 9, 1991
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 196, Page 68

Lessor: Juanita Torres Pinion TX-44819-7
Lessee: Fred. L. Patton-Independent
Date: June 6, 1991
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 196, Page 80

Lessor: Ernesto Torres TX-44819-8
Lessee: Fred L. Patton-Independent
Date: June 6, 1991
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 196, Page 84

Lessor: Maria Y. Torres, Individ. and Guardian TX-44819-9
Lessee: Fred L. Patton-Independent
Date: June 5, 1991
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 196, Page 88

Lessor: Julian Melchor, Jr. et al. TX-44819-10
Lessee: Fred L. Patton-Independent
Date: June 4, 1991
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 196, Page 93

Lessor: Santos Lopez, et al TX-44819-11
Lessee: Fred L. Patton-Independent
Date: June 3, 1991
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 196, Page 98

Lessor: Domingo Lopez TX-44819-12
Lessee: Fred L. Patton
Date: May 15, 1991
Filed: Oil and Gas Records of Burleson County
Recorded: 196, Page 103

(1)
Lessor: Sylvestra F. Lopez Baugh TX-44819-13
Lessee: Fred L. Patton-Independent
Date: May 15, 1991
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 196, Page 107

Lessor: John Ben Carrabba, et al. TX-44752
Lessee: Barry Barrage
Date: April 28, 1988
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 149, Page 201

Lessor: Mary Ann Scarmardo, et al. TX-44759
Lessee: Barry Barrage
Date: April 28, 1988
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 149, Page 200

Lessor: State of Texas M-95252
Lessee: Union Pacific Resources Company
Date: April 6, 1993
Filed: : Oil and Gas Lease Records of Burleson County
Recorded: Volume 215, Page 326
Filed: Official Records of Brazos County
Recorded: File # 521842

Lessor: Jesusa Torres Duran
Lessee: Fred L. Patton
Date: July 10, 1991
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 196, Page 60

Lessor: Juan Antonio Torres
Lessee: Fred L. Patton
Date: July 10, 1991
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 196, Page 64

Lessor: Desiderio E. Torres
Lessee: Fred L. Patton
Date: July 10, 1991
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 196, Page 72

Lessor: Francisca Torres Duran
Lessee: Fred L. Patton
Date: July 10, 1991
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 196, Page 76

Lessor: State of Texas M-94906 TX-45517
Lessee: Union Pacific Resources Company
Date: April 7, 1992
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 204, Page 63

Attached to and made a part of that certain Pooling Agreement -
Scarmardo-Carrabba Unti #1.

FIELD NOTES

SCARMARDO-CARRABBA UNIT No. 1
760.00 ACRE UNIT

Being 760.00 acres of land out of the William Raleigh Survey, Abstract No. 47 and the Charles Falenash Survey, Abstract No. 22, in Burleson County, Texas; being 407.37 acres of land comprised of a portion of that certain tract of land described in Exhibit A, conveyed to P. J. Scarmardo, et al, by deed recorded in Volume 376, Page 393, and a portion of those certain tracts of land described in Exhibit D and Exhibit H, in a Mineral Deed to Mary Scarmardo, P.J. Scarmardo and Betty Lee Carrabba, recorded in Volume 376, Page 400; being 22.84 acres of land comprised of all of those certain tracts of land conveyed to Burleson County Improvement District No. 1, by deeds recorded in Volume 31, Page 521, and Volume 31, Page 519 and a portion of those certain tracts of land conveyed to Burleson County Improvement District No. 1, by deeds recorded in Volume 31, Page 523, and Volume 40, Page 101; being 138.38 acres of land comprised of all of that certain tract of land conveyed to Jesus H. Lopez, by deed recorded in Volume 79, Page 597, all of that certain tract of land conveyed to J. H. Lopez, Sr., by deed recorded in Volume 92, Page 111, and all of that certain tract of land conveyed to Jesus H. Lopez Sr., by deed recorded in Volume 115, Page 640; being 115.49 acres of land out of that certain tract of land conveyed to Gooseneck Trailer Mfg. Co. Inc., by deed recorded in Volume 245, Page 378, all in the Deed Records of Burleson County, Texas; being 75.92 acres of land located within the banks of the Brazos River in Burleson and Brazos Counties, Texas and being more particularly described as follows:

BEGINNING at a fence corner post for the south corner of said tract of land described in Exhibit H in said deed recorded in Volume 376, Page 400;

THENCE N 45°17'30" W, along the southwest line of that certain tract of land described in said Exhibit H, a distance of 365.89 feet to a point for corner;

THENCE N 13°01'11" W, traversing the interior of said tract of land described in Exhibit H and said tract of land described in Exhibit A, a distance of 3309.98 feet to a point for corner;

THENCE N 43°51'02" E, along the northwest line of said tract of land described in Exhibit A, a distance of 1795.92 feet to a point for corner on the east bank of the Brazos River;

THENCE along the east bank of said Brazos River the following seventeen (17) courses and distances;

- 1) N 69°43'13" E, 175.31 feet,
- 2) N 64°31'25" E, 379.24 feet,
- 3) N 59°36'07" E, 478.19 feet,
- 4) N 66°21'24" E, 640.84 feet,
- 5) N 72°53'31" E, 456.77 feet,
- 6) N 81°22'42" E, 504.70 feet,
- 7) S 81°17'02" E, 254.13 feet,
- 8) S 71°48'26" E, 419.82 feet,
- 9) S 49°31'17" E, 391.20 feet,
- 10) S 43°17'03" E, 326.90 feet,
- 11) S 33°51'13" E, 393.72 feet,
- 12) S 43°25'10" E, 327.67 feet,
- 13) S 37°00'03" E, 321.91 feet,
- 14) S 24°12'21" E, 343.93 feet,
- 15) S 26°58'10" E, 274.48 feet,
- 16) S 27°46'55" E, 471.82 feet,
- 17) S 37°45'19" E, 193.75 feet to a point for the east corner of the herein described unit;

THENCE traversing the interior of said tract described in Exhibit D in said Volume 376, Page 400, and said Gooseneck Trailer Mfg. Co. Inc., tract, the following three courses and distances:

- 1) S 44°18'03" W, 4015.59 feet,
- 2) S 13°01'11" E, 1744.46 feet,
- 3) S 45°01'11" W, 2348.88 feet to a point for the most easterly south corner of the herein described unit;

THENCE along the fenced southwest line of said Gooseneck Trailer Mfg. Co. Inc., tract, the following three (2) courses and distances:

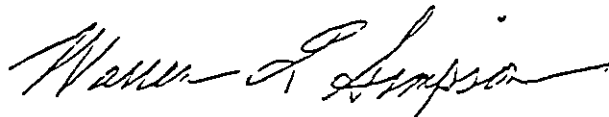
- 1) N 44°58'49" W, 350.00 feet to a fence corner post,
- 2) N 44°44'11" W, 603.88 feet to a fence corner post,
- 3) N 45°40'52" W, 784.79 feet to a fence corner post for the east corner of said Jesus H. Lopez tract recorded in Volume 79, Page 597;

THENCE S 44°51'31" W, along the fenced southeast line of said Jesus H. Lopez tract, a distance of 1666.39 feet to an iron rod found for the south corner of said Jesus H. Lopez tract;

THENCE N 45°14'37" W, along the fenced southwest line of said Jesus H. Lopez tract, a distance of 1255.87 feet to an iron rod found at a fence corner post for the west corner of said Jesus H. Lopez tract;

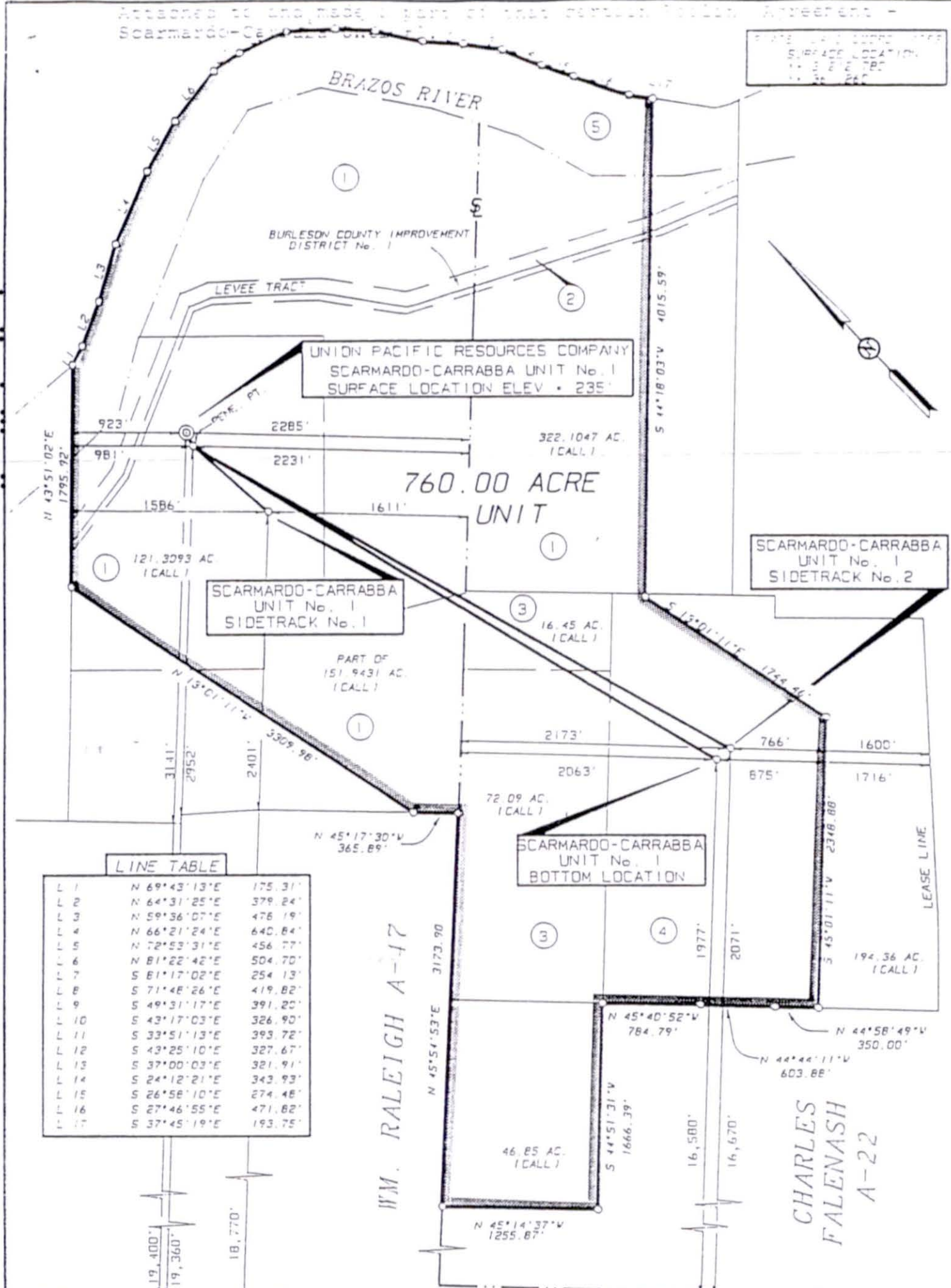
THENCE N 45°54'53" E, along the northwest line of said Jesus H. Lopez tract and said Jesus H. Lopez Sr. tract recorded in Volume 115, Page 640, a distance of 3173.89 feet to the PLACE OF BEGINNING and containing 760.00 acres of land, more or less.

LIMITED TO THE AUSTIN CHALK FORMATION, as found between 7902 feet and 8124 feet in the Walter Exploration #1 Nemec Well, which is located 3020 feet from the NW line and 1725 feet from the NE line of the McKinney Survey, A-33, Brazos County, Texas.



Warren L. Simpson
Registered Professional Land Surveyor No. 4122
February 8, 1993

UNIT NO. 1
 SURFACE LOCATION
 PEN. PT. TO SURFACE LOCATION
 SURFACE LOCATION ELEV. 235'



LINE TABLE

L 1	N 69°43'13"E	175.31'
L 2	N 64°31'25"E	379.24'
L 3	N 59°36'07"E	476.19'
L 4	N 66°21'24"E	640.84'
L 5	N 72°53'31"E	456.77'
L 6	N 81°22'42"E	504.70'
L 7	S 81°17'02"E	254.13'
L 8	S 71°48'26"E	419.82'
L 9	S 49°31'17"E	391.20'
L 10	S 43°17'03"E	326.90'
L 11	S 33°51'13"E	393.72'
L 12	S 43°25'10"E	327.67'
L 13	S 37°00'03"E	321.91'
L 14	S 24°12'21"E	343.93'
L 15	S 26°58'10"E	274.48'
L 16	S 27°46'55"E	471.82'
L 17	S 37°45'19"E	193.75'

BLUFORD BROOKS A-274

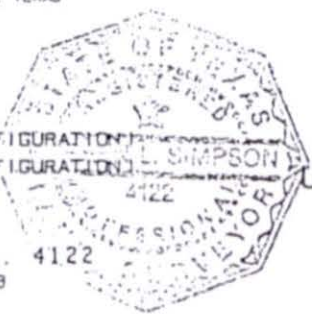
J. MITCHELL A-41

- NOTES:
- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
 - 2) WELL IS LOCATED 4.9 MILES NORTHEAST OF TUNIS, TEXAS
 - 3) INDICATES LIMITS OF UNIT
 - 4) SEE ATTACHMENT 'A' FOR LESSONS AND ACRES

DRAINHOLE DATA

SURFACE LOC. TO PENE. PT.	S 15°52'55" V 124.24'
PENE. PT. TO BOTTOM LOCATION	S 15°33'01" E 4915.22'
PENE. PT. TO SIDETRACK No. 1	S 05°26'05" E 798.19'
PENE. PT. TO SIDETRACK No. 2	S 17°06'55" E 4966.44'

SEPTEMBER 30, 1992
 REVISED JANUARY 29, 1993 (UNIT CONFIGURATION)
 REVISED FEBRUARY 8, 1993 (UNIT CONFIGURATION)
 REVISED JULY 1, 1993 (AS-DRILLED)
Warren L. Simpson
 WARREN L. SIMPSON R.P.L.S. No. 4122
 7701 CAMERON ROAD SUITE No. 108
 AUSTIN TEXAS 78752
 PHONE (512) 452-1513



(AS-DRILLED)
 UNION PACIFIC RESOURCES COMPANY
 SCARMARDO-CARRABBA UNIT No. 1
 WM. RALEIGH SURVEY, A-47
 BURLESON COUNTY, TEXAS
 SCALE 1" = 1000'

ATTACHMENT "A"

SCARMARDO-CARRABBA UNIT No. 1

TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL/PG
1	407.37	PETE J. SCARMARDO, et al	376/397 376/408 376/413
2	22.84	STATE OF TEXAS	31/523 31/521 31/519 40/101
3	138.38	CARRABBA BROTHERS, INC. SYLVESTRAS F. LOPEZ BAUGH DOMINGO LOPEZ JULIAN MELCHOR, et al MARIA Y. TORRES, et al ERNESTO TORRES JUANITA TORRES PINON FRANCISCA TORRES DURAN DESIDERIO E. TORRES CECILIA E. TORRES, et al JUAN ANTONIO TORRES JESUSA TORRES DURAN ESTATE OF GUADALUPE LOPEZ	115/640 92/111 79/597
4	115.49	JOHN BEN CARRABBA, et al	245/378
5	75.92	STATE OF TEXAS	BRAZOS RIVER
760.00 ACRES TOTAL IN UNIT			

SEPTEMBER 30, 1992

REVISED JANUARY 29, 1993 (UNIT CONFIGURATION)

REVISED FEBRUARY 8, 1993 (UNIT CONFIGURATION)

Warren L. Simpson
 WARREN L. SIMPSON R.P.L.S. No. 4122
 7701 CAMERON ROAD SUITE No. 108
 AUSTIN, TEXAS 78752
 PHONE 1 512 452-1513

UNION PACIFIC RESOURCES COMPANY

SCARMARDO-CARRABBA UNIT No. 1

WM. RALEIGH SURVEY, A-47
 BURLESON COUNTY, TEXAS

⑮ M-94905
Pooling Agreement
FILED: 9-16-93

8.10.93

Return each W-1 with plat, applicable fee, and "W-1 Compliance Certificate" (W-1c). Make a check or money order payable to the State Treasure of Texas.

Address to:
 Railroad Commission of Texas
 Oil and Gas Division, Drilling Permits
 P.O. Box 12967
 Austin, Texas 78711-2967

RAILROAD COMMISSION OF TEXAS Oil and Gas Division

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

Form W-1
 Rev. 9/1/91

▶ File a copy of W-1 and plat in RRC District Office ▶ Read Instructions on Back

EFFECTIVE SEPT. 1, 1991, PERMIT APPLICATION FEE WILL VARY ACCORDING TO THE TOTAL DEPTH SHOWN IN ITEM NO. 9 BELOW
 0-2000' - \$100, 2001' - 4000' - \$125
 4001' - 9000' - \$150, 9001' or deeper - \$200

Purpose of filing (mark appropriate boxes):

Drill Deepen (below casing) Deepen (within casing) Plug Back Re-Enter

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

Enter here, if assigned: API No. 42-
 Permit No. _____
 Rule 37 Case No. _____

1. Operator's Name (exactly as shown on Form P-5, Organization Report) Union Pacific Resources Company

3. RRC Operator No. 876645 4. RRC District No. 03 5. County of Well Site Burleson

2. Address (including city and zip code) P.O. Box 7 - M.S. 3407 Fort Worth, Texas 76101-0007

6. Lease Name (32 spaces maximum) Scarmardo-Carrabba Unit 7. RRC Lease/ID No. _____ 8. Well No. 1 9. Total Depth 19,000'

10. Location TL: Charles Falenash A-22 SL: W. Raleigh
 Section _____ Block _____ Survey _____ Abstract No. A-47
 This well is to be located 4.9 miles in a NE direction from Tunis, Texas
 which is the nearest town in the county of the well site.

11. Distance from proposed location to nearest lease or unit line 467 ft. 12. Number of contiguous acres in lease, pooled unit, or unitized tract 760.0 (OUTLINE ON PLAT.)

13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line.	14. Completion depth	15. Spacing pattern (ft.)	16. Density pattern (acres)	17. Number of acres in drilling unit for this well. OUTLINE ON PLAT.	18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks.	19. Distance from proposed location to nearest applied for, permitted, or completed well. this lease & reservoir. (ft.)	20. Oil, gas, or other type well (Specify)	21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir.	
								OIL	GAS
Giddings (Austin Chalk-3)	19,000'	467/1200	160/80	760.0	No	N/A	Oil	1	0
Giddings (Austin Chalk, Gas)	19,000'	467/1200	160/80	760.0	No	N/A	Gas	0	1

22. Perpendicular surface location from two nearest designated lines:
 • Lease/Unit 3141' FSEL & 570' FNWL
 • Survey/Section 19,400' FSWL & 2285' FSEL

If a directional well, show also projected bottom hole location:
 • Lease/Unit 1499' FSEL & 467' FSEL
 • Survey/Section 16,400' FSWL & 2050' FNWL

23. Is this a pooled unit? Yes No (Attach Form P-12 and certified plat.)

24. Is item 17 less than item 16 (substandard acreage for any field applied for)? Yes No (Attach Form W-1A)

25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes No If subject to Rule 36, is Form H-9 filed? Yes No If not filed, explain in Remarks.

26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? Yes No If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37.

I certify that information stated in this application is true and complete, to the best of my knowledge.

Sharon Cook Sharon Cook/Regulatory Analyst

Signature _____ Date: 10-05-92 Name and title of operator's representative (817) 877-7792
 Date: _____ mo. _____ day _____ yr. Tel.: _____ Area Code _____ Number _____

Remarks
Penetration Point Location:
762' FNWL & 2944' FSWL of unit;
2115' FSEL & 19,300' FSWL of survey
 Plans are to drill parallel dual lateral.

RRC Use Only

W-1 COMPLIANCE CERTIFICATION

FORM W-1C

9/1/91

Railroad Commission of Texas
Oil and Gas Division
P. O. Box 12967
Austin, Texas 78711-2967

Reference: TNRC 91.110

ATTACH TO DRILLING PERMIT APPLICATION

WHEN TO FILE: A Form W-1C, "W-1 Compliance Certification," is to accompany any filing of Form W-1, "Application for Permit to Drill, Deepen, Plug Back, or Re-Enter." This includes initial and materially amended applications. The W-1C is attached only to the W-1 filed with Austin; a copy does not have to be attached to the W-1 copy filed with the district office.

This certification is binding on the named organization. Failure to file the W-1C will delay approval of the W-1 application. Filing a false statement may be a violation of TNRC 91.143 and may also subject a permit to denial or revocation.

VIOLATION means non-compliance with Title 3, TNRC or a Commission rule, order, license, permit, or certificate that relates to safety or the prevention or control of pollution.

OUTSTANDING FINAL ORDERS. An organization has an outstanding final order against it if:

- a Commission order finding a violation has been entered and all appeals have been exhausted; or
- the Commission and the organization have entered into an agreed order relating to an alleged violation;

AND

- (1) the conditions that constituted a violation have not been corrected;
- (2) all administrative, civil, and criminal penalties relating to any conditions constituting a violation have not been paid; and
- (3) all reimbursements of costs and expenses assessed by the Commission to be collected in relation to any conditions constituting a violation have not been collected.

CERTIFICATION STATEMENT: I certify:

- (1) that the applicant organization named below has no outstanding final orders against it; and
- (2) that no owner of more than 25 percent ownership interest, officer, director, general partner, or trustee of the applicant organization named below has within the last five years held a position of ownership or control in any organization (including the named organization) that has an outstanding final Commission order against it relating to a violation, during that period of ownership or control.

Union Pacific Resources Company
organization name

Sharon Cook
representative's name (print or type)

(817) 877-7792
phone number with area code

Sharon Cook
representative's signature

Regulatory Analyst
representative's title

10-05-92
date

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER
ON REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 404351	DATE PERMIT ISSUED OR AMENDED 10/14/92	DISTRICT 03
API NUMBER 42 051 33341	FORM W-1 RECEIVED 10/06/92	COUNTY BURLESON
TYPE OF OPERATION DRILL HORIZONTAL		ACRES 760.00
OPERATOR UNION PACIFIC RESOURCES COMPANY P.O. BOX 7 - M.S. 3407 FORT WORTH TX 76101-0007		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No.: 713 460-0631
LEASE NAME SCARMARDO-CARRABBA UNIT	WELL NUMBER 1	
LOCATION 4.90 MILES NE FROM TUNIS	TOTAL DEPTH 19,000	
SECTION, BLOCK and/or SURVEY SECTION => BLOCK => ABSTRACT => 47 SURVEY ==> W. RALEIGH		
DISTANCE-LEASE LINES 3,141.00 F SE - 570.00 F NW		DISTANCE-NEAREST WELL ON LEASE
DISTANCE-SURVEY LINES 19,400.00 F SW - 2,285.00 F SE		

READ IMPORTANT CONDITIONS AND INSTRUCTIONS ON THE BACK OF THIS FORM

FIELDS AND LIMITATIONS

PERMIT BOTTOM HOLE LOCATION:

SECTION =====> BLOCK => ABSTRACT => 22
SURVEY NAME =====> CHARLES FALENASH
LEASE DISTANCE ==> 1,499.00 F NE - 467.00 F SE
SURVEY DISTANCE => 16,400.00 F SW - 2,050.00 F NW
NEAREST WELL =====>

GIDDINGS (AUSTIN CHALK-3)
GIDDINGS (AUSTIN CHALK, GAS)

LIMITATIONS

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

REGULAR PROVIDED THIS WELL IS NEVER COMPLETED IN VIOLATION OF
APPLICABLE SPECIAL FIELD OR STATEWIDE SPACING RULES.

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

JAMES E. (JIM) NUGENT
 COMMISSIONER
 BOB KRUEGER, COMMISSIONER
 JIM WALLACE, COMMISSIONER



DAVID M. GARLICK
 DIRECTOR

JAMES W. WALKER, JR.
 DIRECTOR, PRODUCTION ALLOCATION

1701 N. CONGRESS

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

(512) 463-7288

October 14, 1992

UNION PACIFIC RESOURCES COMPANY
 P.O. BOX 7 - M.S. 3407
 FORT WORTH TX 76101-0007

RE: DIRECTIONAL DEVIATION

PERMIT #: 404351

LEASE: SCARMARDO-CARRABBA UNIT

WELL #: 1

FIELD: SEE ATTACHMENT

COUNTY: BURLESON

SURFACE LOCATION:

LEASE: 3141.00 F SE

E 570.00 F NW

SURVEY: 19400.00 F SW

E 2285.00 F SE

BOTTOM HOLE LOCATION:

LEASE: 1499.00 F NE

E 467.00 F SE

SURVEY: 16400.00 F SW

E 2050.00 F NW

OPERATOR :

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

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

Yours very truly,

DAVID C. TRIANA, P.E.
 PRODUCTION ALLOCATION ENGINEER

cc: RRC - District Office HOUSTON
 Production and Proration

03

FIELD: GIDDINGS (AUSTIN CHALK-3)

FIELD: GIDDINGS (AUSTIN CHALK, GAS)

0
9
4
7
2

DEPTH OF USABLE-QUALITY GROUND WATER TO BE PROTECTED

PLEASE READ ALL INSTRUCTIONS

The information requested is essential in order for this agency to provide an appropriate response. Please allow for receipt of this form in our offices at least one week before your operation begins. Due to the volume of these requests, it is difficult for us to handle telephone inquiries, and such only serve to delay the processing of these forms. Complete, keep the bottom sheet (yellow) for your files, and mail the top 3 sheets of the 4-sheet set of carbon-backed forms to the address below; one of them will be returned to you bearing our response and one will be sent to the appropriate district office of the Railroad Commission. For questions phone: 512/463-8003.

Surface Casing
Texas Water Commission
P.O. Box 13087
Austin, TX 78711-3087

Date 10-05-92 TWC File No.: SC- 3887

Sharon Cook (817) 277-2799
Name of person preparing this request & telephone no. w/AC
Union Pacific Resources Company
Company (operator's name as on RRC form W-1)
P. O. Box 7 - ML 3407
Mailing Address
Fort Worth, Texas 76101-0007
City and State Zip Code

Do not write in this space

COUNTY Burleson Survey Name William Raleigh
Block No. _____ Township _____ Section or Survey No. _____ (or) Lot No. _____
Abstract No. A- 47 LEASE Name Scarmardo-Carrabba Unit Well No. 1

A map showing all surrounding SURVEYS and your well site must accompany this request.

Distances, in feet, and directions measured at right angles from each of two intersecting Section or Survey lines
(NOT LEASE LINES) 19,400' feet from SW line and 2255' feet from SP line
Distance (in miles) and direction from a nearby town in this County (name the town).
4.6 miles NE from Tunis, Texas

THE ABOVE INFORMATION IN THIS BLOCK MUST BE COMPLETE AND CORRECT!!!

RRC Lease No. _____ RRC Dist. No. 03

Elevation (if avail.) 235' Proposed Total Depth 10,000' Geologic Fm. at T.D. _____
Purpose of the Request: New Drill Re-entry Plug & Abd. Other (specify) _____
Is this an amended request? Yes No Give previous File No. for this well: SC- _____
Additional data (check if attached): _____
Log of same or nearby well _____ (The applicable type of well log of a nearby well that shows the aquifers.)
ALWAYS attach the electric log of any well that is to be reentered.
Additional remarks: horizontal well

The TEXAS WATER COMMISSION'S recommendation for the protection of usable-quality ground water at the referenced location is as follows:
CO-BURLES, SUR-RALEIGH W., LSE-SCARMARDO-CARPABBA, A-47, #75/3750, 100, CARRIZO, 1375, 1850, SIMS, 2800

The base of usable-quality water that must be protected is estimated to occur at a depth of 3750 feet below the land surface. Moreover, the interval from the land surface to a depth of 100 feet and the fresh water contained in the CARRIZO from a depth of 1375 feet to 1850 feet and the SIMS from a depth of 2800 feet to 3500 feet must be isolated from water in overlying and underlying beds.

Very truly yours,
Steven I. White
Steven I. White
Geologist, Surface Casing, TWC

Date October 6, 1992
typed by TWC

NOTE: The depth to which we recommend that usable-quality water strata should be protected is intended to apply only to the subject well and not for area-wide use. Approval of the well-completion methods for protection of this ground water falls under the jurisdiction of the Railroad Commission of Texas. This recommendation is intended for normal drilling, production, and plugging operations only and does not apply to salt water disposal operations into a nonproductive zone (RRC Form W-14).

Fold

TYPE OR PRINT IN INK

DO NOT WRITE HERE FOR TWC USE ONLY

(16) M-94905

Appl. to Drill Well #1
FILED: 9-16-93

94905

~~2207~~
2202

DO NOT DESTROY

GLO-36-10-84

-MEMO-

Operator Union Pacific Resources

Unit Name Scarmardo-Carrabba

County Brazos & Burleson

Effective Date 9-14-93

Unitized for: Oil Gas Oil & Gas

1. M.F. No. 094905

Area uplands Tr. _____

Sec. _____ Blk. _____ Survey _____

$$\frac{13.21}{.017381} \times \frac{760.00}{.225} = \frac{.391}{.00391} \%$$

2. M.F. No. 094906

Needs to be keyed

Area uplands Tr. _____

Sec. _____ Blk. _____ Survey _____

$$\frac{9.63}{.012671} \times \frac{760.00}{.225} = \frac{.285}{.00285} \%$$

3. M.F. No. 095252

Needs to be keyed

Area uplands Tr. _____

Sec. _____ Blk. _____ Survey _____

$$\frac{75.92}{.099894} \times \frac{760.00}{.20} = \frac{1.9978}{.019978} \%$$

4. M.F. No. _____

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

_____ x _____ = _____ %

REMARKS:

MS 3-23-00

.026738

MAY 23, 2005

UNIT 2202

MF094905

PER DARYL MORGAN

PORTIONS OF STATE LEASE M-94905 HAVE BEEN INCLUDED IN VARIOUS UNITS. AT LEAST ONE OF WHICH WAS PRODUCING DURING THE PERIOD IN WHICH THE LEASE PROVIDED FOR EARNING A REDUCED ROYALTY OF 20%. BECAUSE THE POOLING AGREEMENT DID NOT HAVE EXPRESS LANGUAGE THAT THE REDUCED ROYALTY RATE ONLY APPLIED TO THE POOLED ACREAGE, THE ENTIRE LEASE EARNED A ROYALTY OF 20%.

METHA KESTER

5/23/05

POOLING COMMITTEE REPORT

TO: SCHOOL LAND BOARD
 DATE: July 6, 1993
 OPERATOR: Union Pacific Resources Co. COUNTY: Brazos & Burleson
 UNIT NAME: Scarmardo-Carrabba Unit #1 FIELD: Giddings (Austin Chalk-3)

STATE LEASE(S) IN UNIT

Lease *Type	State Number	State Royalty	Expiration Date	Term Year	Acres	Acres In Unit	Lessee of Record
SF	M-94905	1/4**	4-7-95	3	38.00	13.21	UPRC
SF	M-94906	1/4**	4-7-95	3	40.00	9.63	UPRC
SF	M-95252	1/4**	4-6-96	3	85.00	75.92	UPRC
					163.00		

** Subject to Royalty Reduction Provision 6A.29

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

PRIVATE ACRES: 661.24
 STATE ACRES: 98.76
 TOTAL UNIT ACRES: 760.00

38.00
 13.21
 24.19

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

Participation: Basis See Remarks
 State Acreage 12.995%
 State Unit Royalty 2.674%
 Railroad Commission Rules: Spacing 760 Acres
 Acreage Factor 100%

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

REMARKS:

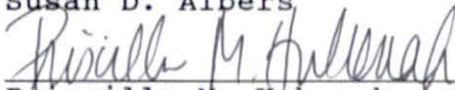
- . Union Pacific Resources Company is requesting permanent oil and gas pooling of the Austin Chalk Formation defined as the stratigraphic interval or its correlative equivalent occurring from 7902 feet MD to 8124 feet MD as shown on the electric log of Walter Exploration's Nemec Well #1.
- . The applicant completed the proposed unit well on April 26, 1993, in the Austin Chalk Formation. The initial potential of the well was 801 bbls and 1022 mcf per day.
- . If the unit is approved, the applicant will earn a royalty reduction on one state lease to 20%, and to 22.5% on two state leases, making the State's unit royalty participation 2.674%.
- . Horizontal severance is effective 2 years after the primary or extended term, as provided in the lease agreement.
- . APPROVAL BY THE SCHOOL LAND BOARD IN NO WAY RATIFIES ANY OF THE STATE LEASES INCLUDED IN THIS PROPOSED UNIT.

POOLING COMMITTEE RECOMMENDATION:

- . The Pooling Committee recommends Board approval of a permanent unit, under the provisions as set out above.



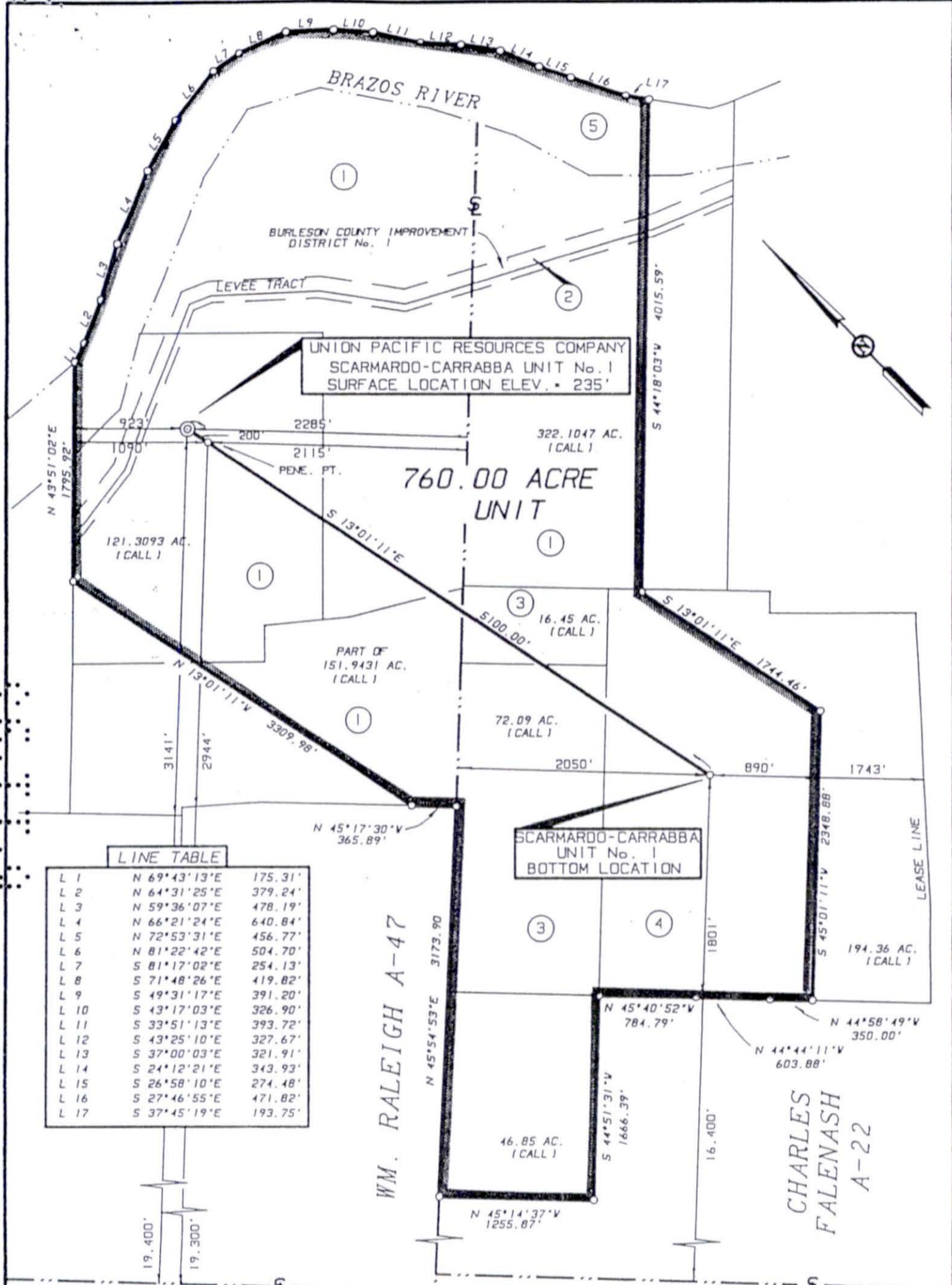
Susan D. Albers



Priscilla M. Hubenak



Peter A. Boone



UNION PACIFIC RESOURCES COMPANY
SCARMARDO-CARRABBA UNIT No. 1
SURFACE LOCATION ELEV. = 235'

760.00 ACRE
UNIT

SCARMARDO-CARRABBA
UNIT No. 1
BOTTOM LOCATION

LINE TABLE

L 1	N 69°43'13"E	175.31'
L 2	N 64°31'25"E	379.24'
L 3	N 59°36'07"E	478.19'
L 4	N 66°21'24"E	640.84'
L 5	N 72°53'31"E	456.77'
L 6	N 81°22'42"E	504.70'
L 7	S 81°17'02"E	254.13'
L 8	S 71°48'26"E	419.82'
L 9	S 49°31'17"E	391.20'
L 10	S 43°17'03"E	326.90'
L 11	S 33°51'13"E	393.72'
L 12	S 43°25'10"E	327.67'
L 13	S 37°00'03"E	321.91'
L 14	S 24°12'21"E	343.93'
L 15	S 26°58'10"E	274.48'
L 16	S 27°46'55"E	471.82'
L 17	S 37°45'19"E	193.75'

NOTES:
1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
2) WELL IS LOCATED 4.9 MILES NORTHEAST OF TUNIS, TEXAS
3) ~~INDICATES LIMITS OF UNIT~~
4) SEE ATTACHMENT 'A' FOR LESSORS AND ACREAGES
SEPTEMBER 30, 1992
REVISED JANUARY 29, 1993 (UNIT CONFIGURATION)
REVISED FEBRUARY 8, 1993 (UNIT CONFIGURATION)

Warren L. Simpson
WARREN L. SIMPSON R.P.L.S. No. 4122
7701 CAMERON ROAD SUITE No. 108
AUSTIN, TEXAS 78752
PHONE 15121 452-1513

UNION PACIFIC RESOURCES COMPANY
SCARMARDO-CARRABBA UNIT No. 1
WM. RALEIGH SURVEY, A-47
BURLESON COUNTY, TEXAS
SCALE 1" = 1000'

①7 M-94905

Pooling Committee Rpt.
FILED: 9-16-93

07.93

UNIT 2202

**POOLING AGREEMENT
UNION PACIFIC RESOURCES COMPANY
SCARMARDO-CARRABBA UNIT NO. 1
BRAZOS AND BURLESON COUNTIES, TEXAS**

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Union Pacific Resources Company, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", 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 which follow:

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit in the Austin Chalk Formation defined as the stratigraphic interval or its correlative equivalent occurring from 7902 feet measured depth to 8124 feet measured depth as shown on the electric log of Walter Exploration's Nemec Well No. 1 ("unitized interval").

POOLING AND EFFECT:

4.

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

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional well drilled under the unitized area from a surface location on adjacent or adjoining lands not included within the boundaries of the unitized area, such operations shall be considered to have been commenced on the unitized area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the unitized and production of oil or gas from the unitized area through any directional well surfaced on adjacent or adjoining land or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations, as the case may be, on the unitized area for all purposes under this Agreement. Nothing in this Agreement is intended or shall be construed as granting to Lessee any leasehold interest, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, easements, or other rights which the lessee, operator or other interest owner in the unitized area may have lawfully acquired from the state or others.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each

such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.

- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom.
- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners or otherwise diminished by reason of this Agreement.
- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 760 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offset to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral except as provided herein.
- (j) Should this Agreement terminate for any cause, in whole or in part, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this

pooling or unitization agreement be made in kind, without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

FULL MARKET VALUE:

7.

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

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

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

EFFECTIVE DATE:

8.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of July 6, 1993, such that the State will participate in the production from the Unit well from the date the pooled mineral is first produced.

TERM:

9.

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

STATE LAND:

10.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this 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 E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code having been duly considered, made and obtained.

DISSOLUTION:

11.

The unit covered by this Agreement may be dissolved by Lessee, his heirs, successors or assigns, by an instrument filed for record in Brazos and Burtleson Counties, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production or upon such other date as may be approved by the School Land Board and mutually agreed to by the undersigned parties, their successors or assigns.

RATIFICATION/WAIVER:

12.

Nothing in this Agreement, nor the approval of this Agreement by the School Land Board, nor the execution of this Agreement by the Commissioner shall: (1) operate as a ratification or revivor of any State lease that has expired, terminated, or has been released in whole or in part or terminated under the terms of such State lease or the laws applicable thereto; (2) constitute a waiver or release of any claim for money, oil, gas or other hydrocarbons, or other thing due to the State by reason of the existence or failure of such lease; (3) constitute a waiver or release of any claim by the State that such lease is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or failure of consideration; (4) constitute a confirmation or recognition of any boundary or acreage of any tract or parcel of land in which the State has or claims an interest; or (5) constitute a ratification of, or a waiver or release of any claim by the State with respect to any violation of a statute, regulation, or any of the common laws of this State, or any breach of any contract, duty, or other obligation owed to the State.

COUNTERPARTS:

13.

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 9/14/93

Legal DU
Geology [Signature]
Execution [Signature]

STATE OF TEXAS
By [Signature]
Garry Mauro, Commissioner
of the General Land Office

Date Executed July 30, 1993

UNION PACIFIC RESOURCES COMPANY
By [Signature]
Its Attorney-In-Fact

cc
VWVW
New

ATTEST:

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 6th day of July, 1993, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 14th day of September, 1993.

[Signature]
Linda K. Fisher
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF _____

This instrument was acknowledged before me on July 30, 1993, by Carolyn J. David as Attorney-In-Fact of Union Pacific Resources Company, a Delaware corporation, on behalf of said corporation.



[Signature]
Cynthia E. Sewell
Notary Public in and for the
State of Texas
Commission expires: 4/22/97

MW PETROLEUM CORPORATION

By:

[Handwritten signature]

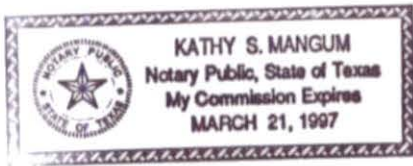
Its:

A W ERXLEBEN
ATTORNEY IN-FACT

[Handwritten initials]

STATE OF Texas
COUNTY OF Harris

This instrument was acknowledged before me on the 7th day of September, 1993, by A.W. Erxleben, the Attorney-in-fact of MW PETROLEUM CORPORATION, a Colorado corporation, on behalf of said corporation.



[Handwritten signature: Kathy S Mangum]

Notary Public in and for the
State of _____
My commission expires: _____

Exhibit "A"

Attached to and made a part of that certain Pooling Agreement-
Scarmardo-Carrabba Unit #1.

Schedule of Leases

Lessor:	State of Texas M-94905	TX-45518
Lessee:	Union Pacific Resources Company	
Date:	April 7, 1992	
Filed:	Oil and Gas Records of Burleson County	
Recorded:	Volume 204, Page 77	
Lessor:	Carrabba Brothers, Inc.	TX-44918-1
Lessee:	GSI Oil & Gas, Inc.	
Date:	March 20, 1992	
Filed:	Memorandum of Oil & Gas Lease Oil and Gas Records of Burleson County	
Recorded:	Volume 199, Page 670	
Lessor:	Cecilia E. Torres, et al	TX-44819-4
Lessee:	Fred Patton-Independent	
Date:	July 9, 1991	
Filed:	Oil and Gas Records of Burleson County	
Recorded:	Volume 196, Page 68	
Lessor:	Juanita Torres Pinion	TX-44819-7
Lessee:	Fred. L. Patton-Independent	
Date:	June 6, 1991	
Filed:	Oil and Gas Records of Burleson County	
Recorded:	Volume 196, Page 80	
Lessor:	Ernesto Torres	TX-44819-8
Lessee:	Fred L. Patton-Independent	
Date:	June 6, 1991	
Filed:	Oil and Gas Records of Burleson County	
Recorded:	Volume 196, Page 84	
Lessor:	Maria Y. Torres, Individ. and Guardian	TX-44819-9
Lessee:	Fred L. Patton-Independent	
Date:	June 5, 1991	
Filed:	Oil and Gas Records of Burleson County	
Recorded:	Volume 196, Page 88	
Lessor:	Julian Melchor, Jr. et al.	TX-44819-10
Lessee:	Fred L. Patton-Independent	
Date:	June 4, 1991	
Filed:	Oil and Gas Records of Burleson County	
Recorded:	Volume 196, Page 93	
Lessor:	Santos Lopez, et al	TX-44819-11
Lessee:	Fred L. Patton-Independent	
Date:	June 3, 1991	
Filed:	Oil and Gas Records of Burleson County	
Recorded:	Volume 196, Page 98	
Lessor:	Domingo Lopez	TX-44819-12
Lessee:	Fred L. Patton	
Date:	May 15, 1991	
Filed:	Oil and Gas Records of Burleson County	
Recorded:	196, Page 103	
	(1)	
Lessor:	Sylvestra F. Lopez Baugh	TX-44819-13
Lessee:	Fred L. Patton-Independent	
Date:	May 15, 1991	
Filed:	Oil and Gas Records of Burleson County	
Recorded:	Volume 196, Page 107	

Lessor: John Ben Carrabba, et al. TX-44752
Lessee: Barry Barrage
Date: April 28, 1988
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 149, Page 201

Lessor: Mary Ann Scarmardo, et al. TX-44759
Lessee: Barry Barrage
Date: April 28, 1988
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 149, Page 200

Lessor: State of Texas M-95252
Lessee: Union Pacific Resources Company
Date: April 6, 1993
Filed: : Oil and Gas Lease Records of Burleson County
Recorded: Volume 215, Page 326
Filed: Official Records of Brazos County
Recorded: File # 521842

Lessor: Jesusa Torres Duran
Lessee: Fred L. Patton
Date: July 10, 1991
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 196, Page 60

Lessor: Juan Antonio Torres
Lessee: Fred L. Patton
Date: July 10, 1991
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 196, Page 64

Lessor: Desiderio E. Torres
Lessee: Fred L. Patton
Date: July 10, 1991
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 196, Page 72

Lessor: Francisca Torres Duran
Lessee: Fred L. Patton
Date: July 10, 1991
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 196, Page 76

Lessor: State of Texas M-94906 TX-45517
Lessee: Union Pacific Resources Company
Date: April 7, 1992
Filed: Oil and Gas Records of Burleson County
Recorded: Volume 204, Page 63

Exhibit B

Attached to and made a part of that certain Pooling Agreement - Scarmardo-Carrabba Unti #1.

FIELD NOTES

SCARMARDO-CARRABBA UNIT No. 1
760.00 ACRE UNIT

Being 760.00 acres of land out of the William Raleigh Survey, Abstract No. 47 and the Charles Falenash Survey, Abstract No. 22, in Burleson County, Texas; being 407.37 acres of land comprised of a portion of that certain tract of land described in Exhibit A, conveyed to P. J. Scarmardo, et al, by deed recorded in Volume 376, Page 393, and a portion of those certain tracts of land described in Exhibit D and Exhibit H, in a Mineral Deed to Mary Scarmardo, P.J. Scarmardo and Betty Lee Carrabba, recorded in Volume 376, Page 400; being 22.84 acres of land comprised of all of those certain tracts of land conveyed to Burleson County Improvement District No. 1, by deeds recorded in Volume 31, Page 521, and Volume 31, Page 519 and a portion of those certain tracts of land conveyed to Burleson County Improvement District No. 1, by deeds recorded in Volume 31, Page 523, and Volume 40, Page 101; being 138.38 acres of land comprised of all of that certain tract of land conveyed to Jesus H. Lopez, by deed recorded in Volume 79, Page 597, all of that certain tract of land conveyed to J. H. Lopez, Sr., by deed recorded in Volume 92, Page 111, and all of that certain tract of land conveyed to Jesus H. Lopez Sr., by deed recorded in Volume 115, Page 640; being 115.49 acres of land out of that certain tract of land conveyed to Gooseneck Trailer Mfg. Co. Inc., by deed recorded in Volume 245, Page 378, all in the Deed Records of Burleson County, Texas; being 75.92 acres of land located within the banks of the Brazos River in Burleson and Brazos Counties, Texas and being more particularly described as follows:

BEGINNING at a fence corner post for the south corner of said tract of land described in Exhibit H in said deed recorded in Volume 376, Page 400;

THENCE N 45°17'30" W, along the southwest line of that certain tract of land described in said Exhibit H, a distance of 365.89 feet to a point for corner;

THENCE N 13°01'11" W, traversing the interior of said tract of land described in Exhibit H and said tract of land described in Exhibit A, a distance of 3309.98 feet to a point for corner;

THENCE N 43°51'02" E, along the northwest line of said tract of land described in Exhibit A, a distance of 1795.92 feet to a point for corner on the east bank of the Brazos River;

THENCE along the east bank of said Brazos River the following seventeen (17) courses and distances;

- 1) N 69°43'13" E, 175.31 feet,
- 2) N 64°31'25" E, 379.24 feet,
- 3) N 59°36'07" E, 478.19 feet,
- 4) N 66°21'24" E, 640.84 feet,
- 5) N 72°53'31" E, 456.77 feet,
- 6) N 81°22'42" E, 504.70 feet,
- 7) S 81°17'02" E, 254.13 feet,
- 8) S 71°48'26" E, 419.82 feet,
- 9) S 49°31'17" E, 391.20 feet,
- 10) S 43°17'03" E, 326.90 feet,
- 11) S 33°51'13" E, 393.72 feet,
- 12) S 43°25'10" E, 327.67 feet,
- 13) S 37°00'03" E, 321.91 feet,
- 14) S 24°12'21" E, 343.93 feet,
- 15) S 26°58'10" E, 274.48 feet,
- 16) S 27°46'55" E, 471.82 feet,
- 17) S 37°45'19" E, 193.75 feet to a point for the east corner of the herein described unit;

THENCE traversing the interior of said tract described in Exhibit D in said Volume 376, Page 400, and said Gooseneck Trailer Mfg. Co. Inc., tract, the following three courses and distances:

- 1) S 44°18'03" W, 4015.59 feet,
- 2) S 13°01'11" E, 1744.46 feet,
- 3) S 45°01'11" W, 2348.88 feet to a point for the most easterly south corner of the herein described unit;

THENCE along the fenced southwest line of said Gooseneck Trailer Mfg. Co. Inc., tract, the following three (2) courses and distances:

- 1) N 44°58'49" W, 350.00 feet to a fence corner post,
- 2) N 44°44'11" W, 603.88 feet to a fence corner post,
- 3) N 45°40'52" W, 784.79 feet to a fence corner post for the east corner of said Jesus H. Lopez tract recorded in Volume 79, Page 597;

THENCE S 44°51'31" W, along the fenced southeast line of said Jesus H. Lopez tract, a distance of 1666.39 feet to an iron rod found for the south corner of said Jesus H. Lopez tract;

THENCE N 45°14'37" W, along the fenced southwest line of said Jesus H. Lopez tract, a distance of 1255.87 feet to an iron rod found at a fence corner post for the west corner of said Jesus H. Lopez tract;

THENCE N 45°54'53" E, along the northwest line of said Jesus H. Lopez tract and said Jesus H. Lopez Sr. tract recorded in Volume 115, Page 640, a distance of 3173.89 feet to the PLACE OF BEGINNING and containing 760.00 acres of land, more or less.

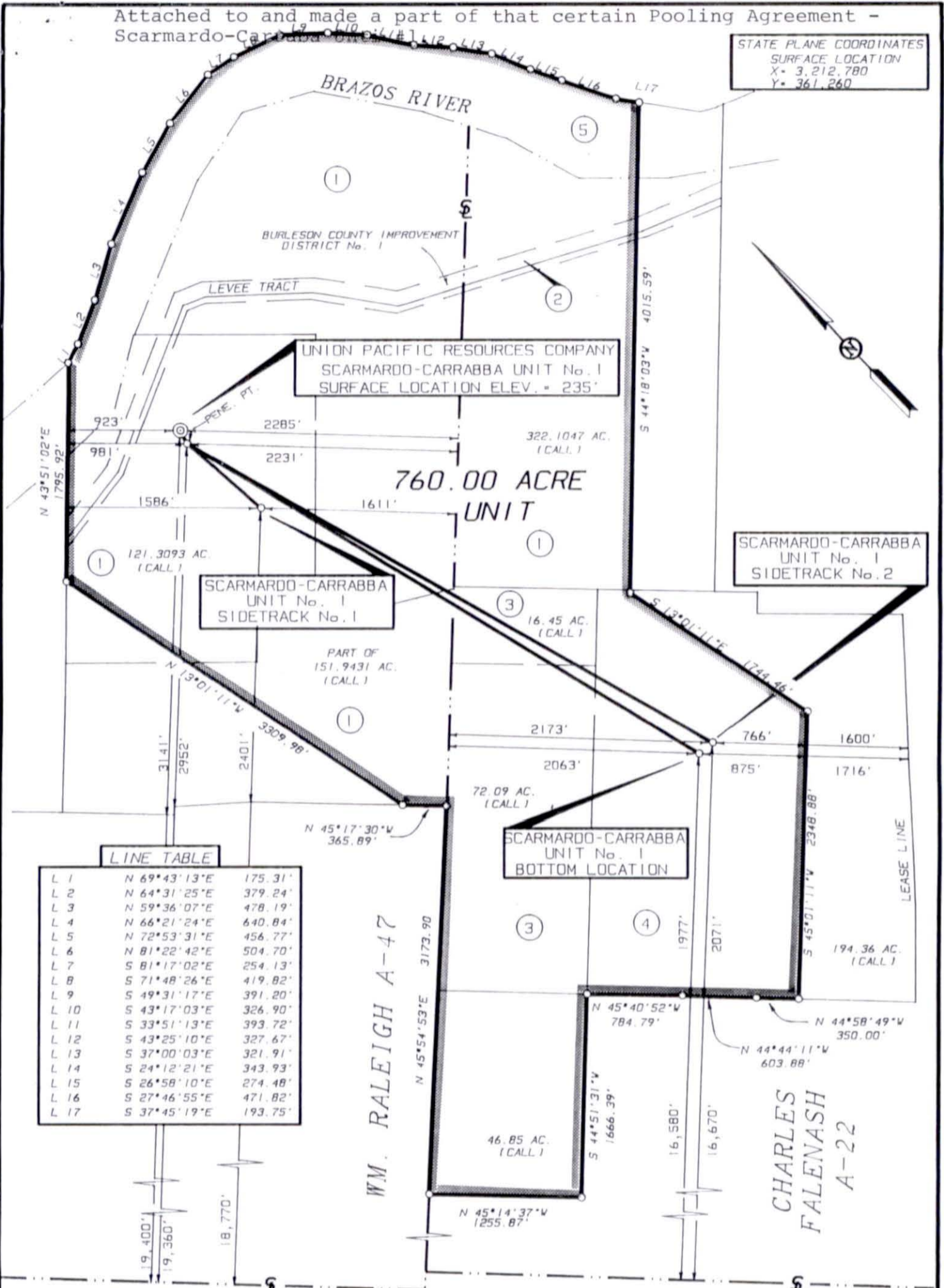
LIMITED TO THE AUSTIN CHALK FORMATION, as found between 7902 feet and 8124 feet in the Walter Exploration #1 Nemec Well, which is located 3020 feet from the NW line and 1725 feet from the NE line of the McKinney Survey, A-33, Brazos County, Texas.



Warren L. Simpson
Registered Professional Land Surveyor No. 4122
February 8, 1993

Attached to and made a part of that certain Pooling Agreement - Scarmardo-Carrabba Unit No. 1

STATE PLANE COORDINATES
SURFACE LOCATION
X = 3,212,780
Y = 361,260



LINE TABLE

L 1	N 69°43'13"E	175.31'
L 2	N 64°31'25"E	379.24'
L 3	N 59°36'07"E	478.19'
L 4	N 66°21'24"E	640.84'
L 5	N 72°53'31"E	456.77'
L 6	N 81°22'42"E	504.70'
L 7	S 81°17'02"E	254.13'
L 8	S 71°48'26"E	419.82'
L 9	S 49°31'17"E	391.20'
L 10	S 43°17'03"E	326.90'
L 11	S 33°51'13"E	393.72'
L 12	S 43°25'10"E	327.67'
L 13	S 37°00'03"E	321.91'
L 14	S 24°12'21"E	343.93'
L 15	S 26°58'10"E	274.48'
L 16	S 27°46'55"E	471.82'
L 17	S 37°45'19"E	193.75'

DRAINHOLE DATA

SURFACE LOC. TO PENE.PT.	S 15°52'55" W 124.24'
PENE.PT. TO BOTTOM LOCATION	S 15°33'01" E 4915.22'
PENE.PT. TO SIDETRACK No. 1	S 05°26'05" E 798.19'
PENE.PT. TO SIDETRACK No. 2	S 17°06'55" E 4966.44'

- NOTES:
- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
 - 2) WELL IS LOCATED 4.9 MILES NORTHEAST OF TUNIS, TEXAS
 - 3) ----- INDICATES LIMITS OF UNIT
 - 4) SEE ATTACHMENT "A" FOR LESSORS AND ACRES

SEPTEMBER 30, 1992
REVISED JANUARY 29, 1993 (UNIT CONFIGURATION)
REVISED FEBRUARY 8, 1993 (UNIT CONFIGURATION)
REVISED JULY 1, 1993 (AS-DRILLED)

Warren L. Simpson
WARREN L. SIMPSON R.P.L.S. No. 4122
7701 CAMERON ROAD SUITE No. 108
AUSTIN TEXAS 78752
PHONE (512) 452-1513



(AS-DRILLED)
UNION PACIFIC RESOURCES COMPANY
SCARMARDO-CARRABBA UNIT No. 1
WM. RALEIGH SURVEY, A-47
BURLESON COUNTY, TEXAS
SCALE 1" = 1000'

ATTACHMENT "A"

SCARMARDO-CARRABBA UNIT No. 1

TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL/PG
1	407.37	PETE J. SCARMARDO, et al	376/397 376/408 376/413
2	22.84	STATE OF TEXAS M-94905 M-94906	31/523 31/521 31/519 40/101
3	138.38	CARRABBA BROTHERS, INC. SYLVESTRA F. LOPEZ BAUGH DOMINGO LOPEZ JULIAN MELCHOR, et al MARIA Y. TORRES, et al ERNESTO TORRES JUANITA TORRES PINON FRANCISCA TORRES DURAN DESIDERIO E. TORRES CECILIA E. TORRES, et al JUAN ANTONIO TORRES JESUSA TORRES DURAN ESTATE OF GUADALUPE LOPEZ	115/640 92/111 79/597
4	115.49	JOHN BEN CARRABBA, et al	245/378
5	75.92	STATE OF TEXAS M-95252	BRAZOS RIVER
760.00 ACRES TOTAL IN UNIT			

SEPTEMBER 30, 1992
 REVISED JANUARY 29, 1993 (UNIT CONFIGURATION)
 REVISED FEBRUARY 8, 1993 (UNIT CONFIGURATION)

Warren L. Simpson
 WARREN L. SIMPSON R.P.L.S. No. 4122
 7701 CAMERON ROAD SUITE No. 108
 AUSTIN, TEXAS 78752
 PHONE (512) 452-1513

UNION PACIFIC RESOURCES COMPANY
SCARMARDO-CARRABBA UNIT No. 1
 WM. RALEIGH SURVEY, A-47
 BURLESON COUNTY, TEXAS

⑮ M-94905

Pooling Agreement
FILED: 9-16-93

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

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

Type or print only

Oil Well Potential Test, Completion or Recompletion Report, and Log				API No. 42-051-33341	7. RRC District No. 03
					8. RRC Lease No.
1. FIELD NAME (as per RRC Records or Wildcat) GIDDINGS (AUSTIN CHALK-3)		2. LEASE NAME SCARMARDO-CARRABBA UNIT		9. Well No. 1	
3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report) UNION PACIFIC RESOURCES COMPANY			RRC Operator No. 876645		10. County of well site BURLESON
4. ADDRESS P.O. BOX 7, MS 3407 FORT WORTH, TEXAS 76101-0007				11. Purpose of filing Initial Potential <input checked="" type="checkbox"/> Retest <input type="checkbox"/> Reclass <input type="checkbox"/> Well record only (explain in Remarks) <input type="checkbox"/>	
5. If Operator has changed within last 60 days, name former operator					
6a. Location (Section, Block, and Survey) W. RALEIGH A-47		6b. Distance and direction to nearest town in this county. 4.9 miles NE from Tunis, Texas			
12. If workover or reclass, give former field (with reservoir) & gas ID or oil lease no. FIELD & RESERVOIR		GAS ID or OIL LEASE #	Oil - O Gas - G	WELL NO.	
13. Type of electric or other log run GAMMA RAY				14. Completion or recompletion date 04/26/93	

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

15. Date of test 05/04/93	16. No. of hours tested 24	17. Production method (Flowing, Gas Lift, Jetting, Pumping— Size & Type of pump) FLOWING		18. Choke size 24/64	
19. Production during Test Period Oil - BBLS 801		Gas - MCF 1022	Water - BBLS 45	Gas - Oil Ratio 1277	Flowing Tubing Pressure 781 PSI
20. Calculated 24-Hour Rate Oil - BBLS 801		Gas - MCF 1022	Water - BBLS 45	Oil Gravity—API—60° 42.1	Casing Pressure --- PSI
21. Was swab used during this test? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		22. Oil produced prior to test (New & Reworked wells) 2988		23. Injection Gas—Oil Ratio	

REMARKS:

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

WELL TESTER'S CERTIFICATION

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

Norman Hooley
Signature: Well Tester

UNION PACIFIC RESOURCES COMPANY
Name of Company

RRC Representative

OPERATOR'S CERTIFICATION

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

WANDA BARTELL

Typed or printed name of operator's representative

817/877-7941

Telephone: Area Code

Number

Date:

05 / 20 / 93

mo. day year

REGULATORY ANALYST

Title of Person

Wanda Bartell
Signature

SECTION II DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

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

25. Permit to Drill, Plug Back or Deepen DATE 10/14/92 PERMIT NO. 404351

26. Notice of Intention to Drill this well was filed in Name of UNION PACIFIC RESOURCES COMPANY

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

28. Total number of acres in this lease 760

29. Date Plug Back, Deepening, WorkOver or Drilling Operations: Commenced 03/12/93 Completed 04/20/93

30. Distance to nearest well, Same Lease & Reservoir N/A

25. Permit to Drill, Plug Back or Deepen DATE 10/14/92 PERMIT NO. 404351

Rule 37 Exception CASE NO.

Water Injection Permit PERMIT NO.

Salt Water Disposal Permit PERMIT NO.

Other PERMIT NO.

31. Location of well, relative to nearest lease boundaries of lease on which this well is located 3141 Feet From SE Line and 570 Feet from NW Line of the SCARMARDO-CARRABBA UNIT Lease

32. Elevation (DF, RKB, RT, GR, ETC.) GL: 235' KB: 258'

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

34. Top of Pay 35. Total Depth 36. P. B. Depth 37. Surface Casing Determined by: Field Rules Recommendation of T.D.W.R. Railroad Commission (Special)

Dt. of Letter 10/06/92

38. Is well multiple completion? NO

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

40. Intervals Drilled by: Rotary Tools Cable Tools

41. Name of Drilling Contractor NABORS LOFF #206

42. Is Cementing Affidavit Attached? Yes No

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

CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
10 3/4"	40.5#	2020'		975 sxs "A"	14 3/4"	Surface	2305
7 5/8"	26.4# & 29.7#	TOOL: 3843 SHOE: 8100		830 sx "A" 200"H 340 sx 35:65:2 P0Z	9 7/8" 9 7/8"	Surface 7100	2485 432

44. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen

45. TUBING RECORD

Size	Depth Set	Packer Set	From	To
2 7/8"	7687'	7670'	8100' (ST#00)	13,090'
			8160' (ST#01)	8,892'
			8760' (ST#02)	13,130'

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

47. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. OPEN HOLE COMPLETION

Depth Interval	Amount and Kind of Material Used

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

Formations	Depth	Formations	Depth
MIDWAY	4294'	AUSTIN CHALK	7956'
NAVARRO	5306'		
PECAN GAP	6813'		

REMARKS * FISH IN HOLE- 6 1/2" SEC. PDC BIT & BEARING HOUSING APPROX. 1,75

ELECTRIC LOG
STATUS REPORTPlease Read Instructions

INSTRUCTIONS

When to file the L-1

- with Forms G-1, W-2, and GT-1 for new and deepened gas, oil, and geothermal wells
- with Form W-3 for plugged dry holes
- when sending in a log which was held under a request for confidentiality and the period of confidentiality has not yet expired

When the L-1 is NOT required

- with Forms W-2, G-1, and GT-1 filed for injection wells, disposal wells, water supply wells, service wells, re-test wells, re-classifications, and plugbacks of oil, gas, and geothermal wells
- with Form W-3 for plugging of other than a dry hole

Where to file the L-1

- with the appropriate Commission district office

Filling out the L-1

- Section I and the signature section must be filled out for all wells
- complete only the appropriate part of Section II

Type of log required

- any wireline survey run for the purpose of obtaining lithology, porosity, or resistivity information
- no more than one such log is required but it must be of the subject well
- if such a log is NOT run on the subject well, do NOT substitute any other type of log; just select Section II, Part A below

SEE REVERSE SIDE

SECTION I. IDENTIFICATION

Operator Name UNION PACIFIC RESOURCES COMPANY	District No. 03	Completion Date 04/06/93
Field Name GIDDINGS (AUSTIN CHALK-3)	Drilling Permit No. 404351	
Lease Name SCARMARDO-CARRABBA UNIT	Lease/ID No.	Well No. 1
County BURLESON	API No. 42 - 051-33341	

SECTION II. LOG STATUS (complete either A. or B.)

A. BASIC ELECTRIC LOG NOT RUN

B. BASIC ELECTRIC LOG RUN (select one)

1. Confidentiality requested.

2. Confidentiality already granted on basic electric log covering this interval (applicable to deepened wells only).

3. Basic electric log covering this interval already on file with Commission (applicable to deepened wells only).

4. Log attached to (select one)

(a) Form L-1 (this form). If the company/lease name on log is different from that shown in Section I, please enter name on log here: _____

Check here if attached log is being submitted after being held confidential

(b) Form P-7, Application for Discovery Allowable and New Field Designation.

(c) Form W-4, Application for Multiple Completion: lease or ID no.(s) _____, well no.(s) _____

Wanda Bartell
signature

WANDA BARTELL

name (print)

REGULATORY ANALYST

title

(817) 877-7941

phone

05/20/93

date

For Railroad Commission use only

READ INSTRUCTIONS ON BACK

1. Field name exactly as shown on proration schedule GIDDINGS (AUSTIN CHALK-3)		2. Lease name SCARMARDO-CARRABBA UNIT	
3. Operator name exactly as shown on P-5 Organization Report UNION PACIFIC RESOURCES COMPANY		4. Operator P-5 no. 876645	5. Oil lease no.
7. Operator address including city, state, and zip code P.O. BOX 7, MS 3407 FORT WORTH, TEXAS 76101-0007		8. County in which oil lease or gas well is actually located BURLESON	6. RRC district no. 03
		9. Gas ID no.	10. Gas well no.
		11. Effective date	

12. GAS WELL GAS OR CASINGHEAD GAS. Additional space and example on reverse side.

Type Operation			Name of gatherer, purchaser, and/or nominator as indicated in type operation columns NOTE: For each purchaser, give its RRC-assigned system code and identify the market. If applicable, place an "X" in the full-well stream column for the gatherer.	RRC USE ONLY		Purchaser's RRC Assigned System Code	Purchaser's Market		Percent of Take	Full-well stream
gatherer	purchaser	nominator		G/P/N Code			inter-state	intra-state		
X			FERGUSON BURLESON CTY. G.G.S.						100	
	X		AUSTIN CHALK NATURAL GAS MARKETING SERVICES			0004		X	100	

13. NAME OF OIL OR CONDENSATE GATHERER List highest volume gatherer first PRIDE PIPELINE COMPANY		Percent of Take 100	RRC USE ONLY Gath. code	14. PURPOSE OF FILING. Remarks:	
				a. <input checked="" type="checkbox"/> New oil lease <input type="checkbox"/> New gas well <input type="checkbox"/> Reclassification (oil to gas or gas to oil) <input type="checkbox"/> Consolidation, unitization or subdivision b. CHANGE <input type="checkbox"/> Gatherer <input type="checkbox"/> Nominator <input type="checkbox"/> Purchaser <input type="checkbox"/> Purchaser's system code	

RRC USE ONLY		c. CHANGE FROM	
Approved (initials) _____	Oper. No. _____	<input type="checkbox"/> Operator _____	
Date _____	Field No. _____	<input type="checkbox"/> Field Name _____	
Remarks:		<input type="checkbox"/> Lease Name _____	

15. OPERATOR CHANGE. Being the PREVIOUS OPERATOR, I certify that operating responsibility for wells located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.

Previous Operator _____ Date _____

Signature _____ Name (Print) _____

Title _____ Phone () _____

Address with city/state/zip _____

16. CURRENT OPERATOR'S CERTIFICATION. By signing this certificate as the CURRENT OPERATOR, I acknowledge responsibility for the regulatory compliance of the subject lease, INCLUDING PLUGGING OF WELLS if required under Statewide Rule 14. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.

Signature Wanda Bartell Name (Print) WANDA BARTELL

Title REGULATORY ANALYST Date 05/20/93 Phone (817) 877-7941

I, the Current Operator, certify that the above agent is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property in accordance with the regulations of the Railroad Commission of Texas, and that this authorization will be valid until further notice or until cancelled by the Railroad Commission of Texas, and further certify that the conservation laws of the State of Texas and all rules, regulations and orders of the Railroad Commission of Texas have been complied with in respect to the property covered by this report.

check if listings are continued on reverse side

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

CERTIFICATE OF POOLING AUTHORITY

I, WANDA BARTELL, being of lawful age, being familiar with the matter, and having full knowledge of the facts set out, do state:

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

NAME OF OPERATOR: UNION PACIFIC RESOURCES COMPANY

- NAME OF POOLED UNIT: SCARMARDO-CARRABBA UNIT WELL NO. 1

FIELD: GIDDINGS (AUSTIN CHALK-3), BURLESON COUNTY,

TEXAS, contains 760 acres; that with respect to such pooled unit, as it is hereafter described, parties now owning a mineral interest or mineral interests (including royalty interests, working interests, or other mineral interests) therein either (1) acquired such interest as they now have subject to the provisions of an instrument or instruments now in effect and which permit the pooling of said interests or (2) have, by virtue of the execution of an instrument or instruments the provisions of which are now in effect, pooled such of said interests as they now own therein, in such manner that all of such pooled unit shall be considered by the Commission as one base tract as if all rights with respect thereto has been acquired under a single contract.

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

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

(OVER)

Cementer: Fill in shaded areas.
Operator: Fill in other items.

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

1. Operator's Name (As shown on Form P-5, Organization Report) UNION PACIFIC RESOURCES COMPANY	2. RRC Operator No. 876645	3. RRC District No. 03	4. County of Well Site BURLESON
5. Field Name (Wildcat or exactly as shown on RRC records) GIDDINGS (AUSTIN CHALK-3)	6. API No. 42- 051-33341		7. Drilling Permit No. 404351
8. Lease Name SCARMARDO-CARRABBA UNIT	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No. 1

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
			Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date					3-19-93	3-19-93
13. •Drilled hole size					9 7/8"	9 7/8"
•Est. % wash or hole enlargement						
14. Size of casing (In. O.D.)					7 5/8"	7 5/8"
15. Top of liner (ft.)						
16. Setting depth (ft.)					3843	8100
17. Number of centralizers used					26	6
18. Hrs. waiting on cement before drill-out					24	24
1st Slurry	19. API cement used: No. of sacks ▶				830	340
	Class ▶				A	35:65:2 (POZ:H:GEL)
	Additives ▶				2% A-2+3% A-5+ 6#/sk Gilsonite+ 1#/sk Celloflake	.7% FL-52
2nd Slurry	No. of sacks ▶				200	
	Class ▶				H	
	Additives ▶					
3rd Slurry	No. of sacks ▶					
	Class ▶					
	Additives ▶					
1st	20. Slurry pumped: Volume (cu. ft.) ▶					432
	Height (ft.) ▶					2013
2nd	Volume (cu. ft.) ▶				2249	
	Height (ft.) ▶				10483	
3rd	Volume (cu. ft.) ▶				236	
	Height (ft.) ▶				1098	
Total	Volume (cu. ft.) ▶				2485	432
	Height (ft.) ▶				11581	2013
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?					YES	NO
22. Remarks						

CEMENTING TO PLUG AND ABANDON	PLUG # 1	PLUG # 2	PLUG # 3	PLUG # 4	PLUG # 5	PLUG # 6	PLUG # 7	PLUG # 8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31. Type cement								

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Robert B. Spencer, Jr./Service Supervisor BJ Services
 Name and title of cementer's representative Cementing Company Signature
 1680 Independence Bryan, Texas 77803 409-779-8125 3-19-93
 Address City, State, Zip Code Tel: Area Code Number Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

WANDA BARTELL REGULATORY ANALYST
 Typed or printed name of operator's representative Title Signature
 P.O. BOX 7, MS 3407 FORT WORTH, TEXAS 76101-0007 817/877-7941 05/20/93
 Address City, State, Zip Code Tel: Area Code Number Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's Statewide Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

A. What to file. An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- An initial oil or gas completion report, Form W-2 or G-1, as required by Statewide or special field rules;
- Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. Where to file. The appropriate Commission District Office for the county in which the well is located.

C. Surface casing. An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

D. Centralizers. Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. Exceptions and alternative casing programs. The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. An operator must obtain approval of any exception before beginning casing and cementing operations.

F. Intermediate and production casing. For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

G. Plugging and abandoning. Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

Cementer: Fill in shaded areas.
Operator: Fill in other items.

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

1. Operator's Name (As shown on Form P-5, Organization Report) UNION PACIFIC RESOURCES COMPANY	2. RRC Operator No. 876645	3. RRC District No. 03	4. County of Well Site BURLESON
5. Field Name (Wildcat or exactly as shown on RRC records) GIDDINGS (AUSTIN CHALK-3)	6. API No. 42-051-33341	7. Drilling Permit No. 404351	
8. Lease Name SCARMARDO-CARRABBA UNIT	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No. 1

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
			Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date	3-15-93					
13. *Drilled hole size	14 3/4"					
*Est. % wash or hole enlargement						
14. Size of casing (In. O.D.)	10 3/4"					
15. Top of liner (ft.)						
16. Setting depth (ft.)	2020'					
17. Number of centralizers used	16					
18. Hrs. waiting on cement before drill-out	24					
1st Slurry	19. API cement used: No. of sacks ▶	775				
	Class ▶	A + 2% A-2				
	Additives ▶	3% A-5 + 1#/sk CelloFlake				
2nd Slurry	No. of sacks ▶	200				
	Class ▶	A				
	Additives ▶					
3rd Slurry	No. of sacks ▶					
	Class ▶					
	Additives ▶					
1st	20. Slurry pumped: Volume (cu. ft.) ▶	2064				
	Height (ft.) ▶	3713				
2nd	Volume (cu. ft.) ▶	236				
	Height (ft.) ▶	423				
3rd	Volume (cu. ft.) ▶					
	Height (ft.) ▶					
Total	Volume (cu. ft.) ▶	2305				
	Height (ft.) ▶	4136				
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?	YES					
22. Remarks						

CEMENTING TO PLUG AND ABANDON	PLUG # 1	PLUG # 2	PLUG # 3	PLUG # 4	PLUG # 5	PLUG # 6	PLUG # 7	PLUG # 8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31. Type cement								

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Robert B. Spencer, Jr./Service Supervisor BJ Services
 Name and title of cementer's representative Cementing Company Signature
1680 Independence Bryan, Texas 77803 409-779-8125 3-15-93
 Address City, State, Zip Code Tel: Area Code Number Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

WANDA BARTELL REGULATORY ANALYST
 Typed or printed name of operator's representative Title Signature
P.O. BOX 7, MS 3407 FORT WORTH, TEXAS 76101-0007 817/877-7941 05/20/93
 Address City, State, Zip Code Tel: Area Code Number Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's Statewide Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

A. What to file. An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- An initial oil or gas completion report, Form W-2 or G-1, as required by Statewide or special field rules;
- Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. Where to file. The appropriate Commission District Office for the county in which the well is located.

C. Surface casing. An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

D. Centralizers. Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. Exceptions and alternative casing programs. The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. An operator must obtain approval of any exception before beginning casing and cementing operations.

F. Intermediate and production casing. For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

G. Plugging and abandoning. Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

STATEMENT OF PRODUCTIVITY OF ACREAGE
ASSIGNED TO PRORATION UNITS

Form P-15
(5-5-71)

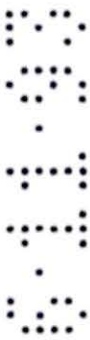
The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the UNION PACIFIC RESOURCES COMPANY OPERATOR, SCARMARDO-CARRABBA UNIT LEASE, No. 1 WELL; that such well is completed in the GIDDINGS (AUSTIN CHALK-3) Field, BURLESON County, Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces _____ 760 acres which can reasonably be considered to be productive of hydrocarbons.

- CERTIFICATE -

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

Date 05/20/93 Signature Wanda Bartell /WANDA BARTELL

Telephone 817/877-7941 AREA CODE _____ Title REGULATORY ANALYST



(19) M-94905

Completion Rpts Well #1
FILED: 9-16-93

01700

PLEASE DETACH AND SIGN THIS RECEIPT COPY AND RETURN
IN THE ENCLOSED SELF-ADDRESSED STAMPED ENVELOPE

LESSOR: ST OF TX M-94905

IF CORRESPONDENCE IS REQUIRED, PLEASE MAKE
REFERENCE TO THE LEASE NUMBER BELOW.

CHECK NO. 125616

LEASE DATE	STATE	COUNTY OR PARISH	RECORDING	FOR PERIOD		TRACT	COMPANY LEASE NUMBER	
				MOS.	BEGINNING			
04/07/92	TX	BURLESON	V204 P77	12	04/07/94	02	TX2 45518	

TAXID: ST TX M-94905
ST OF TX M-94905
STEPHEN F AUSTIN BLDG

1700 NORTH CONGRESS AVE
AUSTIN TX 78701

X \$79.50

94040453

121

✓ Union Pacific Resources

PLEASE SIGN BELOW AND RETURN

RECEIVED BY _____

Date _____

PLEASE DIRECT ALL

- **telephone** inquiries to VOICE MAIL BOX (817) 877-7077
- **mail** address/I.D. # changes and inquiries to:
ATTN: OBLIGATIONS
Mail Station 3110
P.O. Box 7
Fort Worth, TX 76101-007

LESSOR: ST OF TX M-94905

IF CORRESPONDENCE IS REQUIRED, PLEASE MAKE
REFERENCE TO THE LEASE NUMBER BELOW.

CHECK NO. 125616

LEASE DATE	STATE	COUNTY OR PARISH	RECORDING	FOR PERIOD		TRACT	COMPANY LEASE NUMBER	
				MOS.	BEGINNING			
04/07/92	TX	BURLESON	V204 P77	12	04/07/94	02	TX2 45518	

NO. 115

M-94905 (20)
P.O. U. rent pygmt
~~425-~~
3-11-94

July 28, 1994

**State of Texas
Commissioner of the General Land Office
1700 North Congress Ave.
Austin, Texas 78701**

Gentlemen:

Enclosed, for filing, are two certified copies of Partial Assignment of Oil and Gas Lease executed 7/22/93 and 7/28/93, between Union Pacific Resources Company as Assignor and MW Petroleum Corporation as Assignee. (State Lease Nos: M-95252, and M-94905)

Also, enclosed is our check No: 790059 dated 7/28/94, for \$100 as our full payment for the filing the above assignments. If you have any question in regards to this request, please give me a call at 1 800 272-2434 Ext 6249.

Sincerely,



**Kevin J. Hoffman
Lease Records Administration Clerk**

txstat03.94



ONE POST OAK CENTRAL
2000 POST OAK BOULEVARD
HOUSTON, TEXAS 77056-4400
(713) 296-6000

00790059

On behalf of MW PETROLEUM CORPORATION

ACCEPTANCE AND ENDORSEMENT OF ATTACHED CHECK WILL ACKNOWLEDGE PAYMENT IN FULL OF INVOICES LISTED BELOW

INVOICE NUMBER	INV. DATE	DESCRIPTION	INVOICE GROSS AMOUNT	DISCOUNTS	NET AMOUNT
072694	07-26-94		100.00	.00	100.00 94071438 129

AMOUNT OF CHECK ATTACHED 

100.00

21

MF 94905
CM
ITEM _____
TO _____
FROM Apache Corp.
DATE 8-4-94



5220

PARTIAL ASSIGNMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

For and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Union Pacific Resources Company, with an office at P.O. Box 7, Fort Worth, Texas 76101, sometimes hereinafter referred to as "Assignor," does hereby grant, sell, assign, transfer, convey, and deliver unto MW Petroleum Corporation, with an office at 1500 City West Blvd., Suite 400, Houston, Texas 77042, sometimes hereinafter referred to as "Assignee," its successors and assigns, an undivided 33.333% of Assignor's right, title, and interest in and to that certain Oil and Gas Lease (the "Lease") described on Exhibit "A" attached hereto and made a part hereof.

1. The interests assigned hereby are subject to the lease royalties, overriding royalties, production payments, net profits obligations, carried working interests, and other payments out of or with respect to production which are of record and with which the Lease(s) is encumbered on the effective date of this Partial Assignment, and are subject to all of the terms and provisions of any gas purchase, sales, and transportation contracts to which the lease acreage is subject on the effective date hereof.

2. This Partial Assignment is made subject to all of the terms and the express and implied covenants and conditions of the Lease(s) and any intervening assignment(s) affecting same, to the extent of the rights hereby assigned, which terms, covenants, and conditions the Assignee hereby assumes and agrees to perform with respect to the interest covered hereby.

3. Assignor warrants that the interests assigned herein are free and clear of all liens, claims, clouds, and encumbrances created by, through, and under Assignor, and there is no other warranty of title of any kind, either expressed or implied.

4. The terms, covenants, and conditions hereof shall be binding upon, and shall inure to the benefit of, the Assignor and the Assignee, and their respective successors and assigns, and such terms, covenants, and conditions shall be covenants running with the land herein described and the interests herein assigned and with each transfer or assignment of said land, lease acreage, or interests.

TO HAVE AND TO HOLD said right, title, and interest unto the Assignee, its successors and assigns, subject to the terms, covenants, and conditions hereinabove set forth.

EXECUTED this 28th day of July, 1993, but to be effective from the date of each lease.

UNION PACIFIC RESOURCES COMPANY

By: Debra Johnson JWG
Its: Attorney-in-Fact

MW PETROLEUM CORPORATION

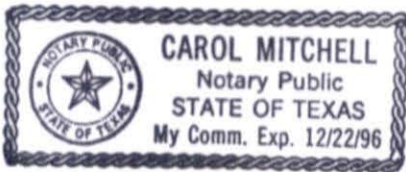
By: A. W. Erxleben RE
Its: A W ERXLEBEN
ATTORNEY IN-FACT

VOL 222 : 110

STATE OF TEXAS)
)ss.
COUNTY OF TARRANT)

August The foregoing instrument was acknowledged before me this 4th day of ~~July~~, 1993, by Debra Johnson, as Attorney-in-Fact of UNION PACIFIC RESOURCES COMPANY, a Delaware corporation, on behalf of said corporation.

Witness my hand and official seal.



Carol Mitchell
Notary Public

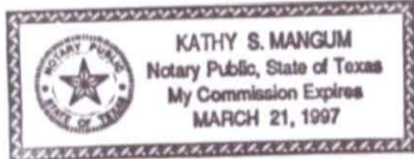
My Commission Expires 12/22/96
Notary's Name Printed or Typed:

Carol Mitchell

STATE OF TEXAS)
)ss.
COUNTY OF HARRIS)

The foregoing instrument was acknowledged before me this 30 day of August, 1993, by A.W. Gexleben, as Attorney-in-Fact of MW PETROLEUM CORPORATION, a Colorado corporation, on behalf of said corporation.

Witness my hand and official seal.



Kathy S Mangum
Notary Public

My Commission Expires _____
Notary's Name Printed or Typed:

**THE STATE OF TEXAS
COUNTY OF BURLESON**

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 14 day of October, 19 93, at 9:00 o'clock A. M. and duly recorded on 14 day of October, 19 93, in the Oil and Gas Lease Record of said County, in Vol. 222 Page 110-112.

Witness my hand and official seal of the County Court of said County, at my office in Caldwell, Texas, the day and year above written.

By _____, Deputy

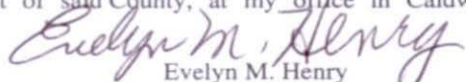

Evelyn M. Henry
County Clerk, Burleson County, Texas

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN PARTIAL ASSIGNMENT OF OIL AND GAS LEASE FROM UNION PACIFIC RESOURCES COMPANY TO MW PETROLEUM CORPORATION, DATED JULY 28, 1993.

UPRC LEASE NO.

LESSOR

DATE

LESSEE

RECORDED

COUNTY STATE

TX2-45518

STATE OF TEXAS
M-94905

APRIL 7, 1992

UNION PACIFIC
RESOURCES COMPANY

V204 P77

BURLESON TEXAS

FILED FOR RECORD
at 9:00 o'clock A.M.
OCT 14 1993
EVELYN M. HENRY
COUNTY CLERK, BURLESON CO., TEX.
By [Signature] Deputy

404

PLEASE RETURN TO:
APACHE CORPORATION
Attn: Prody P. Vong
2000 POST OAK BLVD.
SUITE 100
HOUSTON, TX 77056-4400

VOL 222 112

(22) 94905
MF _____
ITEM Assignment
TO _____
FROM _____
DATE 8-4-94

209

FILED FOR RECORD
9:00 o'clock
OCT 14 1993
EVELYN M. HENRY
COUNTY CLERK, BURLESON CO., TEX
By: *[Signature]* J. S. [Signature]
Clerk

RECORDED IN 10227100
INDEXED
OCT 14 1993
5280
COUNTY CLERK
BURLESON COUNTY, TEXAS

0.00000 on 0.00000



Texas General Land Office
Garry Mauro, Commissioner

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

August 8, 1994

KEVIN J. HOFFMAN
APACHE CORPORATION
2000 POST OAK BLVD., SUITE 100
HOUSTON, TEXAS 77056-4400

RE: ASSIGNMENT FILING

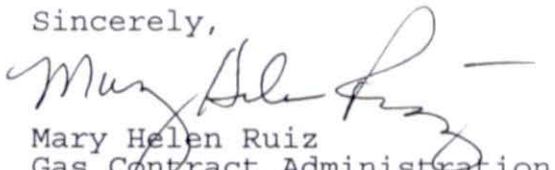
Dear Mr. HOFFMAN :

The General Land Office received the following instruments on August 4, 1994, and has filed them in Mineral File Nos. M-95252 & M-94905.

1. Assignment of Oil and Gas Lease dated July 22, 1993, from UNION PACIFIC RESOURCES COMPANY to MW PETROLEUM CORPORATION, recorded in BURLESON County, Texas.
2. Assignment of Oil and Gas Lease dated July 28, 1993, from UNION PACIFIC RESOURCES COMPANY to MW PETROLEUM CORPORATION, recorded in BURLESON County, Texas.

The total amount of the fees received for the filing of the instruments listed above is \$100.00, the receipt of which is acknowledged by the General Land Office.

Sincerely,


Mary Helen Ruiz
Gas Contract Administration
Energy Resources
(512) 475-1532

MHR/tbs

24

MF 94905
FCR LNW
TO Adobe Corp.
FROM
DATE 8-8-94



**Union Pacific
Resources**

A Subsidiary of Union Pacific Corporation

JULY 11, 1995

General Land Office of the State of Texas
Stephen F. Austin Building
1700 North Congress
Austin, TX 78701

Attention: Mary Silva

Re: Release of Oil and Gas Lease

Gentlemen:

Enclosed for filing with the General Land Office are the following:

- 1) Partial Release of Oil and Gas Lease
State of Texas Oil and Gas Lease No. M-94906
UPRC Lease No. TX2-45517
- 2) Partial Release of Oil and Gas Lease
State of Texas Oil and Gas Lease No. M-94905
UPRC Lease No. TX2-45518
- 3) Partial Release of Oil and Gas Lease
State of Texas Oil and Gas Lease No. M-95252
UPRC Lease No. TX2-48551

Also enclosed is a check in the amount of \$75.00 to cover filing fees.

If you require any additional information, please let us know.

Very truly yours,

UNION PACIFIC RESOURCES COMPANY



Yvonne Mason

Yvonne Mason
Specialist
Land Management

Enclosures



VENDOR NO. 10-000-3566510

✓ U P RESOURCES CO

CHECK NO. 05686034

559525
 3308 Y

VOUCHER NUMBER	INVOICE NUMBER	PURCHASE ORDER	INVOICE DATE	AMOUNT	DISCOUNT	NET AMOUNT
559525 3308 Y	ST3566510G95 MASON		07-11-95	75.00	.00	75.00 95067217
						126
		TOTALS		75.00	.00	75.00

RECEIVED
 JUL 19 1995
 ENERGY RESOURCES

25.

94905

40

Union Pacific Res.

7-19-95

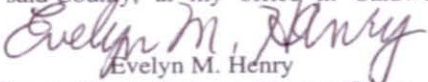
25

THE STATE OF TEXAS
COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 4 day of May, 19 95, at 9:00 o'clock A. M. and duly recorded on 4 day of May, 19 95, in the Oil and Gas Lease Record of said County, in Vol. 240 Page 686.

Witness my hand and official seal of the County Court of said County, at my office in Caldwell, Texas, the day and year above written.

By _____, Deputy


Evelyn M. Henry
County Clerk, Burleson County, Texas

1835

PARTIAL RELEASE OF OIL AND GAS LEASE

STATE OF TEXAS }
} SS
COUNTIES OF BURLESON }

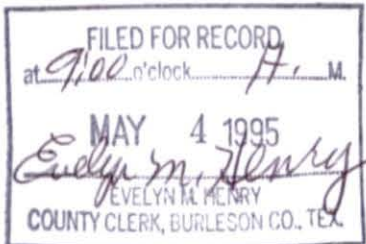
KNOW ALL MEN BY THESE PRESENTS:

That UNION PACIFIC RESOURCES COMPANY, does hereby release, relinquish and surrender all of its right, title and interest in and to that Oil and Gas Lease as described herein below, INsofar AND ONLY INsofar as said lease covers and affects lands OUTSIDE THE BOUNDARIES of the Altimore-Scarmardo Unit No. 1 as further described in that Pooling Agreement filed in the Burleson County, Texas records in Volume 215, Page 333 and the Scarmardo-Carrabba Unit No. 1 as further described in that Pooling Agreement filed in the Burleson County, Texas records in Volume 220 Page 848.

UPRC LEASE NO.: Tx2-45518
Date: April 7, 1992
Lessor: State of Texas
Lessee: Union Pacific Resources Company
Recording Information: Volume 204, Page 77, Burleson Co.

18th

IN WITNESS WHEREOF, this instrument is executed on this day of April, 1995.



UNION PACIFIC RESOURCES COMPANY

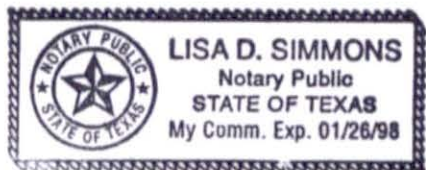
By: Wesley D. Coffman
Wesley D. Coffman
Attorney-in-Fact

STATE OF TEXAS }
} SS
COUNTY OF TARRANT }

The foregoing instrument was acknowledged before me this 18th day of April, 1995 by Wesley D. Coffman as Attorney-in-Fact of UNION PACIFIC RESOURCES COMPANY, a Delaware corporation, on behalf of the corporation.

Lisa D. Simmons
Notary Public, State of Texas

Return to:
UNION PACIFIC RESOURCES COMPANY
P. O. Box 7, MS-3110
Fort Worth, TX 76101-0007





**Union Pacific
Resources**

A Subsidiary of Union Pacific Corporation

JULY 11, 1995

General Land Office of the State of Texas
Stephen F. Austin Building
1700 North Congress
Austin, TX 78701

Attention: Mary Silva

Re: Release of Oil and Gas Lease

Gentlemen:

Enclosed for filing with the General Land Office are the following:

- 1) Partial Release of Oil and Gas Lease
State of Texas Oil and Gas Lease No. M-94906
UPRC Lease No. TX2-45517
- 2) Partial Release of Oil and Gas Lease
State of Texas Oil and Gas Lease No. M-94905
UPRC Lease No. TX2-45518
- 3) Partial Release of Oil and Gas Lease
State of Texas Oil and Gas Lease No. M-95252
UPRC Lease No. TX2-48551

Also enclosed is a check in the amount of \$75.00 to cover filing fees.

If you require any additional information, please let us know.

Very truly yours,

UNION PACIFIC RESOURCES COMPANY

Yvonne Mason
Specialist
Land Management

Enclosures

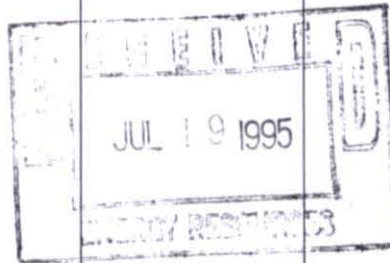


VENDOR NO. 10-000-3566510

✓ U P RESOURCES CO

CHECK NO. 05686034

VOUCHER NUMBER	INVOICE NUMBER	PURCHASE ORDER	INVOICE DATE	AMOUNT	DISCOUNT	NET AMOUNT
559525 3308 Y	ST3566510G95 MASON		07-11-95	75.00	.00	75.00 95067217 126
		TOTALS		75.00	.00	75.00

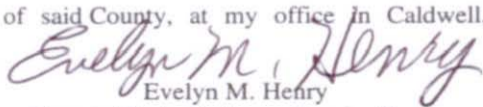


**THE STATE OF TEXAS
COUNTY OF BURLESON**

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the _____ 17
day of _____ May _____, 19 95, at _____ 9:00 o'clock _____ A. M. and duly recorded on _____ 18
day of _____ May _____, 19 95, in the _____ Oil & Gas Lease
Record of said County, in Vol. _____ 241 _____ Page _____ 123 _____.

Witness my hand and official seal of the County Court of said County, at my office in Caldwell, Texas,
the day and year above written.

By _____, Deputy


Evelyn M. Henry
County Clerk, Burleson County, Texas

PARTIAL RELEASE OF OIL AND GAS LEASE

2024

STATE OF TEXAS }
} SS
COUNTIES OF BURLESON }

KNOW ALL MEN BY THESE PRESENTS:

That UNION PACIFIC RESOURCES COMPANY, does hereby release, relinquish and surrender all of its right, title and interest in and to that Oil and Gas Lease as described herein below, INSOFAR AND ONLY INSOFAR as said lease covers and affects lands OUTSIDE THE BOUNDARIES of the Scarmardo-Carrabba Unit No. 1 as further described in that Pooling Agreement filed in the Burleson County, Texas records in Volume 220 Page 848.

UPRC LEASE NO.: Tx2-45517
Date: April 7, 1992
Lessor: State of Texas
Lessee: Union Pacific Resources Company
Recording Information: Volume 204, Page 63, Burleson Co.

3rd IN WITNESS WHEREOF, this instrument is executed on this day of May, 1995.

FILED FOR RECORD
at 9:00 o'clock P.M.
MAY 17 1995
Evelyn M. Henry
COUNTY CLERK, BURLESON CO., TEX.

UNION PACIFIC RESOURCES COMPANY

By: Wesley D. Coffman
Wesley D. Coffman
Attorney-in-Fact

STATE OF TEXAS }
} SS
COUNTY OF TARRANT }

The foregoing instrument was acknowledged before me this 3rd day of May, 1995 by Wesley D. Coffman as Attorney-in-Fact of UNION PACIFIC RESOURCES COMPANY, a Delaware corporation, on behalf of the corporation.

Lisa D. Simmons
Notary Public, State of Texas

Return to:
UNION PACIFIC RESOURCES COMPANY
P. O. Box 7, MS-3110
Fort Worth, TX 76101-0007

NOTARY PUBLIC
LISA D. SIMMONS
Notary Public
STATE OF TEXAS
My Comm. Exp. 01/26/98

MF-94905
Release
7-19-1995

28

9.00 p

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

FILED FOR RECORD
at 9:00 a.m. on
MAY 17 1995
EVELYN M. HENRY
COUNTY CLERK, BURLESON CO., TEX.

2024

0001



Texas General Land Office
Garry Mauro, Commissioner

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

August 22, 1995

YVONNE MASON
UNION PACIFIC RESOURCES CORP.
P.O. BOX 7
FORT WORTH, TEXAS 76101-0007

RE: FILING OF RELEASES

DEAR MS. MASON:

The General Land Office received the following instruments on July 19, 1995, filed them in Mineral File Nos. M-94906, M-94905 & M-95252.

(1) Partial Release of Oil & Gas Lease, dated April 18, 1995, recorded in BURLESON County, Texas.

(2) Partial Release of Oil & Gas Lease, dated May 3, 1995, recorded in BURLESON County, Texas.

(3) Partial Release of Oil & Gas Lease, dated March 14, 1995, recorded in BRAZOS & BURLESON Counties, Texas.

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

Sincerely,

Mary Helen Silva
Lease Administration
Energy Resources
(512) 475-1532

MHS/mhs

29.

MF 94905
ITEM UFA
TO Union Pacific Res.
FROM _____
DATE 8-22-98



Texas General Land Office
Garry Mauro, Commissioner

94905

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

December 7, 1995

Ms. Angie Hutchings
The Oil & Gas Asset
CLEARINGHOUSE
P. O. Box 671787
Houston, Texas 77267-1787

RE: Assignment Filing

Dear Ms. Hutchings:

The General Land Office received the following instruments on November 29, 1995, and has filed them in Mineral File number M-94905.

Assignment of Oil and Gas Lease effective October 1, 1995, from Union Pacific Resources Company to Autry C. Stephens, recorded in Burleson County, Texas.

Filing fees of \$25.00 were received in connection with the above assignments. If you have any questions, please feel free to call me.

Sincerely,

Bridget Hennig

Bridget Hennig
Royalty Management
Energy Resources
(512) 463-5261

BH/bh

94905

4568

ASSIGNMENT AND BILL OF SALE

STATE OF TEXAS §
 §
COUNTY OF BURLESON §

This Assignment and Bill of Sale ("Assignment") is executed and delivered by Union Pacific Resources Company, a Delaware corporation (referred to herein as "Assignor"), to Antony C. Stephens, a s.l.c. private corporation (referred to herein as "Assignee").

Assignor, for valuable considerations, the receipt and sufficiency of which are hereby acknowledged, by these presents, BARGAINS, SELLS, ASSIGNS, TRANSFERS, SETS OVER and DELIVERS unto Assignee all right, title and interest in and to the following properties, other than the Excluded Assets (the "Properties"):

A. All leasehold interest, working interest, operating rights, overriding royalty interests, or other similar interests in the properties described in Exhibit "A" hereto, and any rights that arise by operation of law or otherwise in all properties and lands pooled, unitized, communitized or consolidated with such properties (the "Oil and Gas Properties").

B. All wells located on the Oil and Gas Properties, whether producing, operating, shut-in, temporarily abandoned, standing or otherwise (the "Wells").

C. All severed crude oil, natural gas, and other hydrocarbons and other minerals or materials of every kind and description produced from the Oil and Gas Properties and either (a) in storage tanks on the Effective Date or (b) sold on or after the Effective Date (the "Substances").

D. All physical facilities or interests therein that are used or held for use solely in connection with the ownership or operation of the Oil and Gas Properties and Wells.

E. All (a) contracts and agreements that relate to the Properties and; (b) governmental permits and licenses of Assignor (other than bonds), to the extent such permits and licenses are transferable; (c) easements and rights-of-way used or held for use in connection with the Oil and Gas Properties; and (d) amendments, ratifications or extensions of the foregoing (the "Contracts").

As used herein, "Excluded Assets" means (a) all trade credits and all accounts, instruments and general intangibles (as such terms are defined in the Uniform Commercial Code of Texas) attributable to the Properties with respect to any period of time prior to the Effective Date; (b) all claims and causes of action of Assignor (x) arising from acts, omissions or events, or damage to or destruction of property, occurring prior to the Effective Date, or (y) with respect to any of the Excluded assets; (c) all of the interest of Assignor (x) under any policy or agreement of insurance or indemnity, (y) under any bond, or (z) to any insurance or condemnation proceeds or awards arising from acts, omissions or events, or damage to or destruction of property, occurring prior to the Effective Date; (d) all Substances produced and sold from the Oil and Gas Properties prior to the Effective Date and all proceeds from or of such Substances; (e) claims of Assignor for refunds of production, ad valorem or any other taxes attributable to any period prior to the Effective Date; (f) all rights that may arise under the Contracts that are attributable to periods prior to the Effective Date; (g) all amounts due or payable to Assignor by vendors or other independent contractors as adjustments or refunds under any Contracts that relate to periods prior to the Effective Date; (h) all amounts due or payable to Assignor as adjustments to insurance premiums related to the Properties with respect to any period prior to the Effective Date; (i) all proceeds, income or revenues (and any security or other



VOL 245 PAGE 658

STATE OF TEXAS
COUNTY OF BURLESON
The document to which this certificate is affixed
is a full, true and correct copy of the original on
file and of record in my office.
Thereby certified, on 11-16-95



Evelyn M. Henry
County Clerk
Burleson County, Texas



deposits made) attributable to (x) the Properties for any period prior to the Effective Date, or (y) any Excluded Asset; (j) all of Assignor's proprietary computer software, patents, trade secrets, and other intellectual property; and (k) all audit rights arising under any of the Contracts with respect to any period of time prior to the Effective Date.

TO HAVE AND TO HOLD all and singular the Properties, together with all rights, titles, interests, estates, remedies, powers and privileges thereunto appertaining unto Assignee and its respective successors, legal representations and assigns forever, without warranty or representation of any kind, whether statutory, express or implied.

1. **Assumption by Assignee.** As of the Effective Date, Assignee by the payment of the purchase price, assumes (a) all of the costs, obligations and liabilities of Assignor that (i) relate to the Properties and arise from or relate to events occurring after the Effective Date, (ii) arise in connection with any obligation to plug and abandon all Wells, or (iii) arise in connection with or out of balancing of overproduction or underproduction from the Properties; (b) the obligation to comply with any preferential rights to purchase the Properties that have not been obtained prior to the Effective Date and (c) the obligation to obtain any consents that have not been obtained prior to Effective Date. In addition, as of the Effective Date, Assignee assumes all damages, liabilities, obligations, penalties, fines, losses, costs or expenses, whether direct, indirect, pending, threatened, contingent or otherwise (collectively, "Costs") arising from, based on, associated with or related to the presence, handling, management, storage, transportation, processing, treatment, disposal, release, migration or escape of Environmental Contaminants on or relating to the Properties, whether involving any act, omission, event, condition or circumstance commencing, occurring or existing before or after the Effective Date, and WHETHER BASED ON NEGLIGENCE (INCLUDING THE NEGLIGENCE OF ASSIGNOR OR ANY OFFICER, DIRECTOR, SHAREHOLDER, AGENT, EMPLOYEE OR REPRESENTATIVE THEREOF), STRICT LIABILITY OR OTHERWISE (collectively, "Environmental Liabilities"). As used herein, the term "Environmental Contaminants" shall mean any pollutant, waste, contaminant, or hazardous or toxic material, substance or waste. To the extent permitted by law, Assignee shall defend, indemnify and hold Assignor and its officers, directors, shareholders, employees, agents or representatives harmless from or against any and all Liability suffered by Assignor (or any officer, director, shareholder, employee, agent or representative) (EXPRESSLY INCLUDING ANY LIABILITY OR OBLIGATION ARISING AS A RESULT OF THE NEGLIGENCE OF ASSIGNOR (OR ANY OFFICER, DIRECTOR, SHAREHOLDER, EMPLOYEE, AGENT OR REPRESENTATIVE) IN OR RELATING TO THE OWNERSHIP OR OPERATION OF THE PROPERTIES) as a result of (i) any Environmental Liability; (ii) any liability or obligation arising as a result of the ownership or operation of the Properties on or after the Effective Date; (iii) any liability or obligation that was expressly assumed by Assignee pursuant to this Assignment; or (iv) any fees or commissions arising with respect to brokers or finders retained or engaged by Assignee and resulting from or relating to the transactions contemplated in this Assignment.

2. **Tax Prorations.** Real and personal property taxes for the Properties for 1995 shall be prorated between Assignee and Assignor as of the Effective Date. Any taxes in addition to the amounts prorated shall be the obligation of Assignee. In the event that a party hereto has paid, or in the future pays, such property taxes, the nonpaying party shall promptly make a cash payment to the other party equal to its prorated share of the taxes.

3. **Merger.** Assignor and Assignee hereby agree that the various quantum and characters of rights, titles and interest owned by the parties constituting Assignor shall be merged together, each with the others, immediately prior to giving effect to the conveyance in favor of Assignee.

4. **Counterparts.** This Assignment and Bill of Sale may be executed in any number of counterparts and each such counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Assignment and Bill of Sale.

STATE OF TEXAS
COUNTY OF BURLESON
The document to which this certificate is affixed
is a full, true and correct copy of the original on
file and of record in my office.

Thereby certified, on 11-16-95



Erlynn M. Henry
County Clerk
Burleson County, Texas

VOL 245 PAGE 659

5. **Access to Records by Assignor.** After the date hereof, Assignor and its authorized representatives shall have reasonable access (including copying privileges at Assignor's sole cost and expense) during Assignee's normal business hours to all books and records of Assignee pertaining to the properties for periods prior to the Effective Date.

6. **Independent Investigation.** Assignee acknowledges that in making the decision to enter into this Assignment, Assignee has relied solely on the basis of its own independent investigation of the Properties. ASSIGNOR MAKES NO REPRESENTATION OR WARRANTY, IMPLIED, EXPRESS OR STATUTORY, WITH RESPECT OT THE PROPERTIES AND/OR THE OWNERSHIP OR PHYSICAL CONDITION THEREOF. IN ADDITION ASSIGNEE ACKNOWLEDGES THAT ASSIGNOR HAS NOT MADE, AND ASSIGNOR HEREBY EXPRESSLY DISCLAIMS AND NEGATES, ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR CONFORMITY TO MODELS OR SAMPLES OR MATERIALS AND ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, RELATING TO THE PROPERTIES, EVEN AS TO THE RETURN OF THE PURCHASE PRICE. WITH RESPECT TO ANY OF THE PROPERTIES THAT ARE LOCATED IN LOUISIANA, ASSIGNEE ACKNOWLEDGES THAT THIS WAIVER HAS BEEN EXPRESSLY CALLED TO ITS ATTENTION AND INCLUDES, WITHOUT LIMITATION, A WAIVER OF WARRANTY AGAINST REDHIBITORY VICES ARISING UNDER LOUISIANA CIVIL CODE ARTICLES 2520 THROUGH 2548, INCLUSIVE.

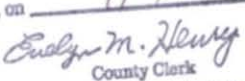
7. **DTPA Waiver.** Assignee hereby waives the provisions of the Texas Deceptive Trade Practices Act, Chapter 17, Subchapter E, Sections 17.41 through 17.63, inclusive (other than Section 17.555, which is not waived), of the Texas Business and Commerce Code.

8. **Subrogation.** This Assignment is made with full substitution and subrogation of Assignee in and to all covenants and warranties by others heretofore given or made in respect of the Properties or any part thereof.

9. **Buyer's Terms and Conditions.** The Properties are conveyed subject to the "Buyer's Terms and Conditions or Purchase" contained within that certain Selective Offering Brochure for the Sale on October 11 and 12, 1995, Houston, Texas issued by The Oil & Gas Asset Clearinghouse (the "Buyer's Terms"). In the event of a conflict between the Buyer's Terms and this Assignment, this Assignment shall control.

10. **GOVERNING LAW.** THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS FOR PURPOSES OF ENFORCING THE ASSUMPTIONS, DISCLAIMERS AND INDEMNITIES WITHOUT GIVING EFFECT TO ANY PRINCIPLES OF CONFLICTS OF LAWS. THE VALIDITY OF THE VARIOUS CONVEYANCES AFFECTING THE TITLE TO REAL PROPERTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH SUCH PROPERTY IS SITUATED.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed on this, the 16th day of October, 1995. This Assignment shall be effective at 7:00 a.m. (in the locale where the Properties are located) on October 1, 1995 (the "Effective Date").

STATE OF TEXAS
COUNTY OF BURLESON
The document to which this certificate is affixed
is a full, true and correct copy of the original on
file and of record in my office.
Thereby certified, on 11-16-95

County Clerk
Burleson County, Texas



ASSIGNOR:

UNION PACIFIC RESOURCES COMPANY

By: Carolyn J. David
Its: Attorney-in-Fact

BDP
ALM
AK

ASSIGNEE: AUTRY C STEPHENS
110 N MARIENFELD ST STE 200
MIDLAND, TX 79701

By: Jafar R. Salehi
Its: JAFAR R. Salehi
Attorney-in-Fact

Address of Assignor:

P.O. Box 7
Fort Worth, Texas 76101-0007

Address of Assignee:

110 N Marienfeld St Ste 200
Midland TX 79701

STATE OF TEXAS §
§
COUNTY OF TARRANT §

BEFORE ME, the undersigned Notary in and for the above County and State, personally appeared Carolyn J. David, known to me to be the Attorney-in-Fact of UNION PACIFIC RESOURCES CO., a Delaware corporation, and that the foregoing instrument was signed on behalf of said corporation in the capacity and for the purposes and consideration expressed therein.

GIVEN UNDER MY HAND AND SEAL this 16th day of October, 1995.



Stephanie M. Osborne
Notary Public in and for the
State of TEXAS

STATE OF TEXAS §
§
COUNTY OF HARRIS §

BEFORE ME, the undersigned Notary in and for the above County and State, personally appeared JAFAR R. Salehi, known to me to be the Attorney-in-Fact of Autry C. Stephens, a sole proprietor corporation, and that the foregoing instrument was signed on behalf of said corporation in the capacity and for the purposes and consideration expressed therein.

GIVEN UNDER MY HAND AND SEAL this 12th day of October, 1995.



Joan B. Robison
Notary Public in and for the
State of _____

STATE OF TEXAS
COUNTY OF BURLIESON
The document to which this certificate is affixed
is a full, true and correct copy of the original on
file and of record in my office.
Thereby certified, on 11-16-95



Evelyn M. Henry
County Clerk
Burlieson County, Texas

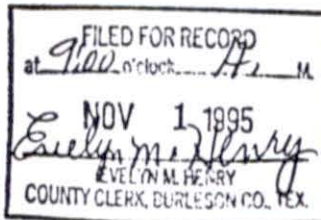
VOL 245 PAGE 661

661

EXHIBIT "A"

WELL:

Altimore-Scarmardo Unit #1



LEASES:

Lessor: Rosalee Scarmardo et al
Lessee: Union Pacific Resources Company
Date: March 23, 1992
Recorded: Volume 199 Page 379 of the Oil and Gas Lease Records of Burleson County, Texas.

Lessor: Pete M. Altimore, Sr. et al
Lessee: Union Pacific Resources Company
Date: April 9, 1992
Recorded: Volume 200 Page 559 of the Oil and Gas Lease Records of Burleson County, Texas.

Lessor: State of Texas M-94905
Lessee: Union Pacific Resources Company
Date: April 7, 1992
Recorded: Volume 204 Page 77 of the Oil and Gas Lease Records of Burleson County, Texas.

Restirctions:

In so far and only in so far as said lease lies within the Altimore-Scarmardo Unit #1 as described in Designation of Unit dated September 2, 1992 recorded in Volume 206 Page 803 of the Oil and Gas Lease Records of Burleson County, Texas.

Must file certified copy of assignment with General land Office within 90 days os execution. (Assignment must reference State Lease # M-94905.)

VOL 245 PAGE 662

THE STATE OF TEXAS
COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 1 day of November, 19 95, at 9:00 o'clock A. M. and duly recorded on 2 day of November, 19 95, in the Oil & Gas Lease Record of said County, in Vol. 245 Page 658-662.

Witness my hand and official seal of the County Court of said County, at my office in Caldwell, Texas, the day and year above written.

By Violet Ann Turner, Deputy

Evelyn M. Henry
County Clerk, Burleson County, Texas

STATE OF TEXAS
COUNTY OF BURLESON
The document to which this certificate is affixed is a full, true and correct copy of the original on file and of record in my office.
Thereby certified, on 11-16-95




Evelyn M. Henry
County Clerk
Burleson County, Texas



STATE OF TEXAS
COUNTY OF BURLESON

I, EVELYN M. HENRY, County Clerk, Burleson County, Texas, do hereby certify that the foregoing is a true and correct copy of the original, as same appears of record in Vol. 245, Page 658-662, Oil & Gas Lease Records, Burleson County, Texas.

Witness my hand and seal of office on this 16 day of November A.D., 19 95.


EVELYN M. HENRY
County Clerk, Burleson County, Texas

BY _____
Deputy

M- 94905 (35)
Assignment
File Dated DEC 08 1995

77.59.32

UNITED STATES POSTAL SERVICE



Official Business



PENALTY FOR PRIVATE
USE, \$300

RECEIVED
96 SEP -6 PM 12:43
FBI - AUSTIN

Print your name, address and ZIP Code here

GENERAL LAND OFFICE
STEPHEN F. AUSTIN BUILDING
1700 NORTH CONGRESS AVENUE
AUSTIN, TEXAS 78701
FAX I. D. [REDACTED]

Paul Dvorak
(600)

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address
2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Autry C. Stephens
110N. Marientfeld
Ste. 200
Midland, TX 79701-4412

4a. Article Number

P795977 735

4b. Service Type

- Registered Insured
 Certified *sw* COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery

9-3-96

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

M-94905



Texas General Land Office
Garry Mauro, Commissioner

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

Certified Mail No. P 795 977 735
Return Receipt Requested

August 29, 1996

Autry C. Stephens
110 N. Marienfeld Ste.200
Midland, Texas 79701-4412

RE: Notice of Underpayment on State Lease M-94905

Dear Sir or Madam:

The Royalty Management Division of the Texas General Land Office has completed a limited review of the above referenced lease operated by Audry C. Stephens. Through this review, it was determined that \$1,228.23 been underpaid to the State for the reporting period September 1992 through June 1994. This amount comprises \$510.09 in additional royalty, \$525.00 in penalty, and \$193.14 interest, which has been computed through September 23, 1996, in accordance with Section 52.131 of the Texas Natural Resources Code.

The following documents are attached in support of our findings:

- o A brief summary of our review (Attachment I);
- o Schedule supporting our royalty, penalty, and interest calculations (Attachment II);
- o Procedures used for assessment of penalties and interest (Attachment III), and;
- o A copy of the Lease agreement (Attachment IV),

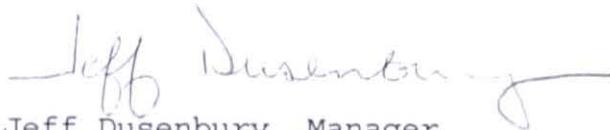
To ensure your lease remain in good standing with the General Land Office, please respond to this notice within 25 days of the above date. If your records reflect this royalty has been paid, please provide us with documentation of payments made and remittance dates. Payment of this notice should be submitted separately from monthly royalty payments you may be remitting. We will prepare

the GLO-2 Reports for correction of the delinquent amounts reflected in this notice. In order to ensure proper credit, your payment should be mailed to my attention in the enclosed envelope, along with a copy of this letter.

This notice in no way precludes the General Land Office from pursuing any claim or remedy related to this lease or to this royalty payment. Additionally, this notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Natural Resources Code and, consequently, does not preclude the General Land Office from conducting further examinations of this or other leases operated and/or reported by Audry C. Stephens , or from examining these or other issues and time periods in a future inspection of your books, accounts, reports or other records.

If you have any questions, please call Paul Dvorak at (512) 475-1524.

Sincerely,

A handwritten signature in cursive script that reads "Jeff Dusenbury". The signature is written in dark ink and is positioned above the typed name.

Jeff Dusenbury ,Manager
Royalty Management/Energy Resources

Enclosures
Attachments

ATTACHMENT I

REVIEW SUMMARY

State Leases M-94905

We have reviewed our records for the period September 1992 through August 1995 to determine if oil and gas royalty has been correctly reported and paid with respect to volume. Volumes reported to the General Land Office (GLO) were compared to volumes reported to the Railroad Commission (RRC).

As a result of this review, it was determined that lease fuel volumes for the period September 1992 through June 1994 were not reported nor were royalties paid as required by the lease agreement. Paragraph 4 (B) states "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)

Our audit further revealed that Autry C. Stephens assumed this lease effective October 1995, however Autry C. Stephens is responsible for prior obligations under the lease which have not been discharged. In accordance with the Texas Natural Resources Code, Section 52.026 (d) quote, 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 unquote.

We have concluded that additional revenue is due in the following amounts:

	ROYALTY	PENALTY	INTEREST	TOTAL
GAS	\$510.09	\$525.00	\$193.14	\$1,228.23

(See Attachment II for supporting calculations)

AUTRY C. STEPHENS
 STATE LEASE M-94905
 ALTIMORE-SCARMARDO UNIT
 GIDDINGS (AUSTIN CHALK-3) FIELD
 BURLESON COUNTY, TEXAS
 RRC LEASE # 21822
 STATES'S ROYALTY DECIMAL .20
 TRACT PARTICIPATION .1405

ATTACHMENT II

AUDITOR: P. DVORAK
 FILE NAME: 94905A-G.xls
 DATE: 08/27/96

PENALTY/
 INTEREST DATE:
 09/23/96

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
MONTH/ YEAR	RRC VOLUME (A)	TRACT PARTICIPATION (A) X (.1405)	PRICE (B)	BTU (B)	GROSS VALUE (1) X (2) X (3)	ADDITIONAL ROYALTY DUE (4) X (.20)	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (5)+(7)+(8)
Sep-92	212	30	1.939	1.000	58.17	11.63	1408	25.00	5.16	41.79
Oct-92	1,228	173	2.644	1.000	457.41	91.48	1378	25.00	39.67	156.15
Nov-92	915	129	2.245	1.000	289.61	57.92	1347	25.00	24.53	107.45
Dec-92	866	122	2.219	1.000	270.72	54.14	1316	25.00	22.37	101.51
Jan-93	819	115	1.914	1.000	220.11	44.02	1288	25.00	17.79	86.81
Feb-93	564	79	1.6750	1.000	132.33	26.47	1257	25.00	10.43	61.90
Mar-93	704	99	2.0160	1.000	199.58	39.92	1227	25.00	15.33	80.25
Apr-93	275	39	2.3510	1.000	91.69	18.34	1196	25.00	6.86	50.20
Jun-93	563	79	1.8630	1.000	147.18	29.44	1135	25.00	10.41	64.85
Jul-93	242	34	2.0860	1.000	70.92	14.18	1104	25.00	4.87	44.05
Aug-93	240	34	2.3600	1.000	80.24	16.05	1074	25.00	5.36	46.41
Sep-93	181	25	2.4350	1.000	60.88	12.18	1043	25.00	3.94	41.12
Oct-93	308	43	2.1180	1.000	91.07	18.21	1013	25.00	5.71	48.92
Nov-93	170	24	2.0530	1.000	49.27	9.85	982	25.00	2.99	37.84
Dec-93	174	24	1.6920	1.000	40.61	8.12	951	25.00	2.38	35.50
Jan-94	319	45	1.5480	1.000	69.66	13.93	923	25.00	3.96	42.89
Feb-94	313	44	1.7210	1.000	75.72	15.14	892	25.00	4.15	44.29
Mar-94	129	18	1.8270	1.000	32.89	6.58	862	25.00	1.74	33.32
Apr-94	193	27	1.5550	1.000	41.99	8.40	831	25.00	2.13	35.53
May-94	139	20	1.6230	1.000	32.46	6.49	801	25.00	1.58	33.07
Jun-94	168	24	1.5840	1.000	38.02	7.60	770	25.00	1.78	34.38
	8,726				\$2,550.53	\$510.09		\$525.00	\$193.14	\$1,228.23

AUTRY C. STEPHENS
 STATE LEASE M-94905
 ALTIMORE-SCARMARDO UNIT
 GIDDINGS (AUSTIN CHALK-3) FIELD
 BURLESON COUNTY, TEXAS
 RRC LEASE # 21822
 STATES'S ROYALTY DECIMAL .20
 TRACT PARTICIPATION .1405

ATTACHMENT II

AUDITOR: P. DVORAK
 FILE NAME: 94905A-G.xls
 DATE: 08/27/96

PENALTY/
 INTEREST DATE:
 09/23/96

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
MONTH/ YEAR	RRC VOLUME (A)	TRACT PARTICIPATION (A) X (.1405)	PRICE (B)	BTU (B)	GROSS VALUE (1) X (2) X (3)	ADDITIONAL ROYALTY DUE (4) X (.20)	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (5)+(7)+(8)

COMMENTS:

- (A) RRC VOLUME - REPRESENTS LEASE FUEL VOLUMES NOT REPORTED OR PAID FROM RRC LEASE # 21822.
- (B) PRICE/BTU - REPRESENTS SALES PRICE AND BTU NOTED ON GLO-2 GAS REPORTS.
- (C) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

ATTACHMENT III

SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES
FOR DELINQUENT ROYALTIES AND DELINQUENT
REQUIRED REPORTS OR DOCUMENTS

	DUE BEFORE 10-1-75 (Production Prior to 8-1-75)	DUE AFTER 10-1-75 AND BEFORE 9-1-85 (Production 8-1-75 thru 6-30-85)	DUE AFTER 9-1-85 (Production 7-1-85 Forward)
<u>PENALTY (3)</u> • For delinquent royalty	NONE	The greater of 1% of the delinquent amount or \$5.00 for each 30-day delinquency	For delinquencies of 30 days or less, the greater of 5% of the delinquent amount or \$25.00 For delinquencies of more than 30 days, the greater of 10% of the delinquent amount or \$25.00
• For delinquent report, affidavit, or other document	NONE	\$5.00 per document for each 30-day period of delinquency	\$10.00 per document for each 30-day period of delinquency
<u>INTEREST</u> • For delinquent royalty	6% per year, compounded annually; accrual begins 30 days after due date (1)	6% per year, compounded annually; accrual begins 30 days after due date (1)	12% per year, simple; accrual begins 60 days after due date (2)

(1) Tex. Rev. Civ. Stat. Ann., Article 5069-1.03 and related case law.

(2) Tex. Nat. Res. Code Ann. § 52.131 (g).

(3) Penalties are not assessed in cases of title dispute as to the state's portion of the royalty or to royalty in dispute as to fair market value except when fraud is involved, in which case the fraud penalty is applicable. Penalty provisions are found at Tex. Nat. Res. Code Ann. § 52.131 (e), (f), & (h).

A royalty payment that is not accompanied by the required royalty affidavit indentifying the GLO lease number is delinquent.

The State's power to forfeit a lease shall not be affected by the assessment or payment of any delinquency, penalty, or interest.

M-94905 (31)

ltr to A. Stephens

8-29-96

UNITED STATES POSTAL SERVICE



Official Business



PENALTY FOR PRIVATE
USE, \$300

RECEIVED
56 SEP -9 PM 2:14
ENERGY TR

Print your name, address and ZIP Code here

GENERAL LAND OFFICE
STEPHEN F. AUSTIN BUILDING
1700 NORTH CONGRESS AVENUE
AUSTIN, TEXAS 78701
FAX I.D. [REDACTED]

Paul Dvorak
Room 600

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address
2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

ms. Susan Naylor
 Union Pacific Resources
 Company
 PO Box 7 MS 2904
 Fort Worth, Tx 76101-0007

4a. Article Number

P795 977 734

4b. Service Type

- | | |
|---|---|
| <input type="checkbox"/> Registered | <input type="checkbox"/> Insured |
| <input checked="" type="checkbox"/> Certified | <input type="checkbox"/> COD |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Return Receipt for Merchandise |

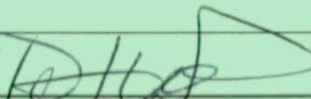
7. Date of Delivery

SEP 03 1996

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)



M-94905, M-94906, M-95252



Texas General Land Office
Garry Mauro, Commissioner

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

Rec'd \$ 1,806.48

9/20/96

REG# 3932

August 29, 1996

Certified Mail No. P 795 977 734
Return Receipt Requested

Ms. Suzanne Naylor
Union Pacific Resources Company
P.O. Box 7 MS 2904
Fort Worth, Texas 76101-0007

RE: Notice of Underpayment on State Leases M-94905, M-94906 &
M-95252

Dear Ms. Naylor,

The Royalty Management Division of the Texas General Land Office has completed a limited review of the above referenced leases operated by Union Pacific Resources Company. Through this review, it was determined that \$1,806.48 has been underpaid to the State for the reporting period May 1993 through January 1995. This amount comprises \$981.76 in additional royalty, \$525.00 in penalty, and \$299.72 in interest, which has been computed through September 23, 1996, in accordance with Section 52.131 of the Texas Natural Resources Code.

The following documents are attached in support of our findings:

- o A brief summary of our review (Attachment I);
- o Schedule supporting our royalty, penalty, and interest calculations (Attachment II);
- o Procedures used for assessment of penalties and interest (Attachment III), and;
- o A copy of the Lease agreements (Attachment IV),

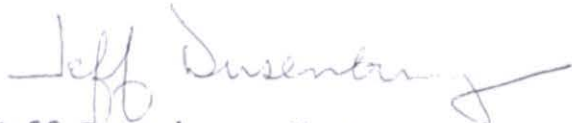
To ensure your leases remain in good standing with the General Land Office, please respond to this notice within 25 days of the above date. If your records reflect this royalty has been paid,

please provide us with documentation of payments made and remittance dates. Payment of this notice should be submitted separately from monthly royalty payments you may be remitting. We will prepare the GLO-2 Reports for correction of the delinquent amounts reflected in this notice. In order to ensure proper credit, your payment should be mailed to my attention in the enclosed envelope, along with a copy of this letter.

This notice in no way precludes the General Land Office from pursuing any claim or remedy related to these leases or to this royalty payment. Additionally, this notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Natural Resources Code and, consequently, does not preclude the General Land Office from conducting further examinations of this or other leases operated and/or reported by Union Pacific Resources Company, or from examining these or other issues and time periods in a future inspection of your books, accounts, reports or other records.

If you have any questions, please call Paul Dvorak at (512) 475-1524.

Sincerely,

A handwritten signature in cursive script that reads "Jeff Dusenbury". The signature is written in dark ink and includes a long horizontal flourish extending to the right.

Jeff Dusenbury ,Manager
Royalty Management/Energy Resources

Enclosures
Attachments

ATTACHMENT I

REVIEW SUMMARY

State Leases M-94905, M-94906 & M-95252

We have reviewed our records for the period May 1993 through August 1995 to determine if oil and gas royalty has been correctly reported and paid with respect to volume. Volumes reported to the General Land Office (GLO) were compared to volumes reported to the Railroad Commission (RRC).

As a result of this review, it was determined that lease fuel volumes for the period May 1993 through January 1995 were not reported nor were royalties paid as required by the lease agreements. Paragraph 4 (B) states "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)

We have concluded that additional revenue is due in the following amounts:

	ROYALTY	PENALTY	INTEREST	TOTAL
GAS	\$981.76	\$525.00	\$299.72	\$1,806.48

(See Attachment II for supporting calculations)

UNION PACIFIC RESOURCES COMPANY
 STATE LEASE M-94905, M-94906, M-95252
 SCARMARDO-CARRABBA UNIT
 GIDDINGS (AUSTIN CHALK-3) FIELD
 BURLESON COUNTY, TEXAS
 RRC LEASE # 22075
 STATES' ROYALTY DECIMAL .225, .225 & .20
 TOTAL TRACT PARTICIPATION .129946

ATTACHMENT II

AUDITOR: P. DVORAK
 FILE NAME: 94905-G.xls
 DATE: 08/27/96

PENALTY/
 INTEREST DATE:
 09/23/96

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
MONTH/ YEAR	RRC VOLUME (A)	TRACT PARTICIPATION (A) X (.129946)	PRICE (B)	BTU (B)	GROSS VALUE (1) X (2) X (3)	ADDITIONAL ROYALTY DUE (4) X (.205783)	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (5)+(7)+(8)
May-93	2,427	315	3.028	1,000	953.82	196.28	1166	25.00	71.44	292.72
Jun-93	1,634	212	2.169	1,000	459.83	94.63	1135	25.00	33.48	153.11
Jul-93	1,535	199	2.148	1,000	427.45	87.96	1104	25.00	30.22	143.18
Aug-93	1,322	172	2.230	1,000	383.56	78.93	1074	25.00	26.34	130.27
Sep-93	1,063	138	2.425	1,000	334.65	68.87	1043	25.00	22.28	116.15
Oct-93	1,000	130	2.0370	1,000	264.81	54.49	1013	25.00	17.09	96.58
Nov-93	699	91	2.1140	1,000	192.37	39.59	982	25.00	12.01	76.60
Dec-93	746	97	2.0200	1,000	195.94	40.32	951	25.00	11.82	77.14
Jan-94	659	86	1.9590	1,000	168.47	34.67	923	25.00	9.85	69.52
Feb-94	526	68	2.1870	1,000	148.72	30.60	892	25.00	8.38	63.98
Mar-94	599	78	2.2950	1,000	179.01	36.84	862	25.00	9.73	71.57
Apr-94	595	77	1.9720	1,000	151.84	31.25	831	25.00	7.93	64.18
May-94	590	77	2.0540	1,000	158.16	32.55	801	25.00	7.94	65.49
Jun-94	537	70	1.7040	1,000	119.28	24.55	770	25.00	5.74	55.29
Jul-94	499	65	1.3790	1,409	126.30	25.99	739	25.00	5.81	56.80
Aug-94	401	52	1.2150	1,410	89.08	18.33	709	25.00	3.92	47.25
Sep-94	461	60	0.9900	1,409	83.69	17.22	678	25.00	3.50	45.72
Oct-94	469	61	0.9040	1,409	77.70	15.99	648	25.00	3.10	44.09
Nov-94	381	50	1.1210	1,410	79.03	16.26	617	25.00	2.98	44.24
Dec-94	458	60	1.1280	1,450	98.14	20.20	586	25.00	3.50	48.70
Jan-95	402	52	1.0410	1,458	78.92	16.24	558	25.00	2.66	43.90
	17,003				\$4,770.77	\$981.76		\$255.00	\$299.72	\$1,806.48

UNION PACIFIC RESOURCES COMPANY
 STATE LEASE M-94905, M-94906, M-95252
 SCARMARDO-CARRABBA UNIT
 GIDDINGS (AUSTIN CHALK-3) FIELD
 BURLESON COUNTY, TEXAS
 RRC LEASE # 22075
 STATES' ROYALTY DECIMAL .225, .225 & .20
 TOTAL TRACT PARTICIPATION .129946

ATTACHMENT II

AUDITOR: P. DVORAK
 FILE NAME: 94905-G.xls
 DATE: 08/27/96

PENALTY/
 INTEREST DATE:
 09/23/96

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
MONTH/ YEAR	RRC VOLUME (A)	TRACT PARTICIPATION (A) X (.129946)	PRICE (B)	BTU (B)	GROSS VALUE (1) X (2) X (3)	ADDITIONAL ROYALTY DUE (4) X (.205783)	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (5)+(7)+(8)

COMMENTS:

- (A) RRC VOLUME - REPRESENTS LEASE FUEL VOLUMES NOT REPORTED OR PAID FROM RRC LEASE # 22075.
- (B) PRICE/BTU - REPRESENTS SALES PRICE AND BTU NOTED ON GLO-2 GAS REPORTS.
- (C) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

ATTACHMENT III

SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES
FOR DELINQUENT ROYALTIES AND DELINQUENT
REQUIRED REPORTS OR DOCUMENTS

	DUE BEFORE 10-1-75 (Production Prior to 8-1-75)	DUE AFTER 10-1-75 AND BEFORE 9-1-85 (Production 8-1-75 thru 6-30-85)	DUE AFTER 9-1-85 (Production 7-1-85 Forward)
<u>PENALTY (3)</u> • For delinquent royalty	NONE	The greater of 1% of the delinquent amount or \$5.00 for each 30-day delinquency	For delinquencies of 30 days or less, the greater of 5% of the delinquent amount or \$25.00 For delinquencies of more than 30 days, the greater of 10% of the delinquent amount or \$25.00
• For delinquent report, affidavit, or other document	NONE	\$5.00 per document for each 30-day period of delinquency	\$10.00 per document for each 30-day period of delinquency
<u>INTEREST</u> • For delinquent royalty	6% per year, compounded annually; accrual begins 30 days after due date (1)	6% per year, compounded annually; accrual begins 30 days after due date (1)	12% per year, simple; accrual begins 60 days after due date (2)

(1) Tex. Rev. Civ. Stat. Ann., Article 5069-1.03 and related case law.

(2) Tex. Nat. Res. Code Ann., § 52.131 (g).

(3) Penalties are not assessed in cases of title dispute as to the state's portion of the royalty or to royalty in dispute as to fair market value except when fraud is involved, in which case the fraud penalty is applicable. Penalty provisions are found at Tex. Nat. Res. Code Ann., § 52.131 (e), (f), & (h).

A royalty payment that is not accompanied by the required royalty affidavit indentifying the GLO lease number is delinquent.

The State's power to forfeit a lease shall not be affected by the assessment or payment of any delinquency, penalty, or interest.

m-94905 (32)

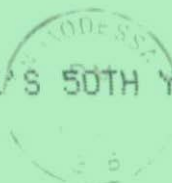
letter to Union

8-29-96

UNITED STATES POSTAL SERVICE

Official Business

"DDESSA COLLEGE'S 50TH YEAR" 10-15-96



PENALTY FOR PRIVATE USE, \$300

RECEIVED

96 OCT 17 PM 3:24

ENERGY RESOURCES

Print your name, address and ZIP Code here

General Land Office
1700 N. Congress Avenue
Austin, Texas 78701
[Redacted Address] TX 78701

Attn: Carl Hilbert

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address
2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Autry C. Stephens
 110 N. Marienfeld
 Suite 200
 Midland, TX 79701-4112

4a. Article Number

P195 978 072

4b. Service Type

- | | |
|---|---|
| <input type="checkbox"/> Registered | <input type="checkbox"/> Insured |
| <input checked="" type="checkbox"/> Certified | <input type="checkbox"/> COD |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Return Receipt for Merchandise |

7. Date of Delivery

10-15-96

5. Signature (Addressee)**8. Addressee's Address (Only if requested and fee is paid)****6. Signature (Agent)**

Lerrin J. Chesley

11-94905

P 795 978 072



Certified Mail Receipt

No Insurance Coverage Provided

Do not use for International Mail
(See Reverse)

Sent to Austry C. Stephens	
Street & No. 110 N. Marienfeld	
P.O., State & ZIP Code Midland, TX 79701	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$
Postmark or Date M-94905	

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES (see front).**

1. If you want this receipt postmarked, stick the gummed stub to the right of the return address leaving the receipt attached and present the article at a post office service window or hand it to your rural carrier (no extra charge).
2. If you do not want this receipt postmarked, stick the gummed stub to the right of the return address of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to the back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

☆ U.S.G.P.O. 1990-270-153

Reed # 1235.26

12/23/96

R# 20218



Texas General Land Office
Garry Mauro, Commissioner

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

Certified Mail No. P 795 978 072

Return Receipt Requested

SECOND REQUEST

October 9, 1996

Autry C. Stephens
110 N. Marienfeld Ste. 200
Midland, Texas 79701-4412

RE: Notice of Underpayment on State Lease M-94905

Dear Sir or Madam:

Enclosed is a copy of our letter to you dated August 29, 1996 requesting additional royalties due on the captioned lease. As of this date we have not received your payment or a reply to this letter.

Be advised that penalty and interest continue to accrue until payment is received. The amount now due is \$1,235.26 which is comprised of \$510.09 in additional royalty, \$525.00 in penalty, and \$200.17 in interest. Penalty and interest has been computed through November 4, 1996 in accordance with Section 52.131 of Texas Natural Resources Code.

You are also hereby notified that if the amount now due is not received in this office by November 4, 1996, this lease will be forwarded to our legal division for appropriate action.

If you have any questions, please call Paul Dvorak at (512)475-1524.

Sincerely,

Jeff Dusenbury, Manager
Royalty Management/Energy Resources

Enclosures
Attachments

AUTRY C. STEPHENS
 STATE LEASE M-94905
 ALTIMORE-SCARMARDO UNIT
 GIDDINGS (AUSTIN CHALK-3) FIELD
 BURLESON COUNTY, TEXAS
 RRC LEASE # 21822
 STATES'S ROYALTY DECIMAL .20
 TRACT PARTICIPATION .1405

ATTACHMENT II

AUDITOR: P. DVORAK
 FILE NAME: 94905A-G.xls
 DATE: 10/09/96

PENALTY/
 INTEREST DATE:
 11/04/96

(1) (2) (3) (4) (5) (6) (7) (8) (9)

MONTH/ YEAR	RRC VOLUME (A)	TRACT PARTICIPATION (A) X (.1405)	PRICE (B)	BTU (B)	GROSS VALUE (1) X (2) X (3)	ADDITIONAL ROYALTY DUE (4) X (.20)	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (5)+(7)+(8)
Sep-92	212	30	1.939	1.000	58.17	11.63	1450	25.00	5.32	41.95
Oct-92	1,228	173	2.644	1.000	457.41	91.48	1420	25.00	40.93	157.41
Nov-92	915	129	2.245	1.000	289.61	57.92	1389	25.00	25.33	108.25
Dec-92	866	122	2.219	1.000	270.72	54.14	1358	25.00	23.12	102.26
Jan-93	819	115	1.914	1.000	220.11	44.02	1330	25.00	18.39	87.41
Feb-93	564	79	1.6750	1.000	132.33	26.47	1299	25.00	10.79	62.26
Mar-93	704	99	2.0160	1.000	199.58	39.92	1269	25.00	15.88	80.80
Apr-93	275	39	2.3510	1.000	91.69	18.34	1238	25.00	7.11	50.45
Jun-93	563	79	1.8630	1.000	147.18	29.44	1177	25.00	10.82	65.26
Jul-93	242	34	2.0860	1.000	70.92	14.18	1146	25.00	5.07	44.25
Aug-93	240	34	2.3600	1.000	80.24	16.05	1116	25.00	5.58	46.63
Sep-93	181	25	2.4350	1.000	60.88	12.18	1085	25.00	4.11	41.29
Oct-93	308	43	2.1180	1.000	91.07	18.21	1055	25.00	5.96	49.17
Nov-93	170	24	2.0530	1.000	49.27	9.85	1024	25.00	3.13	37.98
Dec-93	174	24	1.6920	1.000	40.61	8.12	993	25.00	2.49	35.61
Jan-94	319	45	1.5480	1.000	69.66	13.93	965	25.00	4.15	43.08
Feb-94	313	44	1.7210	1.000	75.72	15.14	934	25.00	4.36	44.50
Mar-94	129	18	1.8270	1.000	32.89	6.58	904	25.00	1.83	33.41
Apr-94	193	27	1.5550	1.000	41.99	8.40	873	25.00	2.25	35.65
May-94	139	20	1.6230	1.000	32.46	6.49	843	25.00	1.67	33.16
Jun-94	168	24	1.5840	1.000	38.02	7.60	812	25.00	1.88	34.48
	8,726				\$2,550.53	\$510.09		\$525.00	\$200.17	\$1,235.26

AUTRY C. STEPHENS
 STATE LEASE M-94905
 ALTIMORE-SCARMARDO UNIT
 GIDDINGS (AUSTIN CHALK-3) FIELD
 BURLESON COUNTY, TEXAS
 RRC LEASE # 21822
 STATES'S ROYALTY DECIMAL .20
 TRACT PARTICIPATION .1405

ATTACHMENT II

AUDITOR: P. DVORAK
 FILE NAME: 94905A-G.xls
 DATE: 10/09/96

PENALTY/
 INTEREST DATE:
 11/04/96

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
MONTH/ YEAR	RRC VOLUME (A)	TRACT PARTICIPATION (A) X (.1405)	PRICE (B)	BTU (B)	GROSS VALUE (1) X (2) X (3)	ADDITIONAL ROYALTY DUE (4) X (.20)	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (5)+(7)+(8)

COMMENTS:

(A) RRC VOLUME - REPRESENTS LEASE FUEL VOLUMES NOT REPORTED OR PAID FROM RRC LEASE # 21822.

(B) PRICE/BTU - REPRESENTS SALES PRICE AND BTU NOTED ON GLO-2 GAS REPORTS.

(C) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

94905 (30A)
letter
Filed 10-9-94

UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

TEXAS GENERAL LAND OFFICE
P.O. BOX 12873
AUSTIN, TEXAS 78711-2873

03111

Chou

RECEIVED
MAR 14 2001
GENERAL LAND OFFICE

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Stephens Antreys C
 110 N Marvenfield #200
 Midland TX 79701

2. Article Number (Copy from service label)

7000 0520 0023 250 360

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

Sonya Marin

B. Date of Delivery

C. Signature

X Sonya Marin

 Agent Addressee

D. Is delivery address different from item 1?

 Yes

If YES, enter delivery address below:

 No

3. Service Type

 Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes

Texas General
Land Office



March 8, 2001

CERTIFIED MAIL 70000520002325036021

David Dewhurst
Commissioner

STEPHENS AUTRY C
110 N MARIENFELD STE 200
MIDLAND TEXAS 79701

RE: Notice of underpayment on State Lease M-094905

Dear Sir,

The Royalty Management Division of the Texas General Land Office has completed a limited review of the above referenced lease operated by Endeavor Energy Resources L. P. Through this review, it was determined that \$5,788.61 has been underpaid to the State for the reporting periods November 1995 through November 1998. This amount comprises \$3,156.43 in additional royalty, \$1,150.00 in penalty and \$1,472.18 in interest, which has been computed through April 1, 2001, in accordance with Section 52.131 of the Texas Natural Resources Code.

The following documents are attached in support of our findings:

- A brief summary of our review (Attachment I);
- Schedule supporting our royalty, penalty and interest calculations (Attachment II), and;
- Procedures used for assessment of penalties and interest (Attachment III).

To ensure your company remains in good standing with the General Land Office, please respond to this notice within 25 days of the above date. If your records reflect this royalty has been paid, please provide us with documentation of payments made and remittance dates. Payment of this notice should be submitted separately from monthly royalty payments you may be remitting. In order to ensure proper credit, your payment should be mailed to my attention along with a copy of this letter.

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

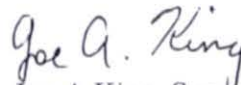
512-463-5001

Endeavor Energy Resources L P
March 8, 2001
Page 2

This notice in no way precludes the General Land Office from pursuing any claim or remedy related to this royalty payment. Additionally, this notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Natural Resources Code and, consequently, does not preclude the General Land Office from conducting further examinations of this or other leases operated and/or reported by Endeavor Energy Resources L.P. or from examining these or other issues and time periods in a future inspection of your books, accounts, reports or other records.

If you have any questions, please call Shirley Chou at (512) 463-5408.

Sincerely,



Joe A King, Supervisor
Royalty Management / Energy Resources

JK/sc

ATTACHMENT I
REVIEW SUMMARY

State Lease M-094905

We have reviewed our records for the period of November 1995 through November 1998, to determine whether or not royalty for condensate and gas has been reported and paid correctly with respect to volume and price. Volumes reported to the Texas General Land Office (TGLO) were compared to volumes reported to the Texas Railroad Commission (TRRC) with any differences being noted.

As a result of this review, it was determined that oil and gas royalties were underpaid on Altimore Scarmardo Unit for November 1995 to November 1998.

Our records indicate that Stephens Autry C is not the current operator of the above mentioned well, however for the time period of this billing Stephens Autry C was the operator.

Therefore, we have concluded that additional royalty revenue is due in the following amount.

Royalty	Penalty	Interest	Total
Oil \$2,837.12	\$525.00	\$1,306.44	\$4,668.56
Gas \$319.31	\$625.00	\$165.74	\$1,110.05

(See attachment II for supporting calculations)

STEPHENS AUTRY C
 STATE LEASE M-094905
 FIELD NAME GIDDINGS(AUSTIN CHALK-3)
 LEASE NAME ALTIMORE-SCARMARDO UNIT
 BURLESON COUNTY, TEXAS
 RRC OIL WELL ID # 08-21822
 TRACT PARTICIPATION .1438100
 ROYALTY DECIMAL .20

ATTACHMENT II

AUDITOR: S CHOU
 FILE NAME: M-094905
 DATE: 3/8/2001

PENALTY/
 INTEREST DATE:

04/01/01

(1) (2) (3) (4) (5) (6) (7)

MONTH/ YEAR	OLI SALES (A)	TRACT PARTICIPATION (A) X (.1438100)	PRICE (B)	GROSS VALUE	ROYALTY DUE (3) X (.20)	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (4)+(5)+(6)
Dec-95	352	50.62	19.04	963.80	192.76	1882	25.00	115.53	333.29
Jan-96	358	51.48	18.88	971.94	194.39	1853	25.00	114.65	334.04
Mar-96	351	50.48	21.36	1078.25	215.65	1792	25.00	122.87	363.52
May-96	351	50.48	21.25	1072.70	214.54	1731	25.00	117.93	357.47
Aug-96	350	50.33	21.97	1105.75	221.15	1639	25.00	114.88	361.03
Sep-96	186	26.75	23.99	641.73	128.35	1608	25.00	65.36	218.71
Nov-96	183	26.32	23.71	624.05	124.81	1547	25.00	61.06	210.87
Jan-97	342	49.18	25.17	1237.86	247.57	1488	25.00	116.31	388.88
Apr-97	188	27.04	19.72	533.23	106.65	1396	25.00	46.88	178.53
May-97	189	27.18	20.83	566.16	113.23	1366	25.00	48.65	186.88
Jun-97	180	25.89	19.17	496.31	99.26	1335	25.00	41.64	165.90
Jul-97	184	26.46	19.63	519.41	103.88	1304	25.00	42.52	171.40
Aug-97	190	27.32	19.93	544.49	108.90	1274	25.00	43.50	177.40
Sep-97	179	25.74	19.79	509.39	101.88	1243	25.00	39.66	166.54
Nov-97	193	27.76	20.17	559.92	111.98	1182	25.00	41.34	178.32
Dec-97	180	25.89	18.32	474.30	94.86	1151	25.00	34.06	153.92
Jan-98	180	25.89	16.71	432.62	86.52	1123	25.00	30.27	141.79
Apr-98	186	26.75	15.33	410.08	82.02	1031	25.00	26.21	133.23
May-98	349	50.19	14.86	745.82	149.16	1001	25.00	46.19	220.35
Aug-98	185	26.60	13.36	355.38	71.08	909	25.00	19.86	115.94
Nov-98	184	26.46	12.94	342.39	68.48	817	25.00	17.07	110.55
	5,040	724.81		14185.58	2837.12		525.00	1306.44	4668.56

COMMENTS (A) OLI SALES - REPRESENTS OIL PRODUCTION VOLUMES SHOWN ON THE RRC ANNUAL PRODUCTION LEDGER.
 (B) PRICE - PRICE ARE OBTAINED FROM THE WTI OIL PRICE LIST.
 (C) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

STEPHENS AUTRY C
 STATE LEASE M-094905
 FIELD NAME GIDDINGS(AUSTIN CHALK-3)
 LEASE NAME ALTIMORE-SCARMARDO UNIT
 BURLESON COUNTY, TEXAS
 RRC OIL WELL ID # 08-21822
 TRACT PARTICIPATION .1438100
 ROYALTY DECIMAL .20

ATTACHMENT II

AUDITOR: S CHOU
 FILE NAME: M-094905
 DATE: 3/8/2001

PENALTY/
 INTEREST DATE:

04/01/01

(1) (2) (3) (4) (5) (6) (7)

MONTH/ YEAR	GAS SALES (A)	TRACT PARTICIPATION (A) X (.1438100)	PRICE (B)	BTU	GROSS VALUE	ROYALTY DUE (3) X (.20)	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (4)+(5)+(6)
Nov-95	110	16	1.61	1.00	25.47	5.09	1903	25.00	3.09	33.18
Dec-95	292	42	1.61	1.00	67.60	13.52	1872	25.00	8.06	46.58
Jan-96	521	75	2.18	1.00	163.35	32.67	1843	25.00	19.16	76.83
Feb-96	367	53	2.18	1.00	115.06	23.01	1812	25.00	13.26	61.27
Mar-96	334	48	2.18	1.00	104.71	20.94	1782	25.00	11.86	57.80
Apr-96	328	47	2.18	1.00	102.83	20.57	1751	25.00	11.44	57.01
May-96	267	38	2.18	1.00	83.71	16.74	1721	25.00	9.15	50.89
Jun-96	164	24	2.18	1.00	51.40	10.28	1690	25.00	5.51	40.79
Jul-96	295	42	2.55	1.00	108.17	21.63	1659	25.00	11.38	58.01
Aug-96	307	44	2.55	1.00	112.58	22.52	1629	25.00	11.62	59.14
Sep-96	285	41	2.55	1.00	104.52	20.90	1598	25.00	10.57	56.47
Oct-96	251	36	2.55	1.00	92.06	18.41	1568	25.00	9.13	52.54
Nov-96	250	36	2.55	1.00	91.67	18.33	1537	25.00	8.91	52.24
Dec-96	218	31	2.55	1.00	79.94	15.99	1506	25.00	7.61	48.60
Jan-97	165	24	3.51	1.00	83.29	16.66	1478	25.00	7.77	49.43
Mar-97	44	6	3.51	1.00	22.22	4.44	1417	25.00	1.98	31.42
Apr-97	56	8	3.51	1.00	28.26	5.65	1386	25.00	2.46	33.11
May-97	52	7	3.51	1.00	26.25	5.25	1356	25.00	2.24	32.49
Jun-97	86	12	3.51	1.00	43.42	8.68	1325	25.00	3.61	37.29
Jul-97	80	12	3.51	1.00	40.37	8.07	1294	25.00	3.28	36.35
Aug-97	15	2	2.20	1.00	4.75	0.95	1264	25.00	0.38	26.33
Sep-97	27	4	2.20	1.00	8.54	1.71	1233	25.00	0.66	27.37
Oct-97	28	4	2.20	1.00	8.87	1.77	1203	25.00	0.67	27.44
Dec-97	42	6	2.20	1.00	13.29	2.66	1141	25.00	0.95	28.61
Jan-98	48	7	2.08	1.00	14.35	2.87	1113	25.00	0.99	28.86
	4,632	666			1596.68	319.31		625.00	165.74	1110.05

COMMENTS (A) GAS SALES - REPRESENTS GAS PRODUCTION VOLUMES SHOWN ON THE RRC ANNUAL PRODUCTION LEDGER.
 (B) PRICE - PRICE ARE OBTAINED FROM THE COUNTY AVERAGE GAS PRICES.
 (C) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

ATTACHMENT III

SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES
FOR DELINQUENT ROYALTIES AND DELINQUENT
REQUIRED REPORTS OR DOCUMENTS

	DUE BEFORE 10-1-75 (Production Prior to 8-1-75)	DUE AFTER 10-1-75 AND BEFORE 9-1-85 (Production 8-1-75 thru 6-30-85)	DUE AFTER 9-1-85 (Production 7-1-85 Forward)
<u>PENALTY (3)</u> • For delinquent royalty	NONE	The greater of 1% of the delinquent amount or \$5.00 for each 30-day delinquency	For delinquencies of 30 days or less, the greater of 5% of the delinquent amount or \$25.00 For delinquencies of more than 30 days, the greater of 10% of the delinquent amount or \$25.00
• For delinquent report, affidavit, or other document	NONE	\$5.00 per document for each 30-day period of delinquency	\$10.00 per document for each 30-day period of delinquency
<u>INTEREST</u> • For delinquent royalty	6% per year, compounded annually; accrual begins 30 days after due date (1)	6% per year, compounded annually; accrual begins 30 days after due date (1)	12% per year, simple; accrual begins 60 days after due date (2)

(1) Tex. Rev. Civ. Stat. Ann., Article 5069-1.03 and related case law.

(2) Tex. Nat. Res. Code Ann. § 52.131 (g).

(3) Penalties are not assessed in cases of title dispute as to the state's portion of the royalty or to royalty in dispute as to fair market value except when fraud is involved, in which case the fraud penalty is applicable. Penalty provisions are found at Tex. Nat. Res. Code Ann. § 52.131 (e), (f), & (h).

A royalty payment that is not accompanied by the required royalty affidavit identifying the GLO lease number is delinquent.

The State's power to forfeit a lease shall not be affected by the assessment or payment of any delinquency, penalty, or interest.

File No. M-94905 (33)

Billing

Date Filed: 3-8-01

David Dewhurst, Commissioner

By _____

Endeavor Energy Resources L.P. ✓
110 N. MARIENFELD, SUITE 200

MIDLAND TX 79701

Check Number 0000059797

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
030107	03/01/2007	RENTAL PAYMENT ST. NM LEASE VB-0483, DATED 04-01-1996 COVERING THE PERIOD FROM APRIL 1, 2007 THROUGH MARCH 31, 2008 <div style="background-color: yellow; padding: 5px; display: inline-block;">M-94905</div> <i>Betty Hart</i>	160.00	0.00	160.00 <i>121</i> 07041255

02935

Vendor

Check Date: 05/03/2007

Check Amount

160.00

#34

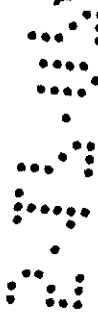
File No. 11094905

Rental Payment

Date Filed: 7/17/07

Jerry E. Patterson, Commissioner

By [Signature]



MF 094905

CHESAPEAKE
ENERGY

January 21, 2020

VIA E-MAIL AND USPS GROUND MAIL

Texas General Land Office
ATTN: Energy Resources/Mineral Leasing
P.O. Box 12873
Austin, TX 78711-2873

RE: Unit #2202

Re: Chesapeake's Scarmardo-Carrabba Unit No. 1 Well
William Raleigh Survey, Abstract No. 47 &
Charles Falenash Survey, Abstract No. 22
Burleson County, Texas

Dear Sir or Madam:

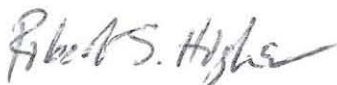
Pursuant to Paragraph 10 of Oil and Gas Lease No. M-95252 dated April 6, 1993 by and between The Commissioner of the General Land Office and Union Pacific Resources Company, please allow this letter to serve as prior written notice of cessation of production of the Scarmardo-Carrabba Unit No. 1 Well in Burleson County, Texas. Production ceased on January 3, 2020 as the well was shut-in for safety purposes due to the commencement of hydraulic fracturing operations within the vicinity. It is currently anticipated that the above-referenced well will remain shut-in for a period in excess of thirty (30) days, but in no event does Chesapeake currently anticipate that it will remain shut-in for a period exceeding sixty (60) days.

For reference, I have included a copy of the above-referenced lease and corresponding unit designation.

Should you have any questions regarding this letter, please contact me by telephone at (405) 935-2289 or e-mail at robert.highsaw@chk.com.

Best regards,

Chesapeake Operating, L.L.C.



Robert S. Highsaw
Staff Landman

File No. MF 094905

Notice of Temporary County

Cessation of Production Under 2202

Date Filed: 2/5/20

George P. Bush, Commissioner

By SSD



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

September 20, 2022

Christie Gray, Office Manager
Hibbard Energy, LP
15632 State Hwy 110 South, Ste 27
Whitehouse, TX 75791

File

Re: Assignment ID # 11219 – MF094905
Burlleson County

Dear Ms. Gray:

The General Land Office received the following instrument and filed it in the appropriate files.

Assignment and Bill of Sale, effective November 15, 2021, from Endeavor Energy Resources, L.P., Assignor to Hibbard Energy, L.P., Assignee. Filed of record under Document # 1840.

Filing fees in the amount of \$25.00 were received for the referenced assignment.

Please feel free to contact me at (512) 590-9600 or email carl.bonn@glo.texas.gov if you have further questions.

Best Regards,

Carl Bonn, CPL
Mineral Leasing-Energy Resources

Mail to: Texas General Land Office
 Attn: Energy Resources
 P.O. 12873
 Austin, Texas 78711-2873

Texas General Land Office
 ASSIGNMENT SUMMARY

For General Land Office Use Only

11219

DOCUMENT TYPE: (mark one):
 Assignment Deed of Trust Merger/Name Change

DOCUMENT RECORDING INFORMATION: (Include all the counties covered by the properties listed below)

County	Volume	Page	Execution Date/Effective Date
Burleson	2022	1840	February 28, 2022

ASSIGNMENT FEE: \$25 per State Lease (additional \$25 after 90 days)
 INTEREST BEING CONVEYED: (mark one)

Working Interest: Overriding Royalty Interest: Other (explain):

Remarks: Any and all Leasehold interests, Working Interests, and operating rights, interest, or cost bearing interests in this oil and gas lease.

* TRANSFER of ownership / operator

FROM List all companies or individuals listed in this instrument who are transferring ownership interests, in whole or in part, in the leases shown below	TO List all companies or individuals listed in this instrument who are receiving ownership interests in the leases listed below	% GROSS WI OWNED BY ASSIGNOR	% GROSS WI TRANSFERRED BY ASSIGNOR	% GROSS WI RETAINED BY ASSIGNOR
1. Endeavor Energy Resources, LP	Hibbard Energy, LP	100%	100%	0
2.				
3.				
4.				

Attach additional pages as needed.

LEASES COVERED BY THIS TRANSFER:

State Lease #	COUNTY	BLOCK	SECTION	PART OF SECTION	DEPTH RESTRICTION
1. 21822	Burleson				
2. 094905					
3.					
4.					

Christie Gray
 Preparer's Signature
 Christie Gray
 Name (please print)
 cgray@hibbardenergy.com
 E-Mail Address
 903/871-0100
 Telephone Number

office manager
 Title
 5-19-2022
 Date
 I am an authorized representative of the lessee(s) under the State of Texas leases identified herein and represent and certify to the Commissioner of the General Land Office that the information provided on this form is true and correct.

Hibbard Energy, LP
 Company Name
 15632 State Hwy 110 South
 Mailing Address
 Ste. 27
 Whitehouse, Tx. 75791
 City/State/Zip

Rec'd 5/20/22 Burleson Co



56603

HIBBARD ENERGY, LP

(903) 871-0100
15632 HIGHWAY 110 SOUTH, SUITE 27
WHITEHOUSE, TX 75791

AustinBank
www.austinbank.com Member FDIC
Whitehouse, Texas 75791
88-327/1131

56603

PAY Twenty-five dollars and no cents


22709752

TO THE
ORDER OF

DATE
05/19/2022

AMOUNT
\$**25.00*

Texas General Land Office
1700 N Congress
Austin, TX 78710

 *Dallas Hibbard*
AUTHORIZED SIGNATURE

⑈056603⑈

Security features. Details on back.

HIBBARD ENERGY, LP

56603

To: Texas General Land Office
1700 N Congress
Austin, TX 78710

Vendor Code
TEX002

Check Date
05/19/2022

Check Amount
X \$25.00

Check Number
A-56603

Invoice #	Invoice Amt
BAN #2860	25.00
Assignment Filing Fee for Purchase of Altmore-Scarmardo Unit #1 from Endeavor Energy Resources, L.P. Located in Burleson County, Texas.	

22709752

129



HIBBARD ENERGY, LP

56603

To: Texas General Land Office
1700 N Congress
Austin, TX 78710

Vendor Code
TEX002

Check Date
05/19/2022

Check Amount
\$25.00

Check Number
A-56603

Invoice #	Invoice Amt
BAN #2860	25.00
Assignment Filing Fee for Purchase of Altmore-Scarmardo Unit #1 from Endeavor Energy Resources, L.P. Located in Burleson County, Texas.	



ID 11219

MF094905

off 2-28-22



Burleson County
Anna L. Schielack
Burleson County Clerk

Instrument Number: 1840

Real Property Recordings
ASSIGNMENT & BILL OF SALE

Recorded On: March 25, 2022 02:36 PM

Number of Pages: 14



" Examined and Charged as Follows: "

Total Recording: \$74.00

***** THIS PAGE IS PART OF THE INSTRUMENT *****
Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 1840
Receipt Number: 20220325000020
Recorded Date/Time: March 25, 2022 02:36 PM
User: Rachel E
Station: Clerk02

Record and Return To:

HIBBARD ENERGY LP
15632 HIGHWAY 110 SOUTH, STE 27
WHITEHOUSE TX 75791



STATE OF TEXAS
Burleson County
I hereby certify that this Instrument was filed in the File Number sequence on the date/time
printed hereon, and was duly recorded in the Official Records of Burleson County, Texas

Anna L. Schielack
Burleson County Clerk
Burleson County, TX

20 11219

MF09405

off 2-28-22

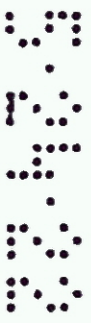
State of TEXAS
County BURLESON

ASSIGNMENT AND BILL OF SALE

This Assignment and Bill of Sale (this "Assignment"), executed as of the date the Assignor receives from the Assignee the consideration due hereunder (the "Closing"), but effective as of 7:00 a.m., local time, on February 28, 2022 (the "Effective Time"), is from ENDEAVOR ENERGY RESOURCES, L.P., a Texas limited partnership, whose address is 110 North Marienfeld, Midland, Texas 79701 (the "Assignor"), to HIBBARD ENERGY, L.P., a Texas limited partnership, whose address is 15632 Highway 110 South, Suite 27, Whitehouse, Texas 75791 (the "Assignee").

**PART I
GRANTING AND HABENDUM CLAUSES**

For Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which Assignor hereby acknowledges, Assignor has transferred, bargained, conveyed, and assigned, and does hereby transfer, bargain, convey and assign to Assignee, without warranty of title of any kind, expressed or implied, and subject to the terms and conditions hereinafter set out, effective for all purposes as of the Effective Time, all of the right, title and interest of Assignor in and to the following properties and assets (collectively, the "Assets"):



- a. Any and all leasehold interests, working interests, operating rights interests, or cost-bearing interests in those oil and gas leases; oil, gas, and mineral leases; subleases and other leaseholds; carried interests; farmout rights; options; and other properties and interests described on Exhibit "A" (collectively, the "Leases"), together with each and every kind and character of right, title, claim, and interest that Assignor has in and to the Leases, insofar and only insofar as those Leases cover those lands and depths that are described on Exhibit "A", and those lands pooled, unitized, communitized, or consolidated therewith (collectively, the "Lands");
- b. All oil, gas, water or injection wells, whether producing, drilling, shut-in, or temporarily abandoned located on the Lands to the extent covered by the Leases, including, without limitation, those wells described on Exhibit "A-1" attached hereto (collectively, the "Wells");
- c. Those leasehold interests in or to any pools or units that include any portion of the Lands or all or a part of any Leases, insofar and only insofar as they cover the Lands, or include any of the Wells (collectively, the "Units"), and including those interests of Assignor in production from any such Unit, whether such Unit production comes from Wells located on or off of a Lease, and all tenements, hereditaments, and appurtenances belonging to the Leases and Units (said Units, together with the Leases, Lands, and Wells, to be collectively referred to herein as the "Properties");
- d. All contracts, agreements, and instruments by which the Properties are bound, or that relate to or are otherwise applicable to the Properties, to the extent solely applicable to the Properties, rather than Assignor's other properties, including, but not limited to, operating agreements, unitization, pooling, and communitization agreements, declarations and orders, joint venture agreements, farmin and farmout agreements, water rights agreements, exploration agreements, participation agreements, exchange agreements, transportation or gathering agreements, agreements for the sale and purchase of oil, gas, casinghead gas, or processing agreements, to the extent applicable to the Properties, or the production of oil and gas and other minerals and products produced in association therewith from the Properties (collectively, the "Contracts"), but excluding any contracts, agreements, and instruments to the extent transfer is restricted by third-party agreement or applicable law and the necessary consents to transfer have not been

obtained including, without limitation, those Contracts described on Exhibit "A-2" attached hereto;

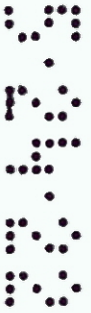
- e. All easements, permits, licenses, servitudes, rights-of-way, and surface leases (collectively, the "Easements") appurtenant to, and used or held for use solely in connection with the Properties, excluding any permits and other appurtenances to the extent transfer is restricted by third-party agreement or applicable law and the necessary consents to transfer have not been obtained;
- f. All equipment, machinery, fixtures, and other tangible personal property, and improvements located on the Properties or used or held for use solely in connection with the operation of the Properties, including any wells, tanks, boilers, buildings, fixtures, injection facilities, saltwater disposal facilities, compression facilities, pumping units and engines, flow lines, pipelines, gathering systems, gas and oil treating facilities, machinery, power lines, telephone and telegraph lines, roads, and other appurtenances, improvements, and facilities (collectively, the "Equipment"), but excluding (i) vehicles, and (ii) any computers and related peripheral equipment; and
- g. All oil, gas, condensate, and other minerals produced from, or attributable to the Leases, Lands, and Wells from and after the Effective Time, and all oil, gas, condensate, and imbalances with co-owners and/or pipelines and all make-up rights with respect to take-or-pay payments received from and after the Effective Time (collectively, the "Hydrocarbons");

Provided, however, that the following interests in real and personal property (collectively, the "Excluded Assets") are specifically excluded from the definition of "Assets" and reserved to the Assignor:

- i. All of Assignor's fee simple mineral interests, royalty interests, non-participating royalty interests, overriding royalty interests, net profits interest, production payments, and other similar obligations and burdens payable out of production from the Leases and Lands;
- ii. All of Assignor's fee simple interests in the surface estate of any of the Lands;
- iii. All corporate, financial, income, and franchise tax and legal records of Assignor that relate to Assignor's business, generally (whether or not relating to the Assets), and all books, records, and files that relate to the Excluded Assets, with such books, records, and files to be retained by Assignor;
- iv. All trade credits, accounts receivable, notes receivable and other receivables attributable to Assignor's interest in the Assets with respect to any period of time prior to the Effective Time; all deposits, cash, checks in process of collection, cash equivalents and funds attributable to Assignor's interest in the Assets with respect to any period of time prior to the Effective Time; all proceeds, benefits, income, or revenues accruing (and any security or other deposits made) with respect to the Assets prior to the Effective Time; and all bonds, letters of credit and guarantees, if any, posted by Assignor or its affiliates with governmental authorities and relating to the Assets;
- v. All claims and causes of action of Assignor arising from acts, omissions, or events, or damage to or destruction of the Assets, occurring prior to the Effective Time;
- vi. All rights, titles, claims, and interests of Assignor relating to the Assets prior to the Effective Time under any policy or agreement of insurance or indemnity; under any bond; or to any insurance or condemnation proceeds or awards;
- vii. All Hydrocarbons produced from or attributable to the Assets with respect to all periods prior to the Effective Time, together with all proceeds from or of such

Hydrocarbons;

- viii. Claims of Assignor for refund of or loss carry forwards with respect to production, windfall profit, severance, ad valorem or any other taxes attributable to any period prior to the Effective Time, or income or franchise taxes;
- ix. All amounts due or payable to Assignor as adjustments or refunds under any contracts or agreements affecting the Assets, respecting periods prior to the Effective Time;
- x. All amounts due or payable to Assignor as adjustments to insurance premiums related to the Assets with respect to any period prior to the Effective Time;
- xi. All proceeds, benefits, income or revenues accruing (and any security or other deposits made) with respect to the Assets, and all accounts receivable attributable to the Assets, prior to the Effective Time;
- xii. All of Assignor's intellectual property, including, but not limited to, proprietary computer software, patents, trade secrets, copyrights, names, marks and logos
- xiii. All area-wide permits and licenses or other permits, licenses or authorizations used in the conduct of Assignor's business generally;
- xiv. All privileged attorney-client (A) communications, files or records and (B) other documents (excluding, however, any title opinions, copies of which will be included with the Assets);
- xv. All materials and information that cannot be disclosed to Assignee as a result of confidentiality obligations to third parties;
- xvi. All analyses, bidder lists and communications with marketing advisers or other bidders in connection with marketing the Assets;
- xvii. All third party indemnities where Assignor is an indemnified party and the proceeds afforded thereby to the extent relating to the Excluded Assets;
- xviii. All of Assignor's radio towers, automobiles, trucks, and trailers located on the Properties;
- xix. All seismic, geological and geophysical data, even if related to the Leases and Lands; and
- xx. All properties, assets and interests not specifically included in the definition of Assets.



TO HAVE AND TO HOLD, subject to the terms, exceptions and other provisions herein stated, the Assets, specifically excluding the Excluded Assets, unto Assignee, and its successors and assigns, forever; subject, however, to the following terms and conditions, all of which are material to Assignor:

**PART II
MISCELLANEOUS**

- A. Interests of Record.** Assignor conveys the Assets to Assignee subject to all instruments and agreements by, through, or under which Assignor acquired its title to the Assets.
- B. Disclaimer of Warranty; Subrogation.** The assignments and conveyances made by this Assignment are made without warranty of title, express, implied, or statutory, and without recourse, even as to the return of the purchase price or other consideration, but with full substitution and subrogation of Assignee, and all persons claiming by, through and under

Assignee, to the extent assignable, in and to all covenants and warranties of Assignor's predecessors in title and with full subrogation of all rights accruing under the applicable statutes of limitation or prescription under the laws of the state where the Assets are located and all rights of actions of warranty against all former owners of the Assets. Any covenants or warranties implied by statute or law by the use of the words "transfer", "convey", "bargain" or "assign" or other similar words used in this Assignment are hereby expressly disclaimed, waived and negated. In the absence of warranties, Assignee is responsible for conducting its own due diligence. In the event of a failure of title or a subsequent discovery that the Assignor owned or owns a lesser interest, or no interest, in the Assets as of the Effective Time, all liability and loss for such a failure shall vest in Assignee, and, in the absence of the agreement of the Assignor (acting in its sole discretion), Assignor shall have no obligation whatsoever to refund or tender to Assignee any portion of the consideration paid to Assignor for this Assignment.

- C. **Further Disclaimers.** Assignor and Assignee agree that, to the extent required by applicable law to be operative, the disclaimers of certain warranties contained in this paragraph are "conspicuous" disclaimers for the purposes of any applicable law, rule or order. The Assets are assigned to Assignee without recourse (even as to the return of the purchase price or other consideration), covenant or warranty of any kind, express, implied or statutory. **ASSIGNEE ACKNOWLEDGES THAT ASSIGNOR HAS NOT MADE, AND ASSIGNEE HEREBY EXPRESSLY DISCLAIMS, NEGATES, AND HEREBY EXPRESSLY WAIVES, ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE OR OTHERWISE, RELATING TO (1) PRODUCTION RATES, RECOMPLETION OPPORTUNITIES, SECONDARY OR TERTIARY RECOVERY OPPORTUNITIES, DECLINE RATES, OR THE QUALITY, QUANTITY OR VOLUME OF THE RESERVES OF HYDROCARBONS, IF ANY, ATTRIBUTABLE TO THE ASSETS, (2) THE ACCURACY, COMPLETENESS OR MATERIALITY OR SIGNIFICANCE OF ANY INFORMATION, DATA, GEOLOGICAL OR GEOPHYSICAL DATA (INCLUDING ANY INTERPRETATIONS OR DERIVATIVES BASED THEREON) OR OTHER MATERIALS (WRITTEN OR ORAL) CONSTITUTING PART OF THE ASSETS, NOW, HERETOFORE OR HEREAFTER FURNISHED TO ASSIGNEE BY OR ON BEHALF OF ASSIGNOR, (3) THE CONDITION, INCLUDING, THE ENVIRONMENTAL CONDITION OF THE ASSETS, AND (4) THE COMPLIANCE OF ASSIGNOR'S PAST PRACTICES WITH THE TERMS AND PROVISIONS OF ANY CONTRACT, PERMIT OR AGREEMENT OR APPLICABLE LAWS, INCLUDING ENVIRONMENTAL LAWS AND LAWS NOW OR HEREAFTER IN EFFECT, RELATING TO THE PROTECTION OF NATURAL RESOURCES. WITHOUT LIMITING THE EXPRESS PROVISIONS HEREOF, ASSIGNEE SPECIFICALLY AGREES THAT ASSIGNOR IS CONVEYING THE ASSETS ON AN "AS IS, WHERE IS, WITH ALL FAULTS" BASIS AND WITHOUT REPRESENTATION OR WARRANTY, EITHER EXPRESS, IMPLIED AT COMMON LAW, BY STATUTE OR OTHERWISE, OR STATUTORY, ALL OF WHICH ASSIGNOR HEREBY DISCLAIMS, RELATING TO TITLE, TRANSFERABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY, DESIGN OR QUALITY, COMPLIANCE WITH SPECIFICATIONS OR CONDITIONS REGARDING OPERATION, FREEDOM FROM PATENT OR TRADEMARK INFRINGEMENT, ABSENCE OF LATENT DEFECTS, NOT EVEN FOR THE RETURN OF THE PURCHASE PRICE OR ANY PART THEREOF. ASSIGNEE HEREBY AGREES TO WAIVE ANY SUCH EXPRESS OR IMPLIED WARRANTY, ANY IMPLIED OR EXPRESS WARRANTY REGARDING ENVIRONMENTAL LAWS, OR LAWS RELATING TO THE PROTECTION OF THE ENVIRONMENT, HEALTH, SAFETY OR NATURAL RESOURCES RELATING TO THE RELEASE OF MATERIALS INTO THE ENVIRONMENT, INCLUDING ANY MATERIAL CONTAINING, LEAD BASED PAINT OR MERCURY AND ANY OTHER HAZARDOUS SUBSTANCES OR WASTES OR ANY OTHER MATTER WHATSOEVER. ASSIGNOR AND ASSIGNEE HEREBY ACKNOWLEDGE AND AGREE THAT THERE ARE NO, AND HEREBY EXPRESSLY DISCLAIM AND NEGATE ANY, REPRESENTATIONS OR WARRANTIES MADE BY ASSIGNOR OR ASSIGNEE**



PRIOR TO THE EFFECTIVE TIME OR THE DATE OF EXECUTION OF THIS ASSIGNMENT, WHICH CONCERN THE ASSETS OR THE TRANSACTION CONTEMPLATED BY THIS ASSIGNMENT. THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED BY ASSIGNEE AND ASSIGNOR AFTER DUE CONSIDERATION AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY REPRESENTATIONS OR WARRANTIES OF ASSIGNOR, EITHER EXPRESS, IMPLIED OR STATUTORY, WITH RESPECT TO THE ASSETS THAT MAY ARISE PURSUANT TO ANY LAW NOW OR HEREAFTER IN EFFECT OR OTHERWISE. ASSIGNEE WILL NOT HAVE ANY RIGHT ON ACCOUNT OF ANY VICE OR DEFECT IN THE ASSETS TO RESCIND THIS ASSIGNMENT, REDUCE THE PURCHASE PRICE OR RECOVER ANY EXPENSES OR DAMAGES (INCLUDING REASONABLE ATTORNEYS' FEES).

- D. Substitution and Subrogation.** To the extent transferable, Assignor conveys and transfers to Assignee any and all rights and actions of warranty that Assignor may hold with respect to any of the Assets, based upon warranties or representations made to Assignor by any of its predecessors-in-interest.
- E. Assumption of Liabilities.** This Assignment is accepted subject to, and Assignee agrees to assume and perform, any and all of the liabilities and obligations, or alleged or threatened liabilities and obligations, of Assignor in connection with the Assets, including, but not limited to, any and all obligations (1) to perform all of the terms and express and implied conditions of the Leases, with the specific obligation to assume responsibility for the payment of any payment obligations under the Leases, including, but not limited to, rentals, royalties, shut-in royalties, advance royalties, flat-rate royalties, sliding scale royalties, overriding royalty interests, minimum royalties, production payments, non-participating royalty interests, net profit payments, and other non-participating burdens on production; (2) in connection with or arising out of balancing of overproduction or underproduction from the Assets; and (3) in compliance with all laws and governmental regulations with respect to the Assets including, but not limited to, the lawful plugging and abandonment of oil and gas wells and the restoration of the surface of the land as nearly as possible to its condition prior to the execution of the Leases, **WHETHER OR NOT SUCH LIABILITIES AND OBLIGATIONS, OR ALLEGED OR THREATENED LIABILITIES AND OBLIGATIONS, ARE CAUSED BY THE ACTIVE, PASSIVE, SOLE OR CONCURRENT NEGLIGENCE, STRICT LIABILITY, OR OTHER FAULT OF ASSIGNOR (INCLUDING ANY DEFECTS, WHETHER OR NOT PRE-EXISTING, LATENT, OR APPARENT), AND INCLUDING ANY GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ASSIGNOR AND WHETHER OR NOT SUCH LIABILITIES AND OBLIGATIONS, OR ALLEGED OR THREATENED LIABILITIES AND OBLIGATIONS, ARISE DURING THE PERIOD OF, OR FROM, OR IN CONNECTION WITH ASSIGNOR'S OWNERSHIP OR OPERATION OF THE ASSETS.** Assignee acknowledges that the Leases, Lands, and other Assets have been used for the purposes of production and development of oil and gas and that there may have been spills of crude oil, produced waters, or other materials. In addition, Assignee acknowledges that oil and gas-producing formations may contain naturally occurring radioactive material ("NORM") and that some oil field production equipment and/or facilities may contain asbestos, NORM, or other contaminants from the oil field production equipment and properties in which it may be found. Assignee assumes all liability for and in connection with the assessment, remediation, removal, transportation, and disposal of any such materials and will conduct these and other associated activities in accordance with all rules, regulations, and requirements of all laws and governmental regulations. **WITHOUT LIMITATION OF THE FOREGOING, ASSIGNEE AGREES TO ASSUME AND PERFORM ANY AND ALL OF THE LIABILITIES AND OBLIGATIONS, OR ALLEGED OR THREATENED LIABILITIES AND OBLIGATIONS, OF ASSIGNOR FOR CLAIMS, LOSSES, DAMAGES, COSTS, EXPENSES, DIMINUTIONS IN VALUE, SUITS, AND CAUSES OF ACTION OF ANY KIND OR CHARACTER, WITH RESPECT TO THE ENVIRONMENTAL CONDITIONS OF THE ASSETS, REGARDLESS OF WHEN THE EVENTS OCCURRED THAT CAUSED SUCH**



CONDITION TO EXIST AND WHETHER OR NOT CAUSED BY OR ATTRIBUTABLE TO THE ACTIVE, PASSIVE, SOLE OR CONCURRENT NEGLIGENCE, STRICT LIABILITY, OR OTHER FAULT OF ASSIGNOR (INCLUDING ANY DEFECTS, WHETHER OR NOT PRE-EXISTING, LATENT, OR APPARENT), AND INCLUDING ANY GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ASSIGNOR. ASSIGNEE SHALL, TO THE FULLEST EXTENT PERMITTED BY LAW, PROTECT, DEFEND, INDEMNIFY, AND HOLD ASSIGNOR AND ITS SHAREHOLDERS, MEMBERS, PARTNERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, AND REPRESENTATIVES, HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, COSTS, EXPENSES, DIMINUTIONS IN VALUE, SUITS, CAUSES OF ACTION, OR JUDGMENTS OF ANY KIND OR CHARACTER WITH RESPECT TO ANY AND ALL LIABILITIES AND OBLIGATIONS OR ALLEGED OR THREATENED LIABILITIES AND OBLIGATIONS, INCLUDING, BUT NOT LIMITED TO, ANY INTEREST, PENALTY, AND ATTORNEYS' FEES AND OTHER COSTS AND EXPENSES INCURRED IN CONNECTION WITH INVESTIGATING OR DEFENDING ANY CLAIMS OR ACTIONS, WHETHER OR NOT RESULTING IN ANY LIABILITY, ATTRIBUTABLE TO, OR ARISING OUT OF (X) OWNERSHIP OR OPERATION OF THE ASSETS PRIOR TO, ON OR AFTER THE EFFECTIVE TIME, AND (Y) ASSIGNEE'S ASSUMPTION OF ANY LIABILITY OR OBLIGATION IN ACCORDANCE WITH THIS PART II(E) AND (Z) REGARDLESS OF WHETHER ATTRIBUTABLE TO OR ARISING OUT OF THE ACTIVE, PASSIVE, SOLE OR CONCURRENT NEGLIGENCE, STRICT LIABILITY, OR OTHER FAULT OF ASSIGNOR (INCLUDING ANY DEFECTS, WHETHER OR NOT PRE-EXISTING, LATENT, OR APPARENT), AND INCLUDING ANY GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ASSIGNOR.



THE INDEMNIFICATION, RELEASE, AND ASSUMPTION PROVISIONS FOUND IN THIS ASSIGNMENT SHALL BE APPLICABLE REGARDLESS OF WHETHER OR NOT THE LIABILITIES, LOSSES, COSTS, EXPENSES, AND DAMAGES IN QUESTION AROSE SOLELY OR IN PART FROM THE ACTIVE, PASSIVE, SOLE OR CONCURRENT NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF ASSIGNOR (INCLUDING ANY DEFECTS, WHETHER OR NOT PRE-EXISTING, LATENT, OR APPARENT), AND INCLUDING ANY GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ASSIGNOR.

F. Post-Closing Operations. In order to fulfill the obligations undertaken by Assignee above, Assignee expressly agrees to:

- (1) Within five (5) days of the Closing, obtain and provide evidence of all required bonds or sureties covering all operations to be assumed by the Assignee to the Assignor and the Texas Railroad Commission, or any successor agency having jurisdiction over such operations;
- (2) Within five (5) days of the Closing, file such forms as are required to effect the administrative transfer of the operation of the Assets with the Texas Railroad Commission, or any successor agency having jurisdiction over such operations, and provide copies of any such forms to the Assignor for its records;
- (3) On or before the first day of the first month following the Closing, assume full and complete responsibility for all operations of the Assets;
- (4) On or before the first day of the first month following the Closing, assume full responsibility for the reporting of all production and the payment of revenues arising from such production; and
- (5) Within ninety (90) days of the Closing, prepare and present to Assignor a full and complete settlement statement allocating all revenues and expenses attributable to the Assets, with such statement to be subject to acceptance by the Assignor, acting

in its sole and absolute discretion, and, following the Assignor's acceptance of such statement, with the parties to tender to one another such payments as are required as to reflect the allocation shown on such statement.

G. Taxes. With respect to the payment of taxes, Assignor and Assignee agree as follows:

- (1) Assignor and Assignee agree that this transaction is not subject to the reporting requirement of Section 1060 of the Internal Revenue Code of 1986, as amended, and that, therefore, IRS Form 8594, Asset Acquisition Statement, is not required to be and will not be filed for this transaction. In the event that the Assignor and Assignee mutually agree that a filing of Form 8594 is required, those parties will confer and cooperate in the preparation and filing of their respective forms to reflect a consistent reporting of the agreed upon allocation.
- (2) Assignor shall be responsible for and shall pay all taxes attributable to or arising from the ownership or operation of the Assets prior to the Effective Time. Assignee shall be responsible for and shall pay all taxes attributable to or arising from the ownership or operation of the Assets after the Effective Time. Either party which pays such taxes for the other party shall be entitled to prompt reimbursement upon evidence of such payment. Each party shall be responsible for its own federal income taxes, if any, as may result from this transaction.
- (3) If this transaction is determined to result in state sales or transfer taxes, Assignee shall be solely responsible for any and all such taxes due on the Assets acquired by Assignee by virtue of this transaction. If Assignee is assessed such taxes, Assignee shall promptly remit same to the taxing authority. If Assignor is assessed such taxes, Assignee shall reimburse Assignor for any such taxes paid by Assignor to the taxing authority.

H. Further Assurances. The parties agree to take all such further actions and execute, acknowledge and deliver all such further documents that are necessary or useful in carrying out the purposes of this Assignment. So long as authorized by applicable law so to do, Assignor agrees to execute, acknowledge and deliver to Assignee all such other additional instruments, governmental assignment forms, notices, division orders, transfer orders, and other documents and to do all such other and further acts and things as may be necessary to more fully and effectively convey and assign to Assignee the Assets conveyed hereby or intended so to be conveyed.

I. Successors and Assigns. This Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

J. Governing Law. This Assignment shall be governed by and interpreted in accordance with the laws of the State of Texas, without regard to any conflicts of law rule that would direct application of the laws of another jurisdiction, except to the extent that it is mandatory that the law of some other jurisdiction, wherein the Assets are located, shall apply.

K. Exhibits. All exhibits attached hereto are hereby made a part hereof and incorporated herein by this reference. References in such exhibits to instruments on file in the public records are made for all purposes. Unless provided otherwise, all recording references in such exhibits are to the appropriate records of the counties in which the Assets are located.

L. Captions. The captions in this Assignment are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Assignment.

M. Counterparts. This Assignment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

{The remainder of this page is left blank intentionally. Execution pages follow.}

EXECUTED on the dates of the acknowledgments below, to be effective for all purposes as of the Effective Time.

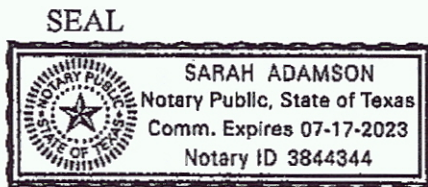
ASSIGNOR:

ENDEAVOR ENERGY RESOURCES, L.P.

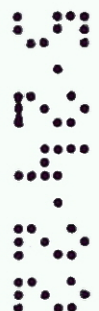
By: *B. Ben Carter*
Name: **R. Ben Carter**
Title: **Vice-President - Land**

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me this 7th day of March, 2022 by **R. Ben Carter, Vice-President - Land of Endeavor Energy Resources, L.P.** a Texas limited partnership, on behalf of said limited partnership.



Sarah Adamson
Name: _____
Notary Public
My Commission Expires: _____



ASSIGNEE:

HIBBARD ENERGY, L.P.

By: Wallace Hibbard
Name: Wallace Hibbard
Title: President

STATE OF TEXAS §
 §
COUNTY OF Smith §

This instrument was acknowledged before me this 8th day of March 2022 by Wallace Hibbard, President of Hibbard Energy, L.P., a Texas limited partnership, on behalf of said limited partnership.

SEAL



Christie Gray
Name: Christie Gray
Notary Public
My Commission Expires: 8-11-2024



EXHIBIT "A-1"
WELLS

EER PROP #	API	WELL NAME	WELL NUMBER	STATE	COUNTY	SURVEY	ABSTRACT
0594.001.01	4205133322	ALTIMORE SCARMARDO UNIT	1	TX	BURLESON	W. RALEIGH	A-47
0965.001.01	4205132795	BOWSER	1	TX	BURLESON	B. BROOKS	A-274
0586.001.01	4205133012	MCKINNEY JD	1	TX	BURLESON	J. FULCHER	A-117
0958.001.01	4205130593	PILLOW CURTIS	1	TX	BURLESON	J. BIRD	A-5
0585.001.03	4205130854	SPRINGER JOHN W	1	TX	BURLESON	E. H. HALL	A-134
0591.001.01	4205131053	WEICHERT THEODORE	1	TX	BURLESON	A. M. COOPER	A-81
0591.002.01	4205131996	WEICHERT THEODORE	2	TX	BURLESON	A. M. COOPER	A-81

END OF EXHIBIT "A-1"

00475

EXHIBIT "A"
LEASES

LESSOR	LESSEE	LEASE DATE	VOLUME	PAGE	STATE	COUNTY	SURVEY	ABSTRACT	LEGAL DESCRIPTION
PETE M. ALTIMORE, SR., AND WIFE MARY O. ALTIMORE	UNION PACIFIC RESOURCES COMPANY	4/9/1992	200	559	TEXAS	BURLESON	W. RALEIGH	A-47	INSOFAR AS LEASE LIES WITHING THE ALTIMORE-SCARMARDO UNIT #1 AS DESCRIBED IN DESIGNATION OF UNIT DATED SEPTEMBER 2, 1992, RECORDED IN VOLUME 206, PAGE 803 OF THE OIL AND GAS LEASE RECORDS OF BURLESON COUNTY, TEXAS
ROSALIE SCARMARDO, ET AL	UNION PACIFIC RESOURCES COMPANY	3/23/1992	199	379	TEXAS	BURLESON	W. RALEIGH	A-47	INSOFAR AS LEASE LIES WITHING THE ALTIMORE-SCARMARDO UNIT #1 AS DESCRIBED IN DESIGNATION OF UNIT DATED SEPTEMBER 2, 1992, RECORDED IN VOLUME 206, PAGE 803 OF THE OIL AND GAS LEASE RECORDS OF BURLESON COUNTY, TEXAS
STATE OF TEXAS M-94905 <i>MF094905</i>	UNION PACIFIC RESOURCES COMPANY	4/7/1992	204	77	TEXAS	BURLESON	W. RALEIGH	A-47	INSOFAR AS LEASE LIES WITHING THE ALTIMORE-SCARMARDO UNIT #1 AS DESCRIBED IN DESIGNATION OF UNIT DATED SEPTEMBER 2, 1992, RECORDED IN VOLUME 206, PAGE 803 OF THE OIL AND GAS LEASE RECORDS OF BURLESON COUNTY, TEXAS
ERMA BUTTS AND JUANITA MOSLEY	SKELLY STRONG, JR.	5/12/1984	117	610	TEXAS	BURLESON	B. BROOKS	A-274	5 ACRES OUT OF THE BLUFORD BROOKS SURVEY, A-274, MORE FULLY DESCRIBED IN LEASE
WILLIE BOWSER AND WIFE, MAMIE BOWSER	R. A. BOWERS	2/23/1977	20	425	TEXAS	BURLESON	B. BROOKS	A-274	20 ACRES OUT OF THE BLUFORD BROOKS SURVEY, A-274, MORE FULLY DESCRIBED IN LEASE
JAMES D. MCKINNEY AND WIFE, LAURINE W. MCKINNEY	DWIGHT SNELL & ASSOCIATES	6/23/1988	150	338	TEXAS	BURLESON	J. FULCHER, N. A. MCFADDIN	A-117, A-38	125 ACRES OF LAND, MORE OR LESS, IN THE JAMES FULCHER SURVEY, A-117, AND THE N. A. MCFADDIN SURVEY, A-38, BURLESON COUNTY, TEXAS, MORE FULLY DESCRIBED IN LEASE, SAVE AND EXCEPT ALL THAT PORTION OF THE LEASE LYING WITHIN THE BLAZEK-MCKINNEY UNIT #1 AS DESCRIBED IN DESIGNATION OF UNIT DATED AUGUST 19, 1990, RECORDED IN VOLUME 171 PAGE 510 OF THE OIL AND GAS LEASE RECORDS OF BURLESON COUNTY, TEXAS
CALDWELL INDEPENDENT SCHOOL DISTRICT	R. A. BOWERS	11/13/1979	32	432	TEXAS	BURLESON	J. BIRD	A-5	1.8 ACRES OF LAND, MORE OR LESS, OUT OF THE JOHN BIRD LEAGUE, A-5, MORE FULLY DESCRIBED IN LEASE
CURTIS W. PILLOW	MARSHALL A. HARRELL	8/13/1976	19	122	TEXAS	BURLESON	J. BIRD	A-5	TWO TRACTS OF LAND OUT OF THE JOHN BIRD LEAGUE, A-5, MORE FULLY DESCRIBED IN LEASE



**EXHIBIT "A"
LEASES**

LESSOR	LESSEE	LEASE DATE	VOLUME	PAGE	STATE	COUNTY	SURVEY	ABSTRACT	LEGAL DESCRIPTION
ZELLA PILLOW	MARSHALL A. HARRELL	8/13/1976	19	125	TEXAS	BURLESON	J. BIRD	A-5	26.2 ACRES OF LAND, MORE OR LESS, OUT OF THE JOHN BIRD LEAGUE, A-5, MORE FULLY DESCRIBED IN LEASE
JOHN WILLIAM SPRINGER	FRED PRICKETT	4/15/1976	18	104	TEXAS	BURLESON	E. H. HALL	A-134	100 ACRES, MORE OR LESS, OUT OF THE E. H. HALL SURVEY, A-134, MORE FULLY DESCRIBED IN LEASE
THEODORE WEICHERT AND WIFE, ROSIE WEICHERT	CHAMPLIN PETROLEUM COMPANY	5/14/1976	17	7	TEXAS	BURLESON	A. M. COOPER	A-81	INSOFAR AS LEASE LIES WITHIN THE 160.0 PRORATION UNIT FOR THE T 2 WEICHERT WELL

END OF EXHIBIT "A"



**EXHIBIT "A-2"
CONTRACTS**

AGREEMENT TYPE	GRANTOR/ OPERATOR	GRANTEE/ NON-OPERATOR	DATE	VOLUME	PAGE	STATE	COUNTY	WELL
DESIGNATION OF UNIT	UNION PACIFIC RESOURCES COMPANY		9/2/1992	206	803	TEXAS	BURLESON	ALTIMORE-SCARMARDO UNIT NO. 1
TERM POOLING AGREEMENT	COMMISSIONER OF THE GENERAL LAND OFFICE ON BEHALF OF THE STATE OF TEXAS	UNION PACIFIC RESOURCES COMPANY	9/4/1992	207	195	TEXAS	BURLESON	ALTIMORE SCARMARDO UNIT #1
GAS PURCHASE CONTRACT	ENDEAVOR ENERGY RESOURCES, L.P., ET AL.	DEVON GAS SERVICES, L.P.	3/1/2004	NOT RECORDED	NOT RECORDED	TEXAS	BRAZOS & BURLESON	#8746: MCKINNEY ID #1, SPRINGER JOHN W #1, WEICHERT THEODORE #1 & #2
GAS PURCHASE CONTRACT	ENDEAVOR ENERGY RESOURCES, L.P., ET AL.	DEVON GAS SERVICES, L.P.	10/1/2002	NOT RECORDED	NOT RECORDED	TEXAS	BURLESON	#8592: BROWN R #1 AND REED NEWBERRY #2
GAS PURCHASE CONTRACT	ENDEAVOR ENERGY RESOURCES, L.P., ET AL.	DEVON GAS SERVICES, L.P.	10/1/2002	NOT RECORDED	NOT RECORDED	TEXAS	BURLESON	#8602: PILLOW CURTIS #1

END OF EXHIBIT "A-2"



99723

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File No. MF094905
Assign # 11219
Endover (71) Hibbard
10-7-22
George P. Bush, Commissioner
[Signature]