

MF094912

Term 11-1-08

#2151

13.48 UNIT ACRES

State Lease MF094912 Control 04-102908 Base File 154560 County BURLESON

#2195

9.61 UNIT ACRES

29.91 NON-UNIT ACRES RELEASED ~~JA~~

Survey MCWILLIAMS WM
Block
Block Name
Township
Section/Tract
Land Part
Part Description PART
Acres ~~55~~ 23.09 9.61
Depth Below Depth Above Depth Other See Lease

Leasing: _____

Name UNION PACIFIC RESOURCES

Analyst: _____

Lease Date 4/7/1992

Maps: ~~JA~~

Primary Term 3 yrs

GIS: MC

Bonus (\$) \$26,871.00

Rental (\$) \$5.00

Lease Royalty 0.2000



CAUTION

Documents in this file have been placed in Table of Contents order and scanned.

Please help keep documents in content order and let the ScanLab know when new documents are added to this file.

Thank you for your assistance.

Archives and Records Staff

Vertical navigation strip with labels: -M-, F, 0, 9, 4, 9, 1, 2, UNION PACIFIC RESOURCES, F291160

Unit

#2195/9.57 unit ac.
~~#2195/13.48 unit ac.~~

#2195 13.48 UNIT AC
BALANCE NON-UNIT = 29.91 AC. - Released
4/7/95 M.S.

#2195 9.61 = 23.09
#2151 13.48 29.91

STATE LEASE - UPLANDS M-94912

COUNTY (CODE) : BURLESON (26)
 SURVEY : B.C.I.D. NO. 1
 BLOCK : _____
 TOWNSHIP : _____
 SECTION : 9
 PART : SEE LEASE
 ACRES : ~~53.00~~ ~~23.05~~ ~~29.91~~ 9.57
 DEPTH LIMITS : _____
 BASE FILE (S) : 154560
 CONTROL NO. (S) : 04-10290-8

LESSEE : Union Pacific Resources Co.
 DATE : 4/7/92
 PRIMARY TERM : 3 years
 BONUS : \$26,871.00
 ROYALTY : *
 RENTALS : \$5.00

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

PARTIAL 6-22-95
Released 6-22-95 M.S.

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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 - 629

Telephone (817) 877-7272

AREA DESCRIPTION

County(ies) Burleson Survey/
Area Wm McWilliams A-39
(If Applicable)

Block/Tsp (If Applicable) Section/Tract Acres 53.00

BID SUBMISSION

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

Cash Bonus Enclosed Twenty-Six thousand Eight hundred Seventy-One

& 00/100 (Dollars) \$ 26,871.00 **92038188**

Sales Fee Attached Four hundred Three & 07/100

(Dollars) \$ 403.07 **92038189**

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.

21

APPLICANT(S)

Union Pacific Resources Company

BONUS AMOUNT ENCLOSED

(\$) 26,871.00

801 Cherry Street, Fort Worth, TX

APPLICANT
TAX I.D. NUMBER

[REDACTED]

SIGNATURE OF
APPLICANT/AGENT

[Signature]



CHART BOARD

M-94912 (1)
BID FORM
4-7-92

The State of Texas



Austin, Texas

OIL AND GAS LEASE
NO. M-94912

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 MCWILLIAMS SURVEY, A-39 BURLESON COUNTY, TEXAS, BEING 53.00 ACRES, APPROXIMATELY, AS DESCRIBED BY METES AND BOUNDS IN A DEED TO THE BURLESON COUNTY IMPROVEMENT DISTRICT NO. 1, OF RECORD IN VOLUME 40, PAGE 98, VOLUME 40, PAGE 101, VOLUME 40, PAGE 102, AND VOLUME 40, PAGE 103, DEED RECORDS OF BURLESON COUNTY, TEXAS, LESS, SAVE AND EXCEPT THEREFROM ANY PORTION OF LAND AS MAY BE NOW A PART OF THE RIVERBED OF THE BRAZOS RIVER OR WHICH MAY NOW BE LOCATED IN BRAZOS COUNTY, TEXAS, AND 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 Twenty-six Thousand Eight Hundred Seventy-one and No/100 Dollars (\$26,871.00), 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.

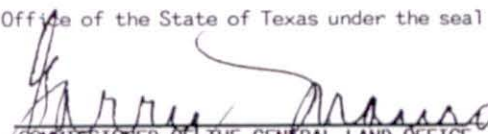
24. **RAILROAD COMMISSION HEARINGS ON GAS:** No natural gas or casinghead gas, including both associated and non-associated gas, produced from the mineral estate subject to this lease may be sold or contracted for sale to any person for ultimate use outside the State of Texas unless the Railroad Commission 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-94912

DATE 4-7-92 BY MICK

2.

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. 21

M-94912

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,

A handwritten signature in black ink that reads "Garry Mauro".
Garry Mauro

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



10!

PLEASE SIGN THE RECEIPT COPY AND RETURN
DETACH STATEMENT BEFORE DEPOSITING

ST. OF TX M-94912
STEPHEN F AUSTIN BLDG

1700 NORTH CONGRESS AVE
AUSTIN TX 78701

AMOUNT
93038917
\$265*00

FOR CREDIT TO:

04/07/92	TX	BURLESON	V204 P70	12	04/07/98	01	TX2	45516
LEASE DATE	STATE	COUNTY OR PARISH	RECORDING	MOS.	FOR PERIOD BEGINNING	ETY.	COMPANY LEASE NUMBER	

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

121215

FORM LND-37-1
(01-89)

Wm Pacific Resources

LESSOR: ST OF TX M-94912

① M-94912
Rental Payment
3-5-93



#2151

DO NOT DESTROY

GLO-36-10-84

-MEMO-

17307399737

Operator Union Pacific Resources

Unit Name Gaubatz - yegua Unit #1

County ⁰³ Burleson

Effective Date 2-2-93

Unitized for: Oil Gas Oil & Gas

1. M.F. No. 094912

Area Uplands Tr. _____

Sec. _____ Blk. _____ Survey _____

13.48	/	640.00	x	1/5	=	.4212	%
.021062				.20		.004212	

2. M.F. No. 095040

Area Uplands Tr. _____

Sec. _____ Blk. _____ Survey _____

38.46	/	640.00	x	1/5	=	1.2018	%
.060093				.20		.012018	

3. M.F. No. _____

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

_____ x _____ = _____ %

4. M.F. No. _____

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

_____ x _____ = _____ %

REMARKS:

TEMPORARY

POOLING COMMITTEE REPORT

TO: SCHOOL LAND BOARD

DATE: February 2, 1993

OPERATOR: Union Pacific Resources Co. COUNTY: Burleson

UNIT NAME: Gaubatz-Yegua Unit #1 FIELD: Clay, NE.
(Austin Chalk 11350)

STATE LEASE(S) IN UNIT

Lease *Type	State Number	State Royalty	Expiration Date	Term Year	Acres Acres	Acres In Unit	Lessee of Record
SF	M-95040	1/4 **	8-4-94	2	550	38.46	UPRC
SF	M-94912	1/4 **	4-7-95	3	53	13.48	UPRC

** Subject to Royalty Reduction Provision

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

PRIVATE ACRES: 588.06

STATE ACRES: 51.94

TOTAL UNIT ACRES: 640.00

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 8.12%

State Unit Royalty 1.62%

Railroad Commission Rules: Spacing 830.33 Acres

Acreage Factor 77.08%

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

Holds only acreage included in the unit past primary term: Yes x No _____

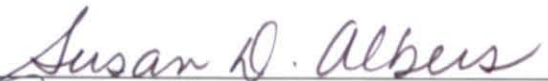
Satisfactory geological data furnished: Yes x No _____

REMARKS:


- . Union Pacific Resources Company is requesting temporary six month oil and gas pooling to all depths.
- . The applicant spudded the proposed unit well on January 20, 1993. The proposed horizontal length is 4,252.76 feet. The operator plans on completing a horizontal gas 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 1.62%.
- . 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:

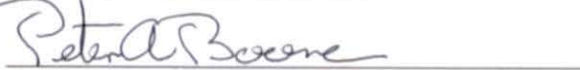
- . The Pooling Committee recommends Board approval of a six month temporary unit, under the provisions as set out above.



Susan D. Albers



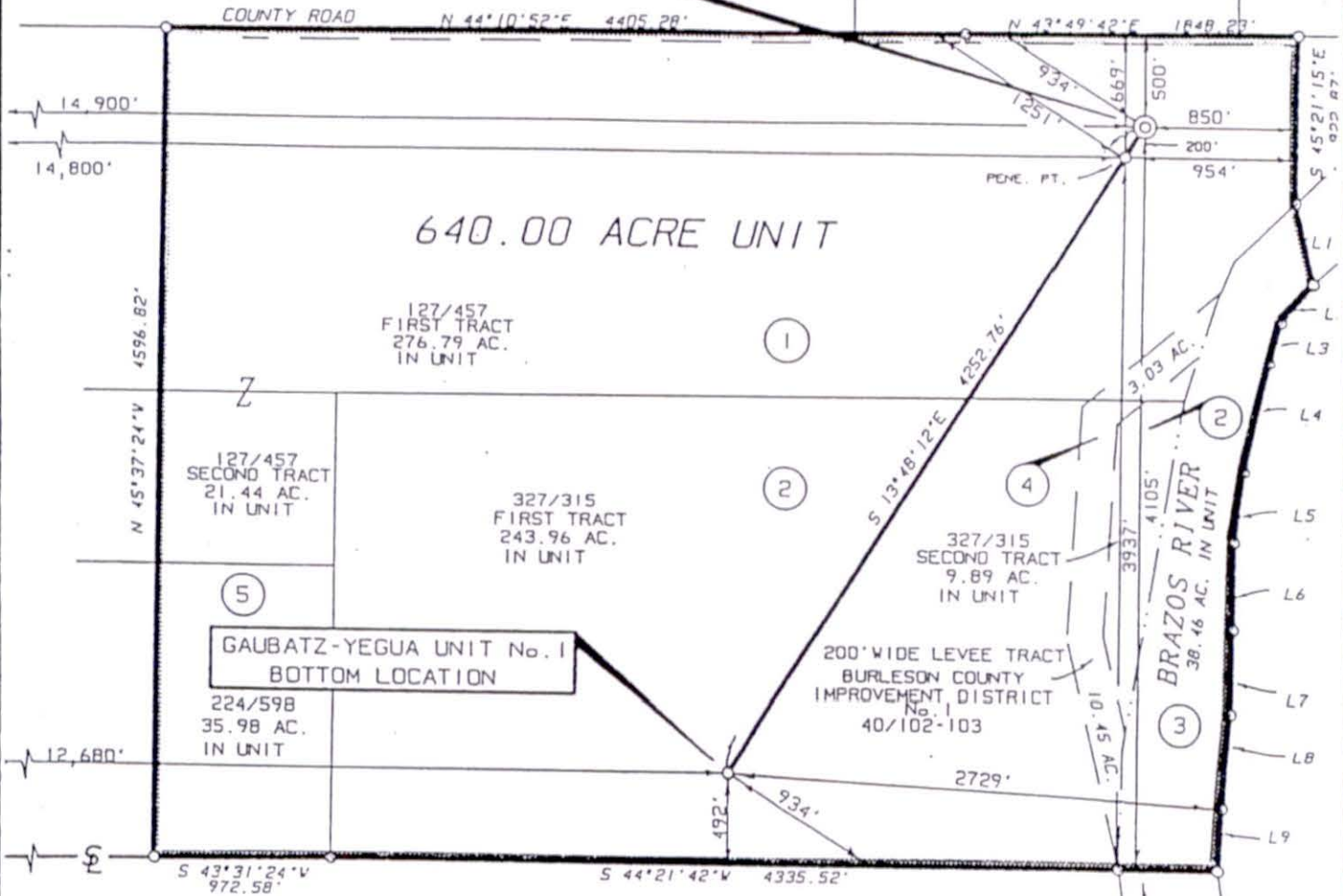
Priscilla M. Hubenak



Peter A. Boone

WM. McWILLIAMS A-39

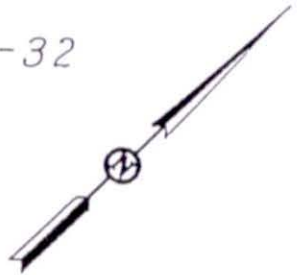
UNION PACIFIC RESOURCES COMPANY
GAUBATZ-YEGUA UNIT No. 1
SURFACE LOCATION ELEV. +209 FEET



GAUBATZ-YEGUA UNIT No. 1
BOTTOM LOCATION

GAUBATZ-YEGUA UNIT No. 1 DEED RECORDS KENNON A-32

TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL./PG
1	298.23	Mrs. WILLIE GAUBATZ	127/457 FIRST & SECOND TR
2	253.85	YEGUA PROPERTIES, LTD. FIRST CITY, TEXAS-BRYAN H.A.	327/315
3	38.46	STATE OF TEXAS M-95040	STATE LSE No. M-95040
4	13.48	STATE OF TEXAS M-94912	48/183
5	35.98	YEGUA PROPERTIES LTD.	224/598 TRACT 1
640.00 ACRES TOTAL IN UNIT			



Union Pacific Resources Company
Gaubatz-Yegua Unit #1
Clay, NE (Austin Chalk, 11350)
M-94912, M-95040
Burleson County

⑤ M-94912

Pooling Committee Rpt.

FILED: 3-17-93

TERM POOLING AGREEMENT
UNION PACIFIC RESOURCES COMPANY
GAUBATZ-YEGUA UNIT NO. 1
BURLESON COUNTY, 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 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 640 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 February 2, 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 August 2, 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 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.

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; 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.

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 3-15-93

Legal
Geology
Execution

STATE OF TEXAS

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

Date Executed _____

UNION PACIFIC RESOURCES COMPANY

By _____

Its _____

ATTEST:

Date Executed _____

UNION PACIFIC RESOURCES COMPANY

By Carolyn J. David
Its ATTORNEY IN FACT

*je
vw
p*

ATTEST:

Date Executed _____

Sinclair Oil Corporation

Attest:

By _____

Its _____

Date Executed _____

Torch Energy Associates

Attest:

By _____

Its _____

Date Executed _____

Nuevo Energy Company

Attest:

By _____

Its _____

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 February, 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 10th day of March, 1993.

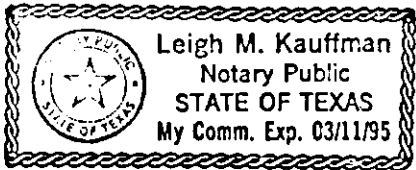
Linda K. Fisher
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on February 10, 1993, by Carolyn J. Davis 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: _____



Date Executed _____

ATTEST:

Date Executed _____

Attest:

Date Executed _____

Attest:

Date Executed _____

Attest:

UNION PACIFIC RESOURCES COMPANY

By Carolyn David *cc*
Its _____ *VWHS*
filler

Sinclair Oil Corporation

By _____

Its _____

Torch Energy Associates

By _____

Its **MATTHEW S. RAMSEY**
Vice President

Approval
JR

Nuevo Energy Company

By _____

Its **MATTHEW S. RAMSEY**
Senior Vice President - Land

Approval
JR

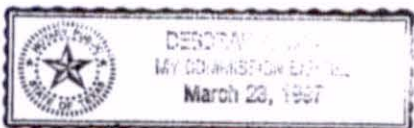
STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1993, by _____, the _____ of SINCLAIR OIL CORPORATION, a _____ corporation, on behalf of said corporation.

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

STATE OF Texas
COUNTY OF Harris

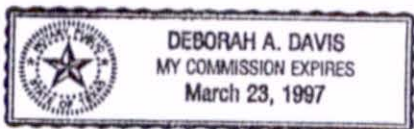
This instrument was acknowledged before me on the 18th day of February, 1993, by Matthew S. Ramsey, the _____ of TORCH ENERGY ASSOCIATES, a _____ corporation, on behalf of said corporation.



Deborah A. Davis
Notary Public in and for the
State of Texas
My commission expires: 3-23-97

STATE OF Texas
COUNTY OF Harris

This instrument was acknowledged before me on the 18th day of February, 1993, by Matthew S. Ramsey, the SR. V.P. - Land of NUEVO ENERGY COMPANY, a Delaware corporation, on behalf of said corporation.



Deborah A. Davis
Notary Public in and for the
State of Texas
My commission expires: 3-23-97

Date Executed _____

UNION PACIFIC RESOURCES COMPANY

By Carolyn D. David
Its _____ *cc VWVW*

ATTEST:

Date Executed 2-17-93

Sinclair Oil Corporation
By Kenneth T. Smith
Its Vice President *JK*

Attest:

Date Executed _____

Torch Energy Associates

Attest:

By _____

Its _____

Date Executed _____

Nuevo Energy Company

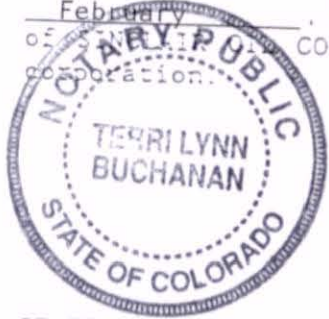
Attest:

By _____

Its _____

STATE OF Colorado
COUNTY OF Denver

This instrument was acknowledged before me on the _____ day of
February, 1993, by Kenneth T. Smith, the Vice President
of _____ CORPORATION, a Wyoming corporation, on behalf of said
corporation.



[Handwritten Signature]

Notary Public in and for the
State of Colorado
My commission expires: 10-29-96

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of
_____, 1993, by _____, the _____
of TORCH ENERGY ASSOCIATES, a _____ corporation, on behalf of said
corporation.

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

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of
_____, 1993, by _____, the _____
of NUEVO ENERGY COMPANY, a _____ corporation, on behalf of said
corporation.

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

Attached to and made a part of that certain Term Pooling Agreement for the Gaubatz-Yegua Unit #1.

FIELD NOTES

GAUBATZ - YEGUA UNIT No. 1
640.00 ACRE UNIT

Being 640.00 acres of land out of the William McWilliams Survey, Abstract No. 39, in Burleson County, Texas and out of the Brazos River in Burleson County, Texas and Brazos County, Texas; being 298.23 acres of land out of those certain tracts of land, described as First Tract and Second Tract in a deed to Phillips Petroleum Company, recorded in Volume 127, Page 457, being 253.85 acres of land described as First Tract and Second Tract, conveyed to Roy H. Cullen, Trustee, by deed recorded in Volume 327, Page 315, being 35.98 acres of land out of that certain tract of land described as Tract No. 1, conveyed to Dee S. Osborne, Trustee, by deed recorded in Volume 224, Page 598, being 13.48 acres of land out of those certain tracts of land conveyed to Burleson County Improvement District No. 1, by deeds recorded in Volume 40, Pages 102 and 103, all in the Deed Records of Burleson County, Texas, being 38.46 acres of land located within the banks of the Brazos River, and being more particularly described as follows:

BEGINNING at an iron rod found at a post for the east corner of that certain tract of land described as Tract 1, in said deed recorded in Volume 224, Page 598, and being the south corner of that certain tract of land described as First Tract in said deed recorded in Volume 327, Page 315;

THENCE S 43°31'24" W, along the southeast line of said Tract 1, recorded in Volume 224, Page 598, a distance of 972.58 feet to a point for the south corner of the herein described unit;

THENCE N 45°37'24" W, traversing the interior of said tract recorded in Volume 224, Page 598, and traversing the interior of said tracts recorded in Volume 127, Page 457, a distance of 4596.82 feet to a point on the northwest line of said First Tract, recorded in Volume 127, Page 457 for the west corner of the herein described unit;

THENCE N 44°10'52" E, along the northwest line of said First Tract, recorded in Volume 127, Page 457, a distance of 4405.28 feet to a fence corner post;

THENCE N 43°49'42" E, continuing along the northwest fenced line of said First Tract, a distance of 1848.23 feet to a fence corner post for the north corner of the herein described unit;

THENCE S 45°21'15" E, along the fenced northeast line of said First Tract, recorded in Volume 127, Page 457, a distance of 922.87 feet to a fence corner post on the west bank of the Brazos River;


THENCE S 59°13'25" E, a distance of 456.29 feet to a point on the east bank of the Brazos River;

THENCE along the east bank of the Brazos River the following eight (8) courses and distances:

- 1) S 06°02'08" E, 278.52 feet,
- 2) S 30°28'41" E, 236.66 feet,
- 3) S 33°12'07" E, 623.19 feet,
- 4) S 37°59'04" E, 393.72 feet,
- 5) S 45°47'02" E, 482.58 feet,
- 6) S 44°39'13" E, 467.88 feet,
- 7) S 41°07'21" E, 512.95 feet,
- 8) S 42°24'25" E, 344.29 feet to a point for the east corner of the herein described unit;

THENCE S 44°21'42" W, a distance of 556.52 feet a point on the west bank of the Brazos River

THENCE S 44°21'42" W, along the southeast line of said First Tract recorded in Volume 327, Page 315, a distance of 4335.52 feet to the PLACE OF BEGINNING and containing 640.00 acres of land, more or less.



Warren L. Simpson

Warren L. Simpson
Registered Professional Land Surveyor No. 4122
November 17, 1992

2 of 2

LIMITED TO THE AUSTIN CHALK FORMATION, as found between 10,005 feet and 10,495 feet in the LaSalle #1 Arhopulos Well, which is located 19,000 feet from the NE line and 3200 from the SE line of the S. Davidson Survey, A-13, Brazos County Texas.

Exhibit "A"

Attached to and made a part of that certain Term Pooling Agreement for the Gaubatz-Yegua Unit #1.

Schedule of Leases

Lessor: Mrs. Willie Gaubatz TX-40941
Lessee: Union Pacific Resources Company
Date: October 4, 1991
Filed: Oil and Gas Lease Records of Burleson County
Recorded: Volume 162, Page 211

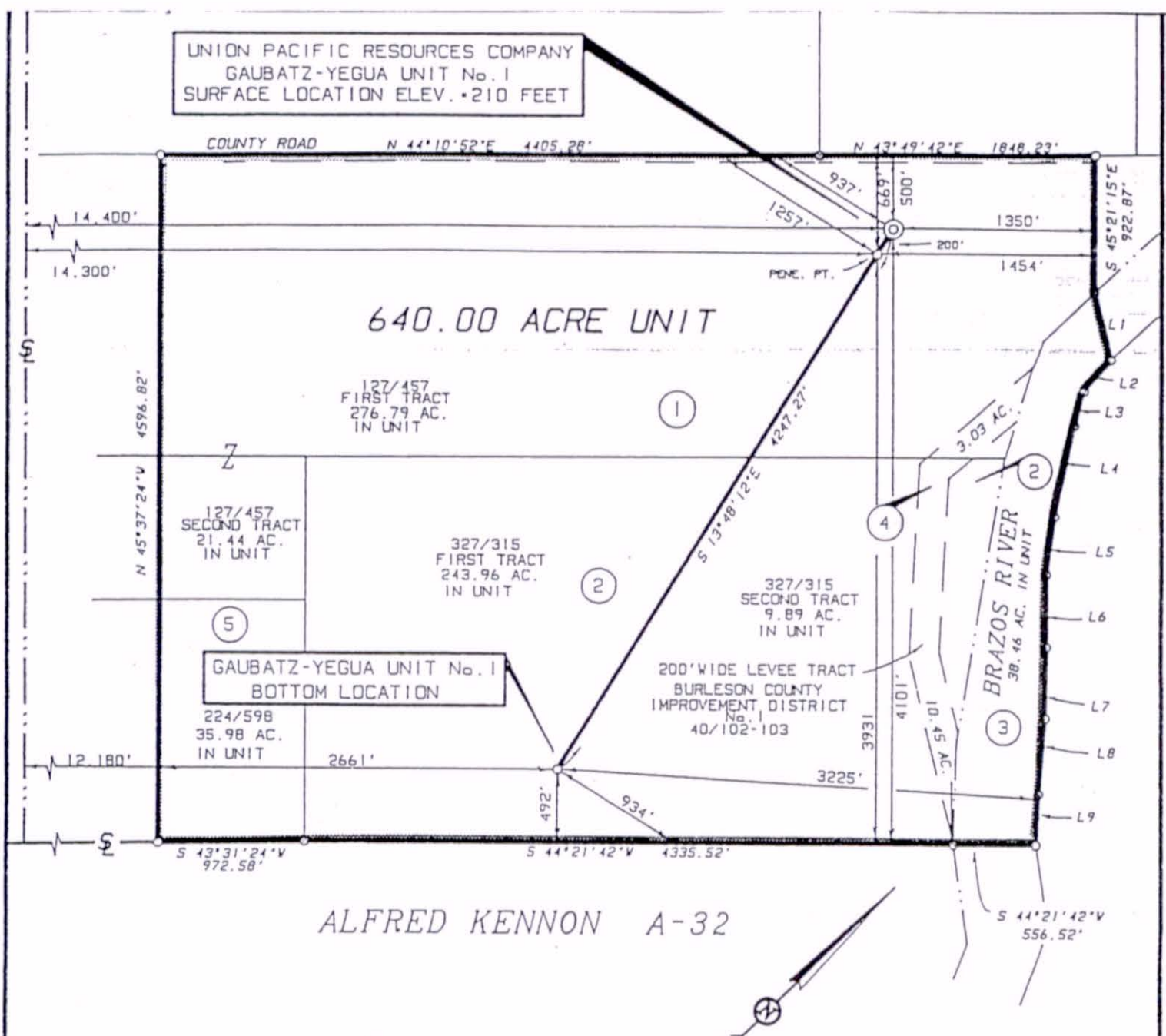
Lessor: State of Texas M-95040 TX-46248
Lessee: Union Pacific Resources Company
Date: August 4, 1992
Filed: Oil and Gas Lease Records of Burleson County
Recorded: Volume 207, Page 313
Filed: Official Records of Brazos County
Recorded: Volume 1612, Page 219

Lessor: State of Texas M-94912 TX-45516
Lessee: Union Pacific Resources Company
Date: April 7, 1992
Filed: Oil and Gas Lease Records of Burleson County
Recorded: Volume 204, Page 70

Lessor: First City, Texas-Bryan, N.A. TX-42632 (10)
Lessee: Union Pacific Resources Corporation
Date: June 11, 1990
Filed: Oil and Gas Lease Records of Burleson County
Recorded: Volume 166, Page 464

Lessor: Yegua Properties, Ltd. TX-42632 (1)
Lessee: Union Pacific Resources Corporation
Date: October 12, 1990
Filed: Oil and Gas Lease Records of Burleson County
Recorded: Volume 177, Page 79

Attached to and made a part of that certain Term Pooling Agreement for the Gaubatz-Yegua Unit #1.



ALFRED KENNON A-32

NOTES:

- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- 2) WELL IS LOCATED 7.2 MILES EAST SOUTHEAST OF SNOOK, TEXAS
- 3) INDICATES LIMITS OF UNIT
- 4) EASEMENTS RECORDED IN VOL 284/PG 911 & VOL 284/PG 913 ARE BLANKET EASEMENTS TO WESCO PIPELINE CO.
- 5) EASEMENT RECORDED IN VOL 283/PG 666 TO CLAJON GAS CO. DOES NOT AFFECT THIS UNIT.
- 6) STATE PLANE COORDINATE DATA, 1927 DATUM
 SURFACE LOCATION
 X• 3,255,968
 Y• 315,811
 BOTTOM LOCATION
 X• 3,257,131
 Y• 311,726

LINE TABLE

L 1	S 59°13'25"E	456.29'
L 2	S 06°02'08"E	278.52'
L 3	S 30°28'41"E	236.66'
L 4	S 33°12'07"E	623.19'
L 5	S 37°59'04"E	393.72'
L 6	S 45°47'02"E	482.58'
L 7	S 44°39'13"E	467.88'
L 8	S 41°07'21"E	512.95'
L 9	S 42°24'25"E	344.29'

GAUBATZ-YEGUA UNIT No. 1

TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL/PG
1	298.23	Mr. WILLIE GAUBATZ	127/457 FIRST & SECOND TR
2	253.85	YEGUA PROPERTIES, LTD. FIRST CITY, TEXAS-BRYAN N.A.	327/315
3	38.46	STATE OF TEXAS	STATE LSE No. M-95040
4	13.48	STATE OF TEXAS	40/102 40/103
5	35.98	YEGUA PROPERTIES LTD.	224/598 TRACT 1
640.00 ACRES TOTAL IN UNIT			

SURVEYED MAY 18, 1992
 REVISED NOVEMBER 17, 1992 (UNIT CONFIGURATION & DRAIN HOLE DIRECTION)
 REVISED JANUARY 11, 1993 (MOVE SURFACE LOCATION AND BOTTOM LOCATION)

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
 GAUBATZ-YEGUA UNIT No. 1
 WM. McWILLIAMS SURVEY, A-39
 BURLESON COUNTY, TEXAS
 SCALE 1" = 1000'

⑥ M-94912
Pooling Agreement
(Temporary - Gaubatz - Yegua)
FILED: 3-17-93

2195

DO NOT DESTROY

GLO-36-10-84

-MEMO-

#000031777

Operator Union Pacific Resources

Unit Name J.K. Lassig Unit #1

County ⁰³ Brazos & Burleson

Effective Date 4-6-93

Unitized for: Oil Gas Oil & Gas

1. M.F. No. 094912

Area Uplands Tr. 2

Sec. 7.57 Blk. 600.00 Survey 1/4

600.00 x 1/4 = .3987 %
.01595 .25 = .003987

2. M.F. No. 095040

Area Tr. 3

Sec. 29.05 Blk. 600.00 Survey 1/4

600.00 x 1/4 = 1.2104 %
.048416 .25 = .012104

3. M.F. No.

Area Tr.

Sec. Blk. Survey

 x = %

4. M.F. No.

Area Tr.

Sec. Blk. Survey

 x = %

REMARKS: Royalty changes to .20000 if unit is approved. Right now it is temporary.

POOLING COMMITTEE REPORT

TEMPORARY

TO: SCHOOL LAND BOARD
 DATE: April 6, 1993
 OPERATOR: Union Pacific Resources Co. COUNTY: Brazos & Burleson
 UNIT NAME: J.K. Lassig Unit No. 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
SF	M-95040	1/4**	8-5-94	2	550	29.05	UPRC
SF	M-94912	1/4**	4-7-95	3	53	9.57	UPRC

** Subject to Royalty Reduction Provision

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

PRIVATE ACRES: 561.38
 STATE ACRES: 38.62
 TOTAL UNIT ACRES: 600.00

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 625.73 Acres
 State Acreage 6.44% Acreage Factor 100%
 State Unit Royalty 1.29%


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:

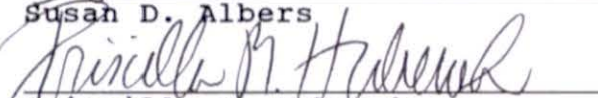
- . Union Pacific Resources Company is requesting temporary six month oil and gas pooling to all depths.
- . The operator plans on drilling a horizontal oil well to test the Austin Chalk Formation. The proposed horizontal length is 4,054.02 feet. The proposed unit well was spudded on March 20, 1993.
- . If the unit is approved, the applicant will earn a royalty reduction to 20%, making the State's unit royalty participation 1.29%.
- . 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.



Susan D. Albers



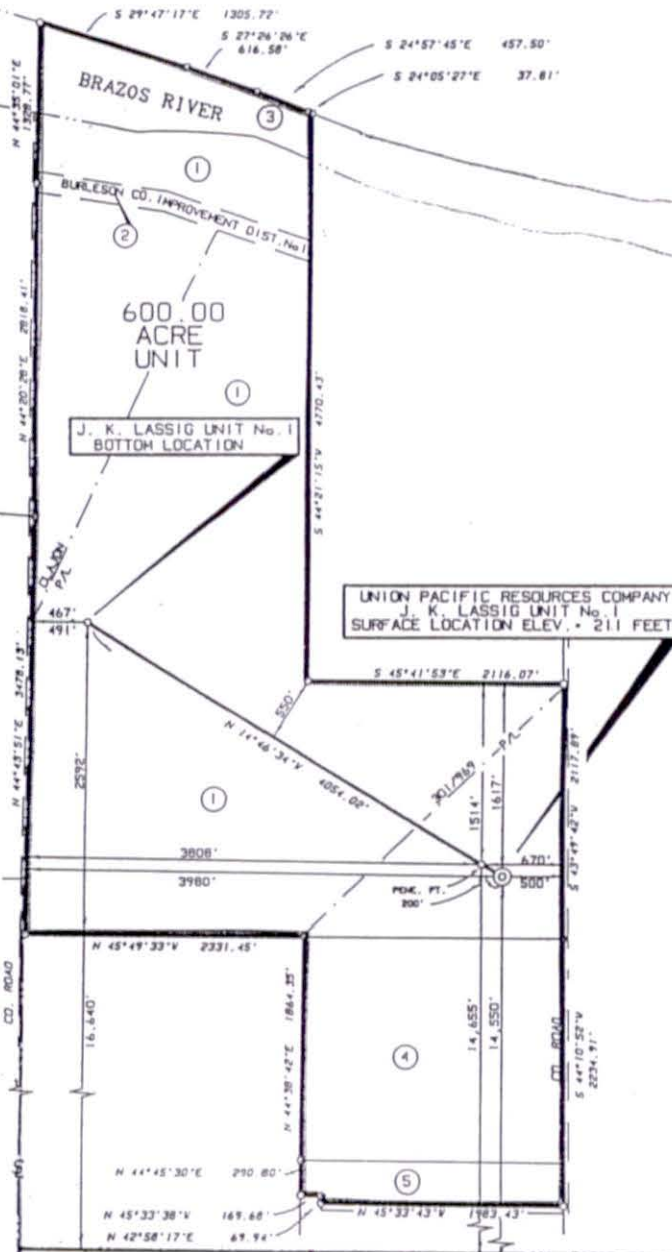
Priscilla M. Hubenak



Peter A. Boone

JOHN P. COLES A-12

WM McWILLIAMS A-39



WALTER R. DALLAS

JOHN P. COLES

JOHN H. HARRELL

Union Pacific Resources Company
J. K. Lassig Unit No.1
Giddings (Austin Chalk-3)
M-94912, M-95040
Burleson County

⑦ M-94912

Pooling Committee Rpt

FILED: 6-16-93

TERM POOLING AGREEMENT
UNION PACIFIC RESOURCES COMPANY
J. K. LASSIG 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 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 600 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, 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 6-10-93

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

Legal BU
Geology JK
Execution [Signature]

Date Executed MAY 3, 1993

UNION PACIFIC RESOURCES COMPANY

JB
JKM
By Carolyn J. David
Its Attorney-In-Fact

ATTEST:

Date Executed _____

SINCLAIR OIL CORPORATION

By _____

Its _____



- (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.

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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, 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.

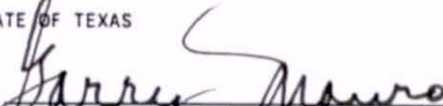
This Agreement may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Agreement are executed, the executed 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 _____

Legal
Geology
Execution 

STATE OF TEXAS

By 
Garry Mauro, Commissioner
of the General Land Office

Date Executed MAY 3, 1993

UNION PACIFIC RESOURCES COMPANY

JB
JRM
By Carolyn J. David
Its Attorney-in-Fact

ATTEST:

Date Executed 5-6-93

SINCLAIR OIL CORPORATION

By Kenneth T. Smith
Kenneth T. Smith
Its Vice President JRM

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 2nd day of June, 1993.

Linda K. Fisher
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF Tarrant

This instrument was acknowledged before me on May 3, 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 COLORADO
COUNTY OF DENVER

This instrument was acknowledged before me on _____, 1993, by _____ as _____ of Sinclair Oil Corporation, a Wyoming corporation, on behalf of said corporation.

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

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 6th day of 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 _____ day of _____, 1993.

Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF Tarrant

This instrument was acknowledged before me on May 3, 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 COLORADO
COUNTY OF DENVER

This instrument was acknowledged before me on 5-6, 1993, by Kenneth T. Smith as Vice President of Sinclair Oil Corporation, a Wyoming corporation, on behalf of said corporation.



Terri Lynn Buchanan
Notary Public in and for the
State of Colorado
Commission expires: 10-29-96

Exhibit "A"

Lease #: TX1-41224(1)
Lessor: Florine Sowar Borden
Lessee: Union Pacific Resources Company
Dated: May 21, 1990
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 167, Page 379

Lease #: TX1-41224(2)
Lessor: Dorothy Gunter Armstrong
Lessee: Union Pacific Resources Company
Dated: May 21, 1990
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 165, Page 806

Lease #: TX1-41224(3)
Lessor: William Batte Bryant
Lessee: Union Pacific Resources Company
Dated: May 21, 1990
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 165, Page 814

Lease #: TX1-41224(4)
Lessor: Eloise Kadell Schreiner
Lessee: Union Pacific Resources Company
Dated: May 21, 1990
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 168, Page 733

Lease #: TX1-41224(5)
Lessor: Eleanor Miller Reese
Lessee: Union Pacific Resources Company
Dated: May 21, 1990
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 165, Page 818

Lease #: TX1-41224(6)
Lessor: Albert Richard Kadell
Lessee: Union Pacific Resources Company
Dated: May 21, 1990
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 165, Page 810

Lease #: TX1-41224(7)
Lessor: John K. Lassig, et ux
Lessee: Union Pacific Resources Company
Dated: October 12, 1990
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 174, Page 66

Lease #: TX1-43819
Lessor: Marshall H. Worthington
Lessee: Union Pacific Resources Company
Dated: January 31, 1992
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 199, Page 649

Lease #: TX1-44743
Lessor: Jack W. Conaway, et ux
Lessee: Union Pacific Resources Company
Dated: January 31, 1992
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 202, Page 446

Lease #: TX2-45516
Lessor: State of Texas
Lessee: Union Pacific Resources Company
Dated: April 7, 1992
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 204, Page 70

Lease #: TX2-46248
Lessor: State of Texas
Lessee: Union Pacific Resources Company
Dated: August 4, 1992
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 207, Page 313
Filed: Official Records of Brazos County, Texas
Recorded: Volume 1612, Page 219

Exhibit "B"

FIELD NOTES

J.K. Lassig Unit No. 1
600.00 Acre Unit

Being 600.00 acres of land out of the William McWilliams Survey, Abstract No. 39 in Burleson County, Texas; being 451.81 acres of land out of that certain tract of land conveyed to John K. Lassig, et ux, by deed recorded in Volume 203, Page 447; being 9.57 acres of land conveyed to Burleson County Improvement District No. 1, by deed recorded in Volume 40, Page 101; being 91.97 acres of land conveyed to Marshall H. Worthington, by deed recorded in Volume 131, Page 55; being 17.60 acres of land out of that certain tract of land conveyed to the Veterans' Land Board of the State of Texas, by deed recorded in Volume 250, Page 843, all in the Deed Records of Burleson County, Texas and being 29.05 acres of land located within the banks of the Brazos River in Brazos and Burleson Counties, Texas and being more particularly described as follows:

BEGINNING at a fence corner post at the west corner of said Lassig tract;

THENCE along the fenced northwest line of said Lassig tract, the following three (3) courses and distances:

- 1) N 44°43'51" E, 3478.13 feet to a fence corner post,
- 2) N 44°20'28" E, 2818.41 feet to a fence corner post,
- 3) N 44°35'01" E, 582.84 feet to a point for the north corner of said Lassig tract on the west bank of the Brazos River;

THENCE N 44°35'01" E, a distance of 745.93 feet to a point for the north corner of the herein described unit on the east bank of the Brazos River;

THENCE along the east bank of the Brazos River, the following four (4) courses and distances:

- 1) S 29°47'17" E, 1305.72 feet,
- 2) S 27°26'26" E, 616.58 feet,
- 3) S 24°57'45" E, 457.50 feet,
- 4) S 24°05'27" E, 37.81 feet to a point for the east corner of the herein described unit;

THENCE S 44°21'15" W, passing at 390.02 feet a point for the east corner of said Lassig tract on the west bank of the Brazos River, a total distance of 4770.43 feet to a fence corner post at an interior ell corner of said Lassig tract;

THENCE S 45°41'53" E, a distance of 2116.07 feet to a fence corner post at an east corner of said Lassig tract;

THENCE S 43°49'42" W, a distance of 2117.89 feet to a fence corner post at the south corner of said Lassig tract;

THENCE S 44°10'52" W, along the southeast lines of said Worthington tract and said Veterans' Land Board tract, a distance of 2234.91 feet to a point for the south corner of the herein described unit;

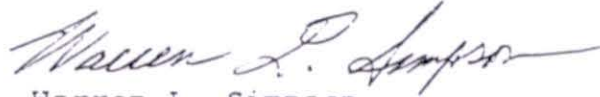
THENCE N 45°33'43" W, traversing the interior of said Veterans' Land Board tract, a distance of 1983.43 feet to a point for corner;

THENCE along the westerly lines of said Veterans' Land Board tract, the following three (3) courses and distances:

- 1) N 42°58'17" E, 69.94 feet to a point for corner,
- 2) N 45°33'38" W, 169.68 feet to a point for corner,
- 3) N 44°45'30" E, 290.80 feet to an iron rod found at the north corner of said Veterans' Land Board tract;

THENCE N 44°38'42" E, a distance of 1864.35 feet to a point for the north corner of said Worthington tract;

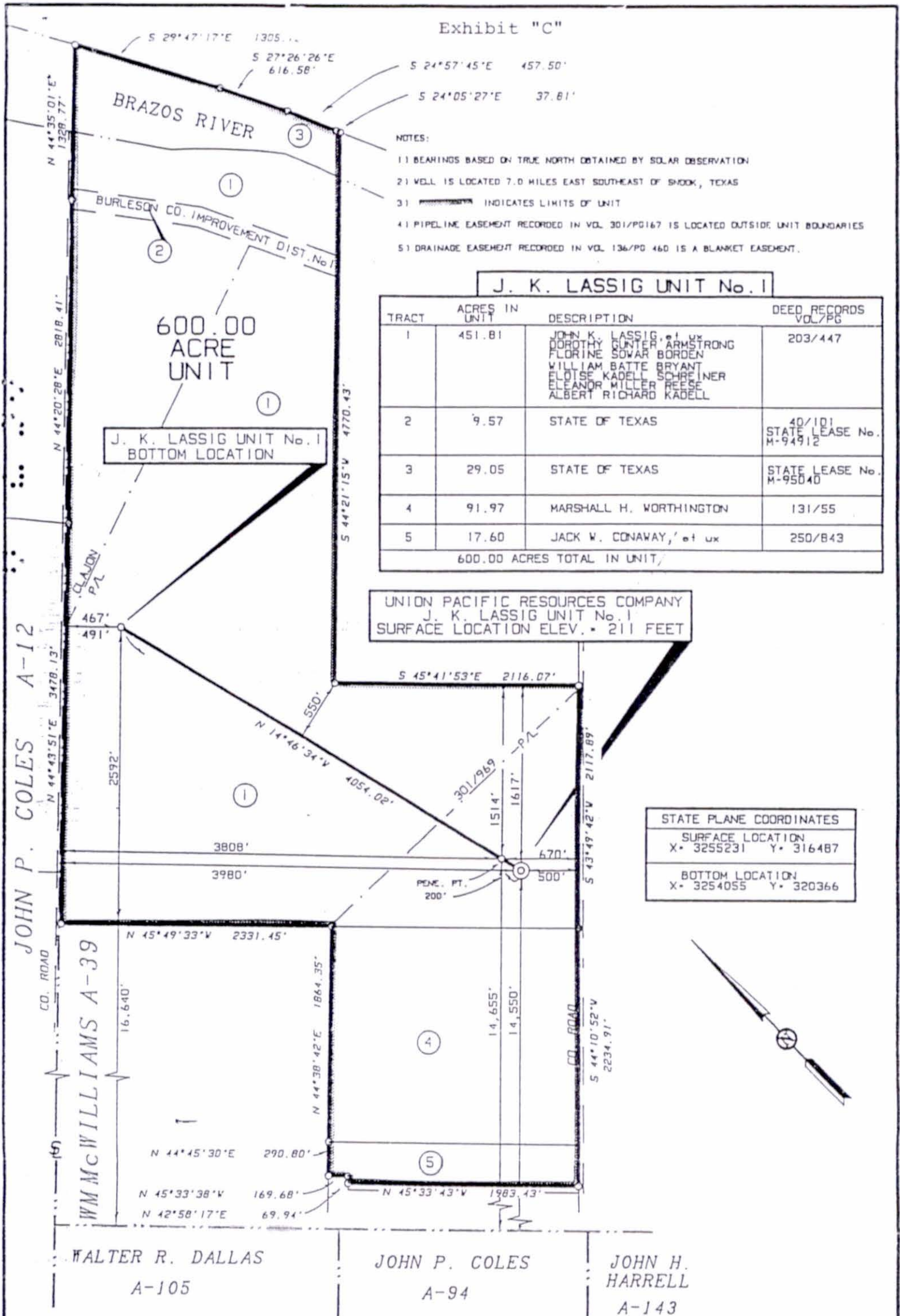
THENCE N 45°49'33" W, along the fenced southwest line of said Lassig tract, a distance of 2331.45 feet to the PLACE of BEGINNING and containing 600.00 acres of land more or less.



Warren L. Simpson
Registered Professional Land Surveyor No. 4122
January 11, 1993

LIMITED TO THE AUSTIN CHALK FORMATION, as found between 10,168 feet and 10,552 feet in the Continental Porter #1 Well, which is located 3,280 feet from the NWL and 8,600 feet from the SWL of the W. McWilliams Survey, A-39, Burleson County, Texas.

Exhibit "C"



- NOTES:
- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
 - 2) WELL IS LOCATED 7.0 MILES EAST SOUTHEAST OF SNOOK, TEXAS
 - 3) INDICATES LIMITS OF UNIT
 - 4) PIPELINE EASEMENT RECORDED IN VOL. 301/PG167 IS LOCATED OUTSIDE UNIT BOUNDARIES
 - 5) DRAINAGE EASEMENT RECORDED IN VOL. 136/PG 460 IS A BLANKET EASEMENT.

J. K. LASSIG UNIT No. 1

TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL./PG
1	451.81	JOHN K. LASSIG, et ux DOROTHY GUNTER ARMSTRONG FLORINE SOWAR BORDEN WILLIAM BATTE BRYANT ELOISE KADELL SCHREINER ELEANOR MILLER REESE ALBERT RICHARD KADELL	203/447
2	9.57	STATE OF TEXAS	40/101 STATE LEASE No. M-94912
3	29.05	STATE OF TEXAS	STATE LEASE No. M-95040
4	91.97	MARSHALL H. WORTHINGTON	131/55
5	17.60	JACK W. CONAWAY, et ux	250/843
600.00 ACRES TOTAL IN UNIT			

UNION PACIFIC RESOURCES COMPANY
J. K. LASSIG UNIT No. 1
SURFACE LOCATION ELEV. = 211 FEET

STATE PLANE COORDINATES	
SURFACE LOCATION	
X = 3255231	Y = 316487
BOTTOM LOCATION	
X = 3254055	Y = 320366

SURVEYED APRIL 29, 1992
REVISED JANUARY 11, 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
J. K. LASSIG UNIT No. 1
WM. McWILLIAMS SURVEY, A-39
BURLESON COUNTY, TEXAS
SCALE 1" = 1000'

⑧ M-94912

Pooling Agreement
(Temp. - J.K. Lassig)
FILED: 6-16-93

0 500

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

Karen S. Moss
representative's signature

KAREN S. MOSS
representative's name (print or type)

SR. REGULATORY ANALYST
representative's title

817/877-7957
phone number with area code

02/22/93
date

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

CERTIFICATE OF POOLING AUTHORITY

I, KAREN S. MOSS, 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: LASSIG, J.K. UNIT WELL NO. 1
GIDDINGS (AUSTIN CHALK -3)

FIELD: GIDDINGS (AUSTIN CHALK - GAS), BURLESON COUNTY,
GIDDINGS (BUDA)

TEXAS, contains 600 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)

DESCRIPTION OF INDIVIDUAL TRACTS OR LEASES CONTAINED
WITHIN POOLED UNIT REFERRED TO IN PARAGRAPH (1) ABOVE

NAME OF HOLDER OF LEASE	LEASE NAME	NO. OF ACRES	MARGIN
UNION PACIFIC RESOURCES COMPANY	JOHN K. LASSIG ETUX DOROTHY GUNTER ARMSTRONG FLORINE SOWAR BORDEN WILLIAM BATTE BRYANT ELOISE KADELL SCHREINER ELEANOR MILLER REESE ALBERT RICHARD KADELL	451.81	
UNION PACIFIC RESOURCES COMPANY	STATE OF TEXAS	9.57	
UNION PACIFIC RESOURCES COMPANY	STATE OF TEXAS	29.05	
UNION PACIFIC RESOURCES COMPANY	MARSHALL H. WORTHINGTON	91.97	
UNION PACIFIC RESOURCES COMPANY	JACK W. CONWAY ET. UX	17.60	
	TOTAL:	600.00	

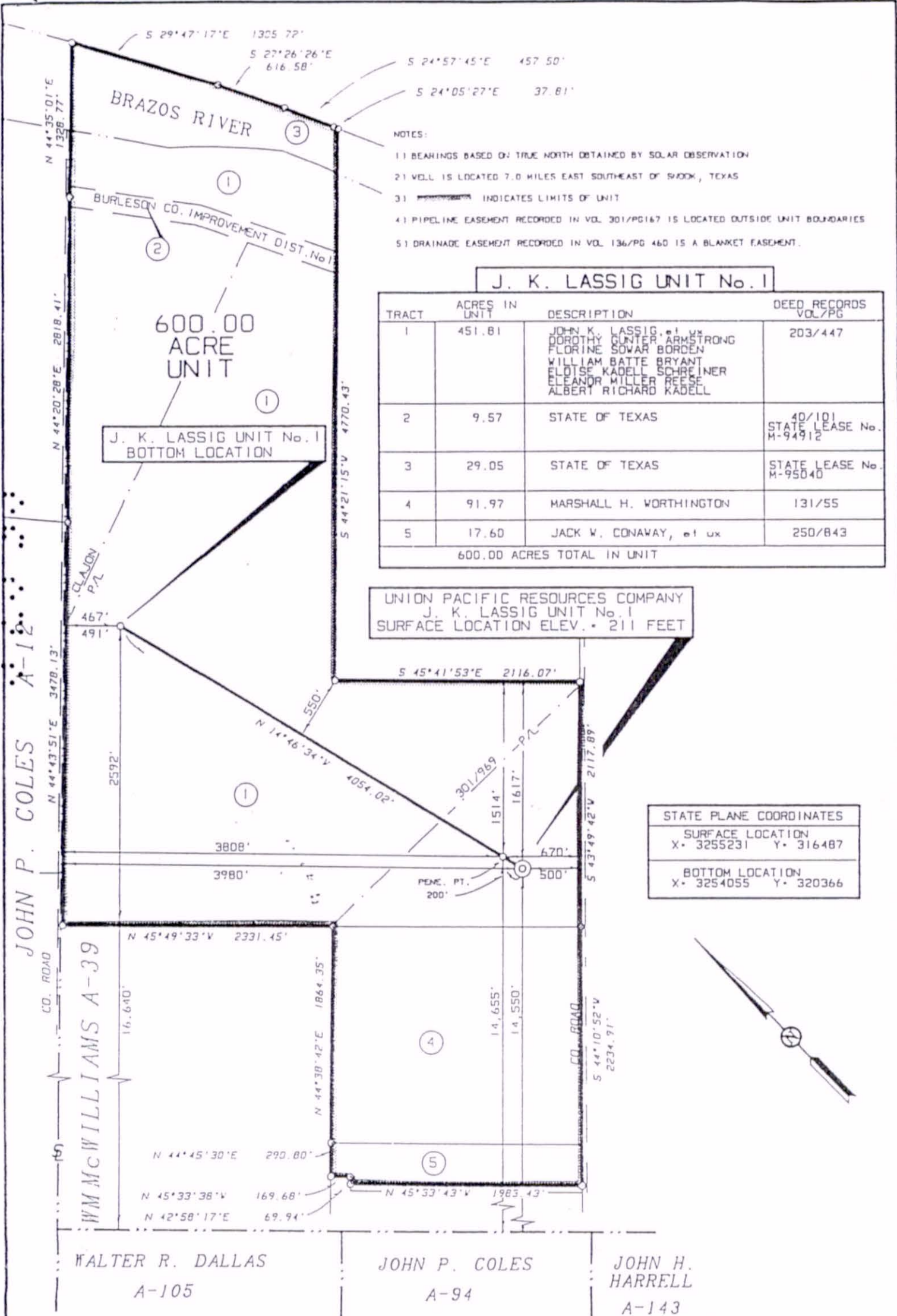
CERTIFICATE:

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.

<i>Karen S. Moss</i> / KAREN S. MOSS	SR. REGULATORY ANALYST	02/22/93
Representative of Operator	Title	Date
	Telephone 817/	877-7957
	A / C	Number

INSTRUCTIONS

Where two or more tracts are pooled to form either a drilling unit or a proration unit as permitted by Commission regulation, the operator thereof must furnish a certificate of pooling authority at the time action by the Commission is sought either for a permit to drill on a pooled drilling unit or for establishment of an allowable for a well on a pooled proration unit.



NOTES:

- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- 2) WELL IS LOCATED 7.0 MILES EAST SOUTHEAST OF BUCK, TEXAS
- 3) INDICATES LIMITS OF UNIT
- 4) PIPELINE EASEMENT RECORDED IN VOL. 301/PG167 IS LOCATED OUTSIDE UNIT BOUNDARIES
- 5) DRAINAGE EASEMENT RECORDED IN VOL. 136/PG 460 IS A BLANKET EASEMENT.

J. K. LASSIG UNIT No. 1

TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL./PG
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2	9.57	STATE OF TEXAS	40/101 STATE LEASE No. M-94912
3	29.05	STATE OF TEXAS	STATE LEASE No. M-95040
4	91.97	MARSHALL H. WORTHINGTON	131/55
5	17.60	JACK W. CONAWAY, et ux	250/843
600.00 ACRES TOTAL IN UNIT			

UNION PACIFIC RESOURCES COMPANY
J. K. LASSIG UNIT No. 1
SURFACE LOCATION ELEV. - 211 FEET

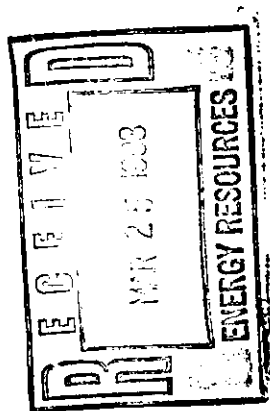
STATE PLANE COORDINATES	
SURFACE LOCATION	
X • 3255231	Y • 316487
BOTTOM LOCATION	
X • 3254055	Y • 320366



SURVEYED APRIL 29, 1992
REVISED JANUARY 11, 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
J. K. LASSIG UNIT No. 1
WM. McWILLIAMS SURVEY, A-39
BURLESON COUNTY, TEXAS
SCALE 1" = 1000'



⑨ M-94912
Application to Drill well #1
FILED: 6-16-93

2000

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.



Union Pacific Resources

A Subsidiary of Union Pacific Corporation

OWNER NUMBER	DOI/ID	NAME	INTEREST TYPE	INTEREST PAID BY UPRC
2299169 01	001	GALINDA R LASSIG	RI	0.018824
2299171 01	001	JOHN K LASSIG/ESTATE	RI	0.018824
2299183 01	001	CLARENCE J MCBRIDE	RI	0.037647
2299195 01	001	ELEANOR MILLER REESE	RI	0.018824
2299202 01	001	ELOISE KADELL SCHREINER	RI	0.006275
2299214 01	001	JACK CONWAY	RI	0.002933
2299226 01	001	MARSHALL H WORTHINGTON	RI	0.030657
1536001 01	001	UNION PACIFIC RESOURCES CO.	WI	0.350000
1536001 01	002	UNION PACIFIC RESOURCES CO.	WI	0.048389
3572849 01	001	SINCLAIR OIL CORPORATION	WI	0.281250
3572849 01	002	SINCLAIR OIL CORPORATION	WI	0.117139

INTEREST TYPE LEGEND:

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

UNION PACIFIC RESOURCES COMPANY

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

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



Texas General Land Office
Garry Mauro, Commissioner

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

August 13, 1993

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

RE: Mineral File No. M-94912
Dear Sir or Madam:

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

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

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

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

Sincerely,

Drew Reid, Landman
Lease Administration
Energy Resources

DR/dr

m-94912
Division Order
8-13-93
(10)

DO NOT DESTROY



UNIT AGREEMENT MEMO

Unit No. 2195

Operator Union Pacific Resources Co.

Unit Name J.K. Lassig Unit No. 1

County Brazos & Burleson Giddings

Effective Date _____

Unitized for: Oil ___ Gas ___ Oil & Gas X

1. M.F. No. 094912
Area _____ Tr. 2
Sec. _____ Blk. _____ Survey _____
9.61/600.00 x _____ .3603 %
.016017 .225* .003603

2. M.F. No. 095040
Area _____ Tr. 3
Sec. _____ Blk. _____ Survey _____
29.05/600.00 x _____ .9683 %
.048417 .20* .009683

3. M.F. No. _____
Area _____ Tr. _____
Sec. _____ Blk. _____ Survey _____
_____ x _____ %

4. M.F. No. _____
Area _____ Tr. _____
Sec. _____ Blk. _____ Survey _____
_____ x _____ %

REMARKS: * Subject to Royalty Reduction Provision

1013286

Prepared by: <u>Marc G. Funder</u>	Date <u>2-10-99</u>
Map & GIS updated by:	Date
Keyed into database by: <u>M. Silva</u>	Date <u>2-11-99</u>

PERMANENT

POOLING COMMITTEE REPORT

#2195

TO: SCHOOL LAND BOARD

DATE: July 6, 1993

OPERATOR: Union Pacific Resources Co. COUNTY: Brazos & Burleson

UNIT NAME: J.K. Lassig Unit No. 1 FIELD: Giddings (Austin Chalk, Gas)

STATE LEASE(S) IN UNIT

Lease *Type	State Number	State Royalty	Expiration Date	Term Year	Acres Acres	Acres In Unit	Lessee of Record
SF	M-95040	1/4**	8-5-94	2	550	29.05	UPRC
SF	M-94912	1/4**	4-7-95	3	53	9.61	UPRC

** Subject to Royalty Reduction Provision

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

PRIVATE ACRES: 561.38

STATE ACRES: 38.66

TOTAL UNIT ACRES: 600.00

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>960 Acres</u>
State Acreage <u>6.444%</u>	Acreage Factor <u>100%</u>
State Unit Royalty <u>1.327%</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:

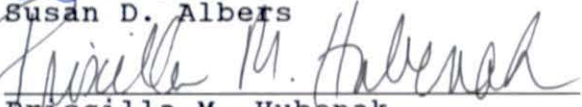
- . Union Pacific Resources Company is requesting permanent oil and gas pooling of the Austin Chalk Formation defined as the stratigraphic interval or its correlative equivalent occurring from 10,168 feet MD to 10,552 feet MD as shown on Continental U.S. Exploration's Porter Well #1.
- . The applicant completed a horizontal gas well in the Austin Chalk Formation, on April 28, 1993. The initial potential of the well was 9,250 mcf and 560 bbls per day.
- . If the unit is approved, the applicant will earn a royalty reduction on one state lease to 20%, and 22.5% on one state lease making the State's unit royalty participation 1.327%.
- . 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:

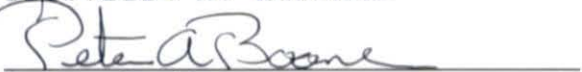
- . The Pooling Committee recommends Board approval of a permanent unit, under the provisions as set out above.



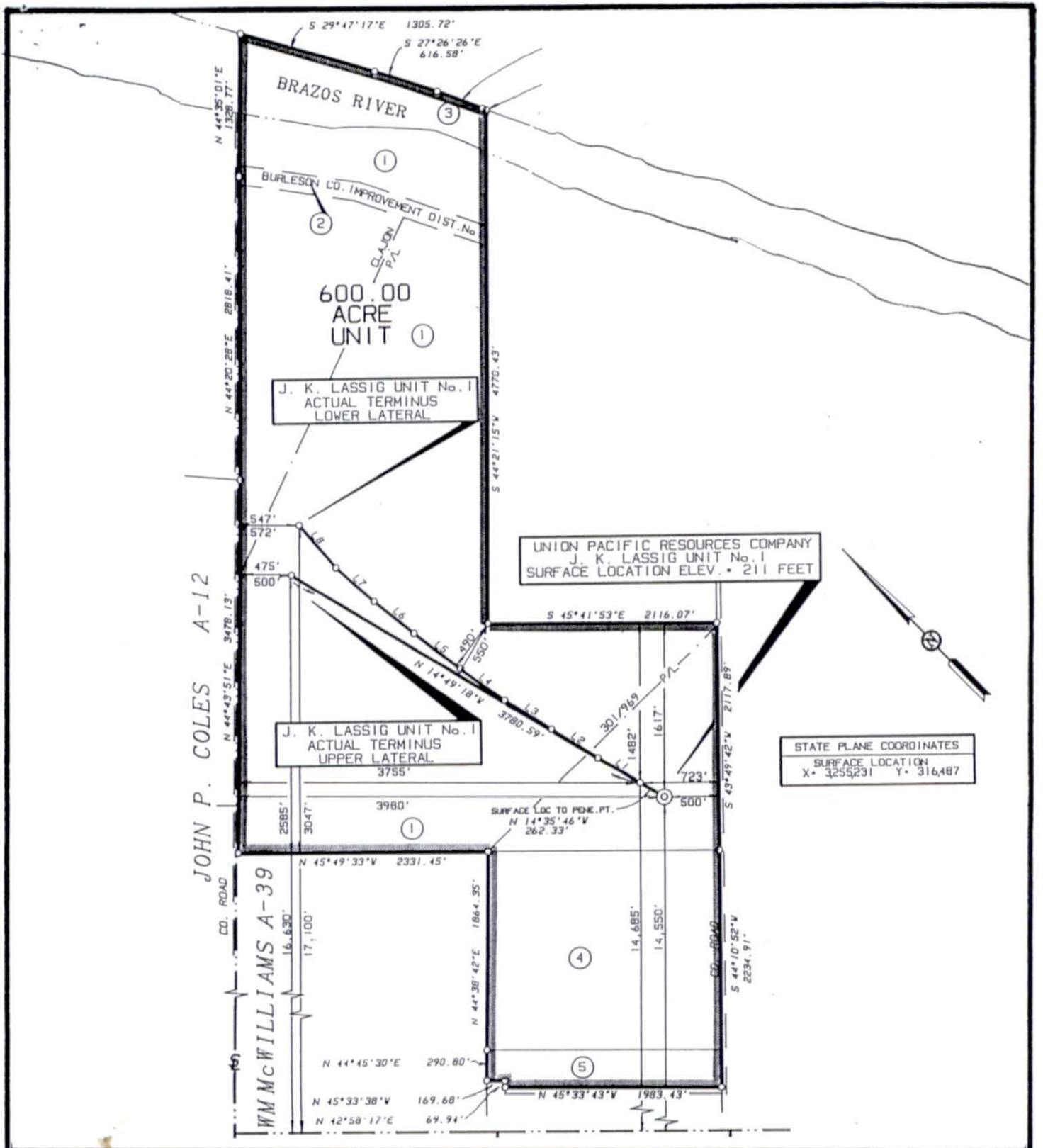
Susan D. Albers



Priscilla M. Hubenak



Peter A. Boone



STATE PLANE COORDINATES
 SURFACE LOCATION
 X = 3255231 Y = 316487

Union Pacific Resources Company
 J.K. Lassig Unit No. 1
 Giddings (Austin Chalk Gas) Field
 M-95040, M-94912
 Brazos & Burleson Counties

① M-94912

Pooling Committee Rpt.

FILED: 9-23-93

**POOLING AGREEMENT
UNION PACIFIC RESOURCES COMPANY
J. K. LASSIG 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 10,168 feet measured depth to 10,552 feet measured depth as shown on the electric log of Continental U.S. Exploration's Porter 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 600 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 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 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 9/20/93

Legal AM
Geology [Signature]
Execution [Signature]

STATE OF TEXAS

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

Date Executed Sept. 7, 1993

UNION PACIFIC RESOURCES COMPANY

By Carolyn J. David jc
Its Attorney-In-Fact JB

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 20th 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 September 7, 1993, by Carolyn J. David as ATTORNEY IN FACT of Union Pacific Resources Company, a Delaware corporation, on behalf of said corporation.

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

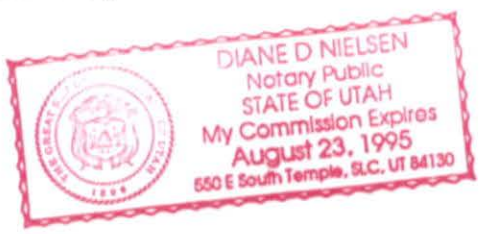


Date Executed SEPT. 10 '93

SINCLAIR OIL CORPORATION
By *Kenneth A. Smith*
Its VICE PRESIDENT

STATE OF Utah
COUNTY OF Sub. Lake

This instrument was acknowledged before me on the 10th day of September, 1993, by *K.A. Smith*, the *Vice President* of SINCLAIR OIL CORPORATION, a Wyoming corporation, on behalf of said corporation.



Diane D. Nielsen
Notary Public in and for the
State of Utah
My commission expires: 8/23/95

Exhibit "A"

Attached to and made a part of that certain "Pooling Agreement, Union Pacific Resources Company, J. K. Lassig Unit No. 1, Brazos and Burleson Counties, Texas".

Lease #: TX1-41224(1)
Lessor: Florine Sowar Borden
Lessee: Union Pacific Resources Company
Dated: May 21, 1990
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 167, Page 379

Lease #: TX1-41224(2)
Lessor: Dorothy Gunter Armstrong
Lessee: Union Pacific Resources Company
Dated: May 21, 1990
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 165, Page 806

Lease #: TX1-41224(3)
Lessor: William Batte Bryant
Lessee: Union Pacific Resources Company
Dated: May 21, 1990
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 165, Page 814

Lease #: TX1-41224(4)
Lessor: Eloise Kadell Schreiner
Lessee: Union Pacific Resources Company
Dated: May 21, 1990
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 168, Page 733

Lease #: TX1-41224(5)
Lessor: Eleanor Miller Reese
Lessee: Union Pacific Resources Company
Dated: May 21, 1990
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 165, Page 818

Lease #: TX1-41224(6)
Lessor: Albert Richard Kadell
Lessee: Union Pacific Resources Company
Dated: May 21, 1990
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 165, Page 810

Lease #: TX1-41224(7)
Lessor: John K. Lassig, et ux
Lessee: Union Pacific Resources Company
Dated: October 12, 1990
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 174, Page 66

Lease #: TX1-43819
Lessor: Marshall H. Worthington
Lessee: Union Pacific Resources Company
Dated: January 31, 1992
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 199, Page 649

Lease #: TX1-44743
Lessor: Jack W. Conaway, et ux
Lessee: Union Pacific Resources Company
Dated: January 31, 1992
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 202, Page 446

Lease #: TX2-45516
Lessor: State of Texas
Lessee: Union Pacific Resources Company
Dated: April 7, 1992
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 204, Page 70

Lease #: TX2-46248
Lessor: State of Texas
Lessee: Union Pacific Resources Company
Dated: August 4, 1992
Filed: Oil & Gas Lease Records of Burleson County, Texas
Recorded: Volume 207, Page 313
Filed: Official Records of Brazos County, Texas
Recorded: Volume 1612, Page 219

Exhibit "B"

Attached to and made a part of that certain "Pooling Agreement, Union Pacific Resources Company, J. K. Lassig Unit No. 1, Brazos and Burleson Counties, Texas".

FIELD NOTES

J.K. Lassig Unit No. 1
600.00 Acre Unit

Being 600.00 acres of land out of the William McWilliams Survey, Abstract No. 39 in Burleson County, Texas; being 451.77 acres of land out of that certain tract of land conveyed to John K. Lassig, et ux, by deed recorded in Volume 203, Page 447; being 9.61 acres of land conveyed to Burleson County Improvement District No. 1, by deed recorded in Volume 40, Page 101; being 91.97 acres of land conveyed to Marshall H. Worthington, by deed recorded in Volume 131, Page 55; being 17.60 acres of land out of that certain tract of land conveyed to the Veterans' Land Board of the State of Texas, by deed recorded in Volume 250, Page 843, all in the Deed Records of Burleson County, Texas and being 29.05 acres of land located within the banks of the Brazos River in Brazos and Burleson Counties, Texas and being more particularly described as follows:

BEGINNING at a fence corner post at the west corner of said Lassig tract;

THENCE along the fenced northwest line of said Lassig tract, the following three (3) courses and distances:

- 1) N 44°43'51" E, 3478.13 feet to a fence corner post,
- 2) N 44°20'28" E, 2818.41 feet to a fence corner post,
- 3) N 44°35'01" E, 582.84 feet to a point for the north corner of said Lassig tract on the west bank of the Brazos River;

THENCE N 44°35'01" E, a distance of 745.93 feet to a point for the north corner of the herein described unit on the east bank of the Brazos River;

THENCE along the east bank of the Brazos River, the following four (4) courses and distances:

- 1) S 29°47'17" E, 1305.72 feet,
- 2) S 27°26'26" E, 616.58 feet,
- 3) S 24°57'45" E, 457.50 feet,
- 4) S 24°05'27" E, 37.81 feet to a point for the east corner of the herein described unit;

THENCE S 44°21'15" W, passing at 390.02 feet a point for the east corner of said Lassig tract on the west bank of the Brazos River, a total distance of 4770.43 feet to a fence corner post at an interior ell corner of said Lassig tract;

THENCE S 45°41'53" E, a distance of 2116.07 feet to a fence corner post at an east corner of said Lassig tract;

THENCE S 43°49'42" W, a distance of 2117.89 feet to a fence corner post at the south corner of said Lassig tract;

THENCE S 44°10'52" W, along the southeast lines of said Worthington tract and said Veterans' Land Board tract, a distance of 2234.91 feet to a point for the south corner of the herein described unit;

THENCE N 45°33'43" W, traversing the interior of said Veterans' Land Board tract, a distance of 1983.43 feet to a point for corner;

THENCE along the westerly lines of said Veterans' Land Board tract, the following three (3) courses and distances:

- 1) N 42°58'17" E, 69.94 feet to a point for corner,
- 2) N 45°33'38" W, 169.68 feet to a point for corner,
- 3) N 44°45'30" E, 290.80 feet to an iron rod found at the north corner of said Veterans' Land Board tract;

THENCE N 44°38'42" E, a distance of 1864.35 feet to a point
for the north corner of said Worthington tract;

THENCE N 45°49'33" W, along the fenced southwest line of said
Lassig tract, a distance of 2331.45 feet to the PLACE of
BEGINNING and containing 600.00 acres of land more or less.

Warren L. Simpson

Warren L. Simpson
Registered Professional Land Surveyor No. 4122
June 23, 1993



NOTES:

- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- 2) WELL IS LOCATED 7.0 MILES EAST SOUTHEAST OF SNOOK, TEXAS
- 3) INDICATES LIMITS OF UNIT
- 4) PIPELINE EASEMENT RECORDED IN VOL. 301/PG167 IS LOCATED OUTSIDE UNIT BOUNDARIES
- 5) DRAINAGE EASEMENT RECORDED IN VOL. 136/PG 460 IS A BLANKET EASEMENT.

J. K. LASSIG UNIT No. 1

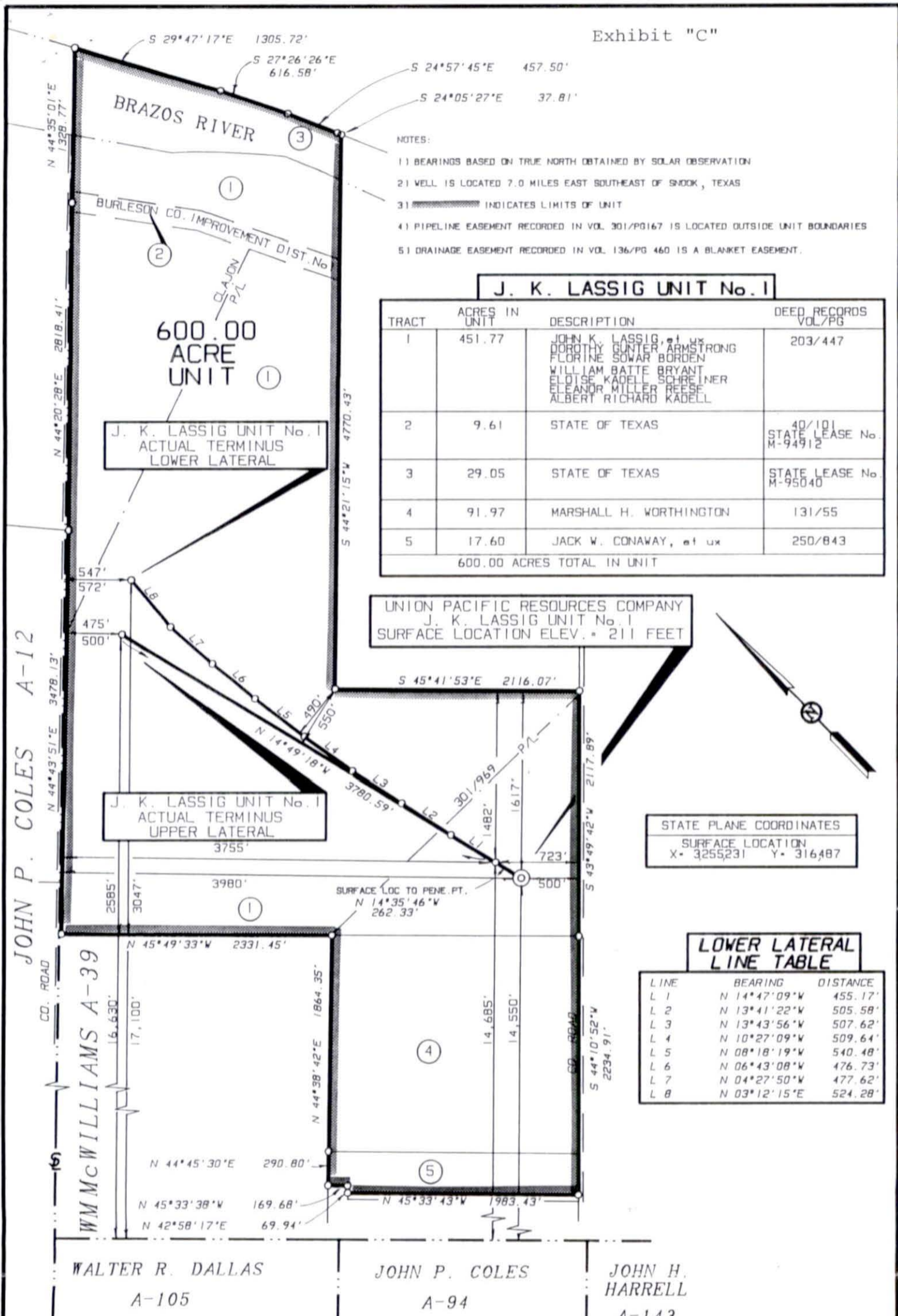
TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL/PG
1	451.77	JOHN K. LASSIG, et ux DOROTHY GUNTER ARMSTRONG FLORINE SOWAR BORDEN WILLIAM BATTE BRYANT ELOISE KADELL SCHREINER ELEANOR MILLER REESE ALBERT RICHARD KADELL	203/447
2	9.61	STATE OF TEXAS	40/101 STATE LEASE No. M-94912
3	29.05	STATE OF TEXAS	STATE LEASE No. M-95040
4	91.97	MARSHALL H. WORTHINGTON	131/55
5	17.60	JACK W. CONAWAY, et ux	250/843
600.00 ACRES TOTAL IN UNIT			

UNION PACIFIC RESOURCES COMPANY
J. K. LASSIG UNIT No. 1
SURFACE LOCATION ELEV. = 211 FEET

STATE PLANE COORDINATES
SURFACE LOCATION
X = 3255231 Y = 316487

LOWER LATERAL LINE TABLE

LINE	BEARING	DISTANCE
L 1	N 14°47'09"W	455.17'
L 2	N 13°41'22"W	505.58'
L 3	N 13°43'56"W	507.62'
L 4	N 10°27'09"W	509.64'
L 5	N 08°18'19"W	540.48'
L 6	N 06°43'08"W	476.73'
L 7	N 04°27'50"W	477.62'
L 8	N 03°12'15"E	524.28'



SURVEYED APRIL 29, 1992
 REVISED JANUARY 11, 1993 (UNIT CONFIGURATION)
 REVISED MAY 21, 1993 (AS-DRILLED)
 REVISED JUNE 23, 1993 (LEVEE AC. REVISED)

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
J. K. LASSIG UNIT No. 1
 WM. McWILLIAMS SURVEY, A-39
 BURLESON COUNTY, TEXAS
 SCALE 1" = 1000'

(12) M-94912
Pooling Agreement
(Perm. - J.K. Lassig)
FILED: 9-23-93

W-1 COMPLIANCE CERTIFICATION

FORM W-1C

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

9/1/91

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

KAREN S. MOSS

representative's name (print or type)

817/877-7957

phone number with area code



representative's signature

SR. REGULATORY ANALYST

representative's title

02/22/93

date

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

CERTIFICATE OF POOLING AUTHORITY

I, KAREN S. MOSS, 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: LASSIG, J.K. UNIT WELL NO. 1
GIDDINGS (AUSTIN CHALK -3)

FIELD: GIDDINGS (AUSTIN CHALK - GAS), BURLESON COUNTY,
GIDDINGS (BUDA)

TEXAS, contains 600 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:

DESCRIPTION OF INDIVIDUAL TRACTS OR LEASES CONTAINED
WITHIN POOLED UNIT REFERRED TO IN PARAGRAPH (1) ABOVE

NAME OF HOLDER OF LEASE	LEASE NAME	NO. OF ACRES	MARGIN
UNION PACIFIC RESOURCES COMPANY	JOHN K. LASSIG ETUX DOROTHY GUNTER ARMSTRONG FLORINE SOWAR BORDEN WILLIAM BATTE BRYANT ELOISE KADELL SCHREINER ELEANOR MILLER REESE ALBERT RICHARD KADELL	451.81	
UNION PACIFIC RESOURCES COMPANY	STATE OF TEXAS	9.57	
UNION PACIFIC RESOURCES COMPANY	STATE OF TEXAS	29.05	
UNION PACIFIC RESOURCES COMPANY	MARSHALL H. WORTHINGTON	91.97	
UNION PACIFIC RESOURCES COMPANY	JACK W. CONWAY ET. UX	17.60	
	TOTAL:	600.00	

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.

<u>Karen S. Moss</u> / KAREN S. MOSS	SR. REGULATORY ANALYST	02/22/93
Representative of Operator	Title	Date
	Telephone <u>817/</u>	<u>877-7957</u>
	A / C	Number

INSTRUCTIONS

Where two or more tracts are pooled to form either a drilling unit or a proration unit as permitted by Commission regulation, the operator thereof must furnish a certificate of pooling authority at the time action by the Commission is sought either for a permit to drill on a pooled drilling unit or for establishment of an allowable for a well on a pooled proration unit.

S 29°47'17"E 1325.72'
 S 27°26'26"E 616.58'
 S 24°57'45"E 457.50'
 S 24°05'27"E 37.81'

BRAZOS RIVER

NOTES:

- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- 2) WELL IS LOCATED 7.0 MILES EAST SOUTHEAST OF SPOCK, TEXAS
- 3) ~~INDICATES~~ INDICATES LIMITS OF UNIT
- 4) PIPELINE EASEMENT RECORDED IN VOL. 301/PG167 IS LOCATED OUTSIDE UNIT BOUNDARIES
- 5) DRAINAGE EASEMENT RECORDED IN VOL. 136/PG 460 IS A BLANKET EASEMENT.

J. K. LASSIG UNIT No. 1

TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL./PG
1	451.81	JOHN K. LASSIG, et ux DOROTHY GUNTER ARMSTRONG FLORINE SOWAR BORDEN WILLIAM BATTE BRYANT ELOISE KADELL SCHREINER ELEANOR MILLER REESE ALBERT RICHARD KADELL	203/447
2	9.57	STATE OF TEXAS	40/101 STATE LEASE No. M-94912
3	29.05	STATE OF TEXAS	STATE LEASE No. M-95040
4	91.97	MARSHALL H. WORTHINGTON	131/55
5	17.60	JACK W. CONAWAY, et ux	250/843
600.00 ACRES TOTAL IN UNIT			

600.00
ACRE
UNIT

J. K. LASSIG UNIT No. 1
BOTTOM LOCATION

UNION PACIFIC RESOURCES COMPANY
J. K. LASSIG UNIT No. 1
SURFACE LOCATION ELEV. * 211 FEET

STATE PLANE COORDINATES

SURFACE LOCATION
X* 3255231 Y* 316487
 BOTTOM LOCATION
X* 3254055 Y* 320366



JOHN P. COLES A-12

WM McWILLIAMS A-39

WALTER R. DALLAS A-105

JOHN P. COLES A-94

JOHN H. HARRELL A-143

SURVEYED APRIL 29, 1992
 REVISED JANUARY 11, 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
 J. K. LASSIG UNIT No. 1
 WM. McWILLIAMS SURVEY, A-39
 BURLESON COUNTY, TEXAS
 SCALE 1" = 1000'

RE. 1. P

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION**

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

PERMIT NUMBER 399505	DATE PERMIT ISSUED OR AMENDED (AMENDED) 3/11/93	DISTRICT 03
API NUMBER 42 051 33321	FORM W-1 RECEIVED 3/01/93	COUNTY BURLESON
TYPE OF OPERATION DRILL (HORIZONTAL)		ACRES 600.00
OPERATOR 876645 UNION PACIFIC RESOURCES COMPANY P.O. BOX 7, MS 3407 FORT WORTH TX 76101		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 J. K. LASSIG UNIT		WELL NUMBER 1
LOCATION 7.00 MILES ESE FROM SNOOK		TOTAL DEPTH 15.000
SECTION, BLOCK and/or SURVEY SECTION => BLOCK => ABSTRACT => 39 SURVEY ==> WM. MCHILLIAMS		
DISTANCE--LEASE LINES 500.00 F SE - 1,617.00 F NE		DISTANCE--NEAREST WELL ON LEASE N/A
DISTANCE--SURVEY LINES 14,550.00 F NW - 3,980.00 F SW		

READ IMPORTANT CONDITIONS AND INSTRUCTIONS ON THE BACK OF THIS FORM

FIELD(S) AND LIMITATIONS

PERMIT BOTTOM HOLE LOCATION:

SECTION =====> BLOCK => ABSTRACT => 39
 SURVEY NAME =====> WM. MCHILLIAMS
 LEASE DISTANCE ==> 467.00 F NW - 2,592.00 F SW
 SURVEY DISTANCE => 491.00 F NW - 16,640.00 F SW
 NEAREST WELL =====> N/A

GIDDINGS (AUSTIN CHALK-3)
 GIDDINGS (BUDA)
 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.
 PENETRATION POINT: 1514 FNEI & 670 FSEL OF UNIT
 14655 FSWL & 3808 FNWL OF SURVEY
 AMENDED PERMIT TO SHOW 2ND BOTTOM-HOLE LOCATION.
 BHL #2: 467 FNWL & 2592 FSWL OF UNIT
 491 FNWL & 16640 FSWL OF SURVEY

OIL AND GAS DIVISION

JAMES E. (JIM) NUGENT,
CHAIRMAN
MARY SCOTT NABERS, COMMISSIONER
BARRY WILLIAMSON, 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

March 11, 1993

UNION PACIFIC RESOURCES COMPANY
P.O. BOX 7, MS 3407
FORT WORTH TX 76101

RE: DIRECTIONAL DEVIATION
PERMIT #: 399505 (AMENDED)
LEASE: J. K. LASSIG UNIT
FIELD: SEE ATTACHMENT
WELL #: 1
COUNTY: BURLESON

SURFACE LOCATION:

LEASE:	500.00 F SE	E	1617.00 F NE
SURVEY:	14550.00 F NW	E	3980.00 F SW

BOTTOM HOLE LOCATION:

LEASE:	467.00 F NW	E	2592.00 F SW
SURVEY:	491.00 F NW	E	16640.00 F SW

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

ATTACHMENT
PERMIT #: 399505 (AMENDED)

FIELD: GIDDINGS (AUSTIN CHALK-3)

FIELD: GIDDINGS (BUDA)

FIELD: GIDDINGS (AUSTIN CHALK, GAS)



⑬ M-94912

Appl. to Drill Well # 1

FILED: 9-23-93

0-17-00

RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

Form G-1

Rev. 4/1/83

Type or print only

483-047

API No. 42- 051-33321

7. RRC District No. 03

Gas Well Back Pressure Test, Completion or Recompletion Report, and Log

8. RRC Gas ID No.

1. FIELD NAME (as per RRC Records or Wildcat) GIDDINGS (AUSTIN CHALK, GAS)		2. LEASE NAME LASSIG, J.K. 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					
5. Location (Section, Block, and Survey) WM. McWILLIAMS A-39			5b. Distance and direction to nearest town in this county. 7 miles ESE from Snook, Texas		
6. If operator has changed within last 60 days, name former operator		12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no. FIELD & RESERVOIR		GAS ID or OIL LEASE #	
13. Pipe Line Connection AQUILA SOUTHWEST PIPELINE CORP.		Oil-Q Gas-C		WELL #	
14. Completion or recompletion date 04/28/93			15. Any condensate on hand at time of workover or recompletion? <input type="checkbox"/> Yes <input type="checkbox"/> No		16. Type of Electric or other Log Run. GAMMA RAY

11. Purpose of filing

Initial Potential

Relest

Reclass

Well record only (Explain in remarks)

Section I GAS MEASUREMENT DATA

Date of Test 5-14-93		Gas Measurement Method (Check One) Orifice Meter <input checked="" type="checkbox"/> Flange Taps <input checked="" type="checkbox"/> Pipe Taps <input type="checkbox"/> Positive Choke <input type="checkbox"/> Orifice Vent Meter <input type="checkbox"/> Pilot Tube <input type="checkbox"/> Critical-flow Prover <input type="checkbox"/>						Gas produced during test 4,126 MCF		
Run No.	Line Size	Orif. or Choke Size	24 Hr. Coeff. Orif. or Choke	Static P _m or Choke Press	Diff. h _w	Flow Temp. °F	Temp. Factor F _T	Gravity Factor F _G	Compress Factor F _{pv}	Volume MCF/DAY
1	4.026	2.750	54,417.41	1,170	28.4	132	0.9372	0.8950	1.104	9,183
2	4.026	2.750	54,417.41	1,167	27.2	129	0.9396	0.8950	1.106	9,025
3	4.026	2.750	54,417.41	1,170	26.1	130	0.9388	0.8950	1.106	8,837
4	4.026	2.750	54,417.41	1,065	21.3	131	0.9380	0.8950	1.095	7,538

Section II FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas) 0.7490		Gravity Liquid Hydrocarbon 55.0 Deg. API		Gas Liquid Hydro Ratio 19,414 CF/Bbl		Gravity of Mixture C_{mix} = 0.878		Avg. Shut-in Temp. 164 °F		Bottom Hole Temp. 269 °F @ 10,273 (Depth)	
$D_{eff}^{8/3} = 6.310$			$\sqrt{T_r} = \sqrt{672.5} = 25.93$				$\sqrt{GL} = \sqrt{9,016.11} = 94.95$				
$C = \frac{1118 \times (D_{em})^{8/3}}{\sqrt{T}} = \frac{7,054.58}{25.93} = 272.04$						$\frac{\sqrt{GL}}{C} = \frac{94.95}{272.04} = 0.3490$					
Run No.	Time of Run Min.	Choke Size	Wellhead Press. PSIA P _w	Wellhead Flow Temp. °F	P _w ² (Thousands)	R	R ² (Thousands)	P ₁	P _w /P ₁		
Shut-in			2,565	58	6,579						
1	126	48/64	1,375	155	1,891	3,205.3	10,273.7	3,488	0.394		
2	276	44/64	1,385	156	1,918	3,150.3	9,924.3	3,441	0.402		
3	164	36/64	1,445	156	2,088	3,084.7	9,515.2	3,406	0.424		
4	112	32/64	1,585	157	2,512	2,631.2	6,923.3	3,072	0.516		
Run No.	F	K	S = 1/z	E _{ks}	P _f and P _s	P _f ² and P _s ² (thousands)	P _f ² - P _s ² (thousands)	Angle of Slope			
Shut-in		0.2711	1.3504	1.44210	3,699	13,682		θ ... 45.0°			
1	0.741	0.1862	1.3041	1.27493	1,753	3,073	10,609	n ... 1.000			
2	0.744	0.1869	1.3039	1.27599	1,767	3,123	10,559	Absolute Open Flow			
3	0.751	0.1887	1.3029	1.27878	1,848	3,414	10,268	.11,700.. MCF/DAY			
4	0.784	0.1970	1.3000	1.29187	2,048	4,193	9,490				

WELL TESTER'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted this test and that data and facts shown in Sections I and II above are true, correct, and complete, to the best of my knowledge. Bottomhole temperature and the diameter and length of flow string were furnished by the operator of the well.

RECEIVED

MAY 27 1993

Norm Honey
Signature: Well Tester Name of Company: **Union Pacific Resources**

RRC Representative

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

REGULATORY DEPARTMENT

Wanda Bartell
Signature: Operator's representative Title: **REGULATORY ANALYST**

Date: **05/27/93**

Tel: **817/877-7941**
A/C Number

SECTION III

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

17. Type of Completion:

New Well Deepening Plug Back Other
HORIZONTAL

18. Permit to Drill. DATE PERMIT NO.

Plug Back or Deepen AMENDED 03/11/93 399505

Rule 37 CASE NO.

Exception

Water Injection PERMIT NO.

Permit

Salt Water Disposal PERMIT NO.

Permit

Other PERMIT NO.

19. Notice of Intention to Drill this well was filed in Name of

UNION PACIFIC RESOURCES COMPANY

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

21. Total number of acres in this lease

600

22. Date Plug Back, Deepening, WorkOver or Drilling Operations:

Commenced
03/20/93Completed
04/27/9323. Distance to nearest well. Same Lease & Reservoir
N/A

24. Location of well, relative to nearest lease boundaries of lease on which this well is located

500 Feet From SE Line and 1617 Feet from
NE Line of the LASSIG, J.K. UNIT Lease

25. Elevation (DF, RKB, RT, GR, ETC.)

GL: 211' KB: 237'

26. Was directional survey made other than inclination (Form W-12)?

 Yes No

27. Top of Pay

10,081'

28. Total Depth

14,339'

29. P. B. Depth

14,339'

30. Surface Casing

Determined by: Field

Rules

Recommendation of T.D.W.R. Railroad Commission (Special)

Dt. of Letter 01/21/93

Dt. of Letter

31. Is well multiple completion?

 Yes No

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

FIELD & RESERVOIR

GAS ID or OIL LEASE #

Oil-O Gas-G

WELL #

33. Intervals Drilled by: Rotary Tools Cable Tools

34. Name of Drilling Contractor

DELTA #63

35. Is Cementing Affidavit Attached?

 Yes No

36. 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#	3205'		1530 sxs "A"	14 3/4"	Surface	3719'
7 5/8"	26.4# & 29.7#	10,300'		455 sxs "H"	9 7/8"	9300	668'

37. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen

38. TUBING RECORD

Size	Depth Set	Packer Set	From	To
2 3/8"	9834'	9817'	10,300'	14,120'
			10,415'	14,339'

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

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

Depth Interval	Amount and Kind of Material Used

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

Formations	Depth	Formations	Depth
MIDWAY	6437'	AUSTIN CHALK	10,081'
NAVARRO	7871'		
PECAN GAP	9117'		

REMARKS

GAS WELL BACK PRESSURE CURVE

County BURLESON Field GIDDINGS (AUSTIN CHALK, GAS)

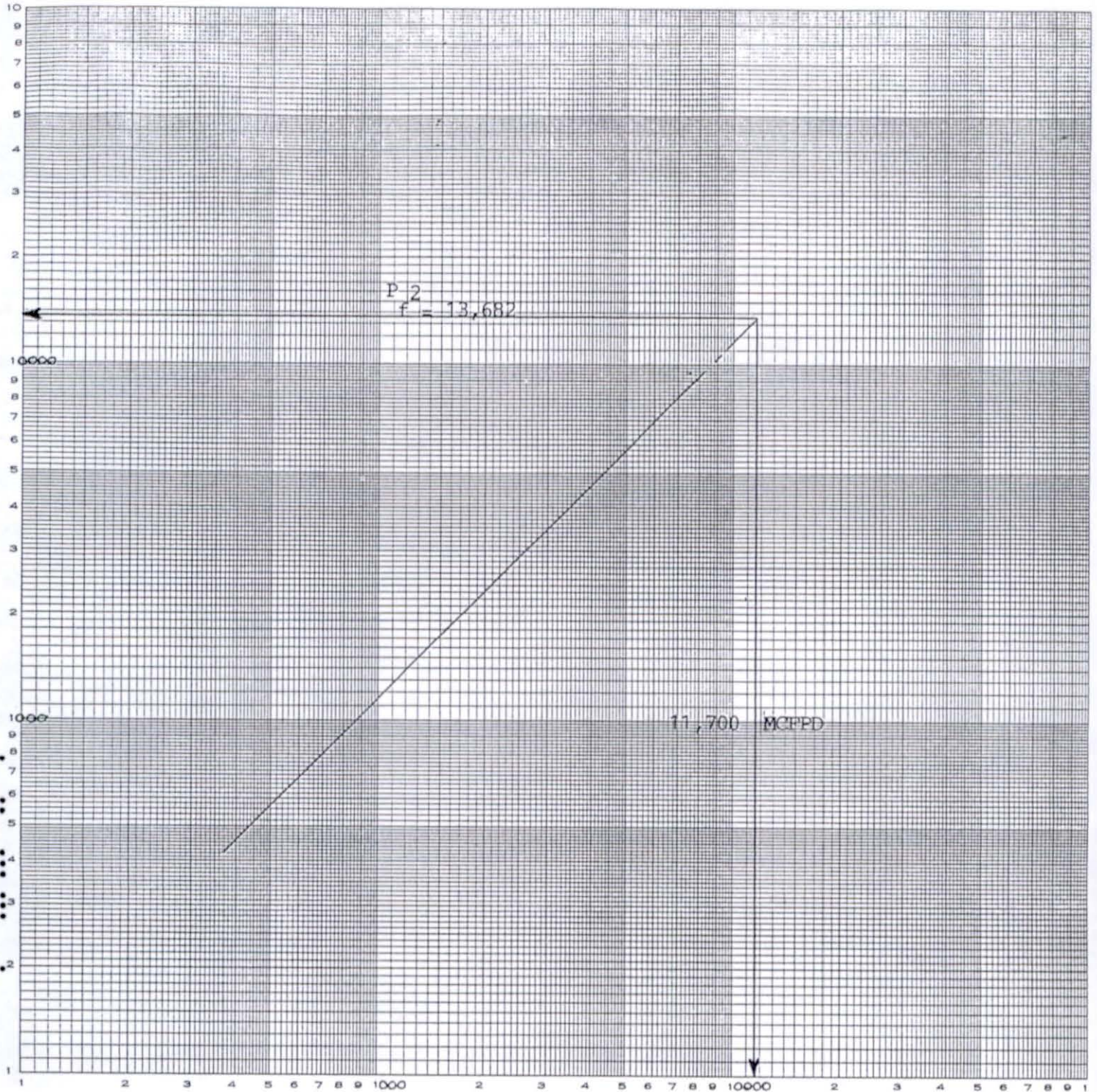
Operator UNION PACIFIC RESOURCES COMPANY

Lease LASSIG, J.K. UNIT #1

Volume 11,700 MCF/24 hr.

Date Tested _____

DIETZGEN CORPORATION
 U.S.A.
 DIETZGEN GRAPH PAPER
 GEOMETRIC
 3 CYCLES 33 CYCLES



← Q in MCF per DAY →

$\theta = 45.0^\circ$

$n = 1.000$

READ INSTRUCTIONS ON BACK

1. OPERATOR NAME (Exactly as shown on Form P-5 Organization Report) UNION PACIFIC RESOURCES COMPANY		3. RRC DISTRICT NO. 03	4. OIL LEASE NO. OR GAS WELL ID NO.
2. MAILING ADDRESS P.O. BOX 7, MS 3407 FORT WORTH, TEXAS 76101-0007		5. WELL NO. 1	6. API NO. 42-051-33321
		7. COUNTY OF WELL SITE BURLESON	

8. FIELD NAME (as per RRC Records) GIDDINGS (AUSTIN CHALK, GAS)	9. LEASE NAME J.K. LASSIG
--	------------------------------

10. LOCATION (Section, Block, and Survey) WM. McWILLIAMS A-39	11. PIPELINE CONNECTION OR USE OF GAS AQUILA SOUTHWEST PIPELINE CORP.
--	--

I. PRODUCTION TEST AT RATE ELECTED BY OPERATOR (data on 24-hour basis)

A. Date of Test 05/13/93

B. Gas Volume 9,250 (Mcf)

C. Oil or Condensate Volume 560.64 (Bbl)

D. Water Volume 649.58 (Bbl)

E. Gas/Liquid Hydrocarbon Ratio 16,499 (Cf/Bbl)

F. Flowing Tubing Pressure 1375 (psia)

G. Choke Size 48/64 (In.)

H. Casing Pressure -- (psia)

I. Shut-In Wellhead Pressure—
Tubing 2565 (psia)

J. Separator Operating Pressure 1160 (psia)

K. Color of Stock Tank Liquid LIGHT STRAW

L. Gravity of Separator Liquid 55.0 °API

M. Gravity of Stock Tank Liquid 55.0 °API

N. Specific Gravity of the Gas (Air = 1) .749

II. A.S.T.M. DISTILLATION OF LIQUID SAMPLE. Distillation test is required for gas wells ONLY if the producing gas-liquid hydrocarbon ratio is less than 100,000 CF/barrel.

PVT ATTACHED

Date Liquid Sample Obtained 05/14/93

Where Obtained: Separator Stock Tank

% Over	Temp. (deg. F)	% Over	Temp. (deg. F)
Initial Boiling Temp.	_____	60	_____
10	_____	70	_____
20	_____	80	_____
30	_____	90	_____
40	_____	95	_____
50	_____	End Point	_____

Total Recovery _____ percent

Residue _____ percent

Loss _____ percent

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.

05/27/93

DATE

NORMAN HOMBURG
NAME (Type or Print)

Norman Homburg
SIGNATURE

WELL TESTER
TITLE

WANDA BARTELL
CONTACT PERSON

(817) 877-7941
PHONE NUMBER

RRC USE ONLY

PVT ANALYSIS

May 26, 1993 Notations by Frank H. Lim:

- (1) Separator Gas & Liquid Samples were Collected 5/14/93 and Analyzed by FESCO, Inc.
- (2) The Reservoir Fluid GOR is 16,499 SCFG/STBO as Measured by the 5/13/93 G-5 Production Well Test.
- (3) The Bottomhole Pressure & Temperature were Measured 5/03/93 and Adjusted to TVD of Zone Tested.
- (4) The PVT-CCE Data were Calculated from an Equation of State Computer Program Using the Recombined Extended Laboratory Analysis of Separator Samples.
- (5) This Calculation Method has Been Verified with Laboratory PVT Visual Analysis.
- (6) The Critical Point is Located at -57 deg F and 1426 psia.
- (7) The Reservoir Temperature of 240 F & Pressure of 4075 psia is Located Above the Phase Envelope and Right of the Critical Point Verifying the Fluid is a Single Phase Gas, Dew-Point Fluid at the Reservoir Conditions.
- (8) The Cricondenbar Occurs at 3644 psia and the Cricondentherm Occurs at 450 deg F.

PRESSURE VOLUME RELATIONS

OF

A 16,499 SCFG/STBO GOR RESERVOIR FLUID @ 240 DEGREES F

(Constant Composition Expansion)

PRESSURE (PSIA)	RELATIVE VOLUME (V/VSAT)	DENSITY (GM/CC)	RETROGRADE LIQUID VOLUME		DEVIATION FACTOR (z) @ D.P.
			% (1)	BBL/MM(2)	
6000	0.6856	0.3002	0	0	1.1069
5500	0.7168	0.2871	0	0	1.0609
5000	0.7553	0.2725	0	0	1.0162
4500	0.8038	0.2560	0	0	0.9735
4075 R.P.	0.8564	0.2403	0	0	0.9391
4000	0.8671	0.2374	0	0	0.9333
3553 D.P.	1.0000	0.2183	0	0	0.9012
* * * * * Two Phase * * * * *					
3500	0.9539	0.2158	0.22	2.0	0.8983
3000	1.0871	0.1891	2.06	18.4	0.8784
2500	1.2890	0.1589	2.89	25.8	0.8716
2000	1.6120	0.1263	2.82	25.2	0.8769
1500	2.1778	0.0930	2.20	19.7	0.8932
1000	3.3519	0.0603	1.35	12.1	0.9192
500	6.9694	0.0290	0.52	4.7	0.9539

NOTE (1) Percent of Pore Space at Dew Point

NOTE (2) BBL/MMSCF of Dew Point Gas

Note: Dew Point Fluid, Molecular Weight = 25.96

Gas Formation Volume Factor

At R.P. (Reservoir Pressure) 0.9583 MSCF/BBL

At D.P. (Dew Point Pressure) 1.1190 MSCF/BBL

STUART PETROLEUM TESTERS, INC.
 PETROLEUM LABORATORY

VICTORIA, TEXAS BRENHAM, TEXAS
 (512) 575-0249 (409) 836-3799
 FAX 578-3148 FAX 836-0402

PRESSURE SURVEY

COMPANY: UNION PACIFIC RESOURCES CO. AFE NO.: 12414 DATE: 05-03-93
 LEASE: J.K.LASSIG WELL NO.: 1 SAND:
 FIELD: HORIZONTAL-GIDDINGS COUNTY: BURLESON STATE: TEXAS

DEPTH	TEMP. F	PRESSURE PSIG	PRESSURE DIFFERENCE	GRADIENT #/SQ. IN/FT.	WELL DATA
19		1460			TOP CONNECTION: 2-7/8" ZEROED @: CROWN VALVE
1000		1517	57	0.058	ORKB: 23' ABOVE: G.L. PACKER: 9815'
2000		1591	74	0.074	PERFS.: T.V.D.: 10273'
3000		1872	281	0.281	
4000		2145	273	0.273	PRESSURE THIS SURVEY: 4060 PRESSURE LAST SURVEY: INITIAL
5000		2446	301	0.301	PRESSURE CHANGE: DATE OF LAST SURVEY:
6000		2762	316	0.316	
7000		3085	323	0.323	AMERADA GAUGE SIZE & NO.: 1-1/4" ; 52250
8000		3404	319	0.319	RANGE: 5300# SIZE & NO.: RANGE:
9000		3704	300	0.300	
9575		3868	164	0.285	REMARKS:
9775	232°F	3923	55	0.275	2-3/8" TUBING
	1-HR	3923			
					ASSUME
10273	1240°F	4060	137	0.275	

WELL STATUS 4075 PSIA FLUID LEVEL: 1928' DEAD WEIGHT TEST: 1460#/ 1550#
 SHUT IN: ***** HOURS WATER LEVEL: ----- PRESSURE @ TEST DEPTH: 3923#
 DOWLING: TEST DEPTH: 9775' TEMP. @ TEST DEPTH: 232 F

TEST RUN BY: JAMES

* Temp. Gradient → $232^{\circ}\text{F} - 70^{\circ}\text{F} = 162^{\circ}\text{F} / 9775\text{ft} = 1.657^{\circ}\text{F} / 100\text{ft}$

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

[PRINTED FORM]

[DISTRICT 03]

Operator UNION PACIFIC RESOURCES COMPANY
Address P.O. BOX 7, MS 3407
FORT WORTH, TEXAS 76101-0007

[] RETEST

Test Period

Due Date

Page
Effective Date

FIELD NAME LEASE NAME	RRC IDENT. NO. WELL NUMBER	DATE TESTED Mo/Day/Yr	PRODUCING WELLS					NON-PRODUCING WELLS				
			DAILY PRODUCING RATE			PRESSURE PSIA#	POTENTIAL BHP	SHUT IN (Date Required)	EXCEPTION SWR 14B (Expiration Date)	INJECTION	SALT WATER DISPOSAL	PLUGGED & ABANDONED
			GAS	CONDEN- SATE	WATER							
GIDDINGS (AUSTIN CHALK, GAS) LASSIG, J.K. UNIT		05/13/93	9,250 MCF	560 .6 BBLS	650 BBLS	2565 SIWH						
	1		.749 Spec.Grav.	55.0 Grav. API	16,499 MCF/Bbl	1375 Flowing			PSIA	SIWH	PSIA	
			MCF	BBLS	BBLS	SIWH			MCF/DAY			
			Spec.Grav.	Grav. API	MCF/Bbl	Flowing			PSIA	SIWH	PSIA	
			MCF	BBLS	BBLS	SIWH			MCF/DAY			
			Spec.Grav.	Grav. API	MCF/Bbl	Flowing			PSIA	SIWH	PSIA	
			MCF	BBLS	BBLS	SIWH			MCF/DAY			
			Spec.Grav.	Grav. API	MCF/Bbl	Flowing			PSIA	SIWH	PSIA	
			MCF	BBLS	BBLS	SIWH			MCF/DAY			
			Spec.Grav.	Grav. API	MCF/Bbl	Flowing			PSIA	SIWH	PSIA	
PURCHASER'S STATEMENT DATE _____ PURCHASER: _____			MCF	BBLS	BBLS	SIWH			MCF/DAY			
SIGNATURE _____			Spec.Grav.	Grav. API	MCF/Bbl	Flowing			PSIA	SIWH	PSIA	
AS PURCHASER'S REPRESENTATIVE, I AGREE THAT EACH TEST VOLUME SHOWN ABOVE IS A TRUE TEST REPRESENTATIVE OF EACH WELL(S) CAPABILITY.			MCF	BBLS	BBLS	SIWH			MCF/DAY			
			Spec.Grav.	Grav. API	MCF/Bbl	Flowing			PSIA	SIWH	PSIA	

* COMMINGLING TEST REQUIREMENT
(Gas Specific Gravity, Condensate Gravity and
Gas Condensate Ratio Required)

@ Wells with an exception to SWR 14(B)(2) must insert the date (MO/Yr) the well was last produced or utilized.
Shut-in well head pressures are to be reported in pounds per square inch gauge pressure (PSIG) for wells in
the West Panhandle, West Panhandle (Red Cave), and Texas-Ilumpton Fields.

X ADDITIONAL SPECIAL TEST REQUIREMENT

CERTIFICATE

I declare under penalties prescribed in Article 6036c, R.C.S., 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 WANDA BARTELL 05/27/93
Signature Date
REGULATORY ANALYST 817/877-7941
Title Telephone



Please 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 04/28/93
Field Name GIDDINGS (AUSTIN CHALK, GAS)	Drilling Permit No. 399505	
Lease Name LASSIG, J.K. UNIT	Lease/ID No.	Well No. 1
County BURLESON	API No. 42 - 051-33321	

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

05/27/93

date

For Railroad Commission use only

READ INSTRUCTIONS ON BACK

1. Field name exactly as shown on proration schedule GIDDINGS (AUSTIN CHALK, GAS)		2. Lease name LASSIG J.K. 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	X		AQUILA SOUTHWEST PIPELINE CORP.			0001		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 05/27/93 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: LASSIG, J.K. UNIT WELL NO. 1

FIELD: GIDDINGS (AUSTIN CHALK, GAS), BURLESON COUNTY,

TEXAS, contains 600 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)

DESCRIPTION OF INDIVIDUAL TRACTS OR LEASES CONTAINED
WITHIN POOLED UNIT REFERRED TO IN PARAGRAPH (1) ABOVE

NAME OF HOLDER OF LEASE	LEASE NAME	NO. OF ACRES	MARGIN
UNION PACIFIC RESOURCES COMPANY	JOHN K. LASSIG	451.81	
	DOROTHY GUNTER ARMSTRONG		
	FLORINE SOWAR BORDEN		
	WILLIAM BATTE BRYANT		
	ELOISE KADELL SCHREINER		
	ELEANOR MILLER REESE		
	ALBERT RICHARD KADELL		
UNION PACIFIC RESOURCES COMPANY	STATE OF TEXAS	9.57	
UNION PACIFIC RESOURCES COMPANY	STATE OF TEXAS	29.05	
UNION PACIFIC RESOURCES COMPANY	MARSHALL H. WORTHINGTON	91.97	
UNION PACIFIC RESOURCES COMPANY	JACK W. CONAWAY, ET UX	<u>17.60</u>	
	TOTAL:	600.00	

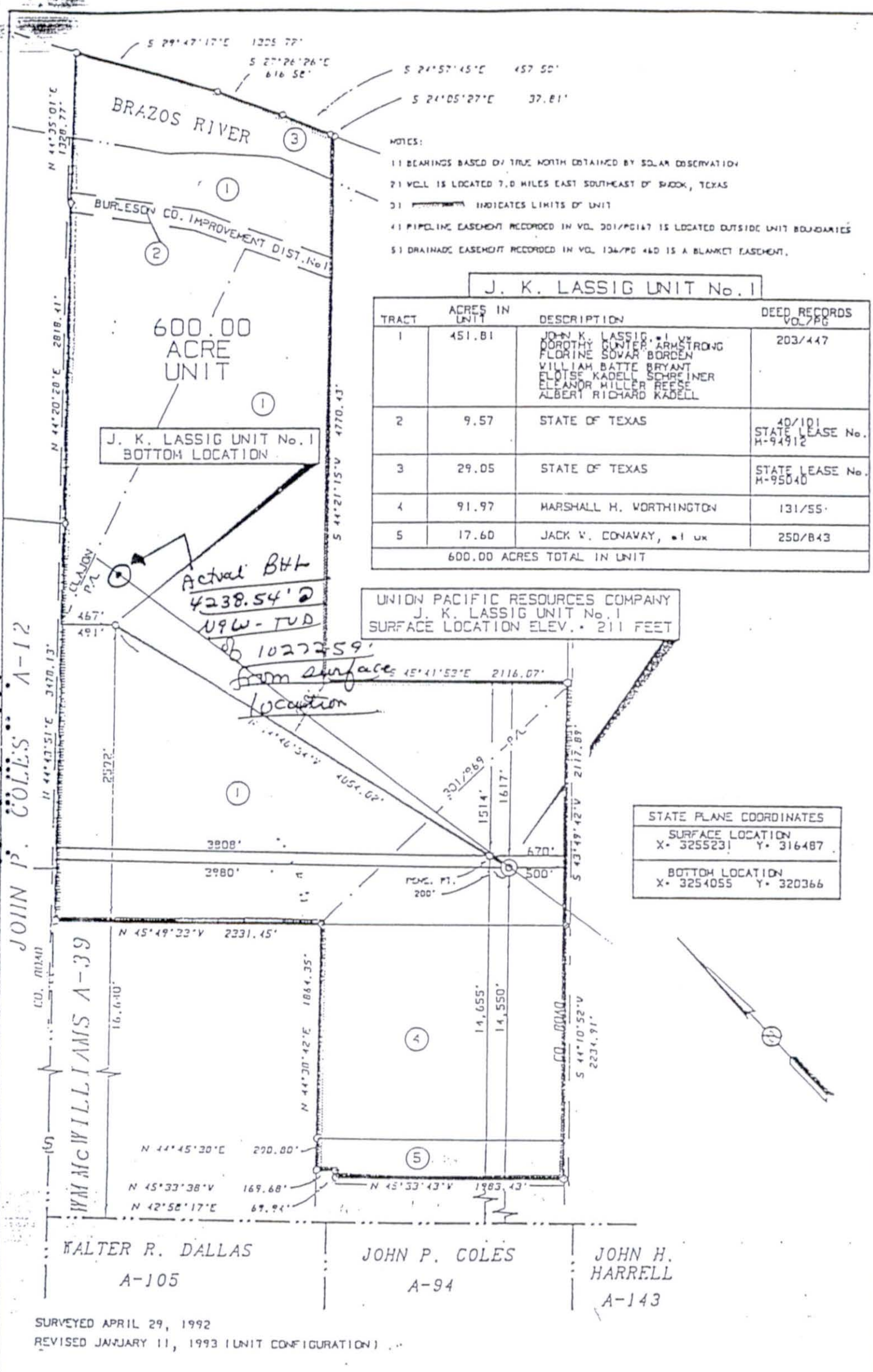
CERTIFICATE:

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.

<i>Wanda Bartell</i>	/WANDA BARTELL	REGULATORY ANALYST	05/27/93
Representative of Operator		Title	Date
		Telephone 817	877-7941
		A/C	Number

INSTRUCTIONS

Where two or more tracts are pooled to form either a drilling unit or a proration unit as permitted by Commission regulation, the operator thereof must furnish a certificate of pooling authority at the time action by the Commission is sought either for a permit to drill on a pooled drilling unit or for establishment of an allowable for a well on a pooled proration unit.



NOTES:

- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- 2) WELL IS LOCATED 7.0 MILES EAST SOUTHEAST OF BROOK, TEXAS
- 3) --- INDICATES LIMITS OF UNIT
- 4) PIPELINE EASEMENT RECORDED IN VOL. 301/PG147 IS LOCATED OUTSIDE UNIT BOUNDARIES
- 5) DRAINAGE EASEMENT RECORDED IN VOL. 134/PG 460 IS A BLANKET EASEMENT.

J. K. LASSIG UNIT No. 1

TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL./PG
1	451.81	JOHN K. LASSIG, et ux DOROTHY GUNTER ARMSTRONG FLORINE SOVAR BORDEN WILLIAM BATTE BRYANT ELOISE KADELL SCHREINER ELEANOR MILLER REESE ALBERT RICHARD KADELL	203/447
2	9.57	STATE OF TEXAS	40/101 STATE LEASE No. H-94912
3	29.05	STATE OF TEXAS	STATE LEASE No. H-95040
4	91.97	MARSHALL H. WORTHINGTON	131/55
5	17.60	JACK V. CONAWAY, et ux	250/843
600.00 ACRES TOTAL IN UNIT			

UNION PACIFIC RESOURCES COMPANY
J. K. LASSIG UNIT No. 1
SURFACE LOCATION ELEV. - 211 FEET

STATE PLANE COORDINATES	
SURFACE LOCATION	
X = 3255231	Y = 316487
BOTTOM LOCATION	
X = 3254055	Y = 320366



JOHN P. COLES A-12

WM McWILLIAMS A-39

KALTER R. DALLAS
A-105

JOHN P. COLES
A-94

JOHN H. HARRELL
A-143

SURVEYED APRIL 29, 1992
REVISED JANUARY 11, 1993 (UNIT CONFIGURATION)

Warren L. Simpson
WARREN L. SIMPSON R.P.L.S. No. 4122
7701 CAMERON ROAD SUITE No. 109

UNION PACIFIC RESOURCES COMPANY
J. K. LASSIG UNIT No. 1
WM. McWILLIAMS SURVEY, A-39
BURLESON COUNTY, TEXAS

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
LASSIG, J.K. UNIT, No. 1; that such well is
LEASE WELL
completed in the GIDDINGS (AUSTIN CHALK, GAS) 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 _____
600. 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 05/27/93 Signature *Wanda Bartell* /WANDA BARTELL

Telephone 817/877-7941 Title REGULATORY ANALYST
AREA CODE



BRAZOS RIVER

NOTES:

- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- 2) WELL IS LOCATED 7.0 MILES EAST SOUTHEAST OF BROOK, TEXAS
- 3) ~~INDICATES~~ INDICATES LIMITS OF UNIT
- 4) PIPELINE EASEMENT RECORDED IN VOL. 301/PC147 IS LOCATED OUTSIDE UNIT BOUNDARIES
- 5) DRAINAGE EASEMENT RECORDED IN VOL. 134/PC 440 IS A BLANKET EASEMENT.

J. K. LASSIG UNIT No. 1

TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL./PG
1	451.81	JOHN K. LASSIG, +1 ux DOROTHY GUNTER ARMSTRONG FLORINE SOVAR BORDEN VILLIAM BATTE BRYANT ELOISE KADELL SCHREINER ELIZABETH MILLER REESE ALBERT RICHARD KADELL	203/447
2	9.57	STATE OF TEXAS	40/101 STATE LEASE No. H-94912
3	29.05	STATE OF TEXAS	STATE LEASE No. H-95040
4	91.97	MARSHALL H. WORTHINGTON	131/55
5	17.60	JACK V. CONAVAY, +1 ux	250/843
600.00 ACRES TOTAL IN UNIT			

J. K. LASSIG UNIT No. 1
BOTTOM LOCATION

UNION PACIFIC RESOURCES COMPANY
J. K. LASSIG UNIT No. 1
SURFACE LOCATION ELEV. 211 FEET

STATE PLANE COORDINATES	
SURFACE LOCATION	
X • 3255231	Y • 316487
BOTTOM LOCATION	
X • 3254055	Y • 320366

JOHN P. COLES A-12

WM McWILLIAMS A-39

WALTER R. DALLAS
A-105

JOHN P. COLES
A-94

JOHN H. HARRELL
A-143

SURVEYED APRIL 29, 1992
REVISED JANUARY 11, 1993 (UNIT CONFIGURATION)

Warren L. Simpson
WARREN L. SIMPSON R.P.L.S. No. 4122
7701 CAMERON ROAD SUITE No. 109

UNION PACIFIC RESOURCES COMPANY
J. K. LASSIG UNIT No. 1
WM. McWILLIAMS SURVEY, A-39
BURLESON COUNTY, TEXAS

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, GAS)	6. API No. 42-051-33321		7. Drilling Permit No. 399505
8. Lease Name LASSIG, J.K. 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		3/23/93					
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.)		3205'					
16. Setting depth (ft.)		20					
17. Number of centralizers used		24					
18. Hrs. waiting on cement before drill-out							
1st Slurry	19. API cement used: No. of sacks ▶	1220					
	Class ▶	A					
	Additives ▶	D79, D44, D29					
2nd Slurry	No. of sacks ▶	310					
	Class ▶	A					
	Additives ▶	None					
3rd Slurry	No. of sacks ▶	50					
	Class ▶	A					
	Additives ▶	52					
1st	20. Slurry pumped: Volume (cu. ft.) ▶	3294					
	Height (ft.) ▶	5913					
2nd	Volume (cu. ft.) ▶	366					
	Height (ft.) ▶	610					
3rd	Volume (cu. ft.) ▶	59					
	Height (ft.) ▶	106					
Total	Volume (cu. ft.) ▶	3719					
	Height (ft.) ▶	6629					
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?		Yes 250 bbls.					

22. Remarks
3rd slurry for top out

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.

Ronnie Justice FSM Dowell Schlumberger Ronnie Justice
Name and title of cementer's representative Cementing Company Signature

801 Standard Longview, TX 75604 (903)295-6100 3/23/93
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 Wanda Bartell
Typed or printed name of operator's representative Title Signature

P.O. BOX 7, MS 3407 FORT WORTH, TEXAS 76101-0007 817/877-7941 05/27/93
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
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8. Lease Name LASSIG, J.K. 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			4/5/93				
13. •Drilled hole size			9 7/8"				
•Est. % wash or hole enlargement							
14. Size of casing (In. O.D.)			7 5/8"				
15. Top of liner (ft.)							
16. Setting depth (ft.)			10,300'				
17. Number of centralizers used							
18. Hrs. waiting on cement before drill-out			24				
1st Slurry	19. API cement used: No. of sacks ▶		455				
	Class ▶		H				
	Additives ▶		D35, D800				
2nd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
3rd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1st Spd	20. Slurry pumped: Volume (cu. ft.) ▶		668				
	Height (ft.) ▶		3107				
2nd Spd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
3rd Spd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶		668				
	Height (ft.) ▶		3107				
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?			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								

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Ronnie Justice FSM Dowell Schlumberger
 Name and title of cementer's representative Cementing Company Signature

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 Address City, State, Zip Code Tel: Area Code Number Date: mo. day yr.

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WANDA BARTELL REGULATORY ANALYST Wanda Bartell
 Typed or printed name of operator's representative Title Signature

P.O. BOX 7, MS 3407 FORT WORTH, TEXAS 76101-0007 817/877-7941 05/27/93
 Address City, State, Zip Code Tel: Area Code Number Date: mo. day yr.

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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.



May 5, 1993

CERTIFIED NO. P 892 228 200

RAILROAD COMMISSION OF TEXAS
Oil & Gas Division
P.O. Drawer 12967
Austin, TX 78711


ATTN: MS. CATHY GARRISON
RE: UNION PACIFIC RESOURCES CORPORATION
J. K. LASSIG; UNIT # 1
BURLESON COUNTY, TEXAS
A.P.I. # 42-051-33321

Dear Ms. Garrison:

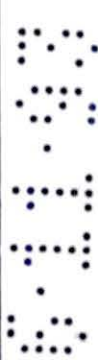
Enclosed is a notarized copy of the directional survey done by HALLIBURTON DRILLING SYSTEMS on the above referenced well.

This data is being submitted to you in accordance with your Statewide Conservation Rule 12.

Regards,


TERRY THIBODEAUX
DISTRICT MWD COORINDATOR

TT/sbb



DIRECTIONAL SURVEY COMPANY REPORT

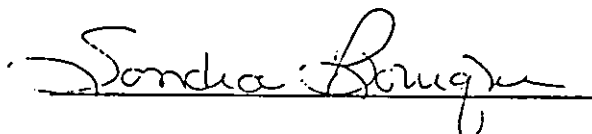
1. NAME OF SURVEYING COMPANY: HALLIBURTON DRILLING SYSTEMS
2. NAME OF PERSON(S) PERFORMING SURVEY: A) MICHAEL LEDOUX
B) RICHARD GUIDRY
C) GREG BEAZELEY
3. POSITION OF SAID PERSON(S): A-C) SURVEYORS
4. DATE(S) ON WHICH SURVEY WAS PERFORMED: A-C) 04/08/93
TO: 04/17/93
5. STATE IN WHICH SURVEY WAS PERFORMED: TEXAS
6. COUNTY OF SAID STATE: BURLESON
7. TYPE OF SURVEY(S) PERFORMED: M.W.D.
8. COMPLETE IDENTIFICATION OF WELL: UPRC
J.K. LASSIG; UNIT # 1
BURLESON COUNTY, TEXAS
9. SURVEY(S) PERFORMED FROM: 10316' TO: 14051 FT. MD.

THIS IS TO CERTIFY THAT ATTACHED DOCUMENTS SHOWING THE WELL TO BE DISPLACED AT 4042.92 FEET ON A TRUE BEARING OF NORTH 14.81 DEGREES WEST FROM THE CENTER OF THE ROTARY TABLE ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.


TERRY THIBODEAUX

STATE OF LOUISIANA
PARISH OF LAFAYETTE

ON THIS 7th DAY OF May 93 BEFORE ME PERSONALLY CAME AND APPEARED TERRY THIBODEAUX, TO ME KNOWN TO BE THE PERSON DESCRIBED IN AND WHO EXECUTED THE SAME AS HIS FREE ACT AND DEED.



NOTARY PUBLIC
SANDRA B. BOURQUE



HALLIBURTON
ENERGY SERVICES

Drilling Systems

130 Beau Pre Road / P.O. Box 55000 / Lafayette, LA 70505 / 318-233-3982

May 5, 1993

UNION PACIFIC RESOURCES CORPORATION
P.O. BOX 7 MS 3605
FORTH WORTH, TX 76101

ATTN: BRAD CALIFF
RE: J.K. LASSIG; UNIT # 1
BURLESON COUNTY, TEXAS

Dear Mr. Califf:

We are attaching herewith the original and three copies of the directional survey done by HALLIBURTON DRILLING SYSTEMS on the above referenced well.

In accordance with the State Railroad Commission's Statewide Conservation Rule 12, we are mailing a certified copy to them in Austin, Texas. The certified mail receipt number for this report is P 892 228 200.

We appreciate the opportunity of doing business with your company, and hope to be of service to you again in the future.

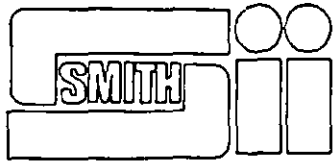
Regards,



TERRY THIBODEAUX
DISTRICT MWD COORINDATOR

TT/sbb





Smith
International

Report of Sub-Surface Directional Survey

UNION PACIFIC RESOURCES COMPANY

J.K. LASSIG; UNIT #1

BURLESON COUNTY, TEXAS

SURVEY FROM 10316 TO 14051 FT. MD.



UNION PACIFIC RESOURCES COMPANY
J.K. LASSIG; UNIT #1
RIG: DELTA #63
BURLESON COUNTY, TEXAS
DATE OF REPORT: 04-17-93
SII MWD OPERATORS:
M. LEDOUX\G. BEAZLEY

MWD SURVEYING SERVICES
OBJECTIVE: 345.22 DEGREES
DECL: 5.8^ EAST TO TRUE
KBH = 26 FEET TO GROUND LEVEL
LL9304042DIS2\G: 04-08-93

SII OFFICE SUPERVISOR:
A.J. BROUSSARD

Well Name: J.K. LASSIG; UNIT #1
Calculated by Minimum Curvature Method
File: SUR1.DAT

Fri Apr 23 1993 12:02:52

----- Bottom Hole Location -----
MD: 14120.00 Feet
Incl: 92.20 Deg.
Az: 344.20 Deg.
TVD: 10220.61 Feet
N/S: 3908.66 Feet N from Well Head
E/W: 1033.23 Feet W from Well Head
Closure: 4042.92 Feet @ 345.19 Deg. from Well Head
VS: 4042.91 Feet @ 345.22 Deg. from Well Head
Walk: 0.00 Deg/100 Feet
Build: 0.00 Deg/100 Feet
DLS: 0.00 Deg/100 Feet

UNION PACIFIC RESOURCES COMPANY
 J.K. LASSIG; UNIT #1
 RIG: DELTA #63
 BURLESON COUNTY, TEXAS

Calculated by Minimum Curvature Method
 Vert Sect Plane: 345.22 Deg.

- RECORD OF SURVEY -

MEASURED DEPTH (FT)	INCL ANGLE (DEG)	D R I F T DIRECTION (DEG)	COURSE LENGTH (FT)	TRUE VERTICAL DEPTH	T O T A L RECTANGULAR COORDINATES (FT)	VERTICAL SECTION (FT)	C L O S U R E DISTANCE (FT)	DIRECTION (DEG)	DOGLEG SEVERITY (DG/100')	
TIED INTO RUSTY CLARK GYRO MULTI-SHOT SURVEY @ 9830 FT. M.D.										
9830.00	1.00	355.84	0.00	9828.67	100.90 N	11.85 W	100.58	101.59	353.30	0.00
THE FOLLOWING ARE GEODATA MWD SURVEYS										
9884.00	0.80	1.20	54.00	9882.66	101.75 N	11.88 W	101.41	102.44	353.34	0.40
9915.00	1.10	343.60	31.00	9913.66	102.25 N	11.96 W	101.92	102.95	353.33	1.34
9946.00	3.80	346.50	31.00	9944.63	103.53 N	12.28 W	103.24	104.26	353.24	8.72
9978.00	8.80	344.70	32.00	9976.42	106.93 N	13.17 W	106.75	107.74	352.98	15.64
10009.00	14.30	341.70	31.00	10006.79	112.85 N	15.00 W	112.95	113.85	352.43	17.84
10041.00	19.40	340.90	32.00	10037.40	121.63 N	17.98 W	122.20	122.96	351.59	15.95
10072.00	23.00	340.90	31.00	10066.30	132.23 N	21.65 W	133.37	133.99	350.70	11.61
10104.00	25.20	340.20	32.00	10095.51	144.54 N	26.01 W	146.40	146.87	349.80	6.93
10136.00	27.90	339.30	32.00	10124.13	157.96 N	30.96 W	160.63	160.97	348.91	8.53
10167.00	31.80	338.90	31.00	10151.01	172.37 N	36.47 W	175.97	176.19	348.05	12.60
10198.00	36.10	339.40	31.00	10176.72	188.55 N	42.62 W	193.18	193.30	347.26	13.90
10229.00	40.50	340.00	31.00	10201.04	206.56 N	49.28 W	212.30	212.36	346.58	14.24
10253.00	43.60	340.50	24.00	10218.86	221.69 N	54.71 W	228.31	228.34	346.14	12.99
THE FOLLOWING ARE DATADRIL MWD SURVEYS										
10316.00	49.60	340.50	63.00	10262.13	264.82 N	69.99 W	273.91	273.91	345.20	9.52
10348.00	51.60	342.20	32.00	10282.44	288.25 N	77.89 W	298.58	298.59	344.88	7.48
10382.00	55.10	341.80	34.00	10302.73	314.19 N	86.32 W	325.81	325.83	344.64	10.34
10414.00	61.60	342.30	32.00	10319.52	340.09 N	94.70 W	353.00	353.03	344.44	20.36
10445.00	69.90	342.90	31.00	10332.24	367.04 N	103.14 W	381.21	381.26	344.30	26.83
10475.00	78.80	344.70	30.00	10340.32	394.75 N	111.19 W	410.06	410.11	344.27	30.22
10506.00	85.50	345.40	31.00	10344.55	424.41 N	119.10 W	440.75	440.80	344.32	21.73
10538.00	87.40	345.20	32.00	10346.54	455.30 N	127.21 W	472.68	472.73	344.39	5.97
10601.00	91.80	344.70	63.00	10346.98	516.12 N	143.56 W	535.67	535.71	344.46	7.03
10632.00	93.00	344.80	31.00	10345.68	546.00 N	151.71 W	566.64	566.69	344.47	3.88
10664.00	93.40	345.30	32.00	10343.89	576.87 N	159.95 W	598.59	598.63	344.50	2.00
10696.00	93.10	345.70	32.00	10342.08	607.80 N	167.95 W	630.54	630.58	344.55	1.56
10728.00	92.60	345.70	32.00	10340.49	638.77 N	175.84 W	662.49	662.53	344.61	1.56

UNION PACIFIC RESOURCES COMPANY
 J.K. LASSIG; WELL #1
 RIG: DELTA #63
 BURLESON COUNTY, TEXAS

Calculated by Minimum Curvature Method
 Vert Sect Plane: 345.22 Deg.

- RECORD OF SURVEY -

MEASURED DEPTH (FT)	INCL ANGLE (DEG)	D R I F T DIRECTION (DEG)	COURSE LENGTH (FT)	TRUE VERTICAL DEPTH	T O T A L RECTANGULAR COORDINATES (FT)	VERTICAL SECTION (FT)	C L O S U R E DISTANCE (FT)	DIRECTION (DEG)	DOGLEG SEVERITY (DG/100')
10760.00	92.30	345.10	32.00	10339.12	669.71 N 183.90 W	694.46	694.50	344.65	2.09
10792.00	91.70	344.60	32.00	10338.00	700.58 N 192.26 W	726.44	726.48	344.65	2.44
10823.00	91.30	344.60	31.00	10337.19	730.45 N 200.49 W	757.43	757.47	344.65	1.29
10855.00	92.00	344.60	32.00	10336.27	761.29 N 208.98 W	789.42	789.46	344.65	2.19
10887.00	92.80	344.90	32.00	10334.93	792.14 N 217.39 W	821.39	821.43	344.65	2.67
10918.00	92.20	344.70	31.00	10333.58	822.03 N 225.51 W	852.36	852.40	344.66	2.04
10949.00	91.90	343.30	31.00	10332.47	851.80 N 234.05 W	883.33	883.37	344.64	4.62
10981.00	92.10	344.00	32.00	10331.35	882.49 N 243.05 W	915.30	915.35	344.60	2.27
11012.00	92.30	343.90	31.00	10330.16	912.26 N 251.62 W	946.27	946.33	344.58	0.72
11045.00	92.40	343.60	33.00	10328.81	943.92 N 260.85 W	979.23	979.29	344.55	0.96
11077.00	92.30	343.50	32.00	10327.49	974.58 N 269.90 W	1011.19	1011.26	344.52	0.44
11108.00	92.10	342.90	31.00	10326.30	1004.24 N 278.85 W	1042.15	1042.23	344.48	2.04
11140.00	92.10	341.60	32.00	10325.13	1034.69 N 288.60 W	1074.08	1074.19	344.41	4.06
11172.00	92.20	341.20	32.00	10323.93	1065.00 N 298.80 W	1105.99	1106.12	344.33	1.29
11204.00	92.30	340.80	32.00	10322.68	1095.23 N 309.21 W	1137.88	1138.04	344.23	1.29
11236.00	92.20	340.40	32.00	10321.42	1125.39 N 319.83 W	1169.75	1169.96	344.14	1.29
11268.00	92.10	339.80	32.00	10320.22	1155.46 N 330.72 W	1201.60	1201.86	344.03	1.90
11300.00	92.20	339.90	32.00	10319.02	1185.48 N 341.73 W	1233.43	1233.75	343.92	0.44
11331.00	92.00	339.50	31.00	10317.88	1214.53 N 352.48 W	1264.27	1264.65	343.82	1.44
11363.00	92.10	339.00	32.00	10316.74	1244.44 N 363.81 W	1296.07	1296.53	343.70	1.59
11395.00	91.70	338.10	32.00	10315.68	1274.21 N 375.51 W	1327.84	1328.38	343.58	3.08
11427.00	92.50	338.10	32.00	10314.50	1303.88 N 387.43 W	1359.57	1360.22	343.45	2.50
11459.00	92.20	337.60	32.00	10313.19	1333.49 N 399.49 W	1391.28	1392.04	343.32	1.82
11491.00	91.50	337.60	32.00	10312.16	1363.06 N 411.68 W	1422.98	1423.87	343.19	2.19
11522.00	91.70	337.30	31.00	10311.29	1391.68 N 423.56 W	1453.68	1454.71	343.07	1.16
11553.00	91.70	337.20	31.00	10310.37	1420.25 N 435.54 W	1484.37	1485.54	342.95	0.32
11585.00	91.70	337.30	32.00	10309.42	1449.75 N 447.91 W	1516.05	1517.37	342.83	0.31
11617.00	92.10	338.00	32.00	10308.36	1479.33 N 460.07 W	1547.75	1549.22	342.72	2.52
11648.00	92.10	336.80	31.00	10307.23	1507.93 N 471.98 W	1578.44	1580.07	342.62	3.87
11680.00	91.50	337.70	32.00	10306.22	1537.43 N 484.35 W	1610.12	1611.92	342.51	3.38

UNION PACIFIC RESOURCES COMPANY
 J.K. LASSIG; WELL #1
 RIG: DELTA #63
 BURLESON COUNTY, TEXAS

Calculated by Minimum Curvature Method
 Vert Sect Plane: 345.22 Deg.

- RECORD OF SURVEY -

MEASURED DEPTH (FT)	INCL ANGLE (DEG)	D R I F T DIRECTION (DEG)	COURSE LENGTH (FT)	TRUE VERTICAL DEPTH	T O T A L RECTANGULAR COORDINATES (FT)		VERTICAL SECTION (FT)	C L O S U R E DISTANCE (FT) DIRECTION (DEG)		DOGLEG SEVERITY (DG/100')
11712.00	91.80	338.30	32.00	10305.30	1567.08 N	496.33 W	1641.85	1643.80	342.43	2.10
11744.00	92.10	339.10	32.00	10304.21	1596.88 N	507.95 W	1673.62	1675.72	342.35	2.67
11775.00	92.20	339.10	31.00	10303.05	1625.82 N	519.00 W	1704.43	1706.65	342.30	0.32
11807.00	91.90	339.30	32.00	10301.90	1655.72 N	530.35 W	1736.23	1738.58	342.24	1.13
11839.00	91.60	339.50	32.00	10300.93	1685.66 N	541.61 W	1768.05	1770.53	342.19	1.13
11871.00	92.20	340.30	32.00	10299.87	1715.69 N	552.60 W	1799.89	1802.49	342.15	3.12
11902.00	91.40	340.90	31.00	10298.89	1744.91 N	562.89 W	1830.78	1833.46	342.12	3.23
11934.00	91.50	342.60	32.00	10298.08	1775.29 N	572.91 W	1862.71	1865.45	342.11	5.32
11966.00	92.10	343.80	32.00	10297.08	1805.91 N	582.15 W	1894.67	1897.42	342.13	4.19
11998.00	92.00	343.40	32.00	10295.93	1836.59 N	591.18 W	1926.64	1929.39	342.16	1.29
12029.00	91.90	343.50	31.00	10294.88	1866.29 N	600.01 W	1957.60	1960.37	342.18	0.46
12061.00	91.90	344.10	32.00	10293.82	1897.00 N	608.93 W	1989.58	1992.34	342.20	1.87
12125.00	92.00	343.40	64.00	10291.64	1958.41 N	626.83 W	2053.52	2056.28	342.25	1.10
12157.00	92.20	343.40	32.00	10290.47	1989.05 N	635.96 W	2085.48	2088.25	342.27	0.63
12220.00	92.00	343.40	63.00	10288.16	2049.39 N	653.95 W	2148.41	2151.20	342.30	0.32
12284.00	92.50	345.40	64.00	10285.64	2110.98 N	671.15 W	2212.35	2215.10	342.36	3.22
12380.00	92.20	348.60	96.00	10281.71	2204.43 N	692.72 W	2308.21	2310.71	342.56	3.35
12444.00	91.60	348.90	64.00	10279.59	2267.16 N	705.20 W	2372.05	2374.31	342.72	1.05
12540.00	92.40	349.00	96.00	10276.24	2361.33 N	723.59 W	2467.79	2469.70	342.96	0.84
12571.00	92.20	348.50	31.00	10274.99	2391.71 N	729.63 W	2498.70	2500.52	343.03	1.74
12603.00	92.20	348.00	32.00	10273.76	2423.01 N	736.14 W	2530.64	2532.37	343.10	1.56
12634.00	92.40	347.30	31.00	10272.52	2453.27 N	742.77 W	2561.58	2563.25	343.16	2.35
12666.00	92.10	346.90	32.00	10271.26	2484.44 N	749.91 W	2593.54	2595.15	343.20	1.56
12761.00	92.50	348.20	95.00	10267.45	2577.13 N	770.37 W	2688.38	2689.81	343.36	1.43
12778.00	92.30	347.50	17.00	10266.74	2593.73 N	773.94 W	2705.35	2706.74	343.39	4.28
12810.00	92.20	347.30	32.00	10265.48	2624.94 N	780.92 W	2737.30	2738.64	343.43	0.70
12841.00	92.20	347.10	31.00	10264.29	2655.14 N	787.78 W	2768.26	2769.55	343.47	0.64
12872.00	92.30	347.50	31.00	10263.07	2685.36 N	794.59 W	2799.22	2800.45	343.52	1.33
12904.00	92.10	348.00	32.00	10261.85	2716.61 N	801.38 W	2831.16	2832.34	343.56	1.68
12936.00	92.50	348.50	32.00	10260.56	2747.91 N	807.89 W	2863.09	2864.21	343.62	2.00

Survey Ref: Well Head Closure Ref: Well Head Vert Sect Ref: Well Head
 Fri Apr 23 1993 09:22:40 File: sur1.dat

UNION PACIFIC RESOURCES COMPANY
 J.K. LASSIG; WELL #1
 RIG: DELTA #63
 BURLESON COUNTY, TEXAS

Calculated by Minimum Curvature Method
 Vert Sect Plane: 345.22 Deg.

- RECORD OF SURVEY -

MEASURED DEPTH (FT)	INCL ANGLE (DEG)	D R I F T DIRECTION (DEG)	COURSE LENGTH (FT)	TRUE VERTICAL DEPTH	T O T A L		VERTICAL SECTION (FT)	C L O S U R E		DOGLEG SEVERITY (DG/100')
					RECTANGULAR	COORDINATES (FT)		DISTANCE (FT)	DIRECTION (DEG)	
12968.00	92.40	349.00	32.00	10259.19	2779.27 N	814.19 W	2895.00	2896.06	343.67	1.59
13032.00	91.70	348.40	64.00	10256.90	2841.99 N	826.66 W	2958.84	2959.77	343.78	1.44
13064.00	92.10	348.30	32.00	10255.84	2873.31 N	833.12 W	2990.78	2991.66	343.83	1.29
13095.00	91.70	347.90	31.00	10254.82	2903.63 N	839.51 W	3021.72	3022.55	343.87	1.82
13127.00	91.80	347.90	32.00	10253.84	2934.90 N	846.21 W	3053.67	3054.46	343.92	0.31
13159.00	92.10	348.70	32.00	10252.75	2966.22 N	852.70 W	3085.61	3086.35	343.96	2.67
13191.00	92.30	350.10	32.00	10251.52	2997.65 N	858.58 W	3117.50	3118.18	344.02	4.42
13223.00	91.80	351.50	32.00	10250.38	3029.22 N	863.69 W	3149.32	3149.94	344.09	4.64
13286.00	92.00	353.00	63.00	10248.29	3091.61 N	872.18 W	3211.81	3212.28	344.25	2.40
13350.00	91.90	351.60	64.00	10246.11	3154.99 N	880.75 W	3275.29	3275.62	344.40	2.19
13414.00	91.90	350.20	64.00	10243.99	3218.15 N	890.87 W	3338.94	3339.18	344.53	2.19
13478.00	91.80	348.50	64.00	10241.92	3281.01 N	902.69 W	3402.73	3402.92	344.62	2.66
13510.00	91.80	347.70	32.00	10240.92	3312.31 N	909.28 W	3434.68	3434.85	344.65	2.50
13542.00	91.80	348.30	32.00	10239.91	3343.59 N	915.93 W	3466.62	3466.78	344.68	1.87
13573.00	91.80	350.10	31.00	10238.94	3374.03 N	921.74 W	3497.53	3497.67	344.72	5.80
13669.00	91.70	351.10	96.00	10236.01	3468.69 N	937.41 W	3593.06	3593.13	344.88	1.05
13765.00	92.00	350.90	96.00	10232.91	3563.46 N	952.42 W	3688.53	3688.55	345.04	0.38
13861.00	91.80	348.60	96.00	10229.72	3657.87 N	969.49 W	3784.17	3784.17	345.16	2.40
13956.00	91.90	346.20	95.00	10226.66	3750.53 N	990.20 W	3879.04	3879.04	345.21	2.53
14051.00	92.20	344.20	95.00	10223.26	3842.31 N	1014.45 W	3973.98	3973.98	345.21	2.13
THE FOLLOWING IS A PROJECTION TO TD AT 14120 FT. M.D.										
14120.00	92.20	344.20	69.00	10220.61	3908.66 N	1033.23 W	4042.91	4042.92	345.19	0.00

UNION PACIFIC RESOURCES COMPANY
 J.K. LASSIG, UNIT #1
 BURLESON COUNTY, TEXAS
 RIG: DELTA #63

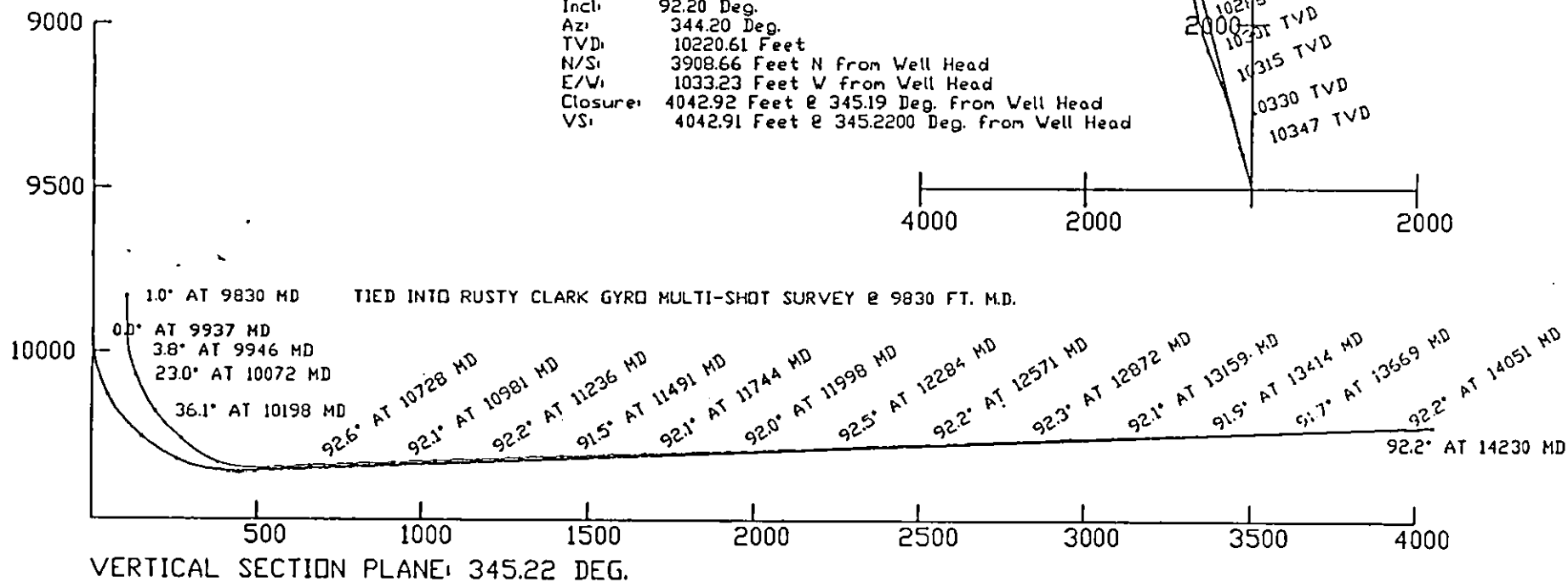
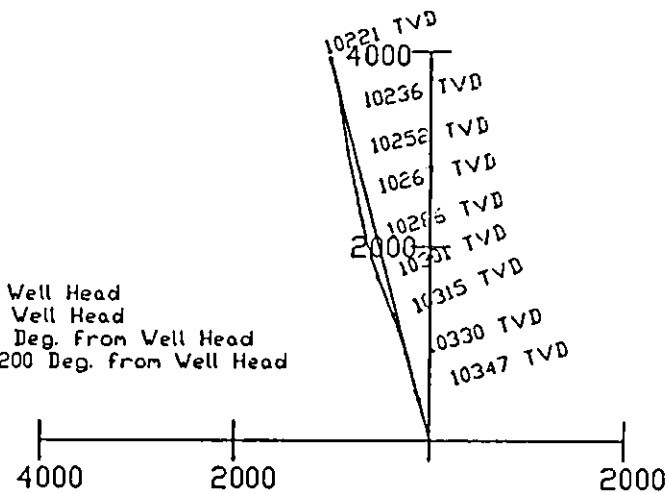
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HORIZONTAL PLAN
 SCALE: 2000 FEET/DIVISION
 REFERENCE: PLATFORM CENTER

VERTICAL SECTION
 SCALE: 500 FEET/DIVISION
 REFERENCE: WELL HEAD

Bottom Hole Location
 MD: 14120.00 Feet
 Incl: 92.20 Deg.
 Azi: 344.20 Deg.
 TVD: 10220.61 Feet
 N/S: 3908.66 Feet N from Well Head
 E/W: 1033.23 Feet W from Well Head
 Closure: 4042.92 Feet @ 345.19 Deg. from Well Head
 VS: 4042.91 Feet @ 345.2200 Deg. from Well Head



05770

S 29°47'17"E 1328.77'
 S 27°26'26"E 616.50'
 S 24°57'45"E 457.50'
 S 24°05'27"E 37.81'

BRAZOS RIVER

BURLESON CO. IMPROVEMENT DIST. No. 1

600.00
ACRE
UNIT

J. K. LASSIG UNIT No. 1
BOTTOM LOCATION

- NOTES:
- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
 - 2) WELL IS LOCATED 7.0 MILES EAST SOUTHEAST OF BUCK, TEXAS
 - 3) ~~INDICATES~~ INDICATES LIMITS OF UNIT
 - 4) PIPELINE EASEMENT RECORDED IN VOL. 301/PG. 147 IS LOCATED OUTSIDE UNIT BOUNDARIES
 - 5) DRAINAGE EASEMENT RECORDED IN VOL. 136/PG. 460 IS A BLANKET EASEMENT.

J. K. LASSIG UNIT No. 1

TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL. 7PG
1	451.81	JOHN K. LASSIG, J. W. DOROTHY, GUNTER ARMSTRONG, FLORINE SOVAR BORDEN, WILLIAM BATTE BRYANT, ELOISE KADELL SCHREINER, ELEANOR MILLER REESE, ALBERT RICHARD KADELL	203/447
2	9.57	STATE OF TEXAS	40/101 STATE LEASE No. M-94912
3	29.05	STATE OF TEXAS	STATE LEASE No. M-95040
4	91.97	MARSHALL H. WORTHINGTON	131/55
5	17.60	JACK V. CONAWAY, et ux	250/843
600.00 ACRES TOTAL IN UNIT			

UNION PACIFIC RESOURCES COMPANY
 J. K. LASSIG UNIT No. 1
 SURFACE LOCATION ELEV. - 211 FEET

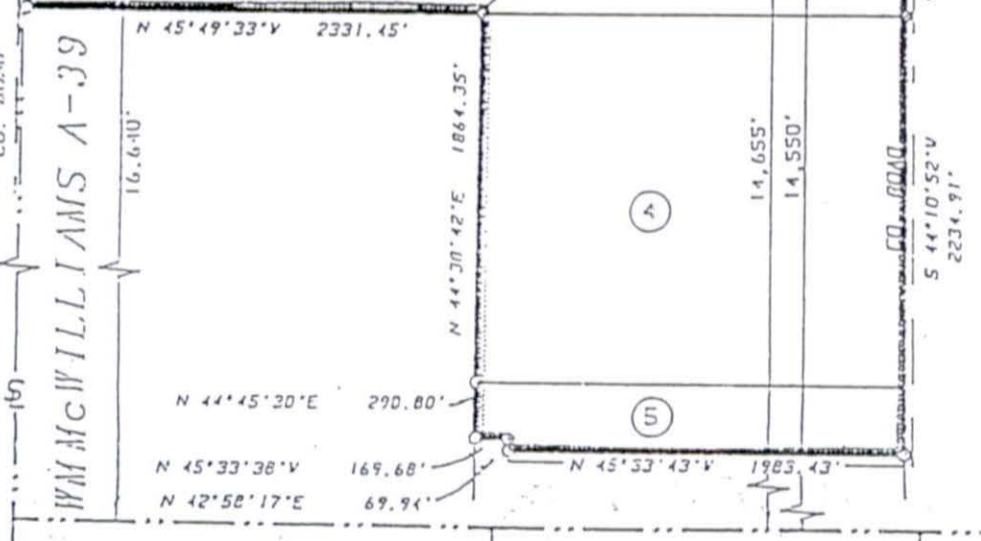
Actual BHL
 4042.92'
 @ NW 1/4
 TWD of
 10220.61'
 from
 surface
 locator

STATE PLANE COORDINATES	
SURFACE LOCATION	
X = 3255231	Y = 316487
BOTTOM LOCATION	
X = 3254055	Y = 320366



JOHN P. COLES A-12

WM McWILLIAMS A-39



KALTER R. DALLAS
A-105

JOHN P. COLES
A-94

JOHN H. HARRELL
A-143

SURVEYED APRIL 29, 1992
 REVISED JANUARY 11, 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
 J. K. LASSIG UNIT No. 1
 WM. McWILLIAMS SURVEY, A-39
 BURLESON COUNTY, TEXAS
 SCALE 1" = 1000'

①④ M-94912
Completion Rpts Well #1
FILED: 9-23-93

07.02

DO NOT DESTROY



UNIT AGREEMENT MEMO

Unit No. 2151

Operator Union Pacific Resources Co

Unit Name Gaubatz - Yegua Unit #1

County Burleson

Effective Date 7-6-93

Unitized for: Oil Gas Oil & Gas

1. M.F. No. 94912
Area _____ Tr. 4
Sec. _____ Blk. _____ Survey _____
13.48/640.00 x 1/5 = .4212 %
.021062 x .20 = .004212

2. M.F. No. 95040
Area _____ Tr. 3
Sec. _____ Blk. _____ Survey _____
38.46/640.00 x 1/5 = 1.2018 %
.060093 x .20 = .012018

3. M.F. No. _____
Area _____ Tr. _____
Sec. _____ Blk. _____ Survey _____
_____ x _____ = _____ %

4. M.F. No. _____
Area _____ Tr. _____
Sec. _____ Blk. _____ Survey _____
_____ x _____ = _____ %

REMARKS: * Subject to Royalty Reduction Provision

.016230

Prepared by: <u>Marc A. Fuentes</u>	Date <u>2-10-99</u>
Map & GIS updated by:	Date
Keyed into database by:	Date

2151

POOLING COMMITTEE REPORT

PERMANENT

TO: SCHOOL LAND BOARD

DATE: July 6, 1993

OPERATOR: Union Pacific Resources Co. COUNTY: Burleson

UNIT NAME: Gaubatz-Yegua Unit #1 FIELD: Clay, NE.
(Austin Chalk 11350)

STATE LEASE(S) IN UNIT

Lease *Type	State Number	State Royalty	Expiration Date	Term Year	Acres Acres	Acres In Unit	Lessee of Record
SF	M-95040	1/4 **	8-4-94	2	550	38.46	UPRC
SF	M-94912	1/4 **	4-7-95	3	53	13.48	UPRC

** Subject to Royalty Reduction Provision

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

PRIVATE ACRES: 588.06
 STATE ACRES: 51.94
 TOTAL UNIT ACRES: 640.00

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 840 Acres

State Acreage 8.12% Acreage Factor 77.08%

State Unit Royalty 1.62%

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 _____

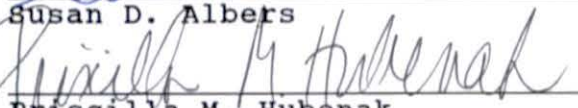
REMARKS:


- . 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 10,005 feet MD to 10,495 feet MD as shown on the electric log of LaSalle Company's Arhopulos Well #1.
- . The applicant completed a horizontal gas well in the Austin Chalk Formation. The well was completed on March 22, 1993. The initial potential of the well was 8,951 mcf and 633 bbls per day.
- . If the unit is approved, the applicant will earn a royalty reduction to 20% making the State's unit royalty participation 1.62%.
- . 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.

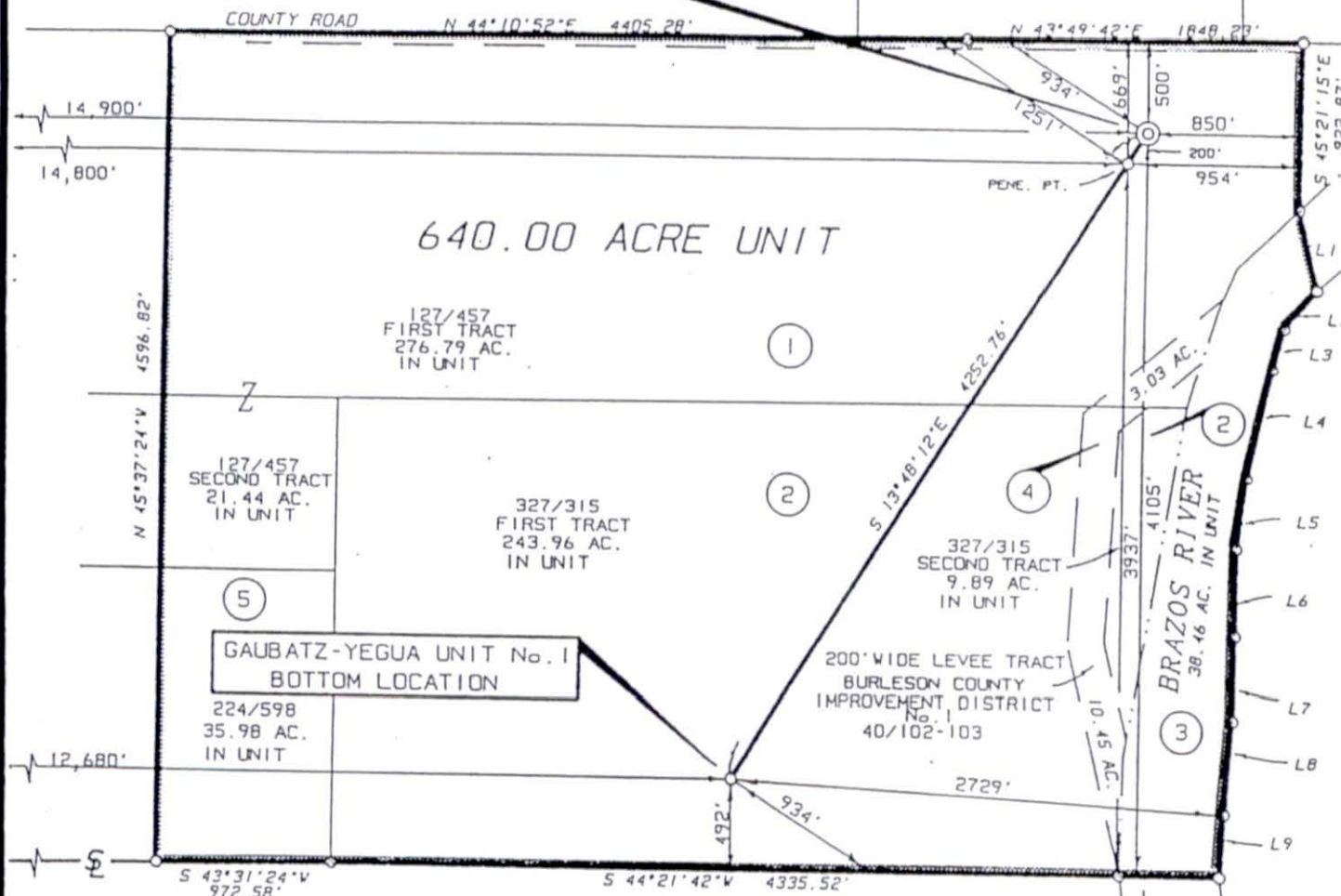

Susan D. Albers


Priscilla M. Hubenak


Peter A. Boone

W.M. McWILLIAMS A-39

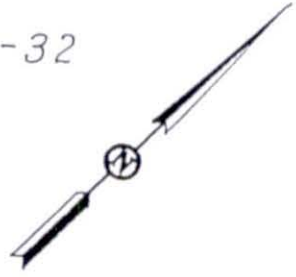
UNION PACIFIC RESOURCES COMPANY
GAUBATZ-YEGUA UNIT No. 1
SURFACE LOCATION ELEV. +209 FEET



GAUBATZ-YEGUA UNIT No. 1
BOTTOM LOCATION

GAUBATZ-YEGUA UNIT No. 1 W.M. KENNON A-32

TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL./PG.
1	298.23	Mrs. WILLIE GAUBATZ	127/457 FIRST & SECOND TR
2	253.85	YEGUA PROPERTIES, LTD. FIRST CITY, TEXAS-BRYAN N.A.	327/315
3	38.46	STATE OF TEXAS M-95040	STATE LSE No. M-95040
4	13.48	STATE OF TEXAS M-94912	40/182 40/183
5	35.98	YEGUA PROPERTIES LTD.	224/598 TRACT 1
640.00 ACRES TOTAL IN UNIT			



Union Pacific Resources Company
Gaubatz-Yegua Unit #1
Clay, NE (Austin Chalk, 11350) Field
M-95040, M-94912
Burlleson County

(15) M-94912

Pooling Committee Rpt.
FILED: 9-30-93

**POOLING AGREEMENT
UNION PACIFIC RESOURCES COMPANY
GAUBATZ-YEGUA UNIT NO. 1
BURLESON COUNTY, 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 10,005 feet measured depth to 10,495 feet measured depth as shown on the electric log of LaSalle Company's Arhopulos 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 640 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

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 9/29/93

Legal pu
Geology pu
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 [Signature]

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 27th day of September, 1993.

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

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 Burleson County, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production 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.

TORCH ENERGY ASSOCIATES

By: _____
Title: _____

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1993, by _____, the _____ of TORCH ENERGY ASSOCIATES, a _____ partnership, on behalf of said partnership.

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

NUEVO ENERGY COMPANY

By: _____
Title: _____

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1993, by _____, the _____ of NUEVO ENERGY COMPANY, a _____ corporation, on behalf of said corporation.

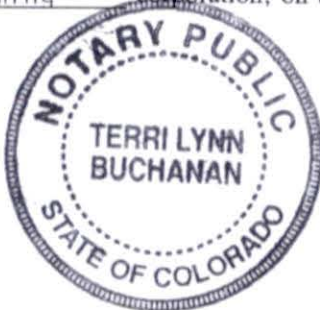
Notary Public in and for the
State of _____
My commission expires: _____

SINCLAIR OIL CORPORATION

By: *Kenneth T. Smith*
Title: Kenneth T. Smith, Vice President *gms*

STATE OF Colorado
COUNTY OF Denver

This instrument was acknowledged before me on the 11th day of August, 1993, by Kenneth T. Smith, the Vice President of SINCLAIR OIL CORPORATION, a Wyoming corporation, on behalf of said corporation.



Terrilyn Buchanan
Notary Public in and for the
State of _____
My commission expires: 10-29-96

TORCH ENERGY ASSOCIATES

By: [Signature]
Title: MATTHEW S. RAMSEY
Vice President



STATE OF Texas
COUNTY OF Harris

This instrument was acknowledged before me on the 16th day of August, 1993, by Matthew S. Ramsey, the VP of TORCH ENERGY ASSOCIATES, a Ltd partnership, on behalf of said partnership.



Deborah A. Davis
Notary Public in and for the
State of Texas
My commission expires: 3-23-97

NUEVO ENERGY COMPANY

By: [Signature]
Title: MATTHEW S. RAMSEY
Senior Vice President - Land



STATE OF Texas
COUNTY OF Harris

This instrument was acknowledged before me on the 16th day of August, 1993, by Matthew S. Ramsey, the Senior Vice President of NUEVO ENERGY COMPANY, a Delaware corporation, on behalf of said corporation.



Deborah A. Davis
Notary Public in and for the
State of Texas
My commission expires: 3-23-97

SINCLAIR OIL CORPORATION

By: _____
Title: _____

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1993, by _____, the _____ of SINCLAIR OIL CORPORATION, a _____ corporation, on behalf of said corporation.

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

Exhibit "A"

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

Schedule of Leases

Lessor: Mrs. Willie Gaubatz TX-40941
Lessee: Union Pacific Resources Company
Date: October 4, 1991
Filed: Oil and Gas Lease Records of Burleson County
Recorded: Volume 162, Page 211

Lessor: State of Texas M-95040 TX-46248
Lessee: Union Pacific Resources Company
Date: August 4, 1992
Filed: Oil and Gas Lease Records of Burleson County
Recorded: Volume 207, Page 313
Filed: Official Records of Brazos County
Recorded: Volume 1612, Page 219

Lessor: State of Texas M-94912 TX-45516
Lessee: Union Pacific Resources Company
Date: April 7, 1992
Filed: Oil and Gas Lease Records of Burleson County
Recorded: Volume 204, Page 70

Lessor: First City, Texas-Bryan, N.A. TX-42632 (10)
Lessee: Union Pacific Resources Corporation
Date: June 11, 1990
Filed: Oil and Gas Lease Records of Burleson County
Recorded: Volume 166, Page 464

Lessor: Yegua Properties, Ltd. TX-42632 (1)
Lessee: Union Pacific Resources Corporation
Date: October 12, 1990
Filed: Oil and Gas Lease Records of Burleson County
Recorded: Volume 177, Page 79

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

FIELD NOTES

GAUBATZ - YEGUA UNIT No. 1
640.00 ACRE UNIT

Being 640.00 acres of land out of the William McWilliams Survey, Abstract No. 39, in Burleson County, Texas and out of the Brazos River in Burleson County, Texas and Brazos County, Texas; being 298.23 acres of land out of those certain tracts of land, described as First Tract and Second Tract in a deed to Phillips Petroleum Company, recorded in Volume 127, Page 457, being 253.85 acres of land described as First Tract and Second Tract, conveyed to Roy H. Cullen, Trustee, by deed recorded in Volume 327, Page 315, being 35.98 acres of land out of that certain tract of land described as Tract No. 1, conveyed to Dee S. Osborne, Trustee, by deed recorded in Volume 224, Page 598, being 13.48 acres of land out of those certain tracts of land conveyed to Burleson County Improvement District No. 1, by deeds recorded in Volume 40, Pages 102 and 103, all in the Deed Records of Burleson County, Texas, being 38.46 acres of land located within the banks of the Brazos River, and being more particularly described as follows:

BEGINNING at an iron rod found at a post for the east corner of that certain tract of land described as Tract 1, in said deed recorded in Volume 224, Page 598, and being the south corner of that certain tract of land described as First Tract in said deed recorded in Volume 327, Page 315;

THENCE S 43°31'24" W, along the southeast line of said Tract 1, recorded in Volume 224, Page 598, a distance of 972.58 feet to a point for the south corner of the herein described unit;

THENCE N 45°37'24" W, traversing the interior of said tract recorded in Volume 224, Page 598, and traversing the interior of said tracts recorded in Volume 127, Page 457, a distance of 4596.82 feet to a point on the northwest line of said First Tract, recorded in Volume 127, Page 457 for the west corner of the herein described unit;

THENCE N 44°10'52" E, along the northwest line of said First Tract, recorded in Volume 127, Page 457, a distance of 4405.28 feet to a fence corner post;

THENCE N 43°49'42" E, continuing along the northwest fenced line of said First Tract, a distance of 1848.23 feet to a fence corner post for the north corner of the herein described unit;

THENCE S 45°21'15" E, along the fenced northeast line of said First Tract, recorded in Volume 127, Page 457, a distance of 922.87 feet to a fence corner post on the west bank of the Brazos River;

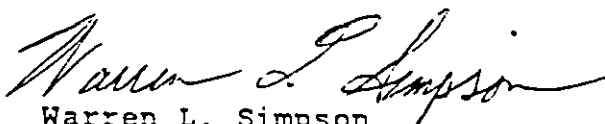
THENCE S 59°13'25" E, a distance of 456.29 feet to a point on the east bank of the Brazos River:

THENCE along the east bank of the Brazos River the following eight (8) courses and distances:

- 1) S 06°02'08" E, 278.52 feet,
- 2) S 30°28'41" E, 236.66 feet,
- 3) S 33°12'07" E, 623.19 feet,
- 4) S 37°59'04" E, 393.72 feet,
- 5) S 45°47'02" E, 482.58 feet,
- 6) S 44°39'13" E, 467.88 feet,
- 7) S 41°07'21" E, 512.95 feet,
- 8) S 42°24'25" E, 344.29 feet to a point for the east corner of the herein described unit;

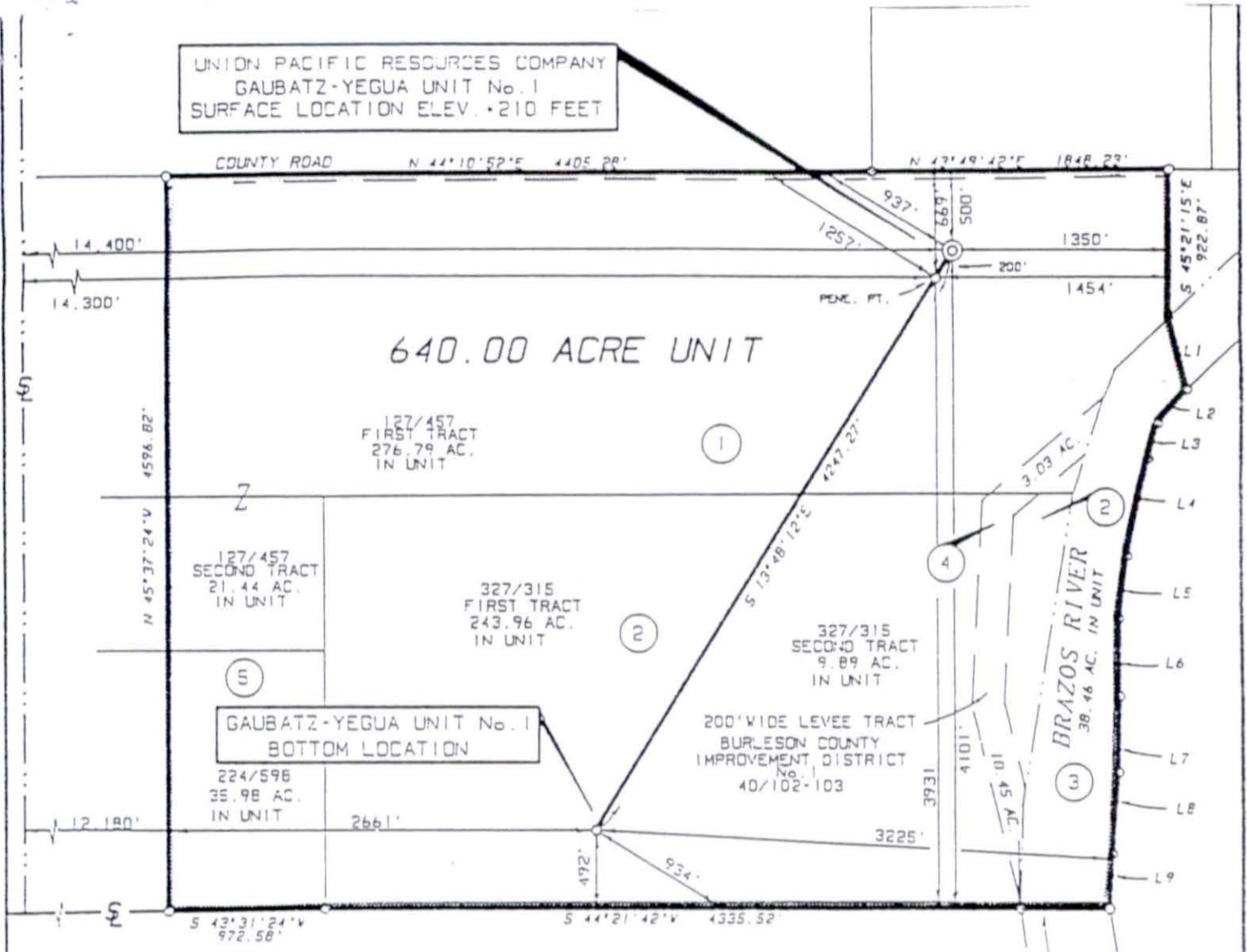
THENCE S 44°21'42" W, a distance of 556.52 feet a point on the west bank of the Brazos River

THENCE S 44°21'42" W, along the southeast line of said First Tract recorded in Volume 327, Page 315, a distance of 4335.52 feet to the PLACE OF BEGINNING and containing 640.00 acres of land, more or less.



Warren L. Simpson
Registered Professional Land Surveyor No. 4122
November 17, 1992

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



ALFRED KENNON A-32

NOTES:

- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- 2) WELL IS LOCATED 7.2 MILES EAST SOUTHEAST OF SNOOK, TEXAS
- 3) INDICATES LIMITS OF UNIT
- 4) EASEMENTS RECORDED IN VOL. 284/PG 911 & VOL. 284/PG 913 ARE BLANKET EASEMENTS TO WESCO PIPELINE CO.
- 5) EASEMENT RECORDED IN VOL. 283/PG 666 TO CLAJON GAS CO. DOES NOT AFFECT THIS UNIT.
- 6) STATE PLANE COORDINATE DATA, 1927 DATUM

LINE TABLE

L 1	S 59°13'25"E	456.29'
L 2	S 06°02'08"E	278.52'
L 3	S 30°28'41"E	236.66'
L 4	S 33°12'07"E	623.19'
L 5	S 37°59'04"E	393.72'
L 6	S 45°47'02"E	482.58'
L 7	S 44°39'13"E	467.88'
L 8	S 41°07'21"E	512.95'
L 9	S 42°24'25"E	344.29'

GAUBATZ-YEGUA UNIT No. 1

TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL./PG
1	298.23	Mr. WILLIE GAUBATZ	127/457 FIRST & SECOND TR
2	253.85	YEGUA PROPERTIES, LTD. FIRST CITY, TEXAS-BRYAN N.A.	327/315
3	38.46	STATE OF TEXAS	STATE LSE No. M-95040
4	13.48	STATE OF TEXAS	40/102 40/103
5	35.98	YEGUA PROPERTIES LTD.	224/598 TRACT 1
640.00 ACRES TOTAL IN UNIT			

SURVEYED MAY 18, 1992
 REVISED NOVEMBER 17, 1992 (UNIT CONFIGURATION & DRAIN HOLE DIRECTION)
 REVISED JANUARY 11, 1993 (MOVE SURFACE LOCATION AND BOTTOM LOCATION)

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

GAUBATZ-YEGUA UNIT No. 1

WM. McWILLIAMS SURVEY, A-39
 BURLESON COUNTY, TEXAS

SCALE 1" = 1000'

(16) M-94912

Pooling Agreement
FILED: 9-30-93

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

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

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

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

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

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

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, API No. 42-
If assigned: Permit No. _____
Rule 37 Case No. _____

1 Operator's Name (exactly as shown on Form P-5, Organization Report) UNION PACIFIC RESOURCES COMPANY
 2 Address (including city and zip code) P.O. BOX 7 MS 3407 FORT WORTH, TEXAS 76101-0007
 3. RRC Operator No. 876645
 4. RRC District No. 03
 5. County of Well Site BURLESON
 6. Lease Name (32 spaces maximum) GAUBATZ-YEGUA UNIT
 7. RRC Lease/ID No. _____
 8. Well No. 1
 9. Total Depth 14800
 10. Location
 • Section _____ Block _____ Survey WM. McWILLIAMS Abstract No. A- 39
 • This well is to be located 7.2 miles in a ESE direction from SNOOK, TX which is the nearest town in the county of the well site.

11. Distance from proposed location to nearest lease or unit line 492 ft. 12. Number of contiguous acres in lease, pooled unit, or unitized tract 640 (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
CLAY, NE (AUSTIN CHALK, 11350)	14800	933/1867	640/320	640	NO	N/A	GAS	0	1

22 Perpendicular surface location from two nearest designated lines:
 • Lease/Unit 500' FNWL and 850' FNEL
 • Survey/Section 14900' FSWL and 4105' FSEL
 If a directional well, show also projected bottom-hole location:
 • Lease/Unit 492' FSEL and 2729' FNEL
 • Survey/Section 12680' FSWL and 492' FSEL

23 Is this a pooled unit? Yes (Attach Form P-12 and certified plat.) No
 24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes (Attach Form W-1A) No

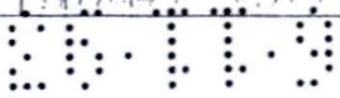
25 Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes No If subject to Rule 36, is Form 11-9 filed? Yes No If not filed, explain in Remarks.

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.

Remarks PENETRATION POINT LOCATION:
669' FNWL and 954' FNEL of Unit;
14800' FSWL and 3937' FSEL of Survey

I certify that information stated in this application is true and complete, to the best of my knowledge.
 Signature: Karen S. Moss Name and title of operator's representative: REGULATORY ANALYST
 Date: 11-24-92 Tel.: 817-877-7957
 mo. day yr. Area Code Number

• 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

KAREN S. MOSS

representative's name (print or type)

817/877-7957

phone number with area code

[Handwritten Signature]

representative's signature

REGULATORY ANALYST

representative's title

11-23-92

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 406619	DATE PERMIT ISSUED OR AMENDED 12/09/92	DISTRICT 03
API NUMBER 42 051 33355	FORM W-1 RECEIVED 11/25/92	COUNTY SURLESON
TYPE OF OPERATION DRILL (HORIZONTAL)		ACRES 640.00
OPERATOR 876645 UNION PACIFIC RESOURCES COMPANY P.O. BOX 7 MS 3407 FORT WORTH TX 76101		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 GAUBATZ-YEGUA UNIT		WELL NUMBER 1
LOCATION 7.20 MILES ESE FROM SNOOK		TOTAL DEPTH 14,800
SECTION, BLOCK and/or SURVEY SECTION => BLOCK => ABSTRACT => 39 SURVEY ==> WM. MCWILLIAMS		
DISTANCE-LEASE LINES 500.00 F NW - 850.00 F NE		DISTANCE-NEAREST WELL ON LEASE N/A
DISTANCE-SURVEY LINES 14,900.00 F SW - 4,105.00 F SE		

READ IMPORTANT CONDITIONS AND INSTRUCTIONS ON THE BACK OF THIS FORM

FIELD(S) AND LIMITATIONS

PERMIT BOTTOM HOLE LOCATION:

LEASE DISTANCE ==> 492.00 F SE - 2,729.00 F NE
SURVEY DISTANCE ==> 12,680.00 F SW - 492.00 F SE
NEAREST WELL ==> N/A

CLAY, NE (AUSTIN CHALK 11350)

**** LIMITATIONS ****

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

**PENETRATION POINT LOCATION: 669 FNWL & 954 FNEL OF UNIT
14800 FSWL & 3937 FSEL OF SURVEY.**

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



JAMES W. WALKER, JR.
DIRECTOR, PRODUCTION ALLOCATION

1701 N. CONGRESS

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

(512) 463-7288

December 9, 1992

UNION PACIFIC RESOURCES COMPANY
P.O. BOX 7 MS 3407
FORT WORTH TX 76101

RE: DIRECTIONAL DEVIATION
PERMIT #: 406619
LEASE: GAUBATZ-YEGUA UNIT WELL #: 1
FIELD: CLAY, NE (AUSTIN CHALK 11350) COUNTY: BURLESON

SURFACE LOCATION:

LEASE:	500.00 F NW	6	850.00 F NE
SURVEY:	14900.00 F SW	6	4105.00 F SE

BOTTOM HOLE LOCATION:

LEASE:	492.00 F SE	6	2729.00 F NE
SURVEY:	12680.00 F SW	6	492.00 F SE

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

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 11-26-92

TWC File No.: SC- 3091

KAREN F. ROSS 417-877-7967

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 MS 3407

Mailing Address

FORT WORTH, TX 76101-0007

City and State

Zip Code

Do not write in this space

COUNTY BURLINSON

Survey Name Wm. McWILLIAMS

Block No.

Township

Section or Survey No. W

(or) Lot No.

Abstract No. A- 39

LEASE Name GAUBATZ YEGUA 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) 14,900' feet from SW line and 4105 feet from SE line

Distance (in miles) and direction from a nearby town in this County (name the town) 7.2 MILES ESE FROM

SHOOK, TX

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

RRC Lease No.

RRC Dist. No. 3

Elevation (if avail.) 209

Proposed Total Depth 14800'

Geologic Fm. at T.D. AUSTIN CHALK

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:

CC-BURLINSON, SUR-McWILLIAMS W., LSE-GAUBATZ YEGUA UNIT, A-39, #11/400, ZONE, 1700, 2650

The interval from the land surface to a depth of 400 feet, and the ZONE from 1700 to 2650 feet must be protected.

RECEIVED

DEC - 2 1992

REGULATORY DEPARTMENT

Very truly yours,

Steven L. White

Geologist, Surface Casing, TWC

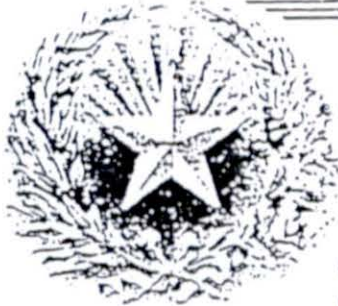
Date November 30, 1992

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).

TYPE OR PRINT IN INK

DO NOT WRITE HERE FOR TWC USE ONLY



RAILROAD COMMISSION

OF TEXAS

LENA GUERRERO, Chairman
JAMES E. (JIM) NUGENT, Commissioner
ROBERT KRUEGER, Commissioner

OIL & GAS DIVISION

DAVID M. GARLICK, Director
JAMES W. WALKER, JR., Director
Production Allocation
(512) 463-6535
FAX (512) 463-6055

1701 N. CONGRESS

CAPITOL STATION — P. O. BOX 12067

AUSTIN, TEXAS 78711-2067

August 25, 1992

UNION PACIFIC RESOURCES COMPANY
P. O. Box 7
MAIL STATION 3407
FORT WORTH, TX 76101-0007
ATTN: MARILYN J. MEEHAN

RE: APPLICATIONS FOR DRILLING PERMITS
ACCOUNT NUMBER: [REDACTED]
REGISTER NUMBER: 217579

Dear Ms. Meehan,

This will acknowledge receipt of your check, number 5393651, in the amount of \$30,000.00, dated 08-19-92. The Oil & Gas Division has registered your check with the number 217579. All W1 applications submitted with this cover letter will be deducted from this specific check only. An account was established from which your authorized representative can draw the necessary fees in order to properly process the Form W1.

If after permit approval, the drilling permit is withdrawn, dismissed, denied, closed, cancelled or expires the application fee will not be credited back to your account, as the fee is non-refundable pursuant to Statewide Rule 78. To be valid this letter must be signed by an authorized representative prior to resubmitting.

A COPY OF THIS LETTER MUST BE ATTACHED TO EACH FORM W1 SUBMITTED IN ORDER TO PROCESS THE APPLICATION USING THE PREPAID ACCOUNT. IF NOT, THE APPLICATION WILL BE RETURNED.

Your truly,

William J. Gallagher, Administrator
Audit and Permits

Authorized by:

\$200.00 AMOUNT

11-24-92 DATE

PLEASE COMPLETE FOR THE W1 ATTACHED TO THIS COVER LETTER.

LEASE NAME	WELL NO.	COUNTY	RRC USE ONLY
GAUBATZ-YEGUA UNIT	1	BURLESON	PERMIT#



RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

CERTIFICATE OF POOLING AUTHORITY

I, KAREN S. MOSS, 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: GAUBATZ-YEGUA UNIT WELL NO. 1

FIELD: CLAY, NE (AUSTIN CHALK, 11350), BURLESON COUNTY,

TEXAS, contains 640 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)

①7 M-9A912
Appl. to Drill well #1
FILED: 9-30-95

0.11.03

Type or print only

483-047

API No. 42-051-33355

7 RRC District No

03

RRC Gas ID No

Gas Well Back Pressure Test, Completion or Recompletion Report, and Log

1 FIELD NAME (as per RRC Records or Wildcat) CLAY, NE (AUSTIN CHALK, 11350)		2 LEASE NAME GAUBATZ-YEGUA 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 3047 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 <input type="checkbox"/> (Explain in remarks)	
5 Location (Section, Block, and Survey) WM. McWILLIAMS A-39		5b. Distance and direction to nearest town in this county. 7.2 miles ESE from Snook, Texas			
6 If operator has changed within last 60 days, name former operator		12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no. FIELD & RESERVOIR			
13 Pipe Line Connection Austin Chalk Natural Gas Mktg. Serv.					
14 Completion or recompletion date 03/22/93		15 Any condensate on hand at time of workover or recompletion? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		16. Type of Electric or other Log Run GAMMA RAY	

Section I

GAS MEASUREMENT DATA

Date of Test 04-01-93		Gas Measurement Method (Check One) Orifice Meter <input checked="" type="checkbox"/> Flange Taps <input checked="" type="checkbox"/> Positive Choke <input type="checkbox"/> Orifice Vent Meter <input type="checkbox"/> Pitot Tube <input type="checkbox"/> Critical-flow Prover <input type="checkbox"/>							Gas produced during test 10,437 MCF	
Run No	Line Size	Orif or Choke Size	24 Hr. Coeff. Orif or Choke	Static P _m or Choke Press	Diff P _w	Flow Temp T _f	Temp Factor T _f	Gravity Factor F _g	Compress Factor F _{pv}	Volume MCF DAY
1	4.026	2.500	43,217.40	997	55.4	152	0.9218	0.8974	1.076	9,036
2	4.026	2.500	43,217.40	1,005	48.2	146	0.9263	0.8974	1.080	8,533
3	4.026	2.500	43,217.40	1,005	40.4	143	0.9286	0.8974	1.081	7,845
4	4.026	2.500	43,217.40	975	36.2	126	0.9420	0.8974	1.089	7,475

Section II

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas) 0.7450	Gravity Liquid Hydrocarbon 52.5 Deg. API	Gas Liquid Hydro Ratio 14,259 CF/Bbl	Gravity of Mixture G_{mix} 0.920	Avg. Shut-in Temp. 175 °F	Bottom Hole Temp 277 °F	10,658 (Depth)
------------------------------------	--	--	--	-------------------------------------	-----------------------------------	-----------------------

$D_{eff}^{H/3} = 6.310$
 $\sqrt{T_r} = \sqrt{680.3} = 26.08$
 $\sqrt{C_L} = \sqrt{8,806.82} = 99.03$

$C = \frac{1118 \times ID_{em}^{8/3}}{\sqrt{T}} = \frac{7,054.58}{26.08} = 270.48$
 $\frac{\sqrt{C_L}}{C} = \frac{99.03}{270.48} = 0.3661$

Run No	Time of Run Min.	Choke Size	Wellhead Press. PSIA P _w	Wellhead Flow Temp. °F	P _w ² (Thousands)	R	R ² (Thousands)	P ₁	P _w /P ₁
Shut-in			3,410	73	11,628				
1	120	30/64	2,215	174	4,906	3,308.3	10,944.8	3,981	0.556
2	744	28/64	2,415	173	5,832	3,124.1	9,760.0	3,949	0.612
3	854	26/64	2,495	153	6,225	2,872.4	8,250.6	3,805	0.656
4	120	24/64	2,615	154	6,838	2,736.8	7,490.0	3,785	0.691

Run No	F	K	S = $\frac{1}{2}$	E _{ks}	P _f and P _s	P _f ² and P _s ² (thousands)	P _f ² - P _s ² (thousands)	Angle of Slope θ n Absolute Open Flow
Shut-in		0.2895	1.1946	1.41323	4,819	23,224		45.0°
1	0.799	0.2160	1.2379	1.30656	2,894	8,375	14,848	1.000
2	0.821	0.2220	1.2251	1.31255	3,170	10,048	13,176	
3	0.840	0.2270	1.2199	1.31902	3,291	10,830	12,393	
4	0.855	0.2310	1.2121	1.32318	3,460	11,972	11,251	14,200 MCF/DAY

WELL TESTER'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test and that data and facts shown in Sections I and II above are true, correct, and complete, to the best of my knowledge. Bottomhole temperature and the diameter and length of flow string were furnished by the operator of the well.

Kolman Hovley
Signature: Well Tester

Union Pacific Resources
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 I prepared or supervised and directed this report, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Wanda Bartell
Signature: Operator's representative

REGULATORY ANALYST
Title

05/12/93
Date

Tel: 817/877-7941
A/C Number

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

17. Type of Completion: New Well Deepening Plug Back Other
 HORIZONTAL

18. Permit to Drill, Plug Back or Deepen DATE 01/26/93 PERMIT NO. 406619
 Rule 37 CASE NO.
 Exception
 Water Injection PERMIT NO.
 Permit
 Salt Water Disposal PERMIT NO.
 Permit
 Other PERMIT NO.

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

19. Number of producing wells on this lease in this field (reservoir) including this well: 1
 20. Date Plug Back, Deepening, WorkOver or Drilling Operations: 02/03/93
 21. Total number of acres in this lease: 640
 22. Commenced: 02/03/93 Completed: 03/07/93
 23. Distance to nearest well, Same Lease & Reservoir: N/A

24. Location of well, relative to nearest lease boundaries of lease on which this well is located: 500 Feet From NW Line and 937 Feet from SW Line of the GAUBATZ-YEGUA UNIT Lease

25. Elevation (DF, RKB, RT, GR, ETC.) GL: 210' KB: 234'
 26. Was directional survey made other than inclination (Form W-12)? Yes No

27. Top of Pay: 10,222'
 28. Total Depth: 14,600'
 29. P. B. Depth: 14,600'
 30. Surface Casing Determined by: Field Recommendation of T.D.W.R. Railroad Commission (Special)
 Dt. of Letter: 01/21/93

31. Is well multiple completion? Yes No
 32. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No. FIELD & RESERVOIR
 33. Intervals Drilled by: Rotary Tools Cable Tools
 35. Is Cementing Affidavit Attached? Yes No

36. 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#	3272'		1580 sxs "A"	14 3/4"	Surface	3718
7 5/8"	24.4# & 29.7#	10,333'		455 sxs "H"	9 7/8"	9300	669

37. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen

38. TUBING RECORD

Size	Depth Set	Packer Set	From	To
2 3/8"	9930	9913	10,333	14,600'
			From OPEN HOLE COMPLETION	To

39. Producing Interval (this completion) indicate depth of perforation or open hole

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

Depth Interval	Amount and Kind of Material Used

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

Formations	Depth	Formations	Depth
MIDWAY	6547'	AUSTIN CHALK	10,222
NAVARRO	7981'		
PECAN GAP	9227'		

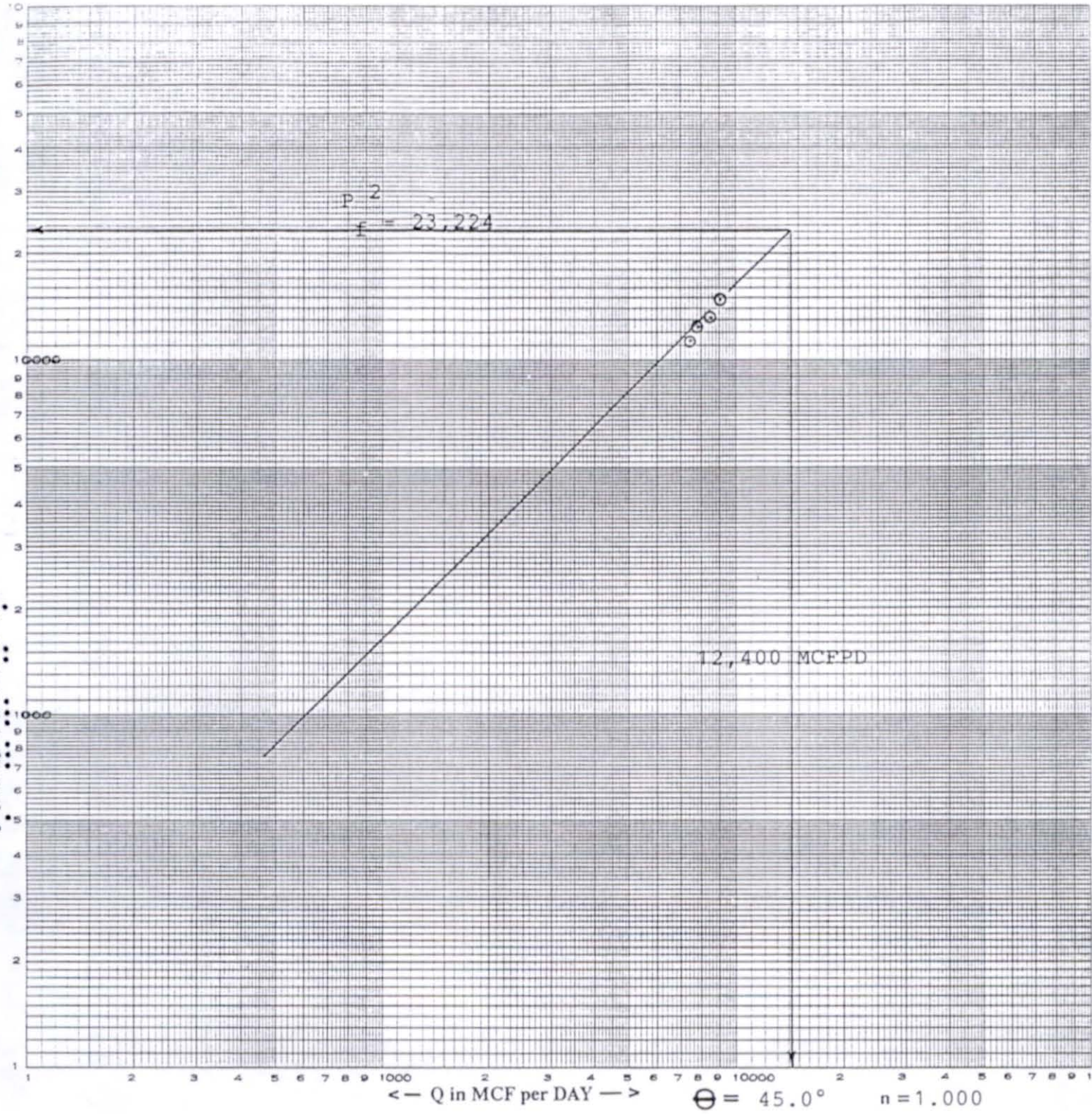
REMARKS

**GAS WELL
BACK PRESSURE CURVE**

County BURLESON Field CLAY, NE (AUSTIN CHALK 11350)
 Operator UNION PACIFIC RESOURCES COMPANY
 Lease GAUBATZ-YEGUA #1
 Volume 14,200 MCF/24 hr.
 Date Tested 4-1-93

DIETZEN CORPORATION
P2-P5

DIETZEN CORPORATION
LUBRICATING
EQUIPMENT



READ INSTRUCTIONS ON BACK

1. OPERATOR NAME (Exactly as shown on Form P-5 Organization Report) UNION PACIFIC RESOURCES COMPANY		3. RRC DISTRICT NO. 03	4. OIL LEASE NO. OR GAS WELL ID NO.																												
2. MAILING ADDRESS P.O. BOX 7, MS 3407 FORT WORTH, TEXAS 76101-0007		5. WELL NO. 1	6. API NO. 42-051-33355																												
		7. COUNTY OF WELL SITE BURLESON																													
8. FIELD NAME (as per RRC Records) CLAY, NE (AUSTIN CHALK, 11350)		9. LEASE NAME GAUBATZ-YEGUA UNIT																													
10. LOCATION (Section, Block, and Survey) WM. McWILLIAMS A-39		11. PIPELINE CONNECTION OR USE OF GAS AUSTIN CHALK NATURAL GAS MARKETING SERVICES																													
I. PRODUCTION TEST AT RATE ELECTED BY OPERATOR (data on 24-hour basis)		II. A.S.T.M. DISTILLATION OF LIQUID SAMPLE. Distillation test is required for gas wells ONLY if the producing gas-liquid hydrocarbon ratio is less than 100,000 CF/barrel.																													
A. Date of Test <u>03/31/93</u> B. Gas Volume <u>8951.4</u> (Mcf) C. Oil or Condensate Volume <u>633.71</u> (Bbl) D. Water Volume <u>619.18</u> (Bbl) E. Gas/Liquid Hydrocarbon Ratio <u>14,125</u> (Cf/Bbl) F. Flowing Tubing Pressure <u>2265</u> (psia) G. Choke Size <u>30/64</u> (in.) H. Casing Pressure. <u>---</u> (psia) I. Shut-In Wellhead Pressure-- Tubing <u>3410</u> (psia) J. Separator Operating Pressure <u>1175</u> (psia) K. Color of Stock Tank Liquid <u>LIGHT STRAW</u> L. Gravity of Separator Liquid <u>47.7</u> °API M. Gravity of Stock Tank Liquid <u>52.5</u> °API N. Specific Gravity of the Gas (Air = 1) <u>.745</u>		PVT ANALYSIS ATTACHED Date Liquid Sample Obtained _____ Where Obtained: <input type="checkbox"/> Separator <input type="checkbox"/> Stock Tank <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">% Over</th> <th style="text-align: left;">Temp. (deg. F)</th> <th style="text-align: left;">% Over</th> <th style="text-align: left;">Temp. (deg. F)</th> </tr> </thead> <tbody> <tr> <td>Initial Boiling Temp.</td> <td>_____</td> <td>60</td> <td>_____</td> </tr> <tr> <td>10</td> <td>_____</td> <td>70</td> <td>_____</td> </tr> <tr> <td>20</td> <td>_____</td> <td>80</td> <td>_____</td> </tr> <tr> <td>30</td> <td>_____</td> <td>90</td> <td>_____</td> </tr> <tr> <td>40</td> <td>_____</td> <td>95</td> <td>_____</td> </tr> <tr> <td>50</td> <td>_____</td> <td>End Point</td> <td>_____</td> </tr> </tbody> </table> Total Recovery _____ percent Residue _____ percent Loss _____ percent		% Over	Temp. (deg. F)	% Over	Temp. (deg. F)	Initial Boiling Temp.	_____	60	_____	10	_____	70	_____	20	_____	80	_____	30	_____	90	_____	40	_____	95	_____	50	_____	End Point	_____
% Over	Temp. (deg. F)	% Over	Temp. (deg. F)																												
Initial Boiling Temp.	_____	60	_____																												
10	_____	70	_____																												
20	_____	80	_____																												
30	_____	90	_____																												
40	_____	95	_____																												
50	_____	End Point	_____																												

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 <u>05/12/93</u>	RRC USE ONLY
	NAME <u>NORMAN HOMBURG</u> (Type or Print)
	SIGNATURE <u><i>Norman Homburg</i></u>
	TESTER TITLE <u>WANDA BARTELL</u> CONTACT PERSON <u>1 817 877-7941</u> PHONE NUMBER

PVT ANALYSIS

May 7, 1993 Notations by Frank H. Lim:

- (1) Separator Gas & Liquid Samples were Collected 3/31/93 and Analyzed by FESCO, Inc.
- (2) The Reservoir Fluid GOR is 14,125 SCFG/STBO as Measured by the 3/31/93 Production Well Test.
- (3) The Bottomhole Pressure & Temperature were Measured and Adjusted to TVD of Zone Tested.
- (4) The PVT-CCE Data were Calculated from an Equation of State Computer Program Using the Recombined Extended Laboratory Analysis of Separator Samples.
- (5) This Calculation Method has Been Verified with Laboratory PVT Visual Analysis.
- (6) The Critical Point is Located at -66 deg F and 1451 psia.
- (7) The Reservoir Temperature of 322 F & Pressure of 4582 psia is Located Above the Phase Envelope and Right of the Critical Point Verifying the Fluid is a Single Phase Gas, Dew-Point Fluid at the Reservoir Conditions.
- (8) The Cricondenbar Occurs at 4052 psia and the Cricondentherm Occurs at 497 deg F.

PRESSURE VOLUME RELATIONS

OF

A 14,125 SCFG/STBO GOR RESERVOIR FLUID @ 322 DEGREES F

(Constant Composition Expansion)

PRESSURE (PSIA)	RELATIVE VOLUME (V/VSAT)	DENSITY (GM/CC)	RETROGRADE LIQUID VOLUME		DEVIATION FACTOR (z) @ D.P.
			% (1)	BBL/MM(2)	
6000	0.6375	0.2697	0	0	1.1279
5500	0.6715	0.2560	0	0	1.0890
5000	0.7133	0.2410	0	0	1.0517
4582 R.P.	0.7565	0.2272	0	0	1.0221
4500	0.7661	0.2244	0	0	1.0165
4000	0.8346	0.2060	0	0	0.9844
3642 D.P.	1.0000	0.1915	0	0	0.9638
Two Phase					
3500	0.9278	0.1853	0.34	3.5	0.9573
3000	1.0622	0.1618	1.26	13.1	0.9397
2500	1.2594	0.1362	1.67	17.4	0.9302
2000	1.5673	0.1092	1.63	17.0	0.9288
1500	2.0977	0.0813	1.30	13.6	0.9350
1000	3.1869	0.0534	0.81	8.5	0.9486
500	6.5211	0.0261	0.31	3.3	0.9697

NOTE (1) Percent of Pore Space at Dew Point

NOTE (2) BBL/MMSCF of Dew Point Gas

Note: Dew Point Fluid, Molecular Weight = 26.54

Gas Formation Volume Factor

At R.P. (Reservoir Pressure) 0.7263 MSCF/BBL

At D.P. (Dew Point Pressure) 0.9600 MSCF/BBL

Post-It™ brand fax transmittal memo 7671 # of pages >

To Lloyd S. J. Jr	From Norman Hankins
Co.	Co.
Dept.	Phone #

STUART PETROLEUM TESTERS, INC.
PETROLEUM LABORATORY

VICTORIA, TEXAS WRENHAM, TEXAS
(512) 575-0249 (409) 836-3799
FAX 576-3148 FAX 836-0408

PRESSURE SURVEY

COMPANY: UNION PACIFIC RESOURCES CO. AFE NO.: 12424 DATE: 04-15-93
LEASE : GAUBATZ-YEGUA UNIT WELL NO.: 1 SAND
FIELD : HORIZONTAL-GIDDINGS COUNTY : BURLESON STATE: TEXAS

DEPTH	TEMP. F	PRESSURE PSIG	PRESSURE DIFFERENCE	GRADIENT #/SQ. IN/FT.	WELL DATA
21		3215			TOP CONNECTION: 2-7/8" ZEROED @: CROWN VALVE
1000		3345	130	0.133	RKB : 24' ABOVE G.L. PACKER: 9910'
2000		3479	134	0.134	PERFS.: T.V.D.: 10650'
3000		3615	136	0.136	
4000		3747	132	0.132	PRESSURE THIS SURVEY: 4567 PRESSURE LAST SURVEY: INITIAL
5000		3876	129	0.129	PRESSURE CHANGE : DATE OF LAST SURVEY :
6000		4010	134	0.134	
7000		4140	130	0.130	AMERADA GAUGE SIZE & NO.: 1-1/4" ; 46839
8000		4266	126	0.126	RANGE: 8000# SIZE & NO.:
9000		4383	117	0.117	RANGE:
9760		4457	74	0.112	REMARKS:
9860	303°F	4479	22	0.110	2-3/8" TUBING
	1-HR	4479			
TVD					ASSUME
10650	322°F	4567	88	0.110	

WELL STATUS 4582 OIL LEVEL: ----- DEAD WEIGHT TEST: 3215#
SHUT IN: ----- HOURS WATER LEVEL: ----- PRESSURE @ TEST DEPTH: 4479#
FLOWING: (LST DEPTH: 9860' TEMP. @ TEST DEPTH: 303 F

TEST RUN BY: KYLE & DAVID

[DISTRICT 03]

Operator UNION PACIFIC RESOURCES COMPANY
Address P.O. BOX 7, MS 3407
FORT WORTH, TEXAS 76101-0007

[] RETEST

Test Period

Due Date

Page

Effective Date

FIELD NAME LEASE NAME	RRC IDENT. NO. WELL NUMBER	DATE TESTED Mo./Day/Yr	PRODUCING WELLS					NON-PRODUCING WELLS				
			DAILY PRODUCING RATE			PRESSURE PSIA#	POTENTIAL BHP	SHUT IN @ (Date Required)	EXCEPTION SWR 14B (Expiration Date)	INJECTION	SALT WATER DISPOSAL	PLUGGED & ABANDONED
			GAS	CONDEN- SATE	WATER							
CLAY, NE (AUSTIN CHALK, 11350) GAUBATZ-YEGUA UNIT		03/31/93	8951 MCF	633.7 BBLs	619 BBLs	3410 SIWH						
	1		.745 Spec.Grav.	52.5 Grav. API	14,125 MCF/Bbl	2265 Flowing						
			MCF	BBLs	BBLs	SIWH						
			Spec.Grav.	Grav. API	MCF/Bbl	Flowing						
			MCF	BBLs	BBLs	SIWH						
			Spec.Grav.	Grav. API	MCF/Bbl	Flowing						
			MCF	BBLs	BBLs	SIWH						
			Spec.Grav.	Grav. API	MCF/Bbl	Flowing						
			MCF	BBLs	BBLs	SIWH						
			Spec.Grav.	Grav. API	MCF/Bbl	Flowing						
			MCF	BBLs	BBLs	SIWH						
			Spec.Grav.	Grav. API	MCF/Bbl	Flowing						
PURCHASER'S STATEMENT DATE _____ PURCHASER: _____			MCF	BBLs	BBLs	SIWH						
SIGNATURE _____			Spec.Grav.	Grav. API	MCF/Bbl	Flowing						
AS PURCHASER'S REPRESENTATIVE, I AGREE THAT EACH TEST VOLUME SHOWN ABOVE IS A TRUE TEST REPRESENTATIVE OF EACH WELL(S) CAPABILITY.			MCF	BBLs	BBLs	SIWH						
			Spec.Grav.	Grav. API	MCF/Bbl	Flowing						

* COMINGLING TEST REQUIREMENT
(Gas Specific Gravity, Condensate Gravity and
Gas Condensate Ratio Required)

@ Wells with an exception to SWR 14(B)(2) must insert the date (MO/Yr) the well was last produced or utilized.
Shut-in well head pressures are to be reported in pounds per square inch gauge pressure (PSIG) for wells in
the West Panhandle, West Panhandle (Red Cave), and Texas-Hugoton Fields.

X ADDITIONAL SPECIAL TEST REQUIREMENT

CERTIFICATE

I declare under penalties prescribed in Article 6036c, R.C.S., 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 / WANDA BARTELL
Signature

05/12/93
Date

REGULATORY ANALYST
Title

817/877-7941
Telephone



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 03/22/93
Field Name CLAY, NE (AUSTIN CHALK, 11350)	Drilling Permit No. 406619	
Lease Name GAUBATZ-YEGUA UNIT	Lease/ID No.	Well No. 1
County BURLESON	API No. 42 - 051-33355	

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) _____



signature

WANDA BARTELL

name (print)

REGULATORY ANALYST

title

(817) 877-7941

phone

05/12/93

date

For Railroad Commission use only

READ INSTRUCTIONS ON BACK

1. Field name exactly as shown on proration schedule CLAY, NE (AUSTIN CHALK, 11350)		2. Lease name GAUBATZ-YEGUA 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			AQUILA SOUTHWEST PIPELINE CORP.						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 Approved (Initials) _____ Oper. No. _____ Date _____ Field No. _____ Remarks:		c. CHANGE FROM <input type="checkbox"/> Operator _____ <input type="checkbox"/> Field Name _____ <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 05/12/93 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: GAUGATZ-YEGUA UNIT WELL NO. 1

FIELD: CLAY, NE (AUSTIN CHALK, 11350), BURLESON COUNTY,

TEXAS, contains 640 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.

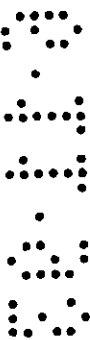
(2) That the pooled unit described in the preceding paragraph is made up of and contains the hereafter described individual tracts of land no part of which is embraced within any other pooled unit in the same field and which, by virtue of the pooling agreements referred to in the preceding paragraph,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

DESCRIPTION OF INDIVIDUAL TRACTS OR LEASES CONTAINED
 WITHIN POOLED UNIT REFERRED TO IN PARAGRAPH (1) ABOVE

NAME OF HOLDER OF LEASE	LEASE NAME	NO. OF ACRES	MARGIN
UNION PACIFIC RESOURCES COMPANY	MRS. WILLIE GAUBATZ	298.23	
UNION PACIFIC RESOURCES COMPANY	YEGUA PROPERTIES, LTD.	253.85	
	FIRST CITY, TEXAS-BRYAN N.A.		
UNION PACIFIC RESOURCES COMPANY	STATE OF TEXAS	38.46	
UNION PACIFIC RESOURCES COMPANY	STATE OF TEXAS	13.48	
UNION PACIFIC RESOURCES COMPANY	YEGUA PROPERTIES LTD.	35.98	
	TOTAL:	640.00	



CERTIFICATE:

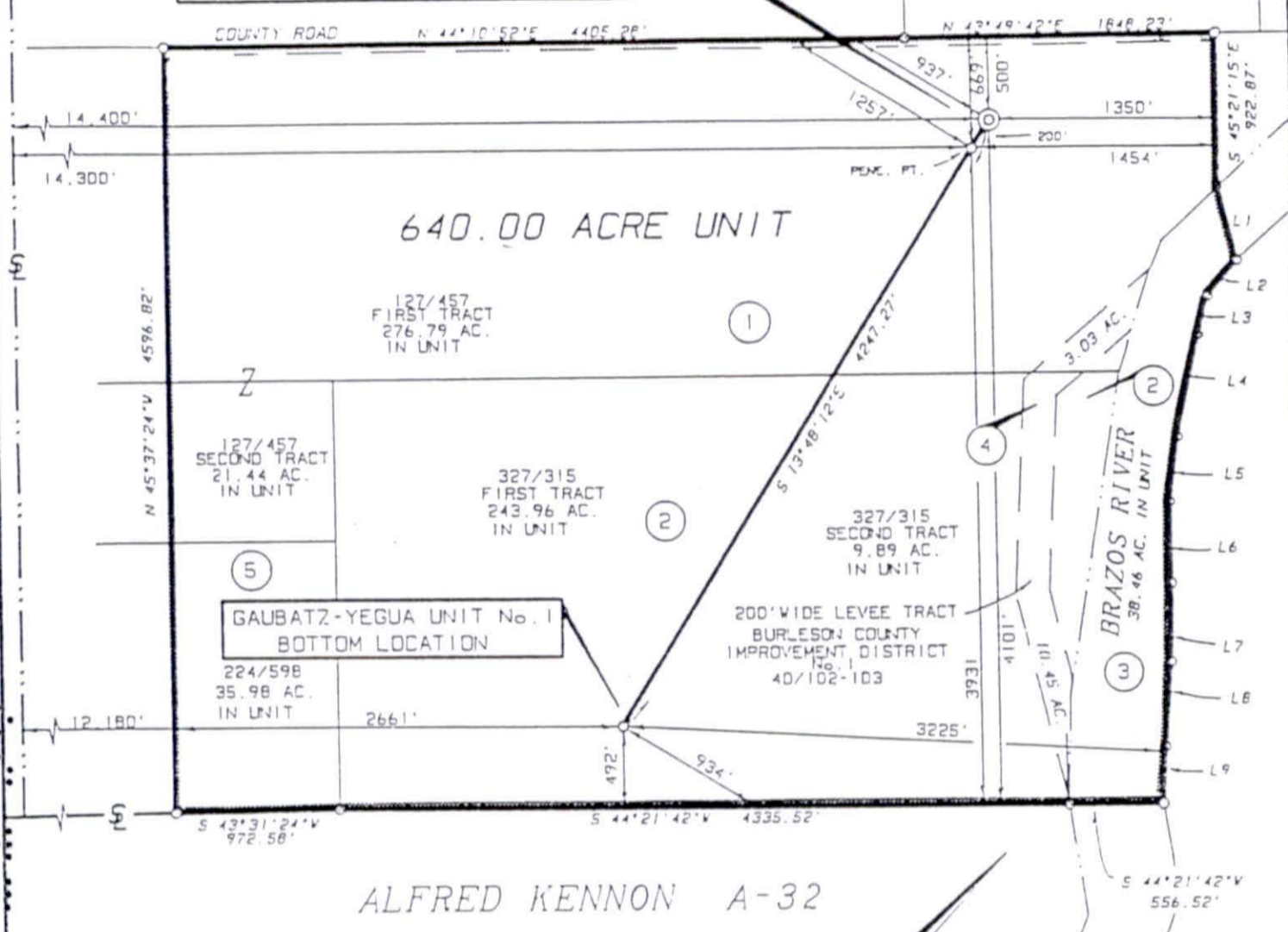
I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

<i>Wanda Bartell</i> / WANDA BARTELL	REGULATORY ANALYST	05/12/93
Representative of Operator	Title	Date
	817	877-7941
	A / C	Number

INSTRUCTIONS

Where two or more tracts are pooled to form either a drilling unit or a proration unit as permitted by Commission regulation, the operator thereof must furnish a certificate of pooling authority at the time action by the Commission is sought either for a permit to drill on a pooled drilling unit or for establishment of an allowable for a well on a pooled proration unit.

UNION PACIFIC RESOURCES COMPANY
GAUBATZ-YEGUA UNIT No. 1
SURFACE LOCATION ELEV. +210 FEET



NOTES:

- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- 2) WELL IS LOCATED 7.2 MILES EAST SOUTHEAST OF SNOOK, TEXAS
- 3) INDICATES LIMITS OF UNIT
- 4) EASEMENTS RECORDED IN VOL. 284/PG 911 & VOL. 284/PG 913 ARE BLANKET EASEMENTS TO WESCO PIPELINE CO.
- 5) EASEMENT RECORDED IN VOL. 283/PG 666 TO CLAJON GAS CO. DOES NOT AFFECT THIS UNIT.
- 6) STATE PLANE COORDINATE DATA, 1927 DATUM

SURFACE LOCATION:
X+ 3,255,968
Y+ 315,811

BOTTOM LOCATION:
X+ 3,257,131
Y+ 311,726

LINE TABLE

L 1	S 59°13'25"E	456.29'
L 2	S 06°02'08"E	278.52'
L 3	S 30°28'41"E	236.66'
L 4	S 33°12'07"E	623.19'
L 5	S 37°59'04"E	393.72'
L 6	S 45°47'02"E	482.58'
L 7	S 44°39'13"E	467.88'
L 8	S 41°07'21"E	512.95'
L 9	S 42°24'25"E	344.29'

GAUBATZ-YEGUA UNIT No. 1

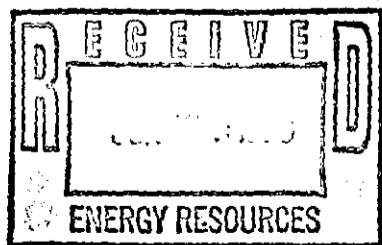
TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL/PG
1	298.23	Mrs. WILLIE GAUBATZ	127/457 FIRST & SECOND TR
2	253.85	YEGUA PROPERTIES, LTD. FIRST CITY, TEXAS-BRYAN N.A.	327/315
3	38.46	STATE OF TEXAS	STATE LSE No. M-95040
4	13.48	STATE OF TEXAS	40/102 40/103
5	35.98	YEGUA PROPERTIES LTD.	224/598 TRACT 1
640.00 ACRES TOTAL IN UNIT			

SURVEYED MAY 18, 1992
REVISED NOVEMBER 17, 1992 (UNIT CONFIGURATION & DRAIN HOLE DIRECTION)
REVISED JANUARY 11, 1993 (MOVE SURFACE LOCATION AND BOTTOM LOCATION)

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
GAUBATZ-YEGUA UNIT No. 1
WM. McWILLIAMS SURVEY, A-39
BURLESON COUNTY, TEXAS
SCALE 1" = 1000'

2015



STATEMENT OF PRODUCTIVITY OF ACREAGE
ASSIGNED TO PRORATION UNITS

Form P-15
(5-3-71)

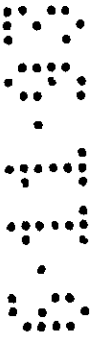
The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the UNION PACIFIC RESOURCES COMPANY,
OPERATOR
GAUBATZ-YEGUA UNIT, No. 1; that such well is
LEASE WELL
completed in the CLAY, NE (AUSTIN CHALK, 11350) Field, BURLESON County,
Texas and that 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 _____
640 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 05/12/93 Signature *Wanda Bartell* /WANDA BARTELL

Telephone 817/877-7941 Title REGULATORY ANALYST
AREA CODE



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) CLAY, NE (AUSTIN CHALK, 11350)	6. API No. 42-051-33355	7. Drilling Permit No. 406619	
8. Lease Name GAUBATZ-YEGUA 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		2/5/93					
13. *Drilled hole size		1 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.)		3272'					
17. Number of centralizers used		18					
18. Hrs. waiting on cement before drill-out		24					
1st Slurry	19. API cement used: No. of sacks ▶	1220					
	Class ▶	A					
	Additives ▶	*					
2nd Slurry	No. of sacks ▶	310					
	Class ▶	A					
	Additives ▶						
3rd Slurry	No. of sacks ▶	50					
	Class ▶	A					
	Additives ▶						
Total	20. Slurry pumped: Volume (cu. ft.) ▶	3294					
	Height (ft.) ▶	5919					
2nd	Volume (cu. ft.) ▶	365					
	Height (ft.) ▶	611					
3rd	Volume (cu. ft.) ▶	59					
	Height (ft.) ▶	100					
Total	Volume (cu. ft.) ▶	3718					
	Height (ft.) ▶	6630					
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?		Yes					

22. Remarks

*D79, D44, D29

3rd Slurry was top out

OVER

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.

Ronnie Justice FSM Dowell Schlumberger Ronnie Justice
Name and title of cementer's representative Cementing Company Signature

801 Standard Longview, Tx. 75604 (903) 295-6100 2/5/93
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 Wanda Bartell
Typed or printed name of operator's representative Title Signature

P.O. BOX 7, MS 3407 FORT WORTH, TEXAS 76101-0007 817/877-7941 05/12/93
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) CLAY, NE (AUSTIN CHALK, 11350)		6. API No. 42-051-33355	7. Drilling Permit No. 406619
8. Lease Name GAUBATZ-YEGUA 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			2/17/93				
13. •Drilled hole size			9 7/8"				
•Est. % wash or hole enlargement							
14. Size of casing (In. O.D.)			7 5/8"				
15. Top of liner (ft.)							
16. Setting depth (ft.)			10,333'				
17. Number of centralizers used			5				
18. Hrs. waiting on cement before drill-out			24				
1st Slurry	19. API cement used: No. of sacks ▶		455				
	Class ▶		H				
	Additives ▶		*				
2nd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
3rd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1st	20. Slurry pumped: Volume (cu. ft.) ▶		669				
	Height (ft.) ▶		8800				
2nd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
3rd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶		669				
	Height (ft.) ▶		8800				
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?			NO				

22. Remarks ***35% D66 + .25%D800**

18 M-949/2

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.

Ronnie Justice FSM Dowell Schlumberger Ronnie Justice
 Name and title of cementer's representative Cementing Company Signature

801 Standard Longview, TX 75604 (903) 295-6100 2/17/93
 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 Wanda Bartell
 Typed or printed name of operator's representative Title Signature

P.O. BOX 7, MS 3407 FORT WORTH, TEXAS 76101-0007 817/877-7941 05/12/93
 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.

X 300⁰⁰

94042402



129

THOMPSON & KNIGHT

A Professional Corporation

ATTORNEY AND COUNSELORS

1200 SAN JACINTO CENTER TOWN LAKE

98 SAN JACINTO BOULEVARD 512-474-8211

AUSTIN, TX 78701

No.008991

March 23, 1994

PAY *Three Hundred & No/100 Dollars - \$300⁰⁰*

TO THE
ORDER OF

• General Land Office

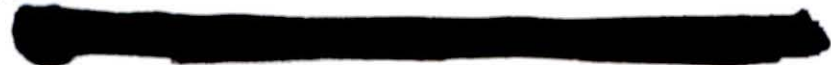
THOMPSON & KNIGHT

By

Peggy Ballard

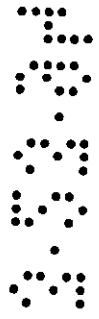
NOT VALID FOR AMOUNTS OVER \$5000.00

NCNB TEXAS SAN ANTONIO, TEXAS



19.

MF 94912
ITEM check stub.
TO _____
FROM Thompson + Knight
DATE 3-23-94



540041

FILED

540041

93 DEC -9 PH 3:32

DEED OF TRUST, MORTGAGE, ASSIGNMENT,
SECURITY AGREEMENT AND FINANCING STATEMENT

CLERK
BRAZOS COUNTY COURTHOUSE
BY *Jo Keller*
DEPUTY

FROM
TORCH ROYALTY COMPANY
(Taxpayer I.D. No. 76-0418296)

TO
JAMES L. IRISH, TRUSTEE
AND
GENERAL ELECTRIC CAPITAL CORPORATION, MORTGAGEE
(Taxpayer I.D. No. 13-1500700)

Dated November 23, 1993

A CARBON, PHOTOGRAPHIC, FACSIMILE, OR OTHER REPRODUCTION OF THIS INSTRUMENT IS SUFFICIENT AS A FINANCING STATEMENT.

THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS, SECURES PAYMENT OF FUTURE ADVANCES, AND COVERS PROCEEDS OF COLLATERAL

THIS INSTRUMENT COVERS MINERALS AND OTHER SUBSTANCES OF VALUE WHICH MAY BE EXTRACTED FROM THE EARTH (INCLUDING WITHOUT LIMITATION OIL AND GAS), AND THE ACCOUNTS RELATED THERETO, WHICH WILL BE FINANCED AT THE WELLHEADS OR MINEHEADS OF THE WELLS OR MINES LOCATED ON THE PROPERTIES DESCRIBED IN SECTION 1.1 OF THIS INSTRUMENT. THIS INSTRUMENT IS TO BE FILED FOR RECORD, AMONG OTHER PLACES, IN THE REAL ESTATE OR COMPARABLE RECORDS OF THE COUNTIES AND/OR PARISHES REFERENCED IN EXHIBIT A HERETO. THE MORTGAGOR HAS AN INTEREST OF RECORD IN THE REAL ESTATE CONCERNED, WHICH INTEREST IS DESCRIBED IN SECTION 1.1 OF THIS INSTRUMENT.

A POWER OF SALE HAS BEEN GRANTED IN THIS MORTGAGE. A POWER OF SALE MAY ALLOW MORTGAGEE (AS HEREINAFTER DEFINED) OR THE TRUSTEE (AS HEREINAFTER DEFINED) TO TAKE THE MORTGAGED PROPERTIES AND SELL THEM WITHOUT GOING TO COURT IN A FORECLOSURE ACTION UPON DEFAULT BY THE MORTGAGOR (AS HEREINAFTER DEFINED) UNDER THIS MORTGAGE.

WHEN RECORDED OR FILED RETURN TO:

Thompson & Knight,
A Professional Corporation
3300 First City Center
1700 Pacific Avenue
Dallas, Texas 75201
Attention: Patricia Sone

... correct copy as
... records of Brazos County, Texas
Thereby certify, on 1-28-94 *CE*



Mary Ann Ward
County Clerk
Brazos County, Texas

Vol. 1985-1

STATE OF TEXAS
COUNTY OF BRAZOS

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the same appears on file and recorded in the
appropriate records of Brazos County, Texas.

Thereby certify, on

1-28-94



Mary Ann Ward
County Clerk
Brazos County, Texas

DEED OF TRUST, MORTGAGE, ASSIGNMENT,
SECURITY AGREEMENT AND FINANCING STATEMENT

THIS DEED OF TRUST, MORTGAGE, ASSIGNMENT, SECURITY AGREEMENT AND
FINANCING STATEMENT (this "Mortgage"),

WITNESSETH:

ARTICLE I

Granting Clauses, Secured Obligations

Section 1.1. Grant and Mortgage. Torch Royalty Company, a Delaware corporation (herein called "Mortgagor"), for and in consideration of the sum of Ten Dollars (\$10.00) to Mortgagor in hand paid, and in order to secure the payment of the secured obligations hereinafter referred to and the performance of the obligations, covenants, agreements, warranties and undertakings of Mortgagor hereinafter described, does hereby GRANT, BARGAIN, SELL, CONVEY, TRANSFER, ASSIGN and SET OVER to Trustee (the "Trustee"), and grant to Trustee a POWER OF SALE (pursuant to this Mortgage and applicable law) with respect to the following described properties, rights and interests (the "Mortgaged Properties"), subject, however, to the terms of that certain Net Overriding Royalty Conveyance (Texas) dated November 22, 1993 (the "Royalty Conveyance"), in two parts, the first from Mortgagor to Torch Energy Advisors Incorporated ("TEAI"), and the second from TEAU to the Torch Energy Royalty Trust, and further subject to the "Royalty Interest" (as defined in the Royalty Conveyance and so used herein) vested in the Torch Energy Royalty Trust under the Royalty Conveyance:

A. The oil, gas and/or other mineral properties which are described in Exhibit A attached hereto and made a part hereof;

B. Without limitation of the foregoing, all other right, title and interest of Mortgagor of whatever kind or character (whether now owned or hereafter acquired by operation of law or otherwise) in and to oil, gas and other minerals in and under or that may be produced from the lands which are described or referred to in Exhibit A hereto as a part of the descriptions (contained in such Exhibit A) of oil, gas and/or other mineral properties, or which are otherwise described in any of the leases or other instruments described in Exhibit A hereto, even though the Mortgagor's interest therein may be incorrectly described in, or omitted from, Exhibit A hereto;

C. All of Mortgagor's interest (whether now owned or hereafter acquired by operation of law or otherwise) in and to all presently existing and hereafter created oil, gas and/or mineral unitization, pooling and/or communitization agreements, declarations and/or orders, and in and to the properties, rights and interests covered and the units created thereby (including, without limitation, units formed under orders, rules, regulations or other official acts of any federal, state or other authority having jurisdiction), which cover, affect or otherwise relate to the properties, rights and interests described in clause A or B above;

D. All of Mortgagor's interest in and rights under (whether now owned or hereafter acquired by operation of law or otherwise) all presently existing and hereafter created operating agreements, equipment leases, production sales contracts, processing agreements, transportation agreements, gas balancing agreements, farmout and/or farm-in agreements, salt water disposal agreements, area of mutual interest agreements, and other contracts and/or agreements which cover, affect, or otherwise relate to the properties, rights and interests described in clause A, B or C above or to the operation of such properties, rights and interests or to the treating, handling, storing, processing, transporting or marketing of oil, gas, other hydrocarbons, or other minerals produced from (or allocated to) such properties, rights and interests (including, but not limited to, those contracts listed in Exhibit A hereto), as same may be amended or supplemented from time to time; and

E. All of Mortgagor's interest (whether now owned or hereafter acquired by operation of law or otherwise) in and to all improvements, fixtures and other real and/or personal property (including, without limitation, all wells, pumping units, wellhead equipment, tanks, pipelines, flow lines, gathering lines, compressors, dehydration units, separators, meters, buildings, injection facilities, salt water disposal facilities, and power, telephone and telegraph lines), and all easements, servitudes, rights-of-way, surface leases, licenses, permits and other surface rights, which are now or hereafter used, or held for use, in connection with the properties, rights and interests described in clause A, B or C above, or in connection with the operation of such properties, rights and interests, or in connection with the treating, handling, storing, processing, transporting or marketing of oil, gas, other hydrocarbons, or other minerals produced from (or allocated to) such properties, rights and interests; and

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1-28-1985
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County Clerk
Brazos County, Texas

F. All rights, estates, powers and privileges appurtenant to the foregoing rights, interests and properties.

TO HAVE AND TO HOLD the Mortgaged Properties, subject to the Royalty Conveyance and the Royalty Interests, unto the Trustee, and its successors or substitutes in this trust, and to its or their successors and assigns, in trust, however, upon the terms, provisions and conditions herein set forth.

Section 1.2. Grant of Security Interest. In order to further secure the payment of the secured obligations hereinafter referred to and the performance of the obligations, covenants, agreements, warranties, and undertakings of Mortgagor hereinafter described, Mortgagor hereby grants to General Electric Capital Corporation, a New York corporation (herein called "Mortgagee") a security interest in the entire interest of Mortgagor (whether now owned or hereafter acquired by operation of law or otherwise) in and to the following, subject, however, to the terms of the Royalty Conveyance and the Royalty Interests created thereunder:

(a) all oil, gas, other hydrocarbons, and other minerals produced from or allocated to the Mortgaged Properties, and any products processed or obtained therefrom (herein collectively called the "Production"), together with all proceeds of Production (regardless of whether Production to which such proceeds relate occurred on or before or after the date hereof), and together with all liens and security interests securing payment of the proceeds of the Production, including, but not limited to, those liens and security interests provided for under (i) statutes enacted in the jurisdictions in which the Mortgaged Properties are located, or (ii) statutes made applicable to the Mortgaged Properties under federal law (or some combination of federal and state law);

(b) without limitation of any other provisions of this Section 1.2, all payments received in lieu of production from the Mortgaged Properties (regardless of whether such payments accrued, and/or the events which gave rise to such payments occurred, on or before or after the date hereof), including, without limitation, "take or pay" payments and similar payments, payments received in settlement of or pursuant to a judgment rendered with respect to take or pay or similar obligations or other obligations under a production sales contract, payments received in buyout or buydown or other settlement of a production sales contract, and payments received under a gas balancing or similar agreement as a result of (or received otherwise in settlement of or pursuant to judgment rendered with respect to) rights held by Mortgagor as a result of Mortgagor (and/or its predecessors in title) taking or having taken less gas from lands covered by a Mortgaged Property (or lands pooled or unitized therewith) than their ownership of such Mortgaged Property would entitle them to receive (the payments described in this subsection (b) being herein called "Payments in Lieu of Production");

(c) all equipment, inventory, improvements, fixtures, accessions, goods and other personal property of whatever nature now or hereafter located on or used or held for use in connection with the Mortgaged Properties (or in connection with the operation thereof or the treating, handling, storing, processing, transporting, or marketing of Production), and all licenses and permits of whatever nature now or hereafter used or held for use in connection with the Mortgaged Properties (or in connection with the operation thereof or the treating, handling, storing, processing, transporting, or marketing of Production), and all renewals or replacements of the foregoing or substitutions for the foregoing;

(d) all contract rights, choses in action (i.e., rights to enforce contracts or to bring claims thereunder) and other general intangibles (regardless of whether the same arose, and/or the events which gave rise to the same occurred, on or before or after the date hereof) related to the Mortgaged Properties, the operation thereof (whether Mortgagor is operator or non-operator), or the treating, handling, storing, processing, transporting, or marketing of Production (including, without limitation, any of the same relating to payment of proceeds of Production or to payment of amounts which could constitute Payments in Lieu of Production);

(e) without limitation of the generality of the foregoing, any rights and interests of Mortgagor under any present or future hedge or swap agreements, cap, floor, collar, exchange, forward or other hedge or protection agreements or transactions relating to crude oil, natural gas or other hydrocarbons, or any option with respect to any such agreement or transaction now existing or hereafter entered into by or on behalf of Mortgagor;

(f) all geological, geophysical, engineering, accounting, title, legal, and other technical or business data concerning the Mortgaged Properties, the Production or any other item of Property (as hereinafter defined) which are now or hereafter in the possession of Mortgagor or in which Mortgagor can otherwise grant a security interest, and all books, files, records, magnetic media, and other forms of recording or obtaining access to such data;

(g) all money, documents, instruments, chattel paper, securities, accounts or general intangibles arising from or by virtue of any transaction (regardless of whether such transaction occurred on or before or after the date hereof) related to the Mortgaged Properties, the Production or any other item of Property (all of the properties, rights and interests described in

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1-28-94 CC



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County Clerk
Brazos County, Texas

subsections (a), (b), (c), (d), (e) and (f) above and this subsection (g) being herein sometimes collectively called the "Collateral"; and

(h) all proceeds of the Collateral, whether such proceeds or payments are goods, money, documents, instruments, chattel paper, securities, accounts, general intangibles, fixtures, real property, personal property or other assets (the Mortgaged Properties, the Collateral and the proceeds of the Collateral, subject to the Royalty Conveyance and the Royalty Interests, being herein sometimes collectively called the "Property").

Section 1.3. Obligations. This Mortgage is made to secure and enforce the payment and performance of the following obligations, indebtedness and/or liabilities, whether actual or potential, vested or contingent:

(a) Any and all obligations, liabilities and/or indebtedness of Torch Energy Marketing, Inc. ("TEMI") under and/or in respect of the terms of that certain Assignment and Assumption Agreement (the "Assumption Agreement") of even date herewith, by and between TEAI-Chalkley Limited Partnership ("Chalkley"), TEMI, Mortgagee, Kidder, Peabody Global Capital Corporation ("KP Global") and Kidder, Peabody Group, Inc. ("KP Group") or otherwise under the terms of the KP Hedge Contracts, as such term is defined in the Assumption Agreement;

(b) Any and all obligations, liabilities and/or indebtedness of TEMI under and/or in respect of the Collateral Assignment and the Security Deposit Agreement, as such terms are defined in the Assumption Agreement, and under this Mortgage;

(c) Any and all damages for the rejection of any of the Purchase Contract, the KP Hedge Contracts or the Other Hedge Contracts, as such terms are defined in the Assumption Agreement, by TEMI or Mortgagor in any bankruptcy or insolvency proceeding owing under or with respect to a judgment, writ, order or other document issued by a court of competent jurisdiction; or

(d) Any and all obligations of TEMI to reimburse Mortgagee for payment made by Mortgagee under that certain Guaranty Agreement dated August 11, 1992 made by Mortgagee in favor of KP Global, as from time to time supplemented, amended and/or restated.

Section 1.4. Secured Obligations. The liabilities, indebtedness and/or obligations described in Section 1.3, as from time to time supplemented, amended, or modified and all other liabilities, indebtedness and/or obligations given in substitution therefor, or in modification, renewal or extension thereof, in whole or in part, are herein sometimes referred to as the "secured obligations" or the "obligations secured hereby".

ARTICLE II

Representations, Warranties, Covenants and Agreements

Section 2.1. Mortgagor represents, warrants, and covenants as follows:

(a) Title and Permitted Encumbrances. Mortgagor has, and Mortgagor covenants to maintain, good and defensible title to the Property, free and clear of all liens, security interests, and encumbrances except for (i) the contracts, agreements, burdens, encumbrances and other matters set forth in the descriptions of certain of the Mortgaged Properties on Exhibit A hereto, (ii) the liens and security interests evidenced by this Mortgage, (iii) statutory liens for taxes which are not yet delinquent or which Mortgagor is contesting in good faith and with respect to which Mortgagor has set aside adequate reserves, (iv) liens under operating agreements, pooling orders and unitization agreements, and mechanics' and materialmen's liens, with respect to obligations which are not yet due, or which Mortgagor is contesting in good faith and with respect to which Mortgagor has set aside adequate reserves, (v) other liens and security interests (if any) in favor of Mortgagee, (vi) minor defects or irregularities in title to any Property so long as same do not materially impair the value of the affected Property or the use thereof by Mortgagor, and (vii) the Royalty Conveyance and the Royalty Interests created thereunder (the matters described in the foregoing clauses (i), (ii), (iii), (iv), (v), (vi) and (vii) being herein called the "Permitted Encumbrances"); Mortgagor will warrant and defend title to the Property, subject as aforesaid, against the claims and demands of all persons claiming or to claim the same or any part thereof. The ownership by Mortgagor of the Mortgaged Properties does and will, with respect to each well or unit identified on Exhibit B, attached hereto and made a part hereof, entitle Mortgagor to receive (subject to the terms and provisions of this Mortgage and the Royalty Conveyance and the Royalty Interests created thereunder) a decimal share of the oil, gas and other hydrocarbons produced from, or allocated to, such well or unit equal to not less than the decimal share set forth for such well or unit in the column headed "Net Revenue Interest" on Exhibit B, and cause Mortgagor to be obligated to bear, subject to the terms of the Royalty Conveyance and the Royalty Interests created thereunder, a decimal share of the cost of operation of such well or unit equal to not more than the decimal share set forth, for such well or unit, in the column headed "Working Interest" on Exhibit B. The above-described shares of production which Mortgagor is entitled to receive and shares of expenses which Mortgagor is obligated to bear are not and will

VO: 1985: 4

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Brazos County, Texas

not be subject to change, except, and only to the extent that, such changes are reflected in Exhibit B or are otherwise provided for in the Royalty Conveyance. There is not and will not be any unexpired financing statement covering any part of the Property on file in any public office naming any party other than Mortgagee as secured party. Upon request by Mortgagee, Mortgagor will deliver to Mortgagee schedules of all internal and third party information identifying the Mortgaged Properties (such as, for example, lease names and numbers assigned by Mortgagor or the operator of any Mortgaged Property, well and/or unit and/or property names and numbers assigned by purchasers of Production, and internal identification names and numbers used by Mortgagor in accounting for revenues, costs, and joint interest transactions attributable to the Mortgaged Properties).

(b) Leases and Contracts: Performance of Obligations. The material oil, gas and/or mineral leases, contracts, servitudes and other agreements forming a part of the Property, to the extent the same cover or otherwise relate to the Property, are in full force and effect, and Mortgagor agrees to so maintain them in full force and effect.

(c) Sale of Production. No Mortgaged Property is or will become subject to any contractual or other arrangement (i) whereby payment for production is or can be deferred for a substantial period after the month in which such production is delivered (i.e., in the case of oil, not in excess of 60 days, and in the case of gas, not in excess of 90 days) or (ii) whereby payments are made to Mortgagor other than by checks, drafts, wire transfer advices or other similar writings, instruments or communications for the immediate payment of money. Except for that certain Oil and Gas Purchase Contract dated as of October 1, 1993, by and between Torch Energy Marketing, Inc., as buyer, and Mortgagor and Valesco Gas Company, Ltd., a Texas limited partnership, jointly as sellers, (i) no Mortgaged Property is or will become subject to any contractual or other arrangement for the sale, processing or transportation of Production (or otherwise related to the marketing of Production) which cannot be canceled on one year's (or less) notice and (ii) all contractual or other arrangements for the sale, processing or transportation of Production (or otherwise related to the marketing of Production) shall be entered into on standard industry terms. Mortgagor hereby covenants not to enter into any such advance or prepayment arrangements whereby it accepts consideration for oil, gas or other hydrocarbons not yet produced. Except as disclosed in that certain Agreement for Purchase and Sale between Chalkley and Mortgagor, effective as of July 1, 1993 (the "P&S Agreement"), there is no Mortgaged Property with respect to which Mortgagor, or its predecessors in title, has, prior to the date hereof, taken more ("overproduced") gas from the lands covered thereby (or pooled or unitized therewith) than its ownership interest in such Mortgaged Property would entitle it to take. No Mortgaged Property is subject at the present time to any regulatory refund obligation and, to the best of Mortgagor's knowledge, no facts exist which might cause the same to be imposed.

(d) Condition of Personal Property. The equipment, inventory, improvements, fixtures, goods and other tangible personal property forming a part of the Property are and will remain in good repair and condition and are and will be adequate for the normal operation of the Property in accordance with prudent industry standards.

(e) Operation of Mortgaged Properties. The Mortgaged Properties are being, and hereafter will be, maintained, operated and developed in a good and workmanlike manner, in accordance with prudent industry standards.

(f) Sale or Disposal. Mortgagor will not, without the prior written consent of Mortgagee, sell, exchange, lease, transfer, or otherwise dispose of any part of, or interest in, the Property other than (i) sales, transfers and other dispositions of machinery, equipment and other personal property and fixtures made in connection with a release, surrender or abandonment (to which Mortgagee has given its prior written consent) of a lease, (ii) sales, transfers and other dispositions of machinery, equipment and other personal property and fixtures in connection with the abandonment (to which Mortgagee has given its prior written consent) of a well, (iii) sales, transfers and other dispositions of machinery, equipment and other personal property and fixtures which are (A) obsolete for their intended purpose and disposed of in the ordinary course of business or (B) replaced by articles of at least equal suitability and value owned by Mortgagor free and clear of all liens except this Mortgage and the Permitted Encumbrances, and (iv) sales of Production which are made in compliance with Section 2.1(c) hereof. Mortgagor shall account fully and faithfully for and, if Mortgagee so elects, shall promptly deposit the proceeds in whatever form received from disposition in any manner of any of the Property into the "Security Account" established pursuant to that certain Security Deposit Agreement of even date herewith by and between TEMI and Mortgagee (the "Deposit Agreement").

(g) Environmental.

(A) Current Status. To the best knowledge of Mortgagor, the Property is not in violation of or subject to any existing, pending or, to the best knowledge of Mortgagor, threatened investigation or inquiry by any governmental authority or to any remedial obligations under any applicable laws, orders, rules, or regulations pertaining to health or the environment (such laws, orders, rules or regulations as they now exist or are hereafter enacted and/or amended).

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STATE OF TEXAS
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1-24-94 *OC*
Mary Ann Ward

County Clerk
Brazos County, Texas

sometimes collectively called "Applicable Environmental Laws"), including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (as amended, hereinafter called "CERCLA"), the Resource Conservation and Recovery Act of 1976, as amended by the Used Oil Recycling Act of 1980, the Solid Waste Disposal Act Amendments of 1980, and the Hazardous and Solid Waste Amendments of 1984 (as amended, hereinafter called "RCRA") and applicable state law. Mortgagor undertook, at the time of acquisition of the Property, all appropriate inquiry into the previous ownership and uses of the Property consistent with good commercial or customary practice.

(B) **Future Performance.** Mortgagor will not cause or permit the Property or Mortgagee to be in violation of, or do anything or permit anything to be done which may subject the Property to, any remedial obligations under any Applicable Environmental Laws, and Mortgagor will promptly notify Mortgagee in writing of any existing, pending or, to the best knowledge of Mortgagor, threatened investigation or inquiry by any governmental authority in connection with any Applicable Environmental Laws. Mortgagor will take all steps necessary to determine that no hazardous substances or solid wastes have been disposed of or otherwise released on or to the Property in violation of any Applicable Environmental Laws. Mortgagor will not cause or permit the disposal or other release of any hazardous substance or solid waste on or to the Property in violation of any Applicable Environmental Laws and covenants and agrees to keep or cause the Property to be kept free of any hazardous substance or solid waste and to remove the same (or if removal is prohibited by law, to take whatever action is required by law) promptly upon discovery at its sole expense. Upon Mortgagee's reasonable request, at any time and from time to time during the existence of this Mortgage, Mortgagor will provide at Mortgagor's sole expense an inspection or audit of the Property from an engineering or consulting firm approved by Mortgagee, indicating the presence or absence of hazardous substances and solid waste on the Property. The terms "hazardous substance" and "release" as used in this Mortgage shall have the meanings specified in CERCLA, and the terms "solid waste" and "disposal" (or "disposed") shall have the meanings specified in RCRA; provided, in the event either CERCLA or RCRA is amended so as to broaden the meaning of any term defined thereby, such broader meaning shall apply subsequent to the effective date of such amendment and provided further, to the extent that the laws of the states in which the Mortgaged Properties are located establish a meaning for "hazardous substance," "release," "solid waste," or "disposal" which is broader than that specified in either CERCLA or RCRA, such broader meaning shall apply.

(h) **Defense of Mortgage.** If the validity or priority of this Mortgage or of any rights, titles, liens or security interests created or evidenced hereby with respect to the Property or any part thereof or the title of Mortgagor to the Property shall be endangered or questioned or shall be attacked directly or indirectly or if any legal proceedings are instituted against Mortgagor with respect thereto, Mortgagor will give prompt written notice thereof to Mortgagee and at Mortgagor's own cost and expense will diligently endeavor to cure any defect that may be developed or claimed, and will take all necessary and proper steps for the defense of such legal proceedings, including, but not limited to, the employment of counsel, the prosecution or defense of litigation and the release or discharge of all adverse claims, and Trustee and Mortgagee, or either of them (whether or not named as parties to legal proceedings with respect thereto), are hereby authorized and empowered to take such additional steps as in their judgment and discretion may be necessary or proper for the defense of any such legal proceedings or the protection of the validity or priority of this Mortgage and the rights, titles, liens and security interests created or evidenced hereby, including but not limited to the employment of independent counsel, the prosecution or defense of litigation, the compromise or discharge of any adverse claims made with respect to the Property, the purchase of any tax title and the removal of prior liens or security interests, and all expenditures so made of every kind and character shall be a demand obligation (which obligation Mortgagor hereby expressly promises to pay) owing by Mortgagor to Mortgagee or Trustee (as the case may be), and the party incurring such expenses shall be subrogated to all rights of the person receiving such payment.

(i) **Fees and Expenses; Indemnity.** Mortgagor will pay all appraisal fees, recording fees, taxes, brokerage fees and commissions, abstract and other records search fees, attorneys' fees and expenses and all other costs and expenses of every character incurred by Mortgagor or Mortgagee in connection with the preparation of this Mortgage and any related instruments (e.g., financing statements) and any and all amendments, supplements or modifications to such instruments. Mortgagor will reimburse Trustee and Mortgagee (for purposes of this paragraph, the terms "Trustee" and "Mortgagee" shall include the directors, officers, partners, employees and agents of Trustee or Mortgagee, respectively, and any persons or entities owned or controlled by or affiliated with Trustee or Mortgagee, respectively) for all expenditures, including reasonable attorneys' fees and expenses, incurred or expended in connection with (i) the breach by Mortgagor of any covenant, agreement or condition contained herein, (ii) the exercise by Mortgagee and/or Trustee of any of their rights and remedies hereunder, and (iii) the protection of the Property and/or Mortgagee's and/or Trustee's liens and security interests therein, and any such

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reimbursement obligation shall be a demand obligation owing to Mortgagee or Trustee, as the case may be. Mortgagor will indemnify and hold harmless Trustee and Mortgagee from and against (and will reimburse Trustee and Mortgagee for) all expenditures, including reasonable attorneys' fees and expenses, incurred or expended in connection with all claims, demands, liabilities, losses, damages (including without limitation consequential damages), causes of action, judgments, penalties, costs and expenses (including without limitation reasonable attorneys' fees and expenses) which may be imposed upon, asserted against or incurred or paid by either of them on account of, in connection with, or arising out of (A) any bodily injury or death or property damage occurring in or upon or in the vicinity of the Property through any cause whatsoever, (B) any act performed or omitted to be performed hereunder or the breach of any representation or warranty herein, (C) the exercise of any rights and remedies hereunder, (D) any transaction, act, omission, event or circumstance arising out of or in any way connected with the Property or with this Mortgage, (E) any violation on or prior to the Release Date (as hereinafter defined) of any Applicable Environmental Law, (F) any act, omission, event or circumstance existing or occurring on or prior to the Release Date (including without limitation the presence on the Property or release from the Property of hazardous substances or solid wastes disposed of or otherwise released), resulting from or in connection with the ownership, construction, occupancy, operation, use and/or maintenance of the Property regardless of whether the act, omission, event or circumstance constituted a violation of any Applicable Environmental Law at the time of its existence or occurrence, and (G) any and all claims or proceedings (whether brought by private party or governmental agencies) for bodily injury, property damage, abatement or remediation, environmental damage or impairment or any other injury or damage resulting from or relating to any hazardous or toxic substance, solid waste or contaminated material located upon or migrating into, from or through the Property (whether or not the release of such materials was caused by Mortgagor, a tenant or subtenant or a prior owner or tenant or subtenant on the Property and whether or not the alleged liability is attributable to the handling, storage, generation, transportation, removal or disposal of such substance, waste or material or the mere presence of such substance, waste or material on the Property), which the Mortgagee and/or the Trustee may have liability with respect to due to the granting of this Mortgage, the exercise of any of their rights under this Mortgage, or otherwise. Mortgagee shall have the right to compromise and adjust any such claims, actions and judgments, and in addition to the rights to be indemnified as herein provided, all amounts paid by Mortgagee in compromise, satisfaction or discharge of any such claim, action or judgment, and all court costs, attorneys' fees and other expenses of every character expended by Mortgagee pursuant to the provisions of this section shall be a demand obligation (which obligation Mortgagor hereby expressly promises to pay) owing by Mortgagor to Mortgagee. The "Release Date" as used herein shall mean the earlier of the following two dates: (i) the date on which the obligations secured hereby have been paid and performed in full and this Mortgage has been released of record, or (ii) the date on which the lien of this Mortgage is foreclosed or a deed in lieu of such foreclosure is fully effective and recorded. WITHOUT LIMITATION, IT IS THE INTENTION OF MORTGAGOR AND MORTGAGOR AGREES THAT THE FOREGOING INDEMNITIES SHALL APPLY TO EACH INDEMNIFIED PARTY WITH RESPECT TO CLAIMS, DEMANDS, LIABILITIES, LOSSES, DAMAGES, CAUSES OF ACTION, JUDGMENTS, PENALTIES, COSTS AND EXPENSES (INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEYS' FEES) WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF THE NEGLIGENCE OF SUCH (AND/OR ANY OTHER) INDEMNIFIED PARTY. However, such indemnities shall not apply to any particular indemnified party (but shall apply to the other indemnified parties) to the extent the subject of the indemnification is caused by or arises out of the gross negligence or willful misconduct of such particular indemnified party. The foregoing indemnities shall not terminate upon the Release Date or upon the release, foreclosure or other termination of this Mortgage but will survive the Release Date, foreclosure of this Mortgage or conveyance in lieu of foreclosure, and the repayment of the secured obligations and the discharge and release of this Mortgage and the other documents evidencing and/or securing the secured obligations. Any amount to be paid hereunder by Mortgagor to Mortgagee and/or Trustee shall be a demand obligation owing by Mortgagor to Mortgagee and/or Trustee.

(j) Insurance. Mortgagor will maintain with companies of recognized responsibility satisfactory to Mortgagee such insurance against loss or damage to person or property as would a reasonably prudent operator under similar circumstances. In the event of any loss under any insurance policies so carried by Mortgagor, Mortgagee shall have the right (but not the obligation) to make proof of loss and collect the same or to cause Mortgagor to collect the same, and all amounts so collected shall be (i) first applied toward costs, charges and expenses (including reasonable attorneys' fees), if any, incurred by Mortgagee in the collection thereof, and (ii) then paid into the Security Account established pursuant to the Deposit Agreement.

(k) Further Assurances. Mortgagor will, on request of Mortgagee, (i) promptly correct any defect, error or omission which may be discovered in the contents of this Mortgage, or in the execution or acknowledgment of this Mortgage; (ii) execute, acknowledge, deliver and record and/or file such further instruments (including, without limitation, further deeds of trust, mortgages, security agreements, financing statements, continuation statements, and assignments of production, accounts, funds, contract rights, general intangibles, and proceeds) and do such further acts as may be necessary, desirable or proper to carry out more effectively the purposes of this Mortgage and to more fully identify and subject to the liens and security interests hereof any property intended to be covered hereby, including specifically, but without limitation, any renewals,

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additions, substitutions, replacements, or appurtenances to the Property, and (iii) execute, acknowledge, deliver, and file and/or record any document or instrument (including specifically any financing statement) desired by Mortgagee to protect the lien or the security interest hereunder against the rights or interests of third persons. Mortgagor shall pay all costs connected with any of the foregoing.

(1) Taxes on Note or Mortgage. Mortgagor will promptly pay all income, franchise and other taxes owing by Mortgagor and any stamp taxes or other taxes (unless such payment by Mortgagor is prohibited by law) which may be required to be paid with respect to the secured obligations, this Mortgage or any other instrument evidencing or securing any of the secured obligations. In the event of the enactment after this date of any law of any governmental entity applicable to Mortgagee, the secured obligations, the Property or this Mortgage deducting from the value of property for the purpose of taxation any lien or security interest thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of deeds of trust or mortgages or security agreements or debts secured by deeds of trust or mortgages or security agreements or the interest of the mortgagee or secured party in the property covered thereby, or the manner of collection of such taxes, so as to affect this Mortgage or the obligations secured hereby or Mortgagee, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay such taxes, assessments, charges or liens, or reimburse Mortgagee therefor; provided, however, that if in the opinion of counsel for Mortgagee (i) it might be unlawful to require Mortgagor to make such payment or (ii) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable sixty (60) days from the giving of such notice.

Section 22. Compliance by Operator. As to any part of the Mortgaged Properties which is operated by a party other than Mortgagor, Mortgagor agrees to take all such action and to exercise all rights and remedies as are reasonably available to Mortgagor (including, but not limited to, all rights under any operating agreement) to cause the party who is the operator of such property to comply with the covenants and agreements contained herein.

Section 23. Performance by Mortgagee on Mortgagor's Behalf. Mortgagor agrees that, if Mortgagor fails to perform any act or to take any action which hereunder Mortgagor is required to perform or take, or to pay any money which hereunder Mortgagor is required to pay, Mortgagee, in Mortgagor's name or its own name, may, but shall not be obligated to, perform or cause to be performed such act or take such action or pay such money, and any expenses so incurred by Mortgagee and any money so paid by Mortgagee shall be a demand obligation owing by Mortgagor to Mortgagee (which obligation Mortgagor hereby expressly promises to pay) and Mortgagee, upon making such payment, shall be subrogated to all of the rights of the person, corporation or body politic receiving such payment.

Section 24 Miscellaneous Agreements.

(a) No action which Mortgagee may take or omit to take in connection with any of the Assumption Agreement or the other Transaction Documents or the KP Hedge Contracts (as such terms are defined in the Assumption Agreement) (herein collectively called the "Obligation Documents") and/or any of the secured obligations, and no course of dealing of Mortgagee with any party to the Obligation Documents or any other third party, shall release or diminish Mortgagor's obligations, liabilities, agreements or duties hereunder, affect this Mortgage in any way, or afford Mortgagor any recourse against Mortgagee, regardless of whether any such action or inaction may increase any risks to or liabilities of Mortgagor or increase any risk to or diminish any safeguard of any lien or security interest created hereunder. Without limiting the foregoing, Mortgagor hereby expressly agrees that Mortgagee may, from time to time, without notice to or the consent of Mortgagor:

(i) Amend, change or modify, in whole or in part, any one or more of the Obligation Documents in accordance with the terms thereof and give or refuse to give any waivers or other indulgences with respect thereto;

(ii) Neglect, delay, fail, or refuse to take or prosecute any action for the collection or enforcement of any of the obligations, liabilities and/or indebtedness created under or pursuant to the Obligation Documents (herein called the "Obligations"), to foreclose or take or prosecute any action in connection with this Mortgage or any Obligation Document, to bring suit or to take any other action concerning the Obligations or the Obligation Documents;

(iii) Accelerate, change, rearrange, extend, or renew the time, terms, or manner for payment or performance of any one or more of the Obligations;

(iv) Compromise or settle any unpaid or unperformed Obligation or any other obligation or amount due or owing, or claimed to be due or owing, under any one or more of the Obligation Documents;

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(v) Discharge, release, substitute or add parties as obligors under the Obligation Documents ("Obligors"); and

(vi) Apply all monies received from Obligor (or others) or under this Mortgage for any of the Obligations, as Mortgagee may determine to be in its best interest, without in any way being required to marshal Property or to apply all or any part of such monies upon any particular Obligations.

(b) No action or inaction of any Obligor or any third party, and no change of law or circumstances, shall release or diminish Mortgagee's obligations, liabilities, agreements, or duties hereunder, or affect this Mortgage in any way.

(c) Mortgagee may invoke the security and other benefits of this Mortgage before pursuing any remedies against any Obligor or any third person. Mortgagee may maintain an action against Mortgagee on this Mortgage without joining any other Obligor therein and without bringing separate action against any other Obligor.

(d) If any payment to Mortgagee by any Obligor is held to constitute a preference or a voidable transfer under applicable state or federal laws, or if for any other reason Mortgagee is required to refund such payment to the payor thereof or to pay the amount thereof to any third party, such payment to Mortgagee shall not constitute a release of Mortgagor from any liability hereunder, and Mortgagor agrees and acknowledges that this Mortgage shall continue to be effective or shall be reinstated, as the case may be, to the extent of any such payment or payments.

(e) Mortgagor hereby waives, with respect to the Obligations, this Mortgage and the Obligation Documents: (i) notice of the incurrence of any Obligation by any Obligor; (ii) notice that Mortgagee, any Obligor, or any third party has taken or omitted to take any action under any Obligation Document or any other agreement or instrument relating thereto or relating to any Obligation; (iii) demand, presentment for payment, and notice of demand, dishonor, nonpayment, or nonperformance; (iv) notice of intention to accelerate, notice of acceleration, protest, and notice of protest; and (v) all other notices whatsoever.

(f) Mortgagor shall have no right of subrogation with respect hereto, and Mortgagor hereby waives any rights to enforce any rights of subrogation, contribution, reimbursement, indemnification, exoneration and any other remedy which Mortgagor may have against any Obligor or third party with respect to this Mortgage, or the duties of Mortgagor under applicable law. Mortgagor hereby irrevocably agrees, to the fullest extent permitted by law, that it will not exercise (and herein waives) any rights against any Obligor or third party or Mortgagee which it may acquire by way of subrogation, contribution, reimbursement, indemnification or exoneration under or with respect to this Mortgage, the other Obligation Documents or applicable law, by any payment made hereunder or otherwise. If the foregoing waivers are adjudicated unenforceable by a court of competent jurisdiction, then Mortgagor agrees that no liability or obligation of any Obligor or any third party that shall accrue by virtue of any right to subrogation, contribution, indemnity, reimbursement or exoneration shall be paid, nor shall any such liability or obligation be deemed owed, until all of the Obligations shall have been paid or otherwise performed in full.

ARTICLE III

Remedies Upon Default

Section 3.1. Default. The term "default" as used in this Mortgage shall mean the occurrence of any of the following events:

(a) the occurrence of a "TEMI Event of Default" as defined in the Assumption Agreement; or

(b) the failure of Mortgagor timely and properly to observe, keep or perform any covenant, agreement, warranty or condition herein required to be observed, kept or performed, if such failure is not remedied within 30 days after written notice and demand by Mortgagee for the performance of such covenant, agreement, warranty or condition; or

(c) any representation contained herein (or in any certificate delivered by Mortgagor to Mortgagee in connection herewith) shall prove to have been false or misleading in any material respect on the date made (or on the date as of which made) and such representation is not made true and correct (as of the time such corrective action is taken) within 30 days after written notice and demand by Mortgagee to Mortgagor objecting to such representation not being true and correct.

Section 3.2. Pre-Foreclosure Remedies. Upon the occurrence of a default, Mortgagee is authorized, prior or subsequent to the institution of any foreclosure proceedings, to enter upon the Property, or any part thereof, and to take possession of the Property and all books and records relating thereto, and to exercise without interference from Mortgagor any and all rights which Mortgagee has with

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respect to the management, possession, operation, protection or preservation of the Property. If necessary to obtain the possession provided for above, Mortgagee may invoke any and all remedies to dispossess Mortgagor. All costs, expenses and liabilities of every character incurred by Mortgagee in managing, operating, maintaining, protecting or preserving the Property shall constitute a demand obligation (which obligation Mortgagor hereby expressly promises to pay) owing by Mortgagor to Mortgagee, all of which shall constitute a portion of the secured obligations. In connection with any action taken by Mortgagee pursuant to this Section 3.2, MORTGAGEE SHALL NOT BE LIABLE FOR ANY LOSS SUSTAINED BY MORTGAGOR RESULTING FROM ANY ACT OR OMISSION OF MORTGAGEE IN MANAGING THE PROPERTY UNLESS SUCH LOSS IS CAUSED BY THE WILLFUL MISCONDUCT AND BAD FAITH OF MORTGAGEE, nor shall Mortgagee be obligated to perform or discharge any obligation, duty or liability of Mortgagor arising under any agreement forming a part of the Property or arising under any Permitted Encumbrance or otherwise arising. Mortgagor hereby assents to, ratifies and confirms any and all actions of Mortgagee with respect to the Property taken under this Section 3.2.

Section 3.3. Foreclosure.

(a) Upon the occurrence of a default, Trustee is authorized and empowered and it shall be Trustee's special duty at the request of Mortgagee to sell the Mortgaged Properties, or any part thereof, as an entirety or in parcels as Mortgagee may elect, at such place or places and otherwise in the manner and upon such notice as may be required by law or, in the absence of any such requirement, as Trustee may deem appropriate. If Trustee shall have given notice of sale hereunder, any successor or substitute Trustee thereafter appointed may complete the sale and the conveyance of the property pursuant thereto as if such notice had been given by the successor or substitute Trustee conducting the sale. Cumulative of the foregoing and the other provisions of this Section 3.3, such sales of all or any part of such Mortgaged Properties shall be conducted at the courthouse of any county (whether or not the counties in which such Mortgaged Properties are located are contiguous) in the State of Texas in which any part of such Mortgaged Properties is situated, at public vendue to the highest bidder for cash between the hours of ten o'clock a.m. and four o'clock p.m. on the first Tuesday in any month or at such other place, time and date as provided by the statutes of the State of Texas then in force governing sales of real estate under powers conferred by deed of trust, after having given notice of such sale in accordance with such statutes.

A POWER OF SALE HAS BEEN GRANTED IN THIS MORTGAGE. A POWER OF SALE MAY ALLOW TRUSTEE TO TAKE THE MORTGAGED PROPERTIES AND SELL THEM WITHOUT GOING TO COURT IN A FORECLOSURE ACTION UPON DEFAULT BY MORTGAGOR UNDER THIS MORTGAGE.

(b) Upon the occurrence of a default, Mortgagee may exercise its rights of enforcement with respect to the Collateral under the Texas Business and Commerce Code, as amended. Cumulative of the foregoing and the other provisions of this Section 3.3:

(i) Mortgagee may enter upon the Mortgaged Properties or otherwise upon Mortgagor's premises to take possession of, assemble and collect the Collateral; and

(ii) Mortgagee may require Mortgagor to assemble the Collateral and make it available at a place Mortgagee designates which is mutually convenient to allow Mortgagee to take possession or dispose of the Collateral; and

(iii) written notice mailed to Mortgagor as provided herein at least five (5) days prior to the date of public sale of the Collateral or prior to the date after which private sale of the Collateral will be made shall constitute reasonable notice; and

(iv) in the event of a foreclosure of the liens and/or security interests evidenced hereby, the Collateral, or any part thereof, and the Mortgaged Properties, or any part thereof may, at the option of Mortgagee, be sold, as a whole or in parts, together or separately (including, without limitation, where a portion of the Mortgaged Properties is sold, the Collateral related thereto may be sold in connection therewith); and

(v) the expenses of sale provided for in clause FIRST of Section 3.6 shall include the reasonable expenses of retaking the Collateral, or any part thereof, holding the same and preparing the same for sale or other disposition; and

(vi) should, under this subsection, the Collateral be disposed of other than by sale, any proceeds of such disposition shall be treated under Section 3.6 as if the same were sales proceeds.

(c) To the extent permitted by applicable law, the sale by Trustee or Mortgagee hereunder of less than the whole of the Property shall not exhaust the powers of sale herein granted or the right to judicial foreclosure, and successive sale or sales may be made until the whole of the Property shall be sold, and, if the proceeds of such sale of less than the whole of the Property shall be less than the aggregate of the indebtedness secured hereby and the expense of conducting such sale, this Mortgage and the liens and security interests hereof shall remain in full force and effect as to the unsold portion of the Property just as though no sale had been made; provided, however, that Mortgagor shall never have any right to require the sale of less than the whole of the Property. In the event any sale hereunder is not completed or is defective in the opinion of Mortgagee, such sale shall not exhaust the powers of sale hereunder or the

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right to judicial foreclosure, and Mortgagee shall have the right to cause a subsequent sale or sales to be made. Any sale may be adjourned by announcement at the time and place appointed for such sale without further notice except as may be required by law. The Trustee or his successor or substitute may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by it (including, without limitation, the posting of notices and the conduct of sale). Any and all statements of fact or other recitals made in any deed or deeds, or other instruments of transfer, given in connection with a sale as to nonpayment of the secured indebtedness or as to the occurrence of any default, or as to Mortgagee's having declared all of indebtedness to be due and payable, or as to the request to sell, or as to notice of time, place and terms of sale and the properties to be sold having been duly given, or, with respect to any sale by the Trustee, or any successor or substitute trustee, as to the refusal, failure or inability to act of Trustee or any substitute or successor trustee or the appointment of any substitute or successor trustee, or as to any other act or thing having been duly done, shall be taken as prima facie evidence of the truth of the facts so stated and recited. With respect to any sale held in foreclosure of the liens and/or security interests covered hereby, it shall not be necessary for the Trustee, Mortgagee, any public officer acting under execution or order of the court or any other party to have physically present or constructively in his/her or its possession, either at the time of or prior to such sale, the Property or any part thereof.

Section 3.4. Effective as Mortgage. As to the Mortgaged Properties, this instrument shall be effective as a mortgage as well as a deed of trust and upon the occurrence of a default may be foreclosed as to the Mortgaged Properties, or any portion thereof, in any manner permitted by applicable law, and any foreclosure suit may be brought by Trustee or by Mortgagee. To the extent, if any, required to cause this instrument to be so effective as a mortgage as well as a deed of trust, Mortgagor hereby mortgages the Mortgaged Properties to Mortgagee. In the event a foreclosure hereunder as to the Mortgaged Properties, or any part thereof, shall be commenced by Trustee, or his substitute or successor, Mortgagee may at any time before the sale of such properties direct Trustee to abandon the sale, and may then institute suit for the foreclosure of this Mortgage as to such properties. It is agreed that if Mortgagee should institute a suit for the foreclosure of this Mortgage, Mortgagee may at any time before the entry of a final judgment in said suit dismiss the same, and require Trustee, its substitute or successor to sell the Mortgaged Properties, or any part thereof, in accordance with the provisions of this Mortgage.

Section 3.5. Receiver. In addition to all other remedies herein provided for, Mortgagor agrees that, upon the occurrence of a default or any event or circumstance which, with the lapse of time or the giving or notice, or both, would constitute a default hereunder, Mortgagee shall as a matter of right be entitled to the appointment of a receiver or receivers for all or any part of the Property, whether such receivership be incident to a proposed sale (or sales) of such property or otherwise, and without regard to the value of the Property or the solvency of any person or persons liable for the payment of the indebtedness secured hereby, and Mortgagor does hereby consent to the appointment of such receiver or receivers, waives any and all defenses to such appointment, and agrees not to oppose any application therefor by Mortgagee. Nothing herein is to be construed to deprive Mortgagee of any other right, remedy or privilege it may now or hereafter have under the law to have a receiver appointed. Any money advanced by Mortgagee in connection with any such receivership shall be a demand obligation (which obligation Mortgagor hereby expressly promises to pay) owing by Mortgagor to Mortgagee.

Section 3.6. Proceeds of Foreclosure. The proceeds of any sale held in foreclosure of the liens and/or security interests evidenced hereby shall be applied:

FIRST, to the payment of all necessary costs and expenses incident to such foreclosure sale, including but not limited to all court costs and charges of every character in the event foreclosed by suit and including but not limited to a reasonable fee to the Trustee if such sale was made by the Trustee acting under the provisions of Section 3.3(a); and

SECOND, the remainder shall be deposited into the Security Account.

Section 3.7. Mortgagee as Purchaser. Any party constituting Mortgagee shall have the right to become the purchaser at any sale held in foreclosure of the liens and/or security interests evidenced hereby, and any Mortgagee purchasing at any such sale shall have the right to deposit the amount of the bid into the Security Account.

Section 3.8. Foreclosure as to Matured Obligations. Upon the occurrence of a default, Mortgagee shall have the right to proceed with foreclosure of the liens and/or security interests evidenced hereby without declaring all of the secured obligations due, and in such event, any such foreclosure sale may be made subject to the unmatured part of the secured obligations and shall not in any manner affect the unmatured part of the secured obligations, but as to such unmatured part, this Mortgage shall remain in full force and effect just as though no sale had been made. The proceeds of such sale shall be applied as provided in Section 3.6. Several sales may be made hereunder without exhausting the right of sale for any unmatured part of the secured indebtedness.

Section 3.9. Remedies Cumulative. All remedies herein provided for are cumulative of each other and of all other remedies existing at law or in equity, and Trustee and Mortgagee shall, in addition to the remedies herein provided, be entitled to avail themselves of all such other remedies as may now or hereafter exist at law or in equity for the collection of the secured obligations and the enforcement of the covenants herein and the foreclosure of the liens and/or security interests evidenced hereby, and the resort

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to any remedy provided for hereunder or provided for by law shall not prevent the concurrent or subsequent employment of any other appropriate remedy or remedies.

Section 3.10. Mortgagee's Discretion as to Security. Mortgagee may resort to any security given by this Mortgage or to any other security now existing or hereafter given to secure the secured obligations, in whole or in part, and in such portions and in such order as may seem best to Mortgagee in its sole and uncontrolled discretion, and any such action shall not in any way be considered as a waiver of any of the rights, benefits, liens or security interests evidenced by this Mortgage.

Section 3.11. Mortgagor's Waiver of Certain Rights. To the full extent Mortgagor may do so, Mortgagor agrees that Mortgagor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay, extension or redemption, and Mortgagor, for Mortgagor, Mortgagor's heirs, devisees, representatives, successors and assigns, and for any and all persons ever claiming any interest in the Property, to the extent permitted by applicable law, hereby waives and releases all rights of appraisal, valuation, stay of execution, redemption, notice of intention to mature or declare due the whole of the secured obligations, notice of election to mature or declare due the whole of the secured obligations and all rights to a marshaling of assets of Mortgagor, including the Property, or to a sale in inverse order of alienation in the event of foreclosure of the liens and/or security interests hereby created. Mortgagor shall not have or assert any right under any statute or rule of law pertaining to the marshaling of assets, sale in inverse order of alienation, the exemption of homestead, the administration of estates of decedents, or other matters whatever to defeat, reduce or affect the right of Trustee and/or Mortgagee under the terms of this Mortgage to a sale of the Property for the collection of the secured obligations without any prior or different resort for collection, or the right of Mortgagee under the terms of this Mortgage to the payment of the secured obligations out of the proceeds of sale of the Property in preference to every other claimant whatever. If any law referred to in this section and now in force, of which Mortgagor or Mortgagor's heirs, devisees, representatives, successors or assigns or any other persons claiming any interest in the Mortgaged Properties or the Collateral might take advantage despite this section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this section.

Section 3.12. Mortgagor as Tenant Post-Foreclosure. In the event there is a foreclosure sale hereunder and at the time of such sale Mortgagor or Mortgagor's heirs, devisees, representatives, successors or assigns or any other persons claiming any interest in the Property by, through or under Mortgagor are occupying or using the Property, or any part thereof, each and all shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of either landlord or tenant, at a reasonable rental per day based upon the value of the property occupied, such rental to be due daily to the purchaser. To the extent permitted by applicable law, the purchaser at such sale shall, notwithstanding any language herein apparently to the contrary, have the sole option to demand immediate possession following the sale or to permit the occupants to remain as tenants at will. In the event the tenant fails to surrender possession of said property upon demand, the purchaser shall be entitled to institute and maintain a summary action for possession of the property (such as an action for forcible entry and detainer) in any court having jurisdiction.

ARTICLE IV.

Miscellaneous

Section 4.1. Scope of Mortgage. This Mortgage is a deed of trust and mortgage of both real and personal property, a security agreement, a financing statement and an assignment, and also covers proceeds and fixtures.

Section 4.2. Effective as a Financing Statement. This Mortgage shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the Property. This Mortgage shall also be effective as a financing statement covering minerals and other substances of value which may be extracted from the earth (including without limitation oil and gas), and accounts related thereto, which will be financed at the wellhead or minehead of the wells or mines located on the Mortgaged Properties. This Mortgage is to be filed for record in the real estate records of each county where any part of the Mortgaged Properties is situated, and may also be filed in the offices of the Bureau of Land Management or the Minerals Management Service or state agency (or any successor agencies). This Mortgage shall also be effective as a financing statement covering any other Property and may be filed in any other appropriate filing or recording office. The mailing address of Mortgagor is the address of Mortgagor set forth at the end of this Mortgage and the address of Mortgagee from which information concerning the security interests hereunder may be obtained is the address of Mortgagee set forth at the end of this Mortgage.

Section 4.3. Reproduction of Mortgage as Financing Statement. A carbon, photographic, facsimile or other reproduction of this Mortgage or of any financing statement relating to this Mortgage shall be sufficient as a financing statement for any of the purposes referred to in Section 4.2.

Section 4.4. Notice to Account Debtors. Mortgagee may at any time notify the account debtors or obligors of any accounts, chattel paper, negotiable instruments or other evidences of indebtedness included in the Collateral to pay Mortgagee directly.

VOL. 1985 PAGE 12

STATE OF TEXAS
COUNTY OF BRAZOS

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

Thereby certify, on



Mary Ann Ward
County Clerk
Brazos County, Texas

Section 4.5. Waiver by Mortgagee. Upon default, Mortgagee may at any time and from time to time in writing waive compliance by Mortgagor with any covenant herein made by Mortgagor to the extent and in the manner specified in such writing, or consent to Mortgagor's doing any act which hereunder Mortgagor is prohibited from doing, or to Mortgagor's failing to do any act which hereunder Mortgagor is required to do, to the extent and in the manner specified in such writing, or release any part of the Property or any interest therein or any Production Proceeds from the lien and security interest of this Mortgage, without the joinder of Trustee, or release any party liable, either directly or indirectly, for the secured obligations, or for any covenant herein or in any other Loan Document, without impairing or releasing the liability of any other party. No such act shall in any way impair the rights or powers of Mortgagee (or Trustee) hereunder except to the extent specifically agreed to by Mortgagee in such writing.

Section 4.6. No Impairment of Security. The lien, security interest and other security rights of Mortgagee hereunder shall not be impaired by any indulgence, moratorium or release granted by Mortgagor including, but not limited to, any renewal, extension or modification which Mortgagee may grant with respect to any secured obligations, or any surrender, compromise, release, renewal, extension, exchange or substitution which Mortgagee may grant in respect of the Property (including without limitation Production Proceeds), or any part thereof or any interest therein, or any release or indulgence granted to any endorser, guarantor or surety of any secured obligations.

Section 4.7. Acts Not Constituting Waiver by Mortgagee. Mortgagee may waive any default without waiving any other prior or subsequent default. Mortgagee may remedy any default without waiving the default remedied. Neither failure by Trustee or Mortgagee to exercise, nor delay by Trustee or Mortgagee in exercising, any right, power or remedy upon any default shall be construed as a waiver of such default or as a waiver of the right to exercise any such right, power or remedy at a later date. No single or partial exercise by Trustee or Mortgagee of any right, power or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy hereunder may be exercised at any time and from time to time. No modification or waiver of any provision hereof nor consent to any departure by Mortgagor therefrom shall in any event be effective unless the same shall be in writing and signed by Mortgagee and then such waiver or consent shall be effective only in the specific instances, for the purpose for which given and to the extent therein specified. No notice or demand on Mortgagor in any case shall of itself entitle Mortgagor to any other or further notice or demand in similar or other circumstances. Acceptance by Mortgagee of any payment in an amount less than the amount then due on any secured obligation shall be deemed an acceptance on account only and shall not in any way excuse the existence of a default hereunder.

Section 4.8. Mortgagor's Successors. In the event the ownership of the Property or any part thereof becomes vested in a person other than Mortgagor, Mortgagee and Trustee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to this Mortgage and to the obligations secured hereby in the same manner as with Mortgagor, without in any way vitiating or discharging Mortgagor's liability hereunder or for the payment or performance of the obligations secured hereby. No transfer of the Property, no forbearance on the part of Mortgagee, and no extension of the time for the payment or satisfaction of the obligations secured hereby given by Mortgagee shall operate to release, discharge, modify, change or affect, in whole or in part, the liability of Mortgagor hereunder or for the payment or performance of the obligations secured hereby or the liability of any other person hereunder or for the payment or performance of the obligations secured hereby.

Section 4.9. Payment of Demand Obligations. All demand obligations which may be owing hereunder at any time by Mortgagor (whether to Mortgagee or Trustee) shall be paid directly to Mortgagee at the address set forth at the end of this Mortgage. Notwithstanding any provision hereof to the contrary, any demand obligation owing to Mortgagee or Trustee hereunder shall, until properly paid, constitute a portion of the secured obligations and shall be secured by this Mortgage.

Section 4.10. Application of Payments to Certain Obligations. If any part of the secured obligations cannot be lawfully secured by this Mortgage or if any part of the Property cannot be lawfully subject to the lien and security interest hereof to the full extent of such obligations, then all payments made shall be applied on said obligations first in discharge of that portion thereof which is not secured by this Mortgage.

Section 4.11. Substitute Trustee. The Trustee may resign by an instrument in writing addressed to Mortgagee, or Trustee may be removed at any time with or without cause by an instrument in writing executed by Mortgagee. In case of the death, resignation, removal, or disqualification of Trustee, or if for any reason Mortgagee shall deem it desirable to appoint a substitute or successor trustee to act instead of the herein named trustee or any substitute or successor trustee, then Mortgagee shall have the right and is hereby authorized and empowered to appoint a successor trustee, or a substitute trustee, without other formality than appointment and designation in writing executed by Mortgagee and the authority hereby conferred shall extend to the appointment of other successor and substitute trustees successively until the obligations secured hereby have been paid in full, or until the Property is sold hereunder. Such appointment and designation by Mortgagee shall be full evidence of the right and authority to make the same and of all facts therein recited. If Mortgagee is a corporation or association and such appointment is executed in its behalf by an officer of such corporation or association, such appointment shall be conclusively presumed to be executed with authority and shall be valid and sufficient without proof of any action by the board of directors or any superior officer of the corporation or association. Upon the making of any such appointment and designation, all of the estate and title of Trustee in the Mortgaged

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

Witness my hand and seal, on _____



Mary Ann Ward

Notary Public, Brazos County, Texas

Properties shall vest in the named successor or substitute Trustee and it shall thereupon succeed to, and shall hold, possess and execute, all the rights, powers, privileges, immunities and duties herein conferred upon Trustee; but nevertheless, upon the written request of Mortgagee or of the successor or substitute Trustee, the Trustee ceasing to act shall execute and deliver an instrument transferring to such successor or substitute Trustee all of the estate and title in the Mortgaged Properties of the Trustee so ceasing to act, together with all the rights, powers, privileges, immunities and duties herein conferred upon the Trustee, and shall duly assign, transfer and deliver any of the properties and moneys held by said Trustee hereunder to said successor or substitute Trustee. All references herein to Trustee shall be deemed to refer to Trustee (including any successor or substitute appointed and designated as herein provided) from time to time acting hereunder.

Section 4.12. No Liability for Trustee. THE TRUSTEE SHALL NOT BE LIABLE FOR ANY ERROR OF JUDGMENT OR ACT DONE BY TRUSTEE IN GOOD FAITH, OR BE OTHERWISE RESPONSIBLE OR ACCOUNTABLE UNDER ANY CIRCUMSTANCES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, THE TRUSTEE'S NEGLIGENCE), EXCEPT FOR TRUSTEE'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. The Trustee shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by it hereunder, believed by it in good faith to be genuine. All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by law), and Trustee shall be under no liability for interest on any moneys received by him hereunder. Mortgagor hereby ratifies and confirms any and all acts which the herein named Trustee or its successor or successors, substitute or substitutes, shall do lawfully by virtue hereof. Mortgagor will reimburse Trustee for, and indemnify and save it harmless against, any and all liability and expenses (including attorneys fees) which may be incurred by it in the performance of his duties. The foregoing indemnities shall not terminate upon the Release Date or upon the release, foreclosure or other termination of this Mortgage but will survive the Release Date, foreclosure of this Mortgage or conveyance in lieu of foreclosure, and the repayment or satisfaction of the secured obligations and the discharge and release of this Mortgage and the other documents evidencing and/or securing the secured obligations. Any amount to be paid hereunder by Mortgagor to Trustee shall be a demand obligation owing by Mortgagor to Trustee.

Section 4.13. Release of Mortgage. If all of the secured obligations are satisfied or otherwise extinguished and all of the covenants, warranties, undertakings and agreements made in this Mortgage are kept and performed, then Mortgagee shall, at Mortgagor's request, release this Mortgage, in due form and at Mortgagor's cost; provided, however, that, notwithstanding such release, certain indemnifications and other rights which are provided herein to continue following the release hereof, shall continue in effect unaffected by such release.

Section 4.14. Notices. All notices, requests, consents, demands and other communications required or permitted hereunder shall be in writing and shall be deemed sufficiently given or furnished if delivered by personal delivery, by telecopy, by delivery service with proof of delivery, or by registered or certified United States mail, postage prepaid, at the addresses specified at the end of this Mortgage (unless changed by similar notice in writing given by the particular party whose address is to be changed). Any such notice or communication shall be deemed to have been given (a) in the case of personal delivery or delivery service, as of the date of first attempted delivery at the address and in the manner provided herein, (b) in the case of telecopy, upon receipt, and (c) in the case of registered or certified United States mail, three days after deposit in the mail. Notwithstanding the foregoing, any notice given in connection with a foreclosure of the liens and/or security interest created hereunder, or otherwise in connection with the exercise by Mortgagee or Trustee of their respective rights hereunder, which is given in a manner permitted by applicable law shall constitute proper notice; without limitation of the foregoing, notice given in a form required or permitted by statute shall (as to the portion of the Property to which such statute is applicable) constitute proper notice.

Section 4.15. Invalidity of Certain Provisions. A determination that any provision of this Mortgage is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Mortgage to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances.

Section 4.16. Gender, Titles. Within this Mortgage, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires. Titles appearing at the beginning of any subdivisions hereof are for convenience only, do not constitute any part of such subdivisions, and shall be disregarded in construing the language contained in such subdivisions.

Section 4.17. Recording. Mortgagor will cause this Mortgage and all amendments and supplements thereto and substitutions therefor and all financing statements and continuation statements relating thereto to be recorded, filed, re-recorded and refilled in such manner and in such places as Trustee or Mortgagee shall reasonably request and will pay all such recording, filing, re-recording and refiling taxes, fees and other charges.

Section 4.18. Reporting Compliance. Mortgagor agrees to comply with any and all reporting requirements applicable to the transaction evidenced by the Note and secured by this Mortgage which are

VO: 1985: 14

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

Thereby certify, on 1-28-94

May Ann Ward
County Clerk
Brazos County, Texas

set forth in any law, statute, ordinance, rule, regulation, order or determination of any governmental authority, and further agrees upon request of Mortgagee to furnish Mortgagee with evidence of such compliance.

Section 4.19. Mortgagee's Consent. Except where otherwise expressly provided herein, in any instance hereunder where the approval, consent or the exercise of judgment of Mortgagee is required, the granting or denial of such approval or consent and the exercise of such judgment shall be within the sole discretion of Mortgagee, and Mortgagee shall not, for any reason or to any extent, be required to grant such approval or consent or exercise such judgment in any particular manner, regardless of the reasonableness of either the request or Mortgagee's judgment.

Section 4.20. Certain Obligations of Mortgagor. Without limiting Mortgagor's obligations hereunder, Mortgagor liability hereunder shall extend to and include all expenses and other duties and liabilities with respect to Mortgagor's obligations hereunder which would be owed but for the fact that the same may be unenforceable due to the existence of a bankruptcy, reorganization or similar proceeding.

Section 4.21. Counterparts. This Mortgage may be executed in several counterparts, all of which are identical, except that, to facilitate recordation, certain counterparts hereof may include only that portion of Exhibit A and/or Exhibit B which contains descriptions of the properties located in (or otherwise subject to the requirements and/or protections of the recording or filing acts or regulations of) the recording jurisdiction in which the particular counterpart is to be recorded, and other portions of Exhibit A and/or Exhibit B shall be included in such counterparts by reference only. All of such counterparts together shall constitute one and the same instrument. Complete copies of this Mortgage containing the entire Exhibit A have been retained by Mortgagor and Mortgagee.

Section 4.22. Successors and Assigns. The terms, provisions, covenants, representations, indemnifications and conditions hereof shall be binding upon Mortgagor, and the successors and assigns of Mortgagor, and shall inure to the benefit of Trustee and Mortgagee and their respective successors and assigns, and shall constitute covenants running with the Mortgaged Properties. All references in this Mortgage to Mortgagor, Trustee or Mortgagee shall be deemed to include all such successors and assigns.

Section 4.23. FINAL AGREEMENT OF THE PARTIES. THE WRITTEN MORTGAGE AND ASSUMPTION AGREEMENT REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Section 4.24. CHOICE OF LAW. THIS MORTGAGE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF TEXAS APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE AND THE LAWS OF THE UNITED STATES OF AMERICA, EXCEPT THAT TO THE EXTENT THAT THE LAW OF A STATE IN WHICH A PORTION OF THE PROPERTY IS LOCATED (OR WHICH IS OTHERWISE APPLICABLE TO A PORTION OF THE PROPERTY) NECESSARILY GOVERNS WITH RESPECT TO PROCEDURAL AND SUBSTANTIVE MATTERS RELATING TO THE CREATION, PERFECTION AND ENFORCEMENT OF THE LIENS, SECURITY INTERESTS AND OTHER RIGHTS AND REMEDIES OF THE TRUSTEE OR THE MORTGAGEE GRANTED HEREIN, THE LAW OF SUCH STATE SHALL APPLY AS TO THAT PORTION OF THE PROPERTY LOCATED IN (OR OTHERWISE SUBJECT TO THE LAWS OF) SUCH STATE.

This instrument is executed by Mortgagor this 23rd day of November, 1993.

MORTGAGOR:

TORCH ROYALTY COMPANY

By: *[Signature]*
Name: Roland Sledge
Title: Vice President

The address of Mortgagee is:

1600 Summer Street, 6th Floor
Stamford, CT 06927-1550

The address of Mortgagor is:

Suite 1600
1221 Lamar
Houston, TX 77010

The address of the Trustee is:

1700 Pacific Avenue
3300 First City Center
Dallas, Texas 75201

This instrument prepared by:

Karen E. Lynch
Thompson & Knight, P.C.
1700 Pacific Avenue
Dallas, Texas 75201

STATE OF TEXAS :
 :
COUNTY OF HARRIS :

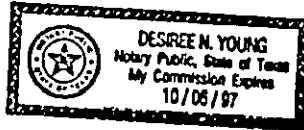
The foregoing instrument was acknowledged before me on this 23rd day of November, 1993, by Roland Sledge as Vice President of Torch Royalty Company, a Delaware corporation, on behalf of such corporation.

Desiree N. Young
NOTARY PUBLIC, State of Texas

My commission expires:

10/6/97

[SEAL]



STATE OF TEXAS
COUNTY OF BRAZOS

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

Thereby certify, on 1-28-94/4



Mary Ann Ward
County Clerk
Brazos County, Texas

Vol. 1085-76

BRAZOS COUNTY, TEXAS

EXHIBIT A

Anderson No. 2, 3 & 4

Oil and Gas Lease dated February 5, 1991, from Carol Anderson and Jean Stephen, as Lessors, to the Williams Partnership, as Lessee, recorded by Memorandum of Oil and Gas Lease in Volume 1237, Page 148, Official Records, Brazos County, Texas, as amended by Amendment of Oil, Gas and Mineral Lease dated March 2, 1992 recorded in Volume 1441, Page 237 of the Official Records of Brazos County, Texas, and as further amended by Amendment to Lease Description dated April 9, 1992, recorded in Volume 1473, Page 201 of said Official Records, INSOFAR AS AND ONLY INSOFAR AS said lease covers and includes 1696.17 acres of land, more or less, in the Augustus Williams League, A-58, Brazos County, Texas.

SUBJECT TO:

Letter Agreement dated August 6, 1990 between Clayton W. Williams, Jr. and Wintershall Energy.

Letter Agreement dated May 21, 1991 but effective May 1, 1991 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd, and Sinclair Oil Corporation.

STATE OF TEXAS
COUNTY OF BRAZOS

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

Thereby certify, on

1-28-94 CE



Mary Ann Ward
County Clerk
Brazos County, Texas

Vol. 1985-17

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as
the same appears on file and recorded in the
appropriate records of Brazos County, Texas.
Thereby certify, on 1-28-91



Mary Ann Ward
County Clerk
Brazos County, Texas

EXHIBIT A

Carroll Biering #1-M

Designation of Unit, dated May 13, 1991, being the Union Pacific Resources Company, Carroll-Biering Unit Well No. 1, consisting of 187.61 acres, recorded in Volume _____, Page _____ of the Official Records of Brazos County, Texas.

THE LEASES BEING CONVEYED:

1. LESSOR: R. L. Carroll, Robert T. Carroll, Dr. Lamar H. Carroll, Individually and as Agent and Attorney-in-Fact for R. L. Carroll, and Alice C. Josey, Individually and as Agent and Attorney-in-Fact for R. L. Carroll
LESSEE: Ritchey Resources, Inc.
DATED: March 28, 1990
FILED: June 13, 1990
RECORDED: Volume 1190, Page 734
2. LESSOR: Gus E. Biering, Jr.
LESSEE: Ritchey Resources, Inc.
DATED: March 8, 1990
FILED: September 4, 1990
RECORDED: Volume 1207, Page 346
3. LESSOR: Carlos Warren Wagner
LESSEE: Ritchey Resources, Inc.
DATED: March 8, 1990
FILED: May 31, 1990
RECORDED: Volume 1188, Page 249
4. LESSOR: Gus E. Biering Jr.
LESSEE: Ritchey Resources, Inc.
DATED: March 8, 1990
FILED: September 4, 1990
RECORDED: Volume 1207, Page 377
5. LESSOR: Joe E. Baggett, Individually and as Agent and Attorney-in-Fact for Vada W. Baggett
LESSEE: Union Pacific Resources Company
DATED: November 29, 1990
FILED: December 13, 1990
RECORDED: Volume 1227, Page 46
6. LESSOR: Joe E. Baggett and wife, Ruth T. Baggett
LESSEE: Union Pacific Resources Company
DATED: November 29, 1990
FILED: December 13, 1990
RECORDED: Volume 1227, Page 51

All being recorded in the Official Records of Brazos County, Texas.

SUBJECT TO:

Operating Agreement dated April 15, 1991 Union Pacific Resources Company as Operator and Torch Energy Associates Ltd et al as Non-Operator

STATE OF TEXAS
COUNTY OF BRAZOS

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

Thereby certify, on _____



Mary Ann Ward
County Clerk
Brazos County, Texas

vol. 1985 p. 18

CLERK OF COURTY OF BRAZOS
COUNTY TEXAS
I have examined the foregoing and correct copy as
the same has been filed and recorded in the
County Clerk's Office of Brazos County, Texas.
This by certifying, on 1-28-91



Mary Ann Ward
County Clerk
Brazos County, Texas

EXHIBIT A

Brazos Coal Ltd.

THE LEASES BEING CONVEYED:

1. LESSOR: Brazos Coal Limited, a Texas Partnership,
and Thousand Oaks Development Company, a
Texas Partnership, by Managing Partner,
Global Natural Resources, Inc., Roger C.
Chapman, President
LESSEE: Union Pacific Resources Company
DATED: May 2, 1990
RECORDED: Volume 1302, Page 275, Official Records of
Brazos County, Texas.

SUBJECT TO:

Operating Agreement dated October 1, 1990, between Union Pacific
Resources Company, as Operator and Neuvo Energy Company as Non-
Operator.

and correct copy as
and recorded in the
of Brazos County, Texas.
Thereby certify, on



Mary Ann Ward
County Clerk
Brazos County, Texas

EXHIBIT A

Brazos Coal Ltd., Raceway Unit No. 1

Designation of Unit, dated May 15, 1992, being the Union Pacific Resources Company, "Brazos Coal Ltd. - Raceway Unit", consisting of 360 acres, recorded in Volume 1502, Page 73 of the Official Records of Brazos County, Texas.

THE LEASES BEING CONVEYED:

1. LESSOR: Brazos Coal Ltd.
LESSEE: Union Pacific Resources Company
DATED: August 2, 1990
RECORDED: Volume 1302, Page 271, Official Records of Brazos County, Texas.

2. LESSOR: Texas Speedway Limited Partnership
LESSEE: Ameritex Minerals, Inc.
DATED: June 11, 1990
RECORDED: Volume 1192, Page 563, Official Records of Brazos County, Texas.

SUBJECT TO:

Letter Agreement dated May 21, 1991 but effective May 1, 1991 between Union Pacific Resources Company, Neuvo Energy Company, Torch Energy Associates Ltd and Sinclair Oil Corporation.

Operating Agreement effective March 15, 1992 between Union Pacific Resources Company, as Operator and Torch Energy Associates Ltd, Neuvo Energy Company and Sinclair Oil Corporation, as Non-Operator.

COUNTY OF BRAZOS

This foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas.

Thereby certify, on

1-28-94cc



Mary Ann Ward
County Clerk
Brazos County, Texas

EXHIBIT A

Brazos Coal Ltd. - Terry Unit "C-1" Well

Designation of Unit, dated March 17, 1993, being the Union Pacific Resources Company. "Brazos Coal - Terry Unit C-1 Well", consisting of 600 acres, recorded in Volume 1750, Page 265 of the Official Records of Brazos County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: Brazos Coal Ltd., a Texas Partnership and Thousand Oaks Development Company, a Texas Partnership, by Managing Partner, Global National Resources, Inc., by Roger C. Chapman, President
LESSEE: Union Pacific Resources Company
DATED: August 2, 1990
RECORDED: Volume 1302, Page 271 of the Official Records of Brazos County, Texas
2. LESSOR: H. L. Terry, et al
LESSEE: Ameritex Minerals, Inc.
DATED: May 8, 1990
RECORDED: Volume 1192, Page 554 of the Official Records of Brazos County, Texas
3. LESSOR: Vernon F. Runnels
LESSEE: Ameritex Minerals, Inc.
DATED: May 8, 1990
RECORDED: Volume 1192, Page 551 of the Official Records of Brazos County, Texas
4. LESSOR: Gene R. Mendel
LESSEE: Ameritex Minerals, Inc.
DATED: May 8, 1990
RECORDED: Volume 1194, Page 209 of the Official Records of Brazos County, Texas
5. LESSOR: L. E. Ritchey
LESSEE: Ameritex Minerals, Inc.
DATED: May 8, 1990
RECORDED: Volume 1193, Page 783 of the Official Records of Brazos County, Texas

SUBJECT TO:

Letter Agreement dated May 21, 1991 but effective May 1, 1991 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd and Sinclair Oil Corporation.

Operating Agreement effective October 1, 1992 between Union Pacific Resources Company, as Operator and Torch Energy Associates Ltd, Nuevo Energy Company and Sinclair Oil Corporation, as Non-Operators.

The undersigned has examined and correct copy as the same appears on file in the appropriate records of Brazos County, Texas.
Thereby certify, on 1-28-94 CE



Mary Ann Ward
County Clerk
Brazos County, Texas

EXHIBIT A

Bryan-College Station Unit Well No. 1

Designation of Unit, being 666.79 acres of land, more or less, said Designation of Unit recorded by Bexco Operating, Inc., recorded in Volume 1772, Page 1 Official Records of Brazos County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: City of Bryan
LESSEE: Inco Oil Corporation
DATED: February 25, 1992
RECORDED: Vol. 1458, Page 59 of the Official Records of Brazos County, Texas.
2. LESSOR: Young Brothers Contractors, Inc.
LESSEE: Inco Oil Corporation
DATED: January 8, 1992
RECORDED: Vol. 1484, Page 184 of the Official Records of Brazos County, Texas.
3. LESSOR: Frank Matous
LESSEE: Inco Oil Corporation
DATED: November 12, 1991
RECORDED: Vol. 1411, Page 144 of the Official Records of Brazos County, Texas.
4. LESSOR: Frank J. Matous, Jr., et ux
LESSEE: Inco Oil Corporation
DATED: November 12, 1991
RECORDED: Vol. 1411, Page 152 of the Official Records of Brazos County, Texas.
5. LESSOR: Frauline Putz Sims, et vir
LESSEE: Inco Oil Corporation
DATED: November 12, 1991
RECORDED: Vol. 1411, Page 113 of the Official Records of Brazos County, Texas.
6. LESSOR: Elizabeth Ann Matous Swetish, et vir
LESSEE: Inco Oil Corporation
DATED: November 12, 1991
RECORDED: Vol. 1411, Page 148 of the Official Records of Brazos County, Texas.
7. LESSOR: Dr. Lieven J. Van Riet, et ux
LESSEE: Inco Oil Corporation
DATED: November 20, 1991
RECORDED: Vol. 1411, Page 129 of the Official Records of Brazos County, Texas.
8. LESSOR: Tenneco Realty, Inc.
LESSEE: Inco Oil Corporation
DATED: November 20, 1991
RECORDED: Vol. 1427, Page 44 of the Official Records of Brazos County, Texas.
9. LESSOR: Reagan Marshall, II
LESSEE: Inco Oil Corporation
DATED: November 20, 1991
RECORDED: Vol. 1436, Page 251 of the Official Records of Brazos County, Texas.

STATE OF TEXAS
COUNTY OF BRAZOS

The foregoing is a true and correct copy of the same appears on file and recorded in the appropriate records of Brazos County, Texas.

Thereby certify, on 1-28-92



Mary Ann Ward
County Clerk
Brazos County, Texas

10. LESSOR: Meredith Beck
LESSEE: Inco Oil Corporation
DATED: November 22, 1991
RECORDED: Vol. 1427, Page 4 of the Official Records of Brazos County, Texas.
11. LESSOR: E. K. Chunn, Jr., Trustee
LESSEE: Inco Oil Corporation
DATED: November 22, 1991
RECORDED: Vol. 1411, Page 123 of the Official Records of Brazos County, Texas.
12. LESSOR: Jacqueline W. Cassidy Molina
LESSEE: Inco Oil Corporation
DATED: December 7, 1991
RECORDED: Vol. 1426, Page 303 of the Official Records of Brazos County, Texas.
13. LESSOR: Hurley Roberson
LESSEE: Inco Oil Corporation
DATED: December 4, 1991
RECORDED: Vol. 1426, Page 303 of the Official Records of Brazos County, Texas.
14. LESSOR: Deborah Lynn Edwards Prostko, et ux
LESSEE: Inco Oil Corporation
DATED: November 25, 1991
RECORDED: Vol. 1416, Page 41 of the Official Records of Brazos County, Texas.
15. LESSOR: Gay Block and Sidney Shlenker
LESSEE: Inco Oil Corporation
DATED: March 3, 1992
RECORDED: Vol. 1505, Page 315 of the Official Records of Brazos County, Texas.
16. LESSOR: John F. Chandler
LESSEE: Inco Oil Corporation
DATED: September 3, 1992
RECORDED: File No. 506433 of the Official Records of Brazos County, Texas.
17. LESSOR: Marilynne Pedretti
LESSEE: Inco Oil Corporation
DATED: September 3, 1992
RECORDED: Vol. 1607, Page 157 of the Official Records of Brazos County, Texas.
18. LESSOR: Helen Louise Chandler
LESSEE: Inco Oil Corporation
DATED: September 3, 1992
RECORDED: Vol. 1608, Page 253 of the Official Records of Brazos County, Texas.
19. LESSOR: CSI Associates
LESSEE: Inco Oil Corporation
DATED: February 13, 1992
RECORDED: Vol. 1520, Page 157 of the Official Records of Brazos County, Texas.
20. LESSOR: Bert Wheeler's, Inc.
LESSEE: Inco Oil Corporation
DATED: April 20, 1992
RECORDED: Vol. 1495, Page 63 of the Official Records of Brazos County, Texas.

STATE OF TEXAS
COUNTY OF BRAZOS

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

Thereby certify, on

1-28-92



Mary Ann Ward
County Clerk
Brazos County, Texas

21. LESSOR: State of Texas
LESSEE: Inco Oil Corporation
DATED: August 18, 1992
RECORDED: Vol. 1638, Page 248 of the Official Records of
Brazos County, Texas.
22. LESSOR: Bert Wheeler's, Inc.
LESSEE: Inco Oil Corporation
DATED: April 20, 1992
RECORDED: Vol. 1495, Page 67 of the Official Records of
Brazos County, Texas.
23. LESSOR: Frances Luza Lenz
LESSEE: Inco Oil Corporation
DATED: December 11, 1991
RECORDED: Vol. 1426, Page 310 of the Official Records of
Brazos County, Texas.
24. LESSOR: Betty Matous
LESSEE: Inco Oil Corporation
DATED: December 12, 1991
RECORDED: Vol. 1426, Page 306 of the Official Records of
Brazos County, Texas.
25. LESSOR: Walter Edward Luza
LESSEE: Inco Oil Corporation
DATED: January 14, 1992
RECORDED: Vol. 1451, Page 226 of the Official Records of
Brazos County, Texas.
26. LESSOR: Vernon Joseph Luza, et ux
LESSEE: Inco Oil Corporation
DATED: January 14, 1992
RECORDED: Vol. 1451, Page 230 of the Official Records of
Brazos County, Texas.
27. LESSOR: James Frank Luza
LESSEE: Inco Oil Corporation
DATED: January 14, 1992
RECORDED: Vol. 1451, Page 222 of the Official Records of
Brazos County, Texas.
28. LESSOR: Mary Ann Luza Stein and First City National
Bank of Bryan as Co-Trustees
LESSEE: Inco Oil Corporation
DATED: January 10, 1992
RECORDED: Vol. 1451, Page 236 of the Official Records of
Brazos County, Texas.
29. LESSOR: Cecelia M. Luza
LESSEE: Inco Oil Corporation
DATED: December 19, 1991
RECORDED: Vol. 1451, Page 240 of the Official Records of
Brazos County, Texas.
30. LESSOR: Jerry Luza, et ux
LESSEE: Inco Oil Corporation
DATED: December 12, 1991
RECORDED: Vol. 1433, Page 185 of the Official Records of
Brazos County, Texas.
31. LESSOR: Mary Luza Luther
LESSEE: Inco Oil Corporation
DATED: December 11, 1991
RECORDED: Vol. 1433, Page 181 of the Official Records of
Brazos County, Texas.

STATE OF TEXAS
COUNTY OF BRAZOS

The foregoing is a true and correct copy as
the same appears on file and recorded in the
appropriate records of Brazos County, Texas

Thereby certify, on 1-28-94



Mary Ann Ward
County Clerk
Brazos County, Texas

32. LESSOR: Elizabeth Ann Matous Swetish, et vir
LESSEE: Inco Oil Corporation
DATED: December 12, 1991
RECORDED: Vol. 1433, Page 226 of the Official Records of
Brazos County, Texas.
33. LESSOR: Frank J. Matous, Jr., et ux
LESSEE: Inco Oil Corporation
DATED: December 11, 1991
RECORDED: Vol. 1433, Page 189 of the Official Records of
Brazos County, Texas.
34. LESSOR: Robert Lee Putz
LESSEE: Inco Oil Corporation
DATED: December 18, 1991
RECORDED: Vol. 1434, Page 131 of the Official Records of
Brazos County, Texas.
35. LESSOR: Frances Ann Ebert
LESSEE: Inco Oil Corporation
DATED: December 18, 1991
RECORDED: Vol. 1458, Page 80 of the Official Records of
Brazos County, Texas.
36. LESSOR: Sylvia Putz Willingham
LESSEE: Inco Oil Corporation
DATED: December 18, 1991
RECORDED: Vol. 1433, Page 245 of the Official Records of
Brazos County, Texas.
37. LESSOR: E. L. Putz, et ux
LESSEE: Inco Oil Corporation
DATED: December 17, 1991
RECORDED: Vol. 1411, Page 409 of the Official Records of
Brazos County, Texas.
38. LESSOR: Pauline Putz Huggins
LESSEE: Inco Oil Corporation
DATED: December 12, 1991
RECORDED: Vol. 1426, Page 299 of the Official Records of
Brazos County, Texas.
39. LESSOR: Patricia Putz Burr, et vir
LESSEE: Inco Oil Corporation
DATED: December 12, 1991
RECORDED: Vol. 1426, Page 292 of the Official Records of
Brazos County, Texas.
40. LESSOR: Frauline Putz Sims, et vir
LESSEE: Inco Oil Corporation
DATED: December 9, 1991
RECORDED: Vol. 1426, Page 342 of the Official Records of
Brazos County, Texas.
41. LESSOR: Charles Edward Putz
LESSEE: Inco Oil Corporation
DATED: December 18, 1991
RECORDED: Vol. 1399, Page 55 of the Official Records of
Brazos County, Texas.
42. LESSOR: Josephine Luza
LESSEE: Inco Oil Corporation
DATED: January 14, 1992
RECORDED: Vol. 1451, Page 218 of the Official Records of
Brazos County, Texas.

STATE OF TEXAS
COUNTY OF BRAZOS

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

Thereby certify, on



Mary Ann Ward
County Clerk
Brazos County, Texas

43. LESSOR: Terry Pruitt, Trustee
LESSEE: Inco Oil Corporation
DATED: February 20, 1992
RECORDED: Vol. 1510, Page 63 of the Official Records of
Brazos County, Texas.
44. LESSOR: Bert Wheeler's, Inc.
LESSEE: Inco Oil Corporation
DATED: April 20, 1992
RECORDED: Vol. 1495, Page 67 of the Official Records of
Brazos County, Texas.
45. LESSOR: Warren C. Harmon
LESSEE: Inco Oil Corporation
DATED: January 21, 1992
RECORDED: Vol. 1506, Page 25 of the Official Records of
Brazos County, Texas.
46. LESSOR: Mary Lynn Sheffield Johnson
LESSEE: Inco Oil Corporation
DATED: March 4, 1992
RECORDED: Vol. 1480, Page 241 of the Official Records of
Brazos County, Texas.
47. LESSOR: Patricia Creekmore Spearman, et al
LESSEE: Inco Oil Corporation
DATED: February 24, 1992
RECORDED: Vol. 1446, Page 86 of the Official Records of
Brazos County, Texas.
48. LESSOR: Boyd Allen Sheffield
LESSEE: Inco Oil Corporation
DATED: March 26, 1992
RECORDED: Vol. 1506, Page 99 of the Official Records of
Brazos County, Texas.
49. LESSOR: James Lloyd Sheffield
LESSEE: Inco Oil Corporation
DATED: March 26, 1992
RECORDED: Vol. 1480, Page 244 of the Official Records of
Brazos County, Texas.
50. LESSOR: Borski Homes, Inc.
LESSEE: Inco Oil Corporation
DATED: January 6, 1992
RECORDED: Vol. 1436, Page 239 of the Official Records of
Brazos County, Texas.
51. LESSOR: Ralph Morgan, et ux
LESSEE: Inco Oil Corporation
DATED: January 6, 1992
RECORDED: Vol. 1436, Page 243 of the Official Records of
Brazos County, Texas.
52. LESSOR: Frank Murphy, Inc.
LESSEE: Inco Oil Corporation
DATED: January 6, 1992
RECORDED: Vol. 1436, Page 232 of the Official Records of
Brazos County, Texas.
53. LESSOR: Sequoia West Contractors, Inc.
LESSEE: Inco Oil Corporation
DATED: February 6, 1992
RECORDED: Vol. 1436, Page 229 of the Official Records of
Brazos County, Texas.

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54. LESSOR: Randy D. Craig, et ux
LESSEE: Inco Oil Corporation
DATED: January 6, 1992
RECORDED: Vol. 1436, Page 236 of the Official Records of
Brazos County, Texas.
55. LESSOR: Larry Gresham, et ux
LESSEE: Inco Oil Corporation
DATED: February 5, 1992
RECORDED: Vol. 1446, Page 83 of the Official Records of
Brazos County, Texas.
56. LESSOR: Lyle George Turney, et ux
LESSEE: Inco Oil Corporation
DATED: March 26, 1992
RECORDED: Vol. 1506, Page 107 of the Official Records of
Brazos County, Texas.
57. LESSOR: Brazos County
LESSEE: GSI Oil and Gas, Inc.
DATED: October 14, 1992
RECORDED: Vol. 1634, Page 126 of the Official Records of
Brazos County, Texas.
58. LESSOR: Bert Wheeler's, Inc.
LESSEE: Union Pacific Resources Company
DATED: March 24, 1992
RECORDED: Vol. 1458, Page 001 of the Official Records of
Brazos County, Texas.

SUBJECT TO:

Participation Agreement, dated December 28, 1992 by and between Pat Baker d/b/a Baker Exploration, Seller and Torch Energy Associates Ltd, Participant.

Operating Agreement, dated November 23, 1992 by and between BEXCO Operating, Inc. as Operator and Torch Energy Associates Ltd et al as Non-Operator.

STATE OF TEXAS
COUNTY OF BRAZOS

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

Thereby certify, on 1-28-94 *CE*



Mary Ann Ward
County Clerk
Brazos County, Texas

Vol. 1985 Page 271

EXHIBIT A

Bryan Utilities Lake Unit Well H-1

Designation of Unit, dated November 11, 1991, being the Union Pacific Resources Company, "Bryan Utilities Lake Unit Well H-1", consisting of 320 acres, recorded in Volume 1372, Page 156 of the Official Records of Brazos County, Texas

THE LEASES TO BE CONVEYED:

1. LESSOR: City of Bryan, Texas
LESSEE: HEA Exploration
DATED: October 6, 1983
RECORDED: Memorandum recorded in Volume 610, Page 547 of the Official Records of Brazos County, Texas.
 - A. First Amendment, dated November 22, 1983, from the City of Bryan to HEA Exploration, Inc., recorded in Volume 626, Page 73 of the Official Records of Brazos County, Texas.
 - B. Second Amendment, dated January 4, 1984, from the City of Bryan to HEA Exploration, Inc., recorded in Volume 640, Page 784 of the Official Records of Brazos County, Texas.
 - C. Third Amendment, dated May 15, 1984, from the City of Bryan to HEA Exploration, Inc., recorded in Volume 686, Page 624 of the Official Records of Brazos County, Texas.
2. LESSOR: City of Bryan, Texas
LESSEE: Coastal Management Corporation, a Texas Corp.
DATED: July 31, 1990
RECORDED: Memorandum recorded in Volume 1206, Page 719 of the Official Records of Brazos County, Texas.
 - A. First Amendment, dated January 28, 1991, effective July 31, 1990, from the City of Bryan, Texas to Coastal Management Corporation, recorded in Volume 1237, Page 665 of the Official Records of Brazos County, Texas.

SUBJECT TO:

Operating Agreement dated March 1, 1991 between Union Pacific Resources Company, as Operator, and Torch Energy Associates Ltd, Nuovo Energy Company and Howell Petroleum Corporation, as Non-Operators.

STATE OF TEXAS
COUNTY OF BRAZOS

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

Thereby certify, on 1-28-94



Mary Ann Ward
County Clerk
Brazos County, Texas

Vol. 1985 of 28

STATE OF TEXAS
COUNTY OF BRAZOS

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

Thereby certify, on



Mary Ann Ward
County Clerk
Brazos County, Texas

EXHIBIT A

Carroll-Peters Unit Well No. 1

Designation of Unit, acknowledgement dated October 17, 1991, being
the Union Pacific Resources Corporation - "Carroll-Peters Unit No.
1, recorded in Volume 1602, Page 13 of the Official Records of
Brazos County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: Mount Enterprise Primitive Baptist Church
LESSEE: Baker Exploration Company
DATE: April 9, 1991
RECORDING: Vol. 1257, Page 153 Official Records of Brazos
County, Texas
2. LESSOR: The City National Bank of Bryan, AKA First City
Texas, Bryan, Texas, as Independent Executor of
the Estate of E. E. Peters and Lola J. Peters
LESSEE: Baker Exploration Company
DATE: March 29, 1991
RECORDING: Vol. 1257, Page 182 Official Records of Brazos
County, Texas
3. LESSOR: Herman W. Homeyer Jr. and Sadia Mae Homeyer
LESSEE: Baker Exploration Company
DATE: April 10, 1991
RECORDING: Volume 1257, Page 168 Official Records of
Brazos County, Texas
4. LESSOR: Hicks Ltd, a Partnership
LESSEE: Baker Exploration Company
DATE: March 29, 1991
RECORDING: Vol. 1257, Page 162 Official Records of
Brazos County, Texas
5. LESSOR: Kay Perrone
LESSEE: Baker Exploration Company
DATE: April 5, 1991
RECORDING: Vol. 1257, Page 147 Official Records of
Brazos County, Texas
6. LESSOR: Jack L. Thormahlen
LESSEE: Baker Exploration Company
DATE: April 2, 1991
RECORDING: Vol. 1257, Page 180 Official Records of
Brazos County, Texas
7. LESSOR: James H. Dozier et ux, Phyllis Dozier
LESSEE: Baker Exploration Company
DATE: April 10, 1991
RECORDING: Memorandum filed in Vol. 1257, Page 180
Official Records of Brazos County, Texas
8. LESSOR: L. L. Gaston et ux, Marie Gaston
LESSEE: J. L. Scheider and Company
DATE: March 26, 1991
RECORDING: Vol. 1248, Page 798 Official Records of
Brazos County, Texas.
9. LESSOR: Lloyd E. Barrow and wife, Daisy Barrow
LESSEE: Baker Exploration Company
DATE: March 29, 1991
RECORDING: Vol. 1257, Page 167 Official Records of
Brazos County, Texas

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10. LESSOR: Bobby L. Hicks et ux, Betty J. Hicks
 LESSEE: Baker Exploration Company
 DATE: March 29, 1991
 RECORDING: Vol. 1257, Page 160 Official Records of
 Brazos County, Texas
11. LESSOR: Billie R. Gaston et ux, Dawn D. Gaston
 LESSEE: J. L. Schneider and Company
 DATE: March 27, 1991
 RECORDING: Vol. 1277, Page 118 Official Records of
 Brazos County, Texas
12. LESSOR: Ricky J. Palasota et ux, Elaine Palasota
 LESSEE: J. L. Schneider and Company
 DATE: March 26, 1991
 RECORDING: Vol. 1248, Page 803 Official Records of
 Brazos County, Texas
13. LESSOR: R. L. Carroll, Robert T. Carroll, Dr. Lamar H.
 Carroll, Individually and as Agent and
 Attorney-in-Fact for R. L. Carroll, and Alice
 C. Josey, Individually as Agent and
 Attorney-in-Fact for R. L. Carroll.
 LESSEE: Ritchey Resources, Inc.
 DATE: March 28, 1990
 RECORDING: Vol. 1190, Page 734 Official Records of
 Brazos County, Texas
14. LESSOR: James E. Weedon, Jr., et ux, Madalaen Weedon
 LESSEE: Amalgamated Bonanza Petroleum Ltd.
 DATE: September 15, 1976
 RECORDING: Vol. 23, Page 636 of the Oil and Gas Lease
 Records of Brazos County, Texas.

SUBJECT TO:

Letter Agreement dated 12/13/90 but effective 4/20/90 between Union Pacific Resources Company, Nuevo Energy Company and Austin Resources Company.

Operating Agreement effective September 25, 1991 between Union Pacific Resources Company, as Operator and Torch Energy Associates Ltd, Nuevo Energy Company.

STATE OF TEXAS
 COUNTY OF BRAZOS

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

Thereby certify, on 1-28-94



Mary Ann Ward
 County Clerk
 Brazos County, Texas

Vol. 1985-301

EXHIBIT A

College Hills Unit No. 1

303.77 acres of land, more or less, located in the Maria Kegans Survey, A-28 and the Thomas J. Allcorn Survey, A-61 in Brazos County, Texas, described in Designation of Unit, dated September 2, 1992, for the College Hills Unit No. 1, recorded in Volume 1589, Page 296, of the Official Records of Brazos County, Texas, and any amendments thereto.

THE LEASES TO BE CONVEYED:

1. LESSOR: Bruce Denton, et ux
LESSEE: Union Pacific Resources Company
DATE: December 21, 1992
RECORDED: Book 1452, Page 168 of the Oil and Gas Lease Records of Brazos County, Texas.
2. LESSOR: Patrick G. Willer, et ux
LESSEE: Union Pacific Resources Company
DATE: December 21, 1992
RECORDED: Book 1467, Page 108 of the Oil and Gas Lease Records of Brazos County, Texas.
3. LESSOR: Ernest E. Sims, et ux
LESSEE: Union Pacific Resources Company
DATE: March 11, 1992
RECORDED: Book 1501, Page 209 of the Oil and Gas Lease Records of Brazos County, Texas.
4. LESSOR: Anthony M. Velasquez, et ux
LESSEE: Union Pacific Resources Company
DATE: March 31, 1992
RECORDED: Book 1512, Page 211 of the Oil and Gas Lease Records of Brazos County, Texas.
5. LESSOR: Lee Smith Martin, et ux
LESSEE: Union Pacific Resources Company
DATE: April 14, 1992
RECORDED: Book 1523, Page 329 of the Oil and Gas Lease Records of Brazos County, Texas.

SUBJECT TO:

Letter Agreement dated 12/13/90 but effective 4/20/90 between Union Pacific Resources Company, Nuevo Energy Company and Austin Resources Company.

Operating Agreement effective May 14, 1992 between Union Pacific Resources Company as Operator and Torhc Energy Associates, et al as Non-Operator.

STATE OF TEXAS
COUNTY OF BRAZOS

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

Thereby certify, on

1-28-94 CE



Mary Ann Ward
County Clerk
Brazos County, Texas

VOL. 1985 PAGE 31.

EXHIBIT A

Timothy Crowley No. 1 Well

THE LEASES TO BE CONVEYED:

Oil, Gas and Mineral Lease, dated May 29, 1990, between Robert B. Waltman et ux, Linda C. Waltman and Timothy J. Crowley as Lessors and Union Pacific Resources Company, as Lessee, recorded in Volume 1205, Page 135 of the Official Records of Brazos County, Texas.

SUBJECT TO:

Operating Agreement effective September 3, 1991 between Union Pacific Resources Company as Operator and Sinclair, Torch Energy Associates Ltd and Neuvo Energy Company as Non-Operators.

STATE OF TEXAS
COUNTY OF BRAZOS

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

Thereby certify, on

1-28-94



Mary Ann Ward

County Clerk

Vol. 1985 39

EXHIBIT A

C. B. Jones No. 1 Unit

249.98 acres of land, more or less, out of the James Simpson Survey, A-207, Brazos County, Texas, lying within the boundaries of the C. B. Jones Well No. 1 Unit.

THE LEASES TO BE CONVEYED:

Oil, Gas and Mineral Lease, dated February 21, 1990, from C. B. Jones et ux, Jeanetta Jones to Baker Exploration Company, recorded in Volume 1169, Page 774 of the Official Records of Brazos County, Texas. and, amended in Volume 1316, Page 133 of the Official Records of Brazos County, Texas.

SUBJECT TO:

Operating Agreement, dated effective October 31, 1991, between Union Pacific Resources Company, as Operator, and Sinclair Oil Corp., et al, as Non-operator, Limited, however, from the surface to the base of the Austin Chalk Formation.

Letter Agreement, dated 5/21/91 but effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company and Sinclair Oil Company.

STATE OF TEXAS
COUNTY OF BRAZOS

This is a true and correct copy as
the same appears on file and recorded in the
official records of Brazos County, Texas.

Thereby certify, on

1-28-94 *CE*



Mary Anna Ward
County Clerk
Brazos County, Texas

VOL. 1985 PAGE 33

STATE OF TEXAS
COUNTY OF BRAZOS

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

Thereby certify, on

1-28-94



Mary Ann Ward
County Clerk
Brazos County, Texas

EXHIBIT A

Eugenia Jones No. 1

360 acres of land, more or less, located in the Nathan Clampitt Survey, A-90, and the S. W. Robertson Survey, A-202, in Brazos County, Texas, being a proration unit out of a 2,298.321 acre lease.

THE LEASES TO BE CONVEYED:

1. LESSOR: Mrs. Eugenia W. Jones, by and through Mary Gene Walker, Agent and Attorney-in-Fact.
LESSEE: Ameritex Minerals, Inc.
DATED: June 6, 1990
RECORDED: Volume 1203, Page 349 Official Records of Brazos County, Texas.
 - A. Amendment, dated February 20, 1991, recorded in Vol. 1245, Page 510 Official Records of Brazos County, Texas.
 - B. Amendment, dated March 28, 1991, recorded in Vol. 1251, Page 298 Official Records of Brazos County, Texas.
2. LESSOR: H. L. Terry, D. K. Royal and Duncan Properties, a partnership, D. E. Roberson and Hal Dickson.
LESSEE: Ameritex Minerals, Inc.
DATED: May 8, 1990
RECORDED: Volume 1192, Page 554 Official Records of Brazos County, Texas.
 - A. Amendment, dated March 15, 1991, recorded in Vol. 1251, Page 288 Official Records of Brazos County, Texas.
3. LESSOR: Vernon F. Runnels
LESSEE: Ameritex Minerals, Inc.
DATED: May 8, 1990
RECORDED: Volume 1192, Page 551 Official Records of Brazos County, Texas.
4. LESSOR: Gene R. Mendel
LESSEE: Ameritex Minerals, Inc.
DATED: May 8, 1990
RECORDED: Volume 1194, Page 209 Official Records of Brazos County, Texas.
5. LESSOR: L. E. Richey
LESSEE: Ameritex Minerals, Inc.
DATED: June 29, 1990
RECORDED: Volume 1193, Page 783 Official Records of Brazos County, Texas.
6. LESSOR: Enoch E. Smith and wife, Elsie C. Smith
LESSEE: Ameritex Minerals, Inc.
DATED: June 6, 1990
RECORDED: Volume 1193, Page 786 Official Records of Brazos County, Texas.
7. LESSOR: Ralph D. Smith and wife, Carol Sue Smith
LESSEE: Ameritex Minerals, Inc.
DATED: June 6, 1990
RECORDED: Volume 1193, Page 791 Official Records of Brazos County, Texas.

SUBJECT TO:

Operating Agreement effective April 1, 1991 between Union Pacific Resources Company, as Operator and Nuevo Energy Company, et al as Non-Operator.

Letter Agreement dated 5/21/91 effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd, and Sinclair Oil Company.

STATE OF TEXAS
COUNTY OF BRAZOS

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

Thereby certify, on 1-28-94 *ce*



Mary Ann Ward
County Clerk
Brazos County, Texas

vol. 1985 page 35.

EXHIBIT A

Jones-Ayers Unit No. 1 Well

Designation of Unit, dated December 4, 1991, recorded in Volume 1427, Page 55 of the Official Records of Brazos County, Texas.

THE LEASES TO BE CONVEYED:

LESSOR: Mrs. Annie Laurie Jones, widow of Aubrey Jones
LESSEE: Amalgamated Bonanza Petroleum Ltd.
DATED: September 15, 1976
RECORDED: Vol. 23, Page 627 of the Oil and Gas Lease Records, Brazos County, Texas

LESSOR: Hazel E. Ayers
LESSEE: J. L. Schneider and Company
DATED: February 13, 1991
RECORDED: Vol. 1248, Page 524 of the Oil and Gas Lease Records, Brazos County, Texas

LESSOR: Joel T. Murray and wife, Billye T. Murray
LESSEE: Baker Exploration Company
DATED: May 1, 1991
RECORDED: Vol. 1260, Page 300 of the Oil and Gas Lease Records, Brazos County, Texas

LESSOR: Lars A. Garrison
LESSEE: Baker Exploration Company
DATED: February 28, 1991
RECORDED: Vol. 1253, Page 440 of the Oil and Gas Lease Records, Brazos County, Texas

LESSOR: Mary Karen Garrison Reyer
LESSEE: Baker Exploration Company
DATED: February 28, 1991
RECORDED: Vol. 1248, Page 77 of the Oil and Gas Lease Records, Brazos County, Texas

LESSOR: Ralph W. Ayers and wife, Jocquetta Ayers
LESSEE: J. L. Schneider and Company
DATED: February 13, 1991
RECORDED: Vol. 1248, Page 532 of the Oil and Gas Lease Records, Brazos County, Texas

LESSOR: Hazel E. Ayers
LESSEE: J. L. Schneider and Company
DATED: February 13, 1991
RECORDED: Vol. 1248, Page 528 of the Oil and Gas Lease Records, Brazos County, Texas

LESSOR: Bethal Missionary Baptist Church a/k/a Bethal Baptist Church acting by its duly authorized agent, Old Bethal Cemetery Association, by its President, C. B. Jones
LESSEE: Baker Exploration Company
DATED: August 6, 1991
RECORDED: Vol. 1323, Page 213 of the Oil and Gas Lease Records, Brazos County, Texas

SUBJECT TO:

1. Operating Agreement effective October 15, 1991, Union Pacific Oil Company, as Operator, and Sinclair Oil Corporation, et al as Non-Operator.
2. Letter Agreement dated 12/13/90 effective 4/20/90 between Union Pacific Resources Company, Nuevo Energy Company, and Austin Resources.

STATE OF TEXAS
COUNTY OF BRAZOS

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

Thereby certify, on 1-28-94 *CE*



Mary Ann Ward

County Clerk
BRAZOS COUNTY, TEXAS

Vol. 1985 Page 36

EXHIBIT A

Jones-Caraway 1

Designation of Unit dated April 14, 1992, recorded in Vol. 1480, Page 125, Brazos County, Texas.

THE LEASES TO BE CONVEYED:

LESSOR: Mary Gene Walker, et al
LESSEE: Union Pacific Resources Company
DATED: May 21, 1990
RECORDED: Volume 1202, Page 479, Oil and Gas Records, Brazos County, Texas

LESSOR: Jeanette Jones, et al
LESSEE: Baker Exploration Company
DATED: July 30, 1990
RECORDED: Volume 1210, Page 354, Official Records, Brazos County, Texas

LESSOR: David Ray Caraway, et al
LESSEE: Baker Exploration Company
DATED: August 1, 1990
RECORDED: Volume 1210, Page 687, Official Records, Brazos County, Texas

SUBJECT TO:

Letter Agreement dated 12/13/90 but effective 4/20/90 between Union Pacific Resources Company, Nuevo Energy Company, and Austin Resources.

Operating Agreement effective December 9, 1991 between Union Pacific Resources Company, as Operator and Nuevo Energy Company, et al as Non-Operator.

STATE OF TEXAS
COUNTY OF BRAZOS

The foregoing is a true and correct copy as
the same appears on file and recorded in the
Official Records of Brazos County, Texas.

128941E

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EXHIBIT A

JONES - Jones Unit No. 1

Designation of Unit, dated April 14, 1992, called the Jones-Jones Unit No. 1, record in Vol. _____, Page _____ in the Brazos County, Texas. INsofar and ONLY INsofar as said Leases cover lands lying within the boundaries of the Jones-Jones Unit No. 1.

THE LEASES TO BE CONVEYED:

1. LESSOR: Mary Gene Walker
LESSEE: Union Pacific Resources Company
DATED: May 21, 1990
RECORDED: Volume 1202 Page 479 Official Records of Brazos County, Texas
2. LESSOR: Jeanette Jones et al
LESSEE: Baker Exploration Company
DATED: August 1, 1991
RECORDED: Vol. 1260, Page 306, Official Records, Brazos County, Texas
3. LESSOR: A. Konrad Eugster and wife, Kathe Eugster
LESSEE: Baker Exploration Company
DATED: July 24, 1991
RECORDED: Volume 1347, Page 253 Official Records of Brazos County, Texas.
4. LESSOR: Richard Wayne Moore, et ux
LESSEE: Baker Exploration Company
DATED: August 10, 1990
RECORDED: Volume 1215, Page 070 Official Records of Brazos County, Texas.
5. LESSOR: Leon H. Runnell, et ux
LESSEE: Baker Exploration Company
DATED: August 10, 1990
RECORDED: Volume 1215, Page 76 Official Records of Brazos County, Texas.
6. LESSOR: Dr. G. W. N. Eggers, et ux
LESSEE: Baker Exploration Company
DATED: August 9, 1990
RECORDED: Vol. 1210, Page 361, Official Records, Brazos County, Texas
7. LESSOR: Adele E. Roosevelt
LESSEE: Baker Exploration Company
DATED: August 9, 1990
RECORDED: Vol. 1210, Page 366, Official Records, Brazos County, Texas
8. LESSOR: Freddie A. Wolters, et ux
LESSEE: Union Pacific Resources Company
DATED: September 6, 1990
RECORDED: Vol. 1215, Page 454, Official Records, Brazos County, Texas

SUBJECT TO:

Letter Agreement dated 12/13/90 effective 4/20/90 between Union Pacific Resources Company, Nuevo Energy Company, and Austin Resources, Inc.

Operating Agreement effective December 9, 1991 between Union Pacific Resources Company as Operator, and Nuevo Energy Company, et al as Non-Operator.

STATE OF TEXAS
COUNTY OF BRAZOS

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

I hereby certify on 1-28-94

VOL. 1285-38

EXHIBIT A

Keyser - Boyett Unit No. 1

750.49 acres of land, more or less, being located in the Holden Evans Survey, A-15; the Andrew Millican Survey, A-19 and the E. M. Millican Survey, A-40 in Brazos County, Texas, being described in Designation of Unit, dated April 1, 1993, known as the Union Pacific Resources Company's Keyser-Boyett Unit No. 1, recorded in Volume 1766, Page 89 of the Official Records of Brazos County, Texas, and any amendments thereto.

THE LEASES TO BE CONVEYED:

1. LESSOR: Minnie Milo
LESSEE: Ogden Resources Corporation
DATED: October 25, 1990
RECORDED: Vol. 1219, Page 760, Official Records, Brazos County, Texas
2. LESSOR: Gladys Milo Johnson, et vir
LESSEE: Ogden Resources Corporation
DATED: October 25, 1990
RECORDED: Vol. 1220, Page 319, Official Records, Brazos County, Texas
3. LESSOR: Billie Gwen Keyser Lemon, et vir
LESSEE: Ogden Resources Corporation
DATED: October 25, 1990
RECORDED: Vol. 1219, Page 648, Official Records, Brazos County, Texas
4. LESSOR: Neely Keyser Nickle, et ux
LESSEE: Ogden Resources Corporation
DATED: October 26, 1990
RECORDED: Vol. 1218, Page 13, Official Records, Brazos County, Texas
5. LESSOR: Lohnie Hines Boyett, et vir
LESSEE: Ogden Resources Corporation
DATED: April 11, 1990
RECORDED: Vol. 1183, Page 669, Official Records, Brazos County, Texas
6. LESSOR: Lohnie Hines Boyett, et vir
LESSEE: Ogden Resources Corporation
DATED: April 11, 1990
RECORDED: Vol. 1183, Page 669, Official Records, Brazos County, Texas
7. LESSOR: Mary E. Jameson
LESSEE: Ogden Resources Corporation
DATED: November 1, 1991
RECORDED: Vol. 1368, Page 256, Official Records, Brazos County, Texas
8. LESSOR: Eula Mae Bobo
LESSEE: Union Pacific Resources Company
DATED: February 17, 1993
RECORDED: Vol. _____, Page _____, Official Records, Brazos County, Texas
9. LESSOR: Irene R. Leeper
LESSEE: Union Pacific Resources Company
DATED: February 17, 1993
RECORDED: Vol. 1739, Page 59, Official Records, Brazos County, Texas

STATE OF TEXAS

COUNTY OF BRAZOS

The foregoing is a true and correct copy

of the same as on file and recorded in the

appropriate records of Brazos County, Texas

Thereby certify, on

1289402



Mary E. Jameson

Brazos County, Texas

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10. LESSOR: Sheran Rush Schepps
LESSEE: Ogden Resources Corporation
DATED: May 6, 1992
RECORDED: Vol. 1502, Page 160, Official Records, Brazos County, Texas
11. LESSOR: Stanley V. Rush, Jr.
LESSEE: Ogden Resources Corporation
DATED: April 1, 1992
RECORDED: Vol. 1522, Page 233, Official Records, Brazos County, Texas
12. LESSOR: Rouye Rush
LESSEE: Ogden Resources Corporation
DATED: April 1, 1992
RECORDED: Vol. 1489, Page 284, Official Records, Brazos County, Texas
13. LESSOR: Penny Rush Wistrand
LESSEE: Ogden Resources Corporation
DATED: April 1, 1992
RECORDED: Vol. 1502, Page 163, Official Records, Brazos County, Texas
14. LESSOR: Gladys K. Rush
LESSEE: Ogden Resources Corporation
DATED: April 1, 1992
RECORDED: Vol. 1508 Page 268, Official Records, Brazos County, Texas
15. LESSOR: Candice Rush
LESSEE: Ogden Resources Corporation
DATED: April 1, 1992
RECORDED: Vol. 1489 Page 288, Official Records, Brazos County, Texas
16. LESSOR: Patsy Lester
LESSEE: Ogden Resources Corporation
DATED: April 1, 1992
RECORDED: Vol. 1477 Page 344, Official Records, Brazos County, Texas
17. LESSOR: Pauline T. Edwards
LESSEE: Ogden Resources Corporation
DATED: April 1, 1992
RECORDED: Vol. 1473 Page 119, Official Records, Brazos County, Texas
18. LESSOR: Jacques F. Pryor, et ux
LESSEE: Ogden Resources Corporation
DATED: November 1, 1991
RECORDED: Vol. 1365 Page 266, Official Records, Brazos County, Texas
19. LESSOR: Travis B. Bryan, Jr.
LESSEE: Ogden Resources Corporation
DATED: December 20, 1991
RECORDED: Vol. 1392 Page 121, Official Records, Brazos County, Texas
20. LESSOR: Josephine C. Gargano
LESSEE: Ogden Resources Corporation
DATED: October 19, 1992
RECORDED: Vol. 1620 Page 213, Official Records, Brazos County, Texas

STATE OF TEXAS
COUNTY OF BRAZOS

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

Witness my hand, on 1-28-94 *CE*



Mary Ann Ward
Notary Public
Brazos County, Texas

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- 21. LESSOR: Stephen Tseng, et ux
 LESSEE: Ogden Resources Corporation
 DATED: October 30, 1991
 RECORDED: Vol. 1368 Page 10, Official Records, Brazos County, Texas
- 22. LESSOR: Arthur Vernon Price
 LESSEE: Ogden Resources Corporation
 DATED: November 7, 1991
 RECORDED: Vol. 1368 Page 329, Official Records, Brazos County, Texas
- 23. LESSOR: G. W. Greer, et ux
 LESSEE: Ogden Resources Corporation
 DATED: November 11, 1991
 RECORDED: Vol. 1387, Page 80, Official Records, Brazos County, Texas
- 24. LESSOR: Frank Kozak, et ux
 LESSEE: Ogden Resources Corporation
 DATED: October 30, 1991
 RECORDED: Vol. 1370, Page 109, Official Records, Brazos County, Texas
- 25. LESSOR: Robert Lane Moffett, et ux
 LESSEE: Ogden Resources Corporation
 DATED: October 30, 1991
 RECORDED: Vol. 1365, Page 263, Official Records, Brazos County, Texas
- 26. LESSOR: Mildred S. Wade
 LESSEE: Ogden Resources Corporation
 DATED: October 30, 1991
 RECORDED: Vol. 1370, Page 105, Official Records, Brazos County, Texas
- 27. LESSOR: Ricky Greer, et ux
 LESSEE: Ogden Resources Corporation
 DATED: February 22, 1993
 RECORDED: Vol. 1726, Page 89, Official Records, Brazos County, Texas
- 28. LESSOR: Ronnie Greer, et ux
 LESSEE: Ogden Resources Corporation
 DATED: February 22, 1993
 RECORDED: Vol. 1739, Page 61, Official Records, Brazos County, Texas

SUBJECT TO:

Letter Agreement dated 5/21/91 but effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd and Sinclair Oil Company.

Operating Agreement effective October 14, 1992 between Union Pacific Resources Company, as Operator, and Ogden Resources Corporation, et al as Non-Operator.

Joint Venture Agreement dated 9/23/92 between Ogden Resources Corporation, Emil Ogden, John Hegburn and Union Pacific Resources Company.

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

Testify, on 1-28-94

Mary [Signature]
 [Signature]

VOL. 1985 PAGE 41

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

The City certify, on 1-28-94 JCE



Mary Ann Ward
County Clerk
Brazos County Texas

EXHIBIT A

Leachman-Robinson Unit No. 1

Designation of Unit dated February 10, 1993, creating 760.00 acres,
recorded in Vol. 1744, Page 109 of the Official Records of Brazos
County, Texas.

THE LEASES TO BE CONVEYED.

1. LESSOR: Robert D. Leachman, et ux
LESSEE: Union Pacific Resources Company
DATED: October 4, 1991
RECORDED: Vol. 192, Page 783, of the Oil and Gas Lease
Records, Brazos County, Texas
As Ratified
2. LESSOR: State of Texas M-95040
LESSEE: Union Pacific Resources Company
DATED: August 4, 1992
RECORDED: Vol. 207, Page 313, of the Oil and Gas Lease
Records, Brazos County, Texas
RECORDED: Vol. 1612, Page 219
3. LESSOR: State of Texas M-94914
LESSEE: Seneca Resources Corporation
DATED: April 7, 1992
RECORDED: Vol. 204, Page 833, of the Oil and Gas Lease
Records, Brazos County, Texas
4. LESSOR: G. W. Robinson
LESSEE: Seneca Resources Corporation
DATED: September 22, 1989
RECORDED: Vol. 158, Page 633, of the Oil and Gas Lease
Records, Brazos County, Texas
5. LESSOR: John S. Williams, et ux
LESSEE: Seneca Resources Corporation
DATED: Joseph M. Cox, et ux
RECORDED: Vol. 157, Page 75, of the Oil and Gas Lease
Records, Brazos County, Texas
6. LESSOR: Joseph M. Cox, et ux
LESSEE: Seneca Resources Corporation
DATED: August 2, 1989
RECORDED: Vol. 157, Page 73, of the Oil and Gas Lease
Records, Brazos County, Texas
7. LESSOR: Dorothy M. Lavender
LESSEE: Seneca Resources Corporation
DATED: July 27, 1989
RECORDED: Vol. 157, Page 71, of the Oil and Gas Lease
Records, Brazos County, Texas
8. LESSOR: Mary D. Siegert, et al
LESSEE: Seneca Resources Corporation
DATED: September 14, 1989
RECORDED: Vol. 158, Page 181, of the Oil and Gas Lease
Records, Brazos County, Texas

SUBJECT TO:

Operating Agreement dated effective on November 18, 1992 between
Union Pacific Resources Company, as Operator, and Seneca Resources
Corporation, et al., as Non-Operators.

Letter Agreement dated 5/21/91 but effective 5/1/91 between Union
Pacific Resources Company, NEA, Torch Energy Associates Ltd and
Sinclair Oil Company.

EXHIBIT A

Lester-Lester Unit No. 1

Designation of Unit effective date of first production, executed October 1, 1992, _____, Recorded in Vol. _____, Page _____ in Brazos County, Texas, creating 502.49 acres of land, more or less, located in the Richard Carter Survey, A-8, in Brazos County, Texas,

THE LEASES TO BE CONVEYED:

1. LESSOR: Jack W. Lester, Jr., et al
LESSEE: Keith D. Graham
DATED: July 3, 1991
RECORDED: Volume 1305, Page 288, Official Records of Brazos County, Texas.
2. LESSOR: Jack W. Lester, Jr., as Agent and Attorney-in-Fact.
LESSEE: Keith D. Graham
DATED: July 3, 1991
RECORDED: Volume 1305, Page 301, Official Records of Brazos County, Texas.
3. LESSOR: Jack Webster Lester, Jr. et ux
LESSEE: Baker Exploration Company
DATED: July 22, 1992
RECORDED: Volume 1579, Page 145, Official Records of Brazos County, Texas.

SUBJECT TO:

Operating Agreement dated July 12, 1993, Baker Exploration as Operator, Torch Energy Advisors et al as Non-Operator.

Participation Agreement dated August 25, 1992 between Pat Baker d/b/a Baker Exploration Company and Torch Energy Associates, et al.

STATE OF TEXAS
COUNTY OF BRAZOS

This foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas.

Thereby certify, on



Mary Ann Ward
County Clerk
Brazos County Texas

Vol. 1385 Page 43

EXHIBIT A

McCullough-McCullough Unit No. 1

360.0 acres of land, more or less, located in the S. W. Robertson Survey, A-202 and the Nathan Clampitt Survey, A-90, Brazos County, Texas, described in Designation of Unit, dated July 20, 1992, being the Union Pacific Resources Company's "McCullough-McCullough Unit Well No. 1", recorded in Volume 1556, Page 136 of the Official Records of Brazos County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: Jean McCullough Stephen et al
LESSEE: Roundtop Energy Corporation
DATED: January 10, 1990
RECORDED: Volume 1172, Page 273, Official Records of Brazos County, Texas.
2. LESSOR: Carol McCullough Anderson, Trustee
LESSEE: Roundtop Energy Corporation
DATED: January 10, 1990
RECORDED: Volume 1172, Page 243, Official Records of Brazos County, Texas.
3. LESSOR: Jean McCullough Stephen, Trustee
LESSEE: Roundtop Energy Corporation
DATED: January 10, 1990
RECORDED: Volume 1172, Page 258, Official Records of Brazos County, Texas.
4. LESSOR: The Travelers Insurance Company
LESSEE: Roundtop Energy Corporation
DATED: August 20, 1990
RECORDED: Volume 1204, Page 510, Official Records of Brazos County, Texas.

SUBJECT TO:

Letter Agreement dated 5/21/91 effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd, and Sinclair Oil Company.

Operating Agreement effective January 31, 1992 between Union Pacific Resources Company, as Operator, and Nuevo Energy Company, Torch Energy Associates Ltd, and Sinclair Oil Company as Non-Operator.

STATE OF TEXAS
COUNTY OF BRAZOS

This foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas.

This I certify, on

1-28-94 *MC*



Mary Ann Ward
County Clerk
Brazos County Texas

vol. 1985 PAGE 44

EXHIBIT A

McCullough-McCullough Unit "A" Well No. 1

460.82 acres of land, more or less, located in the Nathan Clampitt Survey, A-90, in Brazos County, Texas, described in Designation of Unit, dated December 16, 1992, known as Union Pacific Resources Company's McCullough-McCullough Unit "A" No. 1, recorded in Volume 1675, Page 30 of the Official Records of Brazos County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: Jean McCullough Stephen et al
LESSEE: Roundtop Energy Corporation
DATED: January 10, 1990
RECORDED: Volume 1172, Page 273, Official Records of Brazos County, Texas.
2. LESSOR: The Travelers Insurance Company
LESSEE: Roundtop Energy Corporation
DATED: August 20, 1990
RECORDED: Volume 1204, Page 510, Official Records of Brazos County, Texas.

SUBJECT TO:

Letter Agreement dated 5/21/91 effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd and Sinclair Oil Company

Operating Agreement effective September 8, 1992 between Union Pacific Resources Company as Operator and Sinclair Oil Corporation, Torch Energy Associates Ltd, and Nuevo Energy Company as Non-Operator

STATE OF TEXAS
COUNTY OF BRAZOS

This is a true and correct copy as it appears on file and recorded in the appropriate records of Brazos County, Texas.

I hereby certify, on



Mary Ann Ward
County Clerk
Brazos County Texas

Vol. 1985 PAGE 45

EXHIBIT A

McCullough-McCullough Unit "B" No. 1

407.32 acres of land, more or less, located in the S. W. Robertson Survey, A-202 and the Nathan Clampitt Survey, A-90, in Brazos County, Texas, being described in Designation of Unit, dated April 12, 1993, being the Union Pacific Resources Company's "McCullough-McCullough Unit B No. 1", recorded in Volume 1800, Page 230 of the Official Records of Brazos County, Texas, and any amendments thereto.

THE LEASES TO BE CONVEYED:

1. LESSOR: Jean McCullough Stephen et al
LESSEE: Roundtop Energy Corporation
DATED: January 10, 1990
RECORDED: Volume 1172, Page 273, Official Records of Brazos County, Texas.
2. LESSOR: Carol McCullough Anderson, Trustee
LESSEE: Roundtop Energy Corporation
DATED: January 10, 1990
RECORDED: Volume 1172, Page 243, Official Records of Brazos County, Texas.
3. LESSOR: Jean McCullough Stephen, Trustee
LESSEE: Roundtop Energy Corporation
DATED: January 10, 1990
RECORDED: Volume 1172, Page 258, Official Records of Brazos County, Texas.
4. LESSOR: The Travelers Insurance Company
LESSEE: Roundtop Energy Corporation
DATED: August 20, 1990
RECORDED: Volume 1204, Page 510, Official Records of Brazos County, Texas.

SUBJECT TO:

Letter Agreement dated 5/21/91 effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd and Sinclair Oil Company.

Joint Interest Agreement effective November 5, 1992 between Union Pacific Resources Company as Operator and Sinclair Oil Corporation, Torch Energy Associates Ltd, and Nuevo Energy Company as Non-Operators.

STATE OF TEXAS
COUNTY OF BRAZOS

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

This I certify, on

1-24-94



Mary Ann Ward
County Clerk
Brazos County, Texas

Vol. 1985 PAGE 4(2)

EXHIBIT A

McFarlane, JW No. 1
McFarlane, JW No. 2
McFarlane, JW No. 3

THE LEASES TO BE CONVEYED:

- LESSOR: Prescott Ranch Joint Venture, et al
LESSEE: Union Pacific Resources Company
DATED: March 30, 1990
RECORDED: Vol. 1188, Page 205, Official Records of Brazos County, Texas.

SUBJECT TO:

Operating Agreement, effective March 15, 1993, between Union Pacific Resources Company, Sinclair, Torch Energy Company, and Neuvo.

Operating Agreement, effective October 1, 1990, between Union Pacific Resources Company, as Operator, and Neuvo, et al as Non-Operator.

Operating Agreement effective March 1, 1993 between Union Pacific Resources Company, Sinclair, Torch Energy, and Nuevo.

Letter Agreement dated 5/21/91 effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd, and Sinclair Oil Company.

STATE OF TEXAS

CLERK OF BRAZOS

This foregoing is a true and correct copy as it appears on file and recorded in the official records of Brazos County, Texas.

This certify, on

158-940E



Mary Ann Ward
County Clerk
Brazos County, Texas

Vol. 1985 Page 47

EXHIBIT A

McGruder-Anderson

Declaration of Unit dated February 4, 1993, recorded in Vol. 1711, Page 171, of the Records of Brazos County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: Walter McGruder
LESSEE: The Williams Partnership
DATED: October 11, 1992
RECORDED: Vol. 1643, Page 138, of the Official Records, Brazos County, Texas
2. LESSOR: Robert Allen Smith
LESSEE: The Williams Partnership
DATED: October 11, 1992
RECORDED: Vol. 1647, Page 78, of the Official Records, Brazos County, Texas
3. LESSOR: Pauline Smith Jones
LESSEE: The Williams Partnership
DATED: October 19, 1992
RECORDED: Vol. 1647, Page 76, of the Official Records, Brazos County, Texas
4. LESSOR: Anthony Ruiz, Jr., and wife, Diane Ruiz
LESSEE: The Williams Partnership
DATED: October 22, 1992
RECORDED: Vol. 1643, Page 140, of the Official Records, Brazos County, Texas
5. LESSOR: Samuel Koite and wife, Leandra Koite
LESSEE: The Williams Partnership
DATED: October 21, 1992
RECORDED: Vol. 1643, Page 135, of the Official Records, Brazos County, Texas
6. LESSOR: David William Rosberg and wife, Helen D. Rosberg
LESSEE: The Williams Partnership
DATED: December 14, 1992
RECORDED: Vol. 1670, Page 179, of the Official Records, Brazos County, Texas
7. LESSOR: Carol Anderson, et al
LESSEE: The Williams Partnership
DATED: February 5, 1991
RECORDED: Vol. 1237, Page 148, of the Official Records, Brazos County, Texas

SUBJECT TO:

Letter Agreement dated August 6, 1990 between Clayton W. Williams, Jr. and Winterhall Energy.

Letter Agreement dated May 21, 1991 but effective May 1, 1991 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd, and Sinclair Oil Corporation.

STATE OF TEXAS
COUNTY OF BRAZOS

This is a true and correct copy as the same appears on file and recorded in the public records of Brazos County, Texas.

This I certify, on

Mary Ann Ward

County Clerk
Brazos County, Texas

VOL. 1985 PAGE 48

EXHIBIT A

Moore, H. H. Estate

THE LEASES TO BE CONVEYED:

1. LESSOR: Harry H. Moore and wife
LESSEE: Randall S. Shawell
DATED: July 15, 1977
RECORDED: Vol. 27, Page 356 of the Oil and Gas Lease
Records of Brazos County, Texas

SUBJECT TO:

Operating Agreement dated November 30, 1992, between Union Pacific Resources Company as Operator, and Torch Energy et al as Non-Operator.

STATE OF TEXAS
COUNTY OF BRAZOS

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

This I certify, on



Mary Ann Ward
County Clerk
Brazos County Texas

Vol. 1985-49

EXHIBIT A

MORGAN No. 1
MORGAN No. 2

THE LEASES TO BE CONVEYED:

Oil and Gas Hydrocarbon lease dated March 30, 1991 from Arnold Morgan, et al, as Lessors, to the Williams Partnership, as Lessee, recorded by Memorandum of Oil and Gas Lease in Volume 1249, Page 789, Brazos County, Texas, as amended by Memorandum and Amendment of Oil and Gas Lease dated April 29, 1992, recorded in Volume 1619, Page 239, INSO FAR AND ONLY INSO FAR as said lease covers 560 acres, w/1 in the F. G. Clampitt Survey, A-89, Brazos County, Texas

SUBJECT TO:

Area of Mutual Interest dated August 6, 1990 between Wintershall Energy, The Williams Partnership, and Clayton W. Williams, Jr. with form of Joint Operating Agreement attached as Exhibit D.

STATE OF TEXAS
COUNTY OF BRAZOS

This instrument is a true and correct copy as
the same appears on file and recorded in the
public records of Brazos County, Texas.

This instrument is on

Mary Ann Ward
County Clerk
Brazos County, Texas

Vol. 1985-50.

EXHIBIT A

Murphy-Peters No. 1

Designation of Unit, dated September 15, 1992, bearing Brazos County Clerk's File No. 501337, Brazos County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: Tracy R. Peters, et al
LESSEE: Coastal Oil and Gas Corporation
DATED: March 7, 1990
RECORDED: Vol. 1178, Page 668, Oil and Gas Records,
Brazos County, Texas
As Amended dated September 18, 1991, not recorded.
2. LESSOR: Lola Josephine Peters, et al
LESSEE: The Williams Partnership
DATED: June 26, 1990
RECORDED: Memorandum of Lease dated June 28, 1990 in
Vol. 1202, Page 237, Official Records, Brazos
County, Texas

SUBJECT TO:

Operating Agreement dated November 7, 1991 Union Pacific Resources Company Operator, Torch et al, as Non-Operator.

Letter Agreement dated 12/13/90 effective 4/20/90 between Union Pacific Resources Company, Nuevo Energy Company and Austin Resources.

STATE OF TEXAS

COUNTY OF BRAZOS

This is a true and correct copy as it appears on file and recorded in the appropriate records of Brazos County, Texas.

This I certify, on



Mary Ann Ward
County Clerk
Brazos County, Texas

VOL 1985 PAGE 51

EXHIBIT A

Olden-Olden No. 1

Designation of Unit dated May 6, 1992, recorded in Vol. _____,
Page _____, Brazos County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: Dolly C. Olden and husband, Arthur Olden
LESSEE: Union Pacific Resources
DATE: June 28, 1991
RECORDED: Vol. 1200, Page 468, Official Records, Brazos
County, Texas
2. LESSOR: James Todd Carll and wife, Eathryn Carll
LESSEE: Union Pacific Resources
DATE: August 7, 1990
RECORDED: Vol. 1209, Page 225, Official Records, Brazos
County, Texas
3. LESSOR: Lily C. Watson
LESSEE: Union Pacific Resources
DATE: August 7, 1990
RECORDED: Vol. 1214, Page 450, Official Records, Brazos
County, Texas
4. LESSOR: John W. Bradley and wife, Mary B. Bradley
LESSEE: Union Pacific Resources
DATE: October 25, 1990
RECORDED: Vol. 1227, Page 61, Official Records, Brazos
County, Texas

SUBJECT TO:

Operating Agreement dated December 15, 1991, between Union Pacific
Resources Company, as Operator and Nuevo Energy Company, et al as
Non-Operator

Letter Agreement dated 5/21/91 between Union Pacific Resources
Company, Nuevo Energy Company, Torch Energy Associates Ltd, and
Sinclair Oil Company.

STATE OF TEXAS
COUNTY OF BRAZOS

This foregoing is a true and correct copy as
the same appears on file and recorded in the
public records of Brazos County, Texas.

This I certify, on



Mary Ann Ward
County Clerk
Brazos County, Texas

Vol. 1985 PAGE 52

EXHIBIT A

Olden-Paul Unit No. 1

Designation Unit dated February 4, 1993, recorded in Vol. _____,
Page _____, Brazos County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: Dolly C. Olden, et vir
LESSEE: Union Pacific Resources
DATE: June 28, 1990
RECORDED: Vol. 1200, Page 468, Official Records, Brazos
County, Texas
2. LESSOR: Dixie Olden, etal
LESSEE: Union Pacific Resources
DATE: June 28, 1990
RECORDED: Vol. 1205, Page 89, Official Records, Brazos
County, Texas
3. LESSOR: Haroline M. Paul
LESSEE: Union Pacific Resources
DATE: August 7, 1990
RECORDED: Vol. 1212, Page 41, Official Records, Brazos
County, Texas

SUBJECT TO:

Letter Agreement dated 5/21/91 effective 5/1/91 between Union
Pacific Resources Company, Nuevo Energy Company, Torch Energy
Associates Ltd, and Sinclair Oil Company.

STATE OF TEXAS
COUNTY OF BRAZOS

This instrument is a true and correct copy as
it appears on file and recorded in the
public records of Brazos County, Texas.

This is hereby certified, on



Mary Ann Ward
County Clerk
Brazos County, Texas

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EXHIBIT A

Palasota-Peters A1
Peters #1
Peters #2
Peters Unit #4

Designation of Unit dated May 5, 1992, recorded in Volume 1566, Page 48.

THE LEASES TO BE CONVEYED:

1. LESSOR: Tracy R. Peters, et al
LESSEE: Coastal Oil and Gas Corporation
DATE: March 7, 1990
RECORDED: Vol. 1178, Page 668, Brazos County, Texas
2. LESSOR: Pete J. Palasota, Jr. et ux
LESSEE: Coastal Oil and Gas Corporation
DATE: February 25, 1990
RECORDED: Vol. 1175, Page 403, Brazos County, Texas
3. LESSOR: Edward A. Schultz, et ux
LESSEE: Coastal Oil and Gas Corporation
DATE: February 28, 1990
RECORDED: Vol. 1178, Page 403, Brazos County, Texas
4. LESSOR: Ronald Lacewell, et al
LESSEE: Coastal Oil and Gas Corporation
DATE: August 2, 1990
RECORDED: Vol. 1211, Page 066, Brazos County, Texas
5. LESSOR: Don W. Guggenheim
LESSEE: Coastal Oil and Gas Corporation
DATE: October 4, 1990
RECORDED: Vol. 1244, Page 463, County, Texas

SUBJECT TO:

1. Operating Agreement dated July 20, 1991, Union Pacific Resources Company as Operator, Coastal Oil & Gas Corporation et al Non-Operator.
2. Pipeline Right-of-Way, dated December 21, 1992, recorded in Vol. 1421, Page 262.
3. Operating Agreement dated effective October 1, 1991, between Union Pacific Resources Company, as Operator, and Coastal Oil & Gas Company, et al, as Non-Operators.
4. Letter Agreement dated 12/30/90 effective 4/20/90 between Union Pacific Resources Company, Nuevo Energy Company, and Austin Resources.

STATE OF TEXAS
COUNTY OF BRAZOS

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

Testified, on 1-28-94 PC



Mary Ann Ward
County Clerk
Brazos County, Texas

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EXHIBIT A

Peters-Borski #1

Declaration of Unit, dated December 17, 1992, recorded in Volume 1680, Page 323 of the Official Records of Brazos County, Texas.

THE LEASES BEING CONVEYED:

1. LESSOR: Lola Josephine Peters et al
LESSEE: The Williams Partnership
DATED: June 26, 1990
RECORDED: Volume 1202 Page 237, Official Records of Brazos County, Texas.
2. LESSOR: Thomas D. Borski et ux
LESSEE: The Williams Partnership
DATED: October 5, 1990
RECORDED: Volume 1226, Page 139, Official Records of Brazos County, Texas.
3. LESSOR: Thomas D. Borski et ux
LESSEE: The Williams Partnership
DATED: December 10, 1990
RECORDED: Volume 1231 Page 517, Official Records of Brazos County, Texas.
4. LESSOR: James M. Armstrong
LESSEE: The Williams Partnership
DATED: October 19, 1990
RECORDED: Volume 1221, Page 94, Official Records of Brazos County, Texas.
5. LESSOR: Thomas M. Armstrong
LESSEE: The Williams Partnership
DATED: October 19, 1990
RECORDED: Volume 1221, Page 103, Official Records of Brazos County, Texas.
6. LESSOR: John C. Fielder, et ux
LESSEE: The Williams Partnership
DATED: October 19, 1990
RECORDED: Volume 1226 Page 168, Official Records of Brazos County, Texas.
7. LESSOR: Sandra E. Parker
LESSEE: The Williams Partnership
DATED: November 15, 1990
RECORDED: Volume 1228, Page 283, Official Records of Brazos County, Texas.
8. LESSOR: William A. Parker
LESSEE: The Williams Partnership
DATED: November 15, 1990
RECORDED: Volume 1231, Page 499, Official Records of Brazos County, Texas.
9. LESSOR: Joseph Lee Burkett
LESSEE: The Williams Partnership
DATED: February 12, 1991
RECORDED: Volume 1248 Page 37, Official Records of Brazos County, Texas.

STATE OF TEXAS
COUNTY OF BRAZOS

This is a true and correct copy as
the same appears on file and recorded in the
Official Records of Brazos County, Texas.

This is a true and correct copy as



Henry Ann Ward
County Clerk
Brazos County, Texas

Vol. 1985-55

10. LESSOR: Elizabeth Zemanek
 LESSEE: The Williams Partnership
 DATED: February 13, 1991
 RECORDED: Volume 1248, Page 53, Official Records of Brazos County, Texas.
11. LESSOR: Joseph Zemanek, Jr.
 LESSEE: The Williams Partnership
 DATED: February 15, 1991
 RECORDED: Volume 1246, Page 375, Official Records of Brazos County, Texas.
12. LESSOR: Nancy Georgianne Prince
 LESSEE: The Williams Partnership
 DATED: May 1, 1991
 RECORDED: Volume 1267 Page 32, Official Records of Brazos County, Texas.
13. LESSOR: J. A. Skrivanek et ux
 LESSEE: The Williams Partnership
 DATED: October 5, 1990
 RECORDED: Volume 1218, Page 767, Official Records of Brazos County, Texas.
14. LESSOR: Jack C. Parker et ux
 LESSEE: The Williams Partnership
 DATED: February 18, 1991
 RECORDED: Volume 1246 Page 357, Official Records of Brazos County, Texas.
15. LESSOR: Jack C. Parker et ux
 LESSEE: The Williams Partnership
 DATED: February 18, 1991
 RECORDED: Volume 1252, Page 540, Official Records of Brazos County, Texas.
16. LESSOR: Marion McKee Deans et ux
 LESSEE: The Williams Partnership
 DATED: November 15, 1990
 RECORDED: Volume 1226 Page 143, Official Records of Brazos County, Texas.
17. LESSOR: J. A. Neal
 LESSEE: The Williams Partnership
 DATED: February 12, 1991
 RECORDED: Volume 1243, Page 798, Official Records of Brazos County, Texas.
18. LESSOR: Mildred Peters Kelley
 LESSEE: The Williams Partnership
 DATED: August 7, 1990
 RECORDED: Volume 1210 Page 816, Official Records of Brazos County, Texas.
19. LESSOR: Earl White
 LESSEE: The Williams Partnership
 DATED: August 28, 1990
 RECORDED: Volume 1210, Page 798, Official Records of Brazos County, Texas.
20. LESSOR: Russel Earl White
 LESSEE: The Williams Partnership
 DATED: August 28, 1990
 RECORDED: Volume 1210 Page 801, Official Records of Brazos County, Texas.

STATE OF TEXAS
 COUNTY OF BRAZOS

The foregoing is a true and correct copy of the same as it appears on file and records in the appropriate records of Brazos County, Texas.

I hereby certify, on

1-28-91

Mary Ann Ward
 County Clerk
 Brazos County, Texas

21. LESSOR: Michael A. White
LESSEE: The Williams Partnership
DATED: August 28, 1990
RECORDED: Volume 1215, Page 760, Official Records of
Brazos County, Texas.
22. LESSOR: Betty White
LESSEE: The Williams Partnership
DATED: August 28, 1990
RECORDED: Volume 1210 Page 804, Official Records of
Brazos County, Texas.
23. LESSOR: Gloria Neal
LESSEE: The Williams Partnership
DATED: August 28, 1990
RECORDED: Volume 1210, Page 789, Official Records of
Brazos County, Texas.

SUBJECT TO:

Operating Agreement between Union Pacific Resources Company, as
Operator and Nuevo Energy Company as Non-Operators effective
November 7, 1991.

STATE OF TEXAS
COUNTY OF BRAZOS

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

This I certify, on

1-28-94 *ME*



Mary Ann Ward

County Clerk
Brazos County, Texas

vol. 1985 page 57

EXHIBIT A

Schilhab-Wallace

Designation of Unit, dated January 19, 1993, recorded in Vol. 1729, Page 135, Brazos County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: Eugene E. Schilhab, et ux
LESSEE: Baker Exploration Company
DATED: February 8, 1991
RECORDED: Volume 1246, Page 114 of the Official Records of Brazos County, Texas.
2. LESSOR: Carolyn W. Murphey
LESSEE: Coastal Oil & Gas Corporation
DATED: November 26, 1990
RECORDED: Volume 1231, Page 548 of the Official Records of Brazos County, Texas.
3. LESSOR: Claudine D. Wallace
LESSEE: Coastal Oil & Gas Corporation
DATED: November 26, 1990
RECORDED: Volume 1231, Page 552 of the Official Records of Brazos County, Texas.
4. LESSOR: Madge N. Wallace
LESSEE: Coastal Oil & Gas Corporation
DATED: November 26, 1990
RECORDED: Volume 1232, Page 32 of the Official Records of Brazos County, Texas.
5. LESSOR: Kathy Simon Carr
LESSEE: Coastal Oil & Gas Corporation
DATED: November 26, 1990
RECORDED: Volume 1233, Page 283 of the Official Records of Brazos County, Texas.
6. LESSOR: Patrick W. Wallace
LESSEE: Coastal Oil & Gas Corporation
DATED: November 26, 1990
RECORDED: Volume 1242, Page 283 of the Official Records of Brazos County, Texas.
7. LESSOR: Olena F. Wallace
LESSEE: Coastal Oil & Gas Corporation
DATED: November 26, 1990
RECORDED: Volume 1242, Page 287 of the Official Records of Brazos County, Texas.
8. LESSOR: Thomas W. Wallace
LESSEE: Coastal Oil & Gas Corporation
DATED: November 26, 1990
RECORDED: Volume 1254, Page 149 of the Official Records of Brazos County, Texas.
9. LESSOR: John Wallace Poindexter
LESSEE: Baker Exploration Company
DATED: March 2, 1991
RECORDED: Volume 1246, Page 106 of the Official Records of Brazos County, Texas.

STATE OF TEXAS
COUNTY OF BRAZOS

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

To be certified, on

1-28-94
Mary Ann Ward
County Clerk
Brazos County, Texas

10. LESSOR: Frances Wallace Poindexter
LESSEE: Baker Exploration Company
DATED: March 2, 1991
RECORDED: Volume 1246, Page 110 of the Official Records of Brazos County, Texas.

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11. LESSOR: Pauline Wallace
 LESSEE: Baker Exploration Company
 DATED: March 2, 1991
 RECORDED: Volume 1246, Page 102 of the Official Records
 of Brazos County, Texas.

12. LESSOR: H. Eldred Pryor, et ux
 LESSEE: Union Pacific Resources Company
 DATED: March 27, 1992
 RECORDED: Volume 1496, Page 204 of the Official Records
 of Brazos County, Texas.

13. LESSOR: George J. Naibert, et ux
 LESSEE: Union Pacific Resources Company
 DATED: May 5, 1992
 RECORDED: Volume 1535, Page 266 of the Official Records
 of Brazos County, Texas.

14. LESSOR: Ethel F. Mills
 LESSEE: Baker Exploration Company
 DATED: February 8, 1991
 RECORDED: Volume 1246, Page 140 of the Official Records
 of Brazos County, Texas.

15. LESSOR: Tracey R. Peters
 LESSEE: Coastal Oil & Gas Corporation
 DATED: March 7, 1990
 RECORDED: Volume 1178, Page 668 of the Official Records
 of Brazos County, Texas.

16. LESSOR: Milton D. McCoy
 LESSEE: Pacific Resources Company
 DATED: September 26, 1992
 RECORDED: File Number 504359 of the Official Records of
 Brazos County, Texas.

17. LESSOR: Hilary Ellen Zabel Carnes
 LESSEE: Coastal Oil & Gas Corporation
 DATED: December 28, 1990
 RECORDED: Volume 1234, Page 783 of the Official Records
 of Brazos County, Texas.

18. LESSOR: Gordon C. Zabel
 LESSEE: Coastal Oil & Gas Corporation
 DATED: December 28, 1990
 RECORDED: Volume 1236, Page 715 of the Official Records
 of Brazos County, Texas.

19. LESSOR: Herbert Lee Carter, et ux
 LESSEE: Coastal Oil & Gas Corporation
 DATED: November 6, 1990
 RECORDED: Volume 1230, Page 255 of the Official Records
 of Brazos County, Texas.

20. LESSOR: Ella C. Merka
 LESSEE: Baker Exploration Company
 DATED: February 6, 1991
 RECORDED: Volume 1246, Page 124 of the Official Records
 of Brazos County, Texas.

21. LESSOR: Ann B. Chase
 LESSEE: Baker Exploration Company
 DATED: February 20, 1991
 RECORDED: Volume 1246, Page 121 of the Official Records
 of Brazos County, Texas.

STATE OF TEXAS
 COUNTY OF BRAZOS

This instrument is a true and correct copy as
 the same appears on file and recorded in the
 official records of Brazos County, Texas.

T. J. ...

1-28-94 CE

Mary Ann Ward

vol. 1985 page 59

22. LESSOR: Travis B. Bryan, Jr.
 LESSEE: Baker Exploration Company
 DATED: February 22, 1991
 RECORDED: Volume 1246, Page 118 of the Official Records
 of Brazos County, Texas.
23. LESSOR: W. C. "Bill" Davis
 LESSEE: Baker Exploration Company
 DATED: February 27, 1991
 RECORDED: Volume 1246, Page 143 of the Official Records
 of Brazos County, Texas.
24. LESSOR: Aline Brogdon
 LESSEE: Baker Exploration Company
 DATED: February 27, 1991
 RECORDED: Volume 1246, Page 161 of the Official Records
 of Brazos County, Texas.
25. LESSOR: Elizabeth B. Turbeville
 LESSEE: Baker Exploration Company
 DATED: February 28, 1991
 RECORDED: Volume 1246, Page 137 of the Official Records
 of Brazos County, Texas.
26. LESSOR: Leila Law Davis Craddock
 LESSEE: Baker Exploration Company
 DATED: March 1, 1991
 RECORDED: Volume 1246, Page 146 of the Official Records
 of Brazos County, Texas.
27. LESSOR: Margaret Elizabeth Colglazier, et vir
 LESSEE: Baker Exploration Company
 DATED: March 1, 1991
 RECORDED: Volume 1246, Page 155 of the Official Records
 of Brazos County, Texas.
28. LESSOR: Elizabeth A. Bradley
 LESSEE: Baker Exploration Company
 DATED: March 4, 1991
 RECORDED: Volume 1246, Page 149 of the Official Records
 of Brazos County, Texas.
29. LESSOR: Charles N. Hielscher
 LESSEE: Baker Exploration Company
 DATED: March 8, 1991
 RECORDED: Volume 1246, Page 82 of the Official Records
 of Brazos County, Texas.
30. LESSOR: Ester Heilscher
 LESSEE: Baker Exploration Company
 DATED: March 8, 1991
 RECORDED: Volume 1246, Page 131 of the Official Records
 of Brazos County, Texas.
31. LESSOR: Charles D. Hielscher
 LESSEE: Baker Exploration Company
 DATED: March 8, 1991
 RECORDED: Volume 1246, Page 134 of the Official Records
 of Brazos County, Texas.
32. LESSOR: Lewis Shirley, Jr., et ux
 LESSEE: Baker Exploration Company
 DATED: March 11, 1991
 RECORDED: Volume 1341, Page 284 of the Official Records
 of Brazos County, Texas.

STATE OF TEXAS
 COUNTY OF BRAZOS

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

I hereby certify, on

1-28940

Mary Ann Ward

Clerk
 Brazos County, Texas

vol. 1985 page 60

- 33. LESSOR: Frank Shirley
 LESSEE: Baker Exploration Company
 DATED: March 11, 1991
 RECORDED: Volume 1341, Page 270 of the Official Records
 of Brazos County, Texas.
- 34. LESSOR: Perry W. Shirley
 LESSEE: Baker Exploration Company
 DATED: March 11, 1991
 RECORDED: Volume 1341, Page 263 of the Official Records
 of Brazos County, Texas.
- 35. LESSOR: Milton S. Bransford
 LESSEE: Baker Exploration Company
 DATED: February 21, 1991
 RECORDED: Volume 1246, Page 128 of the Official Records
 of Brazos County, Texas.
- 36. LESSOR: Lyman S. Reed Family Limited Partnership
 LESSEE: Baker Exploration Company
 DATED: February 28, 1991
 RECORDED: Volume 1246, Page 85 of the Official Records
 of Brazos County, Texas.
- 37. LESSOR: James H. Woods
 LESSEE: Coastal Oil & Gas Corporation
 DATED: December 13, 1990
 RECORDED: Volume 1242, Page 291 of the Official Records
 of Brazos County, Texas.
- 38. LESSOR: Weldon E. Jordan
 LESSEE: Coastal Oil & Gas Corporation
 DATED: December 13, 1990
 RECORDED: Volume 1236, Page 555 of the Official Records
 of Brazos County, Texas.
- 39. LESSOR: Michael Don Shirley
 LESSEE: Coastal Oil & Gas Corporation
 DATED: March 11, 1991
 RECORDED: Volume 1246, Page 96 of the Official Records
 of Brazos County, Texas.
- 40. LESSOR: Penny Lee Shirley
 LESSEE: Coastal Oil & Gas Corporation
 DATED: January 11, 1991
 RECORDED: Volume 1239, Page 330 of the Official Records
 of Brazos County, Texas.
- 41. LESSOR: Robert Quinn Brackett, Jr.
 LESSEE: Coastal Oil & Gas Corporation
 DATED: December 10, 1990
 RECORDED: Volume 1237, Page 71 of the Official Records
 of Brazos County, Texas.
- 42. LESSOR: Standley R. Slowey
 LESSEE: Coastal Oil & Gas Corporation
 DATED: February 8, 1991
 RECORDED: Volume 1242, Page 828 of the Official Records
 of Brazos County, Texas.
- 43. LESSOR: James F. Atterbury
 LESSEE: Coastal Oil & Gas Corporation
 DATED: February 5, 1991
 RECORDED: Volume 1247, Page 448 of the Official Records
 of Brazos County, Texas.

STATE OF TEXAS
 COUNTY OF BRAZOS

The foregoing is a true and correct copy as
 the same appears on file and recorded in the
 public records of Brazos County, Texas.

Tested and certified, on

1-28-91

Vol. 1985



Mary Ann Ward

County Clerk
 Brazos County, Texas

44. LESSOR: Javier Denison, et ux
 LESSEE: Coastal Oil & Gas Corporation
 DATED: December 6, 1990
 RECORDED: Volume 1234, Page 787 of the Official Records
 of Brazos County, Texas.
45. LESSOR: Michael Don Shirley
 LESSEE: Union Pacific Resources Company
 DATED: September 12, 1992
 RECORDED: Volume 1648, Page 309 of the Official Records
 of Brazos County, Texas.
46. LESSOR: George J. Naibert, et ux
 LESSEE: Union Pacific Resources Company
 DATED: May 5, 1992
 RECORDED: Volume 1535, Page 240 of the Official Records
 of Brazos County, Texas.
47. LESSOR: William Ray Kerr
 LESSEE: Baker Exploration Company
 DATED: April 6, 1990
 RECORDED: Volume 1178, Page 771 of the Official Records
 of Brazos County, Texas.
48. LESSOR: Janet Kerr Cooke
 LESSEE: Baker Exploration Company
 DATED: April 6, 1990
 RECORDED: Volume 1178, Page 774 of the Official Records
 of Brazos County, Texas.
49. LESSOR: Nori C. Reid
 LESSEE: Baker Exploration Company
 DATED: July 12, 1990
 RECORDED: Volume 1204, Page 829 of the Official Records
 of Brazos County, Texas.
50. LESSOR: Norman H. Finkle, et ux
 LESSEE: Baker Exploration Company
 DATED: July 12, 1990
 RECORDED: Volume 1204, Page 832 of the Official Records
 of Brazos County, Texas.
51. LESSOR: Eugene James Kerr, Jr.
 LESSEE: Baker Exploration Company
 DATED: July 12, 1990
 RECORDED: Volume 1204, Page 835 of the Official Records
 of Brazos County, Texas.
52. LESSOR: Johanna Kerr
 LESSEE: Baker Exploration Company
 DATED: July 12, 1990
 RECORDED: Volume 1204, Page 838 of the Official Records
 of Brazos County, Texas.
53. LESSOR: Julie Finkle Adams, et vir
 LESSEE: Baker Exploration Company
 DATED: July 12, 1990
 RECORDED: Volume 1204, Page 841 of the Official Records
 of Brazos County, Texas.
54. LESSOR: Norman John Finkle, et ux
 LESSEE: Baker Exploration Company
 DATED: July 12, 1990
 RECORDED: Volume 1204, Page 844 of the Official Records
 of Brazos County, Texas.

STATE OF TEXAS
 COUNTY OF BRAZOS

This recording is a true and correct copy as
 it appears on file and recorded in the
 public records of Brazos County, Texas.

This certify, on 1-28-94 *CE*



Mary Ann Ward
 County Clerk
 Brazos County, Texas

Vol. 1985 Page 62

EXHIBIT A

Sebesta Vinson #1

Designation of Unit dated October 2, 1992.

THE LEASES TO BE CONVEYED:

1. LESSOR: Viola Kovar Sebesta
LESSEE: Union Pacific Resources Company
DATED: August 1, 1990
RECORDED: Vol. 1209, Page 260 of the Oil & Gas Lease
Records of Brazos County, Texas
2. LESSOR: John Wales et ux
LESSEE: Union Pacific Resources Company
DATED: December 3, 1990
RECORDED: Vol. 1224, Page 526 of the Oil & Gas Lease
Records of Brazos County, Texas
3. LESSOR: S. Bradleigh Vinson et ux
LESSEE: Union Pacific Resources Company
DATED: December 12, 1991
RECORDED: Vol. 1432, Page 349 of the Oil & Gas Lease
Records of Brazos County, Texas
4. LESSOR: A. A. Price
LESSEE: Union Pacific Resources Company
DATED: July 19, 1990
RECORDED: Vol. 1209, Page 207 of the Oil & Gas Lease
Records of Brazos County, Texas
5. LESSOR: L. C. Grumbles et ux
LESSEE: Union Pacific Resources Company
DATED: July 19, 1990
RECORDED: Vol. 1209, Page 184 of the Oil & Gas Lease
Records of Brazos County, Texas

SUBJECT TO:

Operating Agreement effective 6/15/92 between Union Pacific Resources Company as Operator and Torch Energy Associates Ltd et al as Non-Operator.

STATE OF TEXAS
COUNTY OF BRAZOS

This copy is a true and correct copy as
the same is shown, filed and recorded in the
County Clerk's office of Brazos County, Texas.

This copy certifies, on

1-28-94 CE



Mary Ann Ward
County Clerk
Brazos County, Texas

Vol. 1985 Page 103

EXHIBIT A

Wolters No. 1-N Well

275.13 acres of land, more or less, located in the Morgan Rector Survey, A-46 in Brazos County, Texas, described in that certain Declaration of Pooled Unit, October 15, 1992, known as the Omni Petroleum Corporation - Wolters Unit No. 1, recorded in Volume 1625, Page 273 of the Official Records of Brazos County, Texas, and any amendments thereto.

THE LEASES TO BE CONVEYED:

1. LESSOR: Freddie A. Wolters, and wife Mary Margaret Wolters
LESSEE: Union Pacific Resources Company
DATED: September 16, 1990
RECORDED: Volume 1215, Page 454, Official Records of Brazos County, Texas
2. LESSOR: C. F. Goen et al
LESSEE: Humble Exploration Company, Inc.
DATED: June 15, 1976
RECORDED: Volume 23, Page 161, Oil and Gas Lease Records of Brazos County, Texas
3. LESSOR: Jett-Schultz Venture No. 101 Ltd., et al
LESSEE: Central Plains Oil & Gas Corp.
DATED: August 26, 1991
RECORDED: Volume 1333, Page 132, Official Records of Brazos County, Texas
4. LESSOR: Robert Waltman et ux
LESSEE: Edco Energy, Inc.
DATED: December 13, 1991
RECORDED: Volume 1403, Page 40, Official Records of Brazos County, Texas
5. LESSOR: The Great Texas Petroleum Company, Inc.
LESSEE: Tripp Oil Co., Inc.
DATED: January 10, 1992
RECORDED: Volume 1479, Page 110, Official Records of Brazos County, Texas
6. LESSOR: Kpe Waume Sebesta
LESSEE: The Great Texas Petroleum Co, Inc.
DATED: December 19, 1991
RECORDED: Volume 1396, Page 43, Official Records of Brazos County, Texas

SUBJECT TO:

Operating Agreement effective August 11, 1992 between Omni Petroleum Corporation as Operators and Union Pacific Resources Company et al as Non-Operators.

STATE OF TEXAS
COUNTY OF BRAZOS

This is a true and correct copy as it appears on file and recorded in the official records of Brazos County, Texas.

This I certify, on

Mary Ann Ward
County Clerk
Brazos County, Texas

Vol. 1985 PAGE 64

EXHIBIT A

See-Yegua No. 1

640.0 acres of land, more or less, located in the Alfred Kennon Survey, A-32 in Burleson County, Texas, described in Designation of Unit, dated April 30, 1993, known as the Union Pacific Resources Company's "See-Yegua Unit No. 1", recorded in Volume 1626, Page 45 of the Oil and Gas Lease Records of Brazos County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: Edward C. See, et ux
LESSEE: Union Pacific Resources Company
DATED: July 11, 1990
RECORDED: Volume 170, Page 42, Oil and Gas Lease Records of Brazos County, Texas.
2. LESSOR: Yegua Properties, Ltd.
LESSEE: Union Pacific Resources Company
DATED: October 12, 1990
RECORDED: Volume 177, Page 79, Oil and Gas Lease Records of Brazos County, Texas.
3. LESSOR: John Wm. See
LESSEE: Union Pacific Resources Company
DATED: October 4, 1991, effective April 1, 1992
RECORDED: Volume 194, Page 801, Oil and Gas Lease Records of Brazos County, Texas.
4. LESSOR: State of Texas, M-94913
LESSEE: Union Pacific Resources Company
DATED: April 7, 1992
RECORDED: Volume 204, Page 42, Oil and Gas Lease Records of Brazos County, Texas.
5. LESSOR: State of Texas, M-95040
LESSEE: Union Pacific Resources Company
DATED: August 4, 1992
RECORDED: Volume 207, Page 313, Oil and Gas Lease Records of Burleson County, Texas, and Volume 1612, Page 219, Official Records of Brazos County, Texas.

SUBJECT TO:

Operating Agreement effective June 4, 1992 between Union Pacific Resources Company, as operator, Sinclair, Torch, Nuevo, as Non-Operator.

Letter Agreement dated 5/21/91 effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd, and Sinclair Oil Company.

STATE OF TEXAS
COUNTY OF BRAZOS

This is a true and correct copy as the same appears on file and recorded in the public records of Brazos County, Texas.

This is my commission _____

Mary Ann Ward
County Clerk
Brazos County Texas

VOL. 1985 PAGE 165

EXHIBIT A

Shaughnessy-McFarlane

Designation of Unit - Shaughnessy-McFarlane Unit dated October 28, 1992.

THE LEASES TO BE CONVEYED:

1. LESSOR: Prescott Ranch Joint Venture, J. W. McFarlane, Trustee, William T. Fleming, Jr. (TX1-40880)
LESSEE: Union Pacific Resources Company
DATED: March 30, 1990
RECORDED: Vol. 1188, Page 205, Official Records, Brazos County, Texas
2. LESSOR: Dan Earl Williams (TX1-41174)
LESSEE: Union Pacific Resources Company
DATED: June 19, 1990
RECORDED: Vol. 1205, Page 103, Official Records, Brazos County, Texas
3. LESSOR: Sandra Dodson Shaughnessy (TX1-44387)
LESSEE: Union Pacific Resources Company
DATED: November 15, 1991
RECORDED: Vol. 1414, Page 194, Official Records, Brazos County, Texas

SUBJECT TO:

Operating Agreement effective June 15, 1992. Union Pacific Resources Company, Operator, Torch Energy Associates Ltd et al Non-Operator.

STATE OF TEXAS
COUNTY OF BRAZOS

This foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas.

This I certify, on



Mary Ann Ward
Notary Public
Brazos County, Texas

Vol. 1985 Page 146

EXHIBIT A

Terry-Terry #1

Designation of Unit - Terry-Terry Unit Well No. 1, dated February 22, 1993.

THE LEASES TO BE CONVEYED:

1. LESSOR: Eugenia W. Jones, by May Gene Walker Agent
LESSEE: Ameritex Minerals Inc.
DATE: June 6, 1990, as amended on 2/20/91 and 3/28/91
RECORDED: Vol. 1203, Page 349, amendments Vol. 1245,
Page 510 and Vol.1251, Page 298 Respectively
2. LESSOR: H. L. Terry, D. K. Royal, Duncan Properties, a
partnership, D. E. Roberson, and Hal Dickson

LESSEE: Ameritex Minerals, Inc.
DATE: May 8, 1990
RECORDED: Vol. 1192, Page 554, Official Records, Brazos
County, Texas
3. LESSOR: Vernon F. Runnels
LESSEE: Ameritex Minerals, Inc.
DATE: May 8, 1990
RECORDED: Vol. 1192, Page 551, Official Records, Brazos
County, Texas
4. LESSOR: Gene R. Mendel
LESSEE: Ameritex Minerals Inc.
DATE: May 8, 1990
RECORDED: Vol. 1194, Page 209, Official Records, Brazos
County, Texas
5. LESSOR: L. E. Ritchey
LESSEE: Ameritex Minerals, Inc.
DATE: May 8, 1990
RECORDED: Vol. 1193, Page 783, Official Records, Brazos
County, Texas
6. LESSOR: Enoch E. Smith
LESSEE: Ameritex Minerals, Inc.
DATE: June 6, 1990
RECORDED: Vol. 1193, Page 786, Official Records, Brazos
County, Texas
7. LESSOR: Ralph D. Smith
LESSEE: Ameritex Minerals, Inc.
DATE: June 6, 1990
RECORDED: Vol. 1193, Page 791, Official Records, Brazos
County, Texas

SUBJECT TO:

Operating Agreement dated October 1, 1992 Union Pacific Resources
Company, Operator, Sinclair Oil Corporation et al, Non-Operator.

Letter Agreement dated 5/21/91 effective 5/1/91 between Union
Pacific Resources Company, Nuevo Energy Company, Torch Energy
Associates Ltd, and Sinclair Oil Company.

STATE OF TEXAS
COUNTY OF BRAZOS

This document is a true and correct copy as
it appears on file and recorded in the
Public Records of Brazos County, Texas.

T. J. Ward

T. J. Ward
Brazos County, Texas

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EXHIBIT A

Wade, L. S. #1

THE LEASES TO BE CONVEYED:

1. LESSOR: Louise S. Wade, et al
LESSEE: Union Pacific Resources Company
DATE: July 31, 1990
RECORDED: Vol. 1209, Page 244, Official Records, Brazos
County, Texas

SUBJECT TO:

Operating Agreement dated effective April 15, 1992 by and between
Union Pacific Resources Company, as Operators and Sinclair Oil
Corporation, et al as Non-Operators.

Letter Agreement dated 5/21/91 effective 5/1/91 between Union
Pacific Resources Company, Nuevo Energy Company, Torch Energy
Associates Ltd and Sinclair Oil Company.

STATE OF TEXAS
COUNTY OF BRAZOS

The foregoing is a true and correct copy as
the same appears on file and recorded in the
public records of Brazos County, Texas.

This I certify, on

1-28-94



Mary Ann Ward

County Clerk
Brazos County, Texas

Vol. 1209 Page 108

EXHIBIT A

Wade-Havens Unit 1

Designation of Unit dated February 24, 1993, recorded in Vol. 1730, Page 128, Brazos County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: Louise S. Wade, et al
LESSEE: Union Pacific Resources Company TX1-41322
DATE: July 31, 1990
RECORDED: Vol. 1209, Page 244, Official Records, Brazos County, Texas
2. LESSOR: Sam N. Fachorn
LESSEE: Union Pacific Resources Company TX1-41320 (1)
DATE: July 19, 1990
RECORDED: Vol. 1206, Page 001, Official Records, Brazos County, Texas
3. LESSOR: Margaret Havens and Leonard L. Scarcella
LESSEE: Union Pacific Resources Company TX1-41320 (2)
DATE: Memorandum dated October 26, 1992
RECORDED: Vol. 1636, Page 339, Official Records, Brazos County, Texas
4. LESSOR: Missouri Pacific Railroad
LESSEE: Union Pacific Resources Company
DATE: December 15, 1992
RECORDED: Not Recorded
5. LESSOR: Viola Kovar Sebesta, Individually and as Executrix of the Estate of Ernest Frank Sebesta, Dec.; Sandra S. Sebesta; Doyle W. Sebesta
LESSEE: Union Pacific Resources Company TX1-41341(1)
DATE: August 1, 1990
RECORDED: Vol. 1209, Page 260, Official Records, Brazos County, Texas

SUBJECT TO:

Operating Agreement dated December 1, 1992 Union Pacific Resources Company Operator, and Torch Energy Assoc. et al Non-Operator.

Letter Agreement dated 5/21/91 effective 5/1/91 between Union Pacific Resources Company, Nuavo Energy Company, Torch Energy Associates Ltd and Sinclair Oil Company.

STATE OF TEXAS
COUNTY OF BRAZOS

This is a true and correct copy as the same appears on file and recorded in the public records of Brazos County, Texas.

This is certified on



Mary Ann Ward
Clerk
Brazos County, Texas

Vol. 1985 Page 69

EXHIBIT A

Walker, Mary J. #1

Designation of Unit - Mary Walker Unit #1, dated January 17, 1992.

THE LEASES TO BE CONVEYED:

1. LESSOR: Mary Gene Walker, Individually and as Agent and Attorney-in-Fact for Eugenia W. Jones
LESSEE: Union Pacific Resources Company TX1-41322
DATE: May 21, 1990
RECORDED: Vol. 1202, Page 479, on May 21, 1990 in the Official Records, Brazos County, Texas

2. LESSOR: Freddie A. Wolters and wife, Mary Margaret Wolters
LESSEE: Union Pacific Resources Company TX1-41320 (1)
DATE: September 6, 1990
RECORDED: Vol. 1215, Page 454, on October 15, 1990 in the Official Records, Brazos County, Texas

SUBJECT TO:

Operating Agreement effective July 1, 1991 between Union Pacific Resources Company, as Operator and Nuevo Energy Company, et al as Non-Operator.

Letter Agreement dated 12/13/90 effective 4/20/90 between Union Pacific Resources Company, Nuevo Energy Company, and Austin Resources.

STATE OF TEXAS
COUNTY OF BRAZOS

The foregoing is a true and correct copy as the same appears on file and recorded in the public records of Brazos County, Texas.

1-28-94
Mary Gene Walker
Brazos County, Texas

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EXHIBIT A

Walker, Mary J. #2

Designation of Unit, dated May 5, 1992, recorded in Vol. 1510, Page 200, in the Official Records, Brazos County, Texas

THE LEASES TO BE CONVEYED:

1. LESSOR: Mary Gene Walker, Individually and as Agent and Attorney-in-Fact for Eugenia W. Jones
LESSEE: Union Pacific Resources Company TX1-41322
DATE: May 21, 1990
RECORDED: Vol. 1202, Page 479, on May 21, 1990 in the Official Records, Brazos County, Texas

SUBJECT TO:

Operating Agreement dated December 2, 1991, Union Pacific Resources Company Operator and Torch Energy et al as Non-Operator.

Letter Agreement dated 12/13/90 effective 4/20/90 between Union Pacific Resources Company, Nuevo Energy Company and Austin Resources.

STATE OF TEXAS
COUNTY OF BRAZOS

This foregoing is a true and correct copy as it appears on file and recorded in the public records of Brazos County, Texas.

This document is

1-28-94

Mary Gene Walker

Notary Public
Brazos County, Texas

vo. 1985 p. 771

EXHIBIT A

Waltman-Chance Farms #1

Designation of Unit, dated December 15, 1992.

THE LEASES TO BE CONVEYED:

1. LESSOR: Timothy J. Crowley and Robert B. Waltman
 LESSEE: Union Pacific Resources Company TX1-41301
 DATE: Memorandum of Oil & Gas Lease dated May 29, 1990
 RECORDED: Vol. 1205, Page 138, in the Official Records, Brazos County, Texas
2. LESSOR: Esther Hensarling
 LESSEE: Union Pacific Resources Company TX1-41349
 DATE: August 20, 1990
 RECORDED: Vol. 1214, Page 469, in the Official Records, Brazos County, Texas
3. LESSOR: NCNB Texas National Bank, Successor Trustee of the George G. Chance Trust for the Eleanor Chance Couch, #4448; Trustee under the Will for the Eleanor Chance Couch Estate Trust, #5165
 LESSEE: Union Pacific Resources Company TX1-42107(1)
 DATE: Memorandum of Oil & Gas Lease dated October 1, 1990
 RECORDED: Vol. 1223, Page 015, in the Official Records, Brazos County, Texas
4. LESSOR: Patience Chance Thomason
 LESSEE: Union Pacific Resources Company TX1-42107(2)
 DATE: Memorandum of Oil & Gas Lease dated October 24, 1990
 RECORDED: Vol. 1233, Page 063, in the Official Records, Brazos County, Texas
5. LESSOR: Abigail Thomason Corbett and Nelson D. Durst, Trustees of The George G. Chance Trust for Patience Chance Thomason
 LESSEE: Union Pacific Resources Company TX1-42107(3)
 DATE: Memorandum of Oil & Gas Lease dated October 24, 1990
 RECORDED: Vol. 1233, Page 060, in the Official Records, Brazos County, Texas

SUBJECT TO:

Operating Agreement effective June 1, 1992, Union Pacific Resources Company Operator, Torch Energy Assoc. Non-Operator

Letter Agreement dated 5/21/91 effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd and Sinclair Oil Company.

STATE OF TEXAS
COUNTY OF BRAZOS

This foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas.

This certify, on

1-28-94 CE



Mary Anna Ward
County Clerk
Brazos County, Texas

Vol. 168 Page 72

EXHIBIT A

Weedon-Hall Unit #1

Designation of Unit dated August 8, 1991, recorded in Vol. 1341, Page 1, in Brazos County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: Ralph W. Ayers et ux
LESSEE: J. L. Schneider & Company
DATE: February 13, 1991
RECORDED: Vol. 1248, Page 532, in the Official Records, Brazos County, Texas
2. LESSOR: Hazel E. Ayers
LESSEE: J. L. Schneider & Company
DATE: February 13, 1991
RECORDED: Vol. 1248, Page 528, in the Official Records, Brazos County, Texas
3. LESSOR: Hazel E. Ayers
LESSEE: J. L. Schneider & Company
DATE: February 13, 1991
RECORDED: Vol. 1248, Page 524, in the Official Records, Brazos County, Texas

SUBJECT TO:

Operating Agreement dated August 8, 1991, Bexco, Inc. Operator, Torch Energy Assoc. Non-Operator.

Letter Agreement dated 12/13/90 effective 4/20/90 between Union Pacific Resources Company, Nuevo Energy Company and Austin Resources.

STATE OF TEXAS

COUNTY OF BRAZOS

I, _____, do hereby certify that the foregoing is a true and correct copy as the same appears of record and recorded in the Official Public Records of Brazos County, Texas.

[Signature]

Brazos County, Texas

Vol. 1985 Page 73

EXHIBIT A

Weedon-Read #1

Designation of Unit, dated December 9, 1991, recorded in Vol. 1427, Page 100, Brazos County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: Floy Samuel Reed, et ux
LESSEE: Baker Exploration Company
DATED: February 16, 1990
RECORDED: Volume 1168, Page 409, Official Records of Brazos County, Texas.
2. LESSOR: A. Adele Smith
LESSEE: Baker Exploration Company
DATED: March 16, 1990
RECORDED: Volume 1175, Page 665, Official Records of Brazos County, Texas.
3. LESSOR: Pat D. Cooper, et ux
LESSEE: Baker Exploration Company
DATED: February 27, 1990
RECORDED: Volume 1175, Page 468, Official Records of Brazos County, Texas.
4. LESSOR: Floy Samuel Reed, et ux
LESSEE: Baker Exploration Company
DATED: February 27, 1990
RECORDED: Volume 1171, Page 696, Official Records of Brazos County, Texas.
5. LESSOR: Julian Creighton Miller, et ux
LESSEE: Baker Exploration Company
DATED: September 24, 1990
RECORDED: Volume 1215, Page 94, Official Records of Brazos County, Texas.
6. LESSOR: Larry Boleman, et ux
LESSEE: Baker Exploration Company
DATED: March 10, 1990
RECORDED: Volume 1175, Page 462, Official Records of Brazos County, Texas.
7. LESSOR: John Thomas Lamar McNew, et ux
LESSEE: Baker Exploration Company
DATED: October 30, 1990
RECORDED: Volume 1229, Page 835, Official Records of Brazos County, Texas.
8. LESSOR: Samuel N. Sharp
LESSEE: Baker Exploration Company
DATED: March 10, 1990
RECORDED: Volume 1175, Page 465, Official Records of Brazos County, Texas.
9. LESSOR: James E. Weedon, Jr., et ux
LESSEE: Baker Exploration Company
DATED: September 15, 1976
RECORDED: Volume 23, Page 635, Official Records of Brazos County, Texas.
10. LESSOR: James E. Weeden, Jr., et ux
LESSEE: Baker Exploration Company
DATED: October 4, 1989
RECORDED: Volume 1144, Page 717, Official Records of Brazos County, Texas.

STATE OF TEXAS
COUNTY OF BRAZOS

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

The Clerk certify, on



Mary Ann Ward
Brazos County, Texas

vol. 1085 p. 74

1-28-94

- 11. LESSOR: Tom Giesenschlag
 LESSEE: Baker Exploration Company
 DATED: March 16, 1990
 RECORDED: Volume 1175, Page 476, Official Records of
 Brazos County, Texas.

- 12. LESSOR: Danny Crocker, et ux
 LESSEE: Baker Exploration Company
 DATED: March 10, 1990
 RECORDED: Volume 1175, Page 476, Official Records of
 Brazos County, Texas.

SUBJECT TO:

Operating Agreement effective October 15, 1991 between Union Pacific Resources Company, as Operator and Nuevo Energy Company, et al as Non-Operator.

Letter Agreement date 12/13/90 effective 4/20/90, between Union Pacific Resources Company, Nuevo Energy Company, and Austin Resources.

STATE OF TEXAS
 COUNTY OF BRAZOS

This instrument is a true and correct copy as it appears on file and recorded in the public records of Brazos County, Texas.

This instrument, on 1-28-94



Mary Ann Ward
 County Clerk
 Brazos County, Texas

vol 1185 page 75

EXHIBIT A

Weedon-Weedon A-1

THE LEASES TO BE CONVEYED:

Designation of Unit, dated May 13, 1992, recorded in Vol. 1692, Page 253, Brazos County, Texas.

1. LESSOR: Travis Weedon and wife, Joyce Weedon
LESSEE: Coastal Oil & Gas Corporation
DATED: February 27, 1990
RECORDED: Volume 1175, Page 412, Oil and Gas Records
2. LESSOR: Lola Josephine Peters et al
LESSEE: The Williams Partnership
DATED: June 26, 1990
RECORDED: Volume 1202, Page 237, Oil and Gas Records
3. LESSOR: Travis Weedon and wife, Joyce Weedon
LESSEE: Coastal Oil & Gas Corporation
DATED: February 27, 1990
RECORDED: Volume 1175, Page 416, Oil and Gas Records
4. LESSOR: Lynn Weedon and wife, Nellie Ruth Weedon
LESSEE: Coastal Oil and Gas Corporation
DATED: February 27, 1990
RECORDED: Volume 1177, Page 100, Oil and Gas Records
5. LESSOR: Fern Weedon
LESSEE: Coastal Oil and Gas Corporation
DATED: February 27, 1990
RECORDED: Volume 1178, Page 244, Oil and Gas Records
6. LESSOR: Margaret Ann Weedon Boles
LESSEE: Coastal Oil and Gas Corporation
DATED: February 27, 1990
RECORDED: Volume 1177, Page 730, Oil and Gas Records

SUBJECT TO:

Operating Agreement dated November 7, 1991, between Union Pacific Resources Company as Operator, and Clayton Williams Jr. as Non-Operator.

STATE OF TEXAS
COUNTY OF BRAZOS

This instrument is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas.

Thereby certify, on 1-28-94 *CR*



Mary Ann Ward
County Clerk
Brazos County, Texas

vol. 1985 PAGE 76

EXHIBIT A

Weedon-Weedon B-1

THE LEASES TO BE CONVEYED:

Designation of Unit, dated December 15, 1992, recorded in Vol. 1364, Page 12, Brazos County, Texas.

1. LESSOR: Travis Weedon and wife, Joyce Weedon
LESSEE: Coastal Oil & Gas Corporation
DATED: February 27, 1990
RECORDED: Volume 1175, Page 412, Oil and Gas Records
2. LESSOR: Alton B. Meyer, et ux
LESSEE: Baker Exploration Company
DATED: April 1, 1991
RECORDED: Volume 1253, Page 395, Oil and Gas Records
3. LESSOR: Travis Weedon and wife, Joyce Weedon
LESSEE: Coastal Oil & Gas Corporation
DATED: February 27, 1990
RECORDED: Volume 1175, Page 416, Oil and Gas Records
4. LESSOR: Lynn Weedon and wife, Nellie Ruth Weedon
LESSEE: Coastal Oil and Gas Corporation
DATED: February 27, 1990
RECORDED: Volume 1177, Page 100, Oil and Gas Records
5. LESSOR: Fern Weedon
LESSEE: Coastal Oil and Gas Corporation
DATED: February 27, 1990
RECORDED: Volume 1178, Page 244, Oil and Gas Records
6. LESSOR: Margaret Ann Weedon Boles
LESSEE: Coastal Oil and Gas Corporation
DATED: February 27, 1990
RECORDED: Volume 1177, Page 730, Oil and Gas Records
7. LESSOR: Garland E. Bayliss, et ux
LESSEE: Baker Exploration Company
DATED: June 21, 1991
RECORDED: Volume 1297, Page 01, Oil and Gas Records
8. LESSOR: Henry C. Dethloff, et ux
LESSEE: Baker Exploration Company
DATED: June 26, 1991
RECORDED: Volume 1297, Page 08, Oil and Gas Records
9. LESSOR: Carl E. Shafer, et ux
LESSEE: Baker Exploration Company
DATED: June 21, 1991
RECORDED: Volume 1297, Page 23, Oil and Gas Records
10. LESSOR: John Mack Prescott, et ux
LESSEE: Baker Exploration Company
DATED: June 21, 1991
RECORDED: Volume 1297, Page 16, Oil and Gas Records
11. LESSOR: Ernest E. Sims, et ux
LESSEE: Baker Exploration Company
DATED: June 21, 1991
RECORDED: Volume 1285, Page 339, Oil and Gas Records
12. LESSOR: D. Brooks Cofer, Jr.
LESSEE: Baker Exploration Company
DATED: June 21, 1991
RECORDED: Volume 1316, Page 334, Oil and Gas Records

STATE OF TEXAS
COUNTY OF BRAZOS
I, _____, County Clerk, do hereby certify that the foregoing is a true and correct copy as the same appears on file and recorded in the Public Records of Brazos County, Texas.

1994 28-94

Margaret Ann Weedon

County Clerk
Brazos County, Texas

Vol. 1985 Page 7-7

13. LESSOR: Benjamin Franklin, et ux
LESSEE: Baker Exploration Company
DATED: June 21, 1991
RECORDED: Volume 1297, Page 12, Oil and Gas Records

14. LESSOR: Ernest E. Sims
LESSEE: Union Pacific Resources Company
DATED: March 11, 1992
RECORDED: Volume _____, Page _____, Oil and Gas Records

SUBJECT TO:

Operating Agreement dated May 12, 1992, Union Pacific Resources Company as Operator, and Neuvo, et al as Non-Operator.

Letter Agreement dated 12/13/90 effective 4/20/90 between Union Pacific Resources Company, Nuevo Energy Company and Austin Resources.

STATE OF TEXAS
COUNTY OF BRAZOS

This instrument is a true and correct copy as
it appears on file and recorded in the
public records of Brazos County, Texas.

The County Clerk, on 1-28-94 *CE*



Mary Ann Ward
County Clerk
Brazos County Texas

Vol. 1385, Page 78

EXHIBIT A

Williams #1

THE LEASES TO BE CONVEYED:

1. LESSOR: Dan Earl Williams et ux
LESSEE: Union Pacific Resources Company
DATED: June 19, 1990
RECORDED: Volume 1205, Page 103, Official Records,
Brazos County, Texas

SUBJECT TO:

Operating Agreement dated June 1, 1992 by and between Union Pacific Resources Company as Operator and Neuvo Energy Company et al as Non-Operator.

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

This instrument is

1289408



Mary Ann Ward

County Clerk
Brazos County, Texas

vol. 1985 page 79

EXHIBIT A

Mintershall-Peters

Designation of Unit, dated March 10, 1992, Vol. 1531, Page 71.

THE LEASES TO BE CONVEYED:

1. LESSOR: Lola Josephine Peters et al
LESSEE: The Williams Partnership
DATED: June 26, 1990
RECORDED: Volume 1202, Page 237, Official Records,
Brazos County, Texas
2. LESSOR: Tracy R. Peters et al
LESSEE: Coastal Oil and Gas Corporation
DATED: March 7, 1990
RECORDED: Volume 1178, Page 668, Official Records,
Brazos County, Texas
3. LESSOR: Ronald Lacewell et al
LESSEE: Coastal Oil and Gas Corporation
DATED: August 2, 1990
RECORDED: Volume 1211, Page 066, Official Records,
Brazos County, Texas
4. LESSOR: Edward A. Schultz and Hermina Schultz
LESSEE: Coastal Oil and Gas Corporation
DATED: February 28, 1990
RECORDED: Volume 1178, Page 240, Official Records,
Brazos County, Texas
5. LESSOR: Captain Alvin E. Vavra
LESSEE: Coastal Oil and Gas Corporation
DATED: March 29, 1990
RECORDED: Volume 1215, Page 496, Official Records,
Brazos County, Texas
6. LESSOR: Don W. Guggenheim
LESSEE: Coastal Oil and Gas Corporation
DATED: October 4, 1990
RECORDED: Volume 1244, Page 463, Official Records,
Brazos County, Texas
7. LESSOR: Samuel R. Nigh
LESSEE: Coastal Oil and Gas Corporation
DATED: March 29, 1990
RECORDED: Volume 1180, Page 326, Official Records,
Brazos County, Texas
8. LESSOR: Susan Denny Campbell
LESSEE: Union Pacific Resources Company
DATED: December 8, 1991
RECORDED: Volume 1404, Page 294, Official Records,
Brazos County, Texas

SUBJECT TO:

Operating Agreement effective November 7, 1991, Williams Partnership as Operator, Coastal Oil and Gas et al, as Non-Operator.

Letter Agreement dated 12/13/90 effective 4/20/90 between Union Pacific Resources Company, Nuevo Energy Company and Austin Resources.

This is a true and correct copy as the same appears on file and recorded in the public records of Brazos County, Texas.

This is hereby certified, on 1-28-94



Mary Ann Ward
County Clerk
Brazos County, Texas

VOL. 1087 PAGE 80

BURLESON AND BRAZOS COUNTIES, TEXAS

EXHIBIT A

Gee-Huggins

Designation of Unit dated January 14, 1993, recorded in Vol. 1778, Page 197, Burleson County, Texas and recorded in Vol. _____, Page _____, Brazos County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: Samuel W. Rizzo
LESSEE: Union Pacific Resources Company
DATED: July 31, 1990
RECORDED: Vol. 174, Page 249 of the Oil & Gas Lease Records of Burleson County, Texas
2. LESSOR: Edgar C. Griffin
LESSEE: Union Pacific Resources Company
DATED: July 31, 1990
RECORDED: Vol. 171, Page 462 of the Oil & Gas Lease Records of Burleson County, Texas
3. LESSOR: Budnik-Fritcher Joint Venture
LESSEE: Union Pacific Resources Company
DATED: September 21, 1990
RECORDED: Vol. 173, Page 253 of the Oil & Gas Lease Records of Burleson County, Texas
4. LESSOR: Budnik-Fritcher Joint Venture
LESSEE: Union Pacific Resources Company
DATED: October 5, 1990
RECORDED: Vol. 174, Page 83 of the Oil & Gas Lease Records of Burleson County, Texas
5. LESSOR: James B. Wyrick, et ux, Pat J. Wyrick
LESSEE: Union Pacific Resources Company
DATED: October 5, 1990
RECORDED: Vol. 174, Page 283 of the Oil & Gas Lease Records of Burleson County, Texas
6. LESSOR: William O. Huggins, III
LESSEE: Union Pacific Resources Company
DATED: August 21, 1990
RECORDED: Vol. 171, Page 483 of the Oil & Gas Lease Records of Burleson County, Texas
7. LESSOR: Henry A. Ondrasek, et ux, Kerry Ondrasek
LESSEE: Union Pacific Resources Company
DATED: January 29, 1992
RECORDED: Vol. 198, Page 835 of the Oil & Gas Lease Records of Burleson County, Texas
8. LESSOR: Frances Jewel Willis
LESSEE: Union Pacific Resources Company
DATED: February 4, 1992
RECORDED: Vol. 198, Page 831 of the Oil & Gas Lease Records of Burleson County, Texas
9. LESSOR: Gary Smith
LESSEE: Union Pacific Resources Company
DATED: October 21, 1992
RECORDED: Vol. 209, Page 519 of the Oil & Gas Lease Records of Burleson County, Texas
10. LESSOR: Preston Smith
LESSEE: Union Pacific Resources Company
DATED: October 21, 1992
RECORDED: Vol. 209, Page 515 of the Oil & Gas Lease Records of Burleson County, Texas

STATE OF TEXAS
COUNTY OF BRAZOS

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

This is certified on 1-28-94

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- 11. LESSOR: Henry A. Ondrasek, et ux, Kerry Ondrasek
 LESSEE: Union Pacific Resources Company
 DATED: October 22, 1992
 RECORDED: Vol. 209, Page 517 of the Oil & Gas Lease
 Records of Burleson County, Texas
- 12. LESSOR: Willis Gilliam, et ux, Shirley Gilliam
 LESSEE: Union Pacific Resources Company
 DATED: October 19, 1992
 RECORDED: Vol. 209, Page 521 of the Oil & Gas Lease
 Records of Burleson County, Texas
- 13. LESSOR: Robert L. Earle, et ux, Billie Earle
 LESSEE: Union Pacific Resources Company
 DATED: October 28, 1992
 RECORDED: Vol. 209, Page 655 of the Oil & Gas Lease
 Records of Burleson County, Texas
- 14. LESSOR: Raymond Murphy, a single man, individually and
 as Custodian for Douglas John English, minor
 LESSEE: Union Pacific Resources Company
 DATED: October 21, 1992
 RECORDED: Vol. 209, Page 747 of the Oil & Gas Lease
 Records of Burleson County, Texas
- 15. LESSOR: Alphonse Budnik, Jr., et ux, Mary Frances
 Budnik, David Lawrence Hodges, et ux, Theresa
 V. Hodges
 LESSEE: Union Pacific Resources Company
 DATED: October 23, 1992
 RECORDED: Vol. 209, Page 653 of the Oil & Gas Lease
 Records of Burleson County, Texas
- 16. LESSOR: Burney Gerland and Gene Gerland
 LESSEE: Union Pacific Resources Company
 DATED: October 19, 1992
 RECORDED: Vol. 209, Page 657 of the Oil & Gas Lease
 Records of Burleson County, Texas
- 17. LESSOR: Budnik-Fritchler Joint Venture
 LESSEE: Union Pacific Resources Company
 DATED: October 20, 1992
 RECORDED: Vol. 209, Page 659 of the Oil & Gas Lease
 Records of Burleson County, Texas
- 18. LESSOR: Smith Myers, et ux, Betty Myers
 LESSEE: Union Pacific Resources Company
 DATED: October 20, 1992
 RECORDED: Vol. 209, Page 659 of the Oil & Gas Lease
 Records of Burleson County, Texas
- 19. LESSOR: Charles Ray Horn, et ux, Mary C. Horn
 LESSEE: Union Pacific Resources Company
 DATED: October 22, 1992
 RECORDED: Vol. 209, Page 740 of the Oil & Gas Lease
 Records of Burleson County, Texas
- 20. LESSOR: Douglas Spikes, et ux, Vancy Spikes
 LESSEE: Union Pacific Resources Company
 DATED: October 30, 1992
 RECORDED: Vol. 209, Page 738 of the Oil & Gas Lease
 Records of Burleson County, Texas
- 21. LESSOR: Billy Lehde, et ux, Gloria Lehde
 LESSEE: Union Pacific Resources Company
 DATED: October 28, 1992
 RECORDED: Vol. 209, Page 787 of the Oil & Gas Lease
 Records of Burleson County, Texas

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

certify, on 1-28-94

Mary Ann Ward

Vol. 1995-82

- 22. LESSOR: Wesley Westerfeld, et ux, Carol Westerfeld
 LESSEE: Union Pacific Resources Company
 DATED: October 28, 1992
 RECORDED: Vol. 210, Page 126 of the Oil & Gas Lease
 Records of Burleson County, Texas
- 23. LESSOR: John R. Koonce, et ux, Joni Koonce
 LESSEE: Union Pacific Resources Company
 DATED: October 26, 1992
 RECORDED: Vol. 210, Page 128 of the Oil & Gas Lease
 Records of Burleson County, Texas
- 24. LESSOR: Samuel W. Rizzo
 LESSEE: Union Pacific Resources Company
 DATED: August 28, 1990
 RECORDED: Vol. 174, Page 257 of the Oil & Gas Lease
 Records of Burleson County, Texas
- 25. LESSOR: Charles J. Sebesta, Jr., et ux, Jane M. Sebesta
 LESSEE: Union Pacific Resources Company
 DATED: August 16, 1990
 RECORDED: Vol. 174, Page 224 of the Oil & Gas Lease
 Records of Burleson County, Texas
- 26. LESSOR: William O. Huggins, 111
 LESSEE: Union Pacific Resources Company
 DATED: August 21, 1990
 RECORDED: Vol. 171, Page 491 of the Oil & Gas Lease
 Records of Burleson County, Texas
- 27. LESSOR: Edgar C. Griffin
 LESSEE: Union Pacific Resources Company
 DATED: August 28, 1990
 RECORDED: Vol. 171, Page 466 of the Oil & Gas Lease
 Records of Burleson County, Texas
- 28. LESSOR: Samuel W. Rizzo
 LESSEE: Union Pacific Resources Company
 DATED: July 27, 1990
 RECORDED: Vol. 174, Page 241 of the Oil & Gas Lease
 Records of Burleson County, Texas
- 29. LESSOR: William O. Huggins, 111
 LESSEE: Union Pacific Resources Company
 DATED: August 21, 1990
 RECORDED: Vol. 171, Page 475 of the Oil & Gas Lease
 Records of Burleson County, Texas
- 30. LESSOR: Edgar C. Griffin
 LESSEE: Union Pacific Resources Company
 DATED: July 27, 1990
 RECORDED: Vol. 171, Page 454 of the Oil & Gas Lease
 Records of Burleson County, Texas
- 31. LESSOR: Darrell Wayne Chmelar, et ux, Lori Ann Chmelar
 LESSEE: Union Pacific Resources Company
 DATED: February 20, 1992
 RECORDED: Vol. 200, Page 172 of the Oil & Gas Lease
 Records of Burleson County, Texas
- 32. LESSOR: Samuel W. Rizzo
 LESSEE: Union Pacific Resources Company
 DATED: July 27, 1990
 RECORDED: Vol. 174, Page 245 of the Oil & Gas Lease
 Records of Burleson County, Texas

STATE OF TEXAS
 COUNTY OF BRAZOS

This foregoing is a true and correct copy as
 the same appears on file and recorded in the
 public records of Brazos County, Texas

This certifies, on 1-28-94

vol. 1085 p. 83

Mary Ann Ward

Brazos County, Texas

33. LESSOR: Charles Ray Conner, Jr., et ux, Laurie Conner
 LESSEE: Union Pacific Resources Company
 DATED: July 27, 1990
 RECORDED: Vol. 170, Page 35 of the Oil & Gas Lease
 Records of Burleson County, Texas
34. LESSOR: Edgar C. Griffin
 LESSEE: Union Pacific Resources Company
 DATED: July 27, 1990
 RECORDED: Vol. 171, Page 458 of the Oil & Gas Lease
 Records of Burleson County, Texas
35. LESSOR: William O. Huggins, III
 LESSEE: Union Pacific Resources Company
 DATED: October 4, 1991
 RECORDED: Vol. 193, Page 495 of the Oil & Gas Lease
 Records of Burleson County, Texas
36. LESSOR: Edward C. See, et ux, Mary Louise See
 LESSEE: Union Pacific Resources Company
 DATED: July 11, 1990
 RECORDED: Vol. 170, Page 42 of the Oil & Gas Lease
 Records of Burleson County, Texas
37. LESSOR: John William See
 LESSEE: Union Pacific Resources Company
 DATED: October 4, 1991
 RECORDED: Vol. 194, Page 801 of the Oil & Gas Lease
 Records of Burleson County, Texas
38. LESSOR: State of Texas
 LESSEE: Union Pacific Resources Company
 DATED: April 7, 1992
 RECORDED: Vol. 204, Page 42 of the Oil & Gas Lease
 Records of Burleson County, Texas
39. LESSOR: State of Texas
 LESSEE: Union Pacific Resources Company
 DATED: August 4, 1992
 RECORDED: Vol. 1612, Page 219 of the Oil & Gas Lease
 Records of Brazos County, Texas
 Vol. 207, Page 313 of the Oil & Gas Lease
 Records of Burleson County, Texas

SUBJECT TO:

Operating Agreement effective October 15, 1992 between Union Pacific Resources Company, as Operator and Nuevo Energy Company, et al as Non-Operator.

Letter Agreement dated 5/21/91 effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd, and Sinclair Oil Company.

STATE OF TEXAS
 COUNTY OF BRAZOS

This instrument is a true and correct copy as
 the same appears on file and recorded in the
 public records of Brazos County, Texas.

The instrument, on 128-9408



Mary Ann Ward
 County Clerk
 Brazos County Texas

Vol. 1985: 84

EXHIBIT A

Gaubatz Yegua Unit No. 1

Designation of Unit, dated March 5, 1993, being the Union Pacific Resources Company's "Gaubatz-Yegua Unit No. 1", recorded in Volume 212, Page 584 of the Oil and Gas Lease Records of Burleson County, Texas, and Volume 1778, Page 167 of the Official Records of Brazos County, Texas, and any amendments thereto;

THE LEASES TO BE CONVEYED:

1. LESSOR: Mrs. Willie Gaubatz
LESSEE: Union Pacific Resources Company
DATED: October 4, 1991
RECORDED: Vol. 162, Page 211 Oil and Gas Lease Records of Burleson County, Texas.
2. LESSOR: State of Texas M-95040
LESSEE: Union Pacific Resources Company
DATED: August 4, 1992
RECORDED: Vol. 1612, Page 219 Official Records of Brazos County, Texas.
3. LESSOR: State of Texas M-94912
LESSEE: Union Pacific Resources Company
DATED: April 7, 1992
RECORDED: Vol. 204, Page 70 Oil and Gas Lease Records of Burleson County, Texas.
4. LESSOR: First City, Texas-Bryan, N.A.
LESSEE: Union Pacific Resources Corporation
DATED: June 11, 1990
RECORDED: Vol. 166, Page 464 Oil and Gas Lease Records of Burleson County, Texas.
5. LESSOR: Yegua Properties, Ltd.
LESSEE: Union Pacific Resources Corporation
DATED: October 12, 1990
RECORDED: Vol. 177, Page 79 Oil and Gas Lease Records of Burleson County, Texas.

SUBJECT TO:

Term Pooling Agreement, dated March 15, 1993, between General Land Office of Texas and Union Pacific Resources Company, recorded in Vol. 1778, Page 193 of the Official Records of Brazos County, Texas and Vol. 214, Page 1 of the Oil and Gas Lease Records of Burleson County, Texas. (For state leases).

Letter Agreement dated 5/21/91 effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd and Sinclair.

Operating Agreement effective November 16, 1992 between Union Pacific Resources Company as Operator, and Sinclair Oil Corporation, et al, as Non-Operator.



is a true and correct copy as
shown in file and recorded in the
Official Records of Brazos County, Texas

128-9409

Mary Ann Ward
County Clerk
Brazos County Texas

vo. 198 PAGE 85

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MF 94912
ITEM Deed of Trust
TO _____
FROM _____
DATE 3-23-94

Burleson/TX

(Texas)

6364

DEED OF TRUST, MORTGAGE, ASSIGNMENT,
SECURITY AGREEMENT AND FINANCING STATEMENT
FROM
TORCH ROYALTY COMPANY
(Taxpayer I.D. No. 76-0418296)
TO
JAMES L. IRISH, TRUSTEE
AND
GENERAL ELECTRIC CAPITAL CORPORATION, MORTGAGEE
(Taxpayer I.D. No. 13-1500700)

Dated November 23, 1993

A CARBON, PHOTOGRAPHIC, FACSIMILE, OR OTHER REPRODUCTION OF THIS INSTRUMENT IS SUFFICIENT AS A FINANCING STATEMENT.

THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS, SECURES PAYMENT OF FUTURE ADVANCES, AND COVERS PROCEEDS OF COLLATERAL.

THIS INSTRUMENT COVERS MINERALS AND OTHER SUBSTANCES OF VALUE WHICH MAY BE EXTRACTED FROM THE EARTH (INCLUDING WITHOUT LIMITATION OIL AND GAS), AND THE ACCOUNTS RELATED THERETO, WHICH WILL BE FINANCED AT THE WELLHEADS OR MINEHEADS OF THE WELLS OR MINES LOCATED ON THE PROPERTIES DESCRIBED IN SECTION 1.1 OF THIS INSTRUMENT. THIS INSTRUMENT IS TO BE FILED FOR RECORD, AMONG OTHER PLACES, IN THE REAL ESTATE OR COMPARABLE RECORDS OF THE COUNTIES AND/OR PARISHES REFERENCED IN EXHIBIT A HERETO. THE MORTGAGOR HAS AN INTEREST OF RECORD IN THE REAL ESTATE CONCERNED, WHICH INTEREST IS DESCRIBED IN SECTION 1.1 OF THIS INSTRUMENT.

A POWER OF SALE HAS BEEN GRANTED IN THIS MORTGAGE. A POWER OF SALE MAY ALLOW MORTGAGEE (AS HEREINAFTER DEFINED) OR THE TRUSTEE (AS HEREINAFTER DEFINED) TO TAKE THE MORTGAGED PROPERTIES AND SELL THEM WITHOUT GOING TO COURT IN A FORECLOSURE ACTION UPON DEFAULT BY THE MORTGAGOR (AS HEREINAFTER DEFINED) UNDER THIS MORTGAGE.

WHEN RECORDED OR FILED RETURN TO:

Thompson & Knight,
A Professional Corporation
3300 First City Center
1700 Pacific Avenue
Dallas, Texas 75201
Attention: Patricia Sone

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 certify, on 1-27-94



Erlynn M. Henry
County Clerk
Burleson County, Texas

VOL 142-477

DEED OF TRUST, MORTGAGE, ASSIGNMENT,
SECURITY AGREEMENT AND FINANCING STATEMENT

THIS DEED OF TRUST, MORTGAGE, ASSIGNMENT, SECURITY AGREEMENT AND
FINANCING STATEMENT (this "Mortgage"),

WITNESSETH:

ARTICLE I

Granting Clauses; Secured Obligations

Section 1.1. Grant and Mortgage. Torch Royalty Company, a Delaware corporation (herein called "Mortgagor"), for and in consideration of the sum of Ten Dollars (\$10.00) to Mortgagor in hand paid, and in order to secure the payment of the secured obligations hereinafter referred to and the performance of the obligations, covenants, agreements, warranties and undertakings of Mortgagor hereinafter described, does hereby GRANT, BARGAIN, SELL, CONVEY, TRANSFER, ASSIGN and SET OVER to Trustee (the "Trustee"), and grant to Trustee a POWER OF SALE (pursuant to this Mortgage and applicable law) with respect to the following described properties, rights and interests (the "Mortgaged Properties"), subject, however, to the terms of that certain Net Overriding Royalty Conveyance (Texas) dated November 22, 1993 (the "Royalty Conveyance"), in two parts, the first from Mortgagor to Torch Energy Advisors Incorporated ("TEAI"), and the second from TEAU to the Torch Energy Royalty Trust, and further subject to the "Royalty Interest" (as defined in the Royalty Conveyance and so used herein) vested in the Torch Energy Royalty Trust under the Royalty Conveyance:

- A. The oil, gas and/or other mineral properties which are described in Exhibit A attached hereto and made a part hereof;
- B. Without limitation of the foregoing, all other right, title and interest of Mortgagor of whatever kind or character (whether now owned or hereafter acquired by operation of law or otherwise) in and to oil, gas and other minerals in and under or that may be produced from the lands which are described or referred to in Exhibit A hereto as a part of the descriptions (contained in such Exhibit A) of oil, gas and/or other mineral properties, or which are otherwise described in any of the leases or other instruments described in Exhibit A hereto, even though the Mortgagor's interest therein may be incorrectly described in, or omitted from, Exhibit A hereto;
- C. All of Mortgagor's interest (whether now owned or hereafter acquired by operation of law or otherwise) in and to all presently existing and hereafter created oil, gas and/or mineral unitization, pooling and/or communitization agreements, declarations and/or orders, and in and to the properties, rights and interests covered and the units created thereby (including, without limitation, units formed under orders, rules, regulations or other official acts of any federal, state or other authority having jurisdiction), which cover, affect or otherwise relate to the properties, rights and interests described in clause A or B above;
- D. All of Mortgagor's interest in and rights under (whether now owned or hereafter acquired by operation of law or otherwise) all presently existing and hereafter created operating agreements, equipment leases, production sales contracts, processing agreements, transportation agreements, gas balancing agreements, farmout and/or farm-in agreements, salt water disposal agreements, area of mutual interest agreements, and other contracts and/or agreements which cover, affect, or otherwise relate to the properties, rights and interests described in clause A, B or C above or to the operation of such properties, rights and interests or to the treating, handling, storing, processing, transporting or marketing of oil, gas, other hydrocarbons, or other minerals produced from (or allocated to) such properties, rights and interests (including, but not limited to, those contracts listed in Exhibit A hereto), as same may be amended or supplemented from time to time; and
- E. All of Mortgagor's interest (whether now owned or hereafter acquired by operation of law or otherwise) in and to all improvements, fixtures and other real and/or personal property (including, without limitation, all wells, pumping units, wellhead equipment, tanks, pipelines, flow lines, gathering lines, compressors, dehydration units, separators, meters, buildings, injection facilities, salt water disposal facilities, and power, telephone and telegraph lines), and all easements, servitudes, rights-of-way, surface leases, licenses, permits and other surface rights, which are now or hereafter used, or held for use, in connection with the properties, rights and interests described in clause A, B or C above, or in connection with the operation of such properties, rights and interests, or in connection with the treating, handling, storing, processing, transporting or marketing of oil, gas, other hydrocarbons, or other minerals produced from (or allocated to) such properties, rights and interests; and

REC-4 85734 OIL&GAS 3954

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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 certify, on

1-27-94



Evelyn M. Henry
County Clerk
Burleson County, Texas

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F. All rights, estates, powers and privileges appurtenant to the foregoing rights, interests and properties.

TO HAVE AND TO HOLD the Mortgaged Properties, subject to the Royalty Conveyance and the Royalty Interests, unto the Trustee, and its successors or substitutes in this trust, and to its or their successors and assigns, in trust, however, upon the terms, provisions and conditions herein set forth.

Section 1.2. Grant of Security Interest. In order to further secure the payment of the secured obligations hereinafter referred to and the performance of the obligations, covenants, agreements, warranties, and undertakings of Mortgagor hereinafter described, Mortgagor hereby grants to General Electric Capital Corporation, a New York corporation (herein called "Mortgagee") a security interest in the entire interest of Mortgagor (whether now owned or hereafter acquired by operation of law or otherwise) in and to the following, subject, however, to the terms of the Royalty Conveyance and the Royalty Interests created thereunder:

(a) all oil, gas, other hydrocarbons, and other minerals produced from or allocated to the Mortgaged Properties, and any products processed or obtained therefrom (herein collectively called the "Production"), together with all proceeds of Production (regardless of whether Production to which such proceeds relate occurred on or before or after the date hereof), and together with all liens and security interests securing payment of the proceeds of the Production, including, but not limited to, those liens and security interests provided for under (i) statutes enacted in the jurisdictions in which the Mortgaged Properties are located, or (ii) statutes made applicable to the Mortgaged Properties under federal law (or some combination of federal and state law);

(b) without limitation of any other provisions of this Section 1.2, all payments received in lieu of production from the Mortgaged Properties (regardless of whether such payments accrued, and/or the events which gave rise to such payments occurred, on or before or after the date hereof), including, without limitation, "take or pay" payments and similar payments, payments received in settlement of or pursuant to a judgment rendered with respect to take or pay or similar obligations or other obligations under a production sales contract, payments received in buyout or buydown or other settlement of a production sales contract, and payments received under a gas balancing or similar agreement as a result of (or received otherwise in settlement of or pursuant to judgment rendered with respect to) rights held by Mortgagor as a result of Mortgagor (and/or its predecessors in title) taking or having taken less gas from lands covered by a Mortgaged Property (or lands pooled or unitized therewith) than their ownership of such Mortgaged Property would entitle them to receive (the payments described in this subsection (b) being herein called "Payments in Lieu of Production");

(c) all equipment, inventory, improvements, fixtures, accessions, goods and other personal property of whatever nature now or hereafter located on or used or held for use in connection with the Mortgaged Properties (or in connection with the operation thereof or the treating, handling, storing, processing, transporting, or marketing of Production), and all licenses and permits of whatever nature now or hereafter used or held for use in connection with the Mortgaged Properties (or in connection with the operation thereof or the treating, handling, storing, processing, transporting, or marketing of Production), and all renewals or replacements of the foregoing or substitutions for the foregoing;

(d) all contract rights, choses in action (i.e., rights to enforce contracts or to bring claims thereunder) and other general intangibles (regardless of whether the same arose, and/or the events which gave rise to the same occurred, on or before or after the date hereof) related to the Mortgaged Properties, the operation thereof (whether Mortgagor is operator or non-operator), or the treating, handling, storing, processing, transporting, or marketing of Production (including, without limitation, any of the same relating to payment of proceeds of Production or to payment of amounts which could constitute Payments in Lieu of Production);

(e) without limitation of the generality of the foregoing, any rights and interests of Mortgagor under any present or future hedge or swap agreements, cap, floor, collar, exchange, forward or other hedge or protection agreements or transactions relating to crude oil, natural gas or other hydrocarbons, or any option with respect to any such agreement or transaction now existing or hereafter entered into by or on behalf of Mortgagor;

(f) all geological, geophysical, engineering, accounting, title, legal, and other technical or business data concerning the Mortgaged Properties, the Production or any other item of Property (as hereinafter defined) which are now or hereafter in the possession of Mortgagor or in which Mortgagor can otherwise grant a security interest, and all books, files, records, magnetic media, and other forms of recording or obtaining access to such data;

(g) all money, documents, instruments, chattel paper, securities, accounts or general intangibles arising from or by virtue of any transaction (regardless of whether such transaction occurred on or before or after the date hereof) related to the Mortgaged Properties, the Production or any other item of Property (all of the properties, rights and interests described in

20246 8574 OLAGAS 3954

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 certify, on

1-27-94



Erlynn M. Henry
County Clerk
Burleson County, Texas

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subsections (a), (b), (c), (d), (e) and (f) above and this subsection (g) being herein sometimes collectively called the "Collateral"); and

(h) all proceeds of the Collateral, whether such proceeds or payments are goods, money, documents, instruments, chattel paper, securities, accounts, general intangibles, fixtures, real property, personal property or other assets (the Mortgaged Properties, the Collateral and the proceeds of the Collateral, subject to the Royalty Conveyance and the Royalty Interests, being herein sometimes collectively called the "Property").

Section 1.3. Obligations. This Mortgage is made to secure and enforce the payment and performance of the following obligations, indebtedness and/or liabilities, whether actual or potential, vested or contingent:

(a) Any and all obligations, liabilities and/or indebtedness of Torch Energy Marketing, Inc. ("TEMI") under and/or in respect of the terms of that certain Assignment and Assumption Agreement (the "Assumption Agreement") of even date herewith, by and between TEAI-Chalkley Limited Partnership ("Chalkley"), TEMI, Mortgagee, Kidder, Peabody Global Capital Corporation ("KP Global") and Kidder, Peabody Group, Inc. ("KP Group") or otherwise under the terms of the KP Hedge Contracts, as such term is defined in the Assumption Agreement;

(b) Any and all obligations, liabilities and/or indebtedness of TEMI under and/or in respect of the Collateral Assignment and the Security Deposit Agreement, as such terms are defined in the Assumption Agreement, and under this Mortgage;

(c) Any and all damages for the rejection of any of the Purchase Contract, the KP Hedge Contracts or the Other Hedge Contracts, as such terms are defined in the Assumption Agreement, by TEMI or Mortgagor in any bankruptcy or insolvency proceeding owing under or with respect to a judgment, writ, order or other document issued by a court of competent jurisdiction; or

(d) Any and all obligations of TEMI to reimburse Mortgagee for payment made by Mortgagee under that certain Guaranty Agreement dated August 11, 1992 made by Mortgagee in favor of KP Global, as from time to time supplemented, amended and/or restated.

Section 1.4. Secured Obligations. The liabilities, indebtedness and/or obligations described in Section 1.3, as from time to time supplemented, amended, or modified and all other liabilities, indebtedness and/or obligations given in substitution therefor, or in modification, renewal or extension thereof, in whole or in part, are herein sometimes referred to as the "secured obligations" or the "obligations secured hereby".

ARTICLE II.

Representations, Warranties, Covenants and Agreements

Section 2.1. Mortgagor represents, warrants, and covenants as follows:

(a) Title and Permitted Encumbrances. Mortgagor has, and Mortgagor covenants to maintain, good and defensible title to the Property, free and clear of all liens, security interests, and encumbrances except for (i) the contracts, agreements, burdens, encumbrances and other matters set forth in the descriptions of certain of the Mortgaged Properties on Exhibit A hereto, (ii) the liens and security interests evidenced by this Mortgage, (iii) statutory liens for taxes which are not yet delinquent or which Mortgagor is contesting in good faith and with respect to which Mortgagor has set aside adequate reserves, (iv) liens under operating agreements, pooling orders and unitization agreements, and mechanics' and materialmen's liens, with respect to obligations which are not yet due, or which Mortgagor is contesting in good faith and with respect to which Mortgagor has set aside adequate reserves, (v) other liens and security interests (if any) in favor of Mortgagee, (vi) minor defects or irregularities in title to any Property so long as same do not materially impair the value of the affected Property or the use thereof by Mortgagor, and (vii) the Royalty Conveyance and the Royalty Interests created thereunder (the matters described in the foregoing clauses (i), (ii), (iii), (iv), (v), (vi) and (vii) being herein called the "Permitted Encumbrances"); Mortgagor will warrant and defend title to the Property, subject as aforesaid, against the claims and demands of all persons claiming or to claim the same or any part thereof. The ownership by Mortgagor of the Mortgaged Properties does and will, with respect to each well or unit identified on Exhibit B, attached hereto and made a part hereof, entitle Mortgagor to receive (subject to the terms and provisions of this Mortgage and the Royalty Conveyance and the Royalty Interests created thereunder) a decimal share of the oil, gas and other hydrocarbons produced from, or allocated to, such well or unit equal to not less than the decimal share set forth for such well or unit in the column headed "Net Revenue Interest" on Exhibit B, and cause Mortgagor to be obligated to bear, subject to the terms of the Royalty Conveyance and the Royalty Interests created thereunder, a decimal share of the cost of operation of such well or unit equal to not more than the decimal share set forth, for such well or unit, in the column headed "Working Interest" on Exhibit B. The above-described shares of production which Mortgagor is entitled to receive and shares of expenses which Mortgagor is obligated to bear are not and will



not be subject to change, except, and only to the extent that, such changes are reflected in Exhibit B or are otherwise provided for in the Royalty Conveyance. There is not and will not be any unexpired financing statement covering any part of the Property on file in any public office naming any party other than Mortgagee as secured party. Upon request by Mortgagee, Mortgagor will deliver to Mortgagee schedules of all internal and third party information identifying the Mortgaged Properties (such as, for example, lease names and numbers assigned by Mortgagor or the operator of any Mortgaged Property, well and/or unit and/or property names and numbers assigned by purchasers of Production, and internal identification names and numbers used by Mortgagor in accounting for revenues, costs, and joint interest transactions attributable to the Mortgaged Properties).

(b) Leases and Contracts; Performance of Obligations. The material oil, gas and/or mineral leases, contracts, servitudes and other agreements forming a part of the Property, to the extent the same cover or otherwise relate to the Property, are in full force and effect, and Mortgagor agrees to so maintain them in full force and effect.

(c) Sale of Production. No Mortgaged Property is or will become subject to any contractual or other arrangement (i) whereby payment for production is or can be deferred for a substantial period after the month in which such production is delivered (i.e., in the case of oil, not in excess of 60 days, and in the case of gas, not in excess of 90 days) or (ii) whereby payments are made to Mortgagor other than by checks, drafts, wire transfer advises or other similar writings, instruments or communications for the immediate payment of money. Except for that certain Oil and Gas Purchase Contract dated as of October 1, 1993, by and between Torch Energy Marketing, Inc., as buyer, and Mortgagor and Valesco Gas Company, Ltd., a Texas limited partnership, jointly as sellers, (i) no Mortgaged Property is or will become subject to any contractual or other arrangement for the sale, processing or transportation of Production (or otherwise related to the marketing of Production) which cannot be canceled on one year's (or less) notice and (ii) all contractual or other arrangements for the sale, processing or transportation of Production (or otherwise related to the marketing of Production) shall be entered into on standard industry terms. Mortgagor hereby covenants not to enter into any such advance or prepayment arrangements whereby it accepts consideration for oil, gas or other hydrocarbons not yet produced. Except as disclosed in that certain Agreement for Purchase and Sale between Chalkley and Mortgagor, effective as of July 1, 1993 (the "P&S Agreement"), there is no Mortgaged Property with respect to which Mortgagor, or its predecessors in title, has, prior to the date hereof, taken more ("overproduced") gas from the lands covered thereby (or pooled or unitized therewith) than its ownership interest in such Mortgaged Property would entitle it to take. No Mortgaged Property is subject at the present time to any regulatory refund obligation and, to the best of Mortgagor's knowledge, no facts exist which might cause the same to be imposed.

(d) Condition of Personal Property. The equipment, inventory, improvements, fixtures, goods and other tangible personal property forming a part of the Property are and will remain in good repair and condition and are and will be adequate for the normal operation of the Property in accordance with prudent industry standards.

(e) Operation of Mortgaged Properties. The Mortgaged Properties are being, and hereafter will be, maintained, operated and developed in a good and workmanlike manner, in accordance with prudent industry standards.

(f) Sale or Disposal. Mortgagor will not, without the prior written consent of Mortgagee, sell, exchange, lease, transfer, or otherwise dispose of any part of, or interest in, the Property other than (i) sales, transfers and other dispositions of machinery, equipment and other personal property and fixtures made in connection with a release, surrender or abandonment (to which Mortgagee has given its prior written consent) of a lease, (ii) sales, transfers and other dispositions of machinery, equipment and other personal property and fixtures in connection with the abandonment (to which Mortgagee has given its prior written consent) of a well, (iii) sales, transfers and other dispositions of machinery, equipment and other personal property and fixtures which are (A) obsolete for their intended purpose and disposed of in the ordinary course of business or (B) replaced by articles of at least equal suitability and value owned by Mortgagor free and clear of all liens except this Mortgage and the Permitted Encumbrances, and (iv) sales of Production which are made in compliance with Section 2.1(c) hereof. Mortgagor shall account fully and faithfully for and, if Mortgagee so elects, shall promptly deposit the proceeds in whatever form received from disposition in any manner of any of the Property into the "Security Account" established pursuant to that certain Security Deposit Agreement of even date herewith by and between TEMI and Mortgagee (the "Deposit Agreement").

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 certify, on



Evelyn M. Henry
County Clerk
Burleson County, Texas

(g) Environmental.

(A) Current Status. To the best knowledge of Mortgagor, the Property is not in violation of or subject to any existing, pending or, to the best knowledge of Mortgagor, threatened investigation or inquiry by any governmental authority or to any remedial obligations under any applicable laws, orders, rules, or regulations pertaining to health or the environment (such laws, orders, rules or regulations as they now exist or are hereafter enacted and/or amended hereinafter

sometimes collectively called "Applicable Environmental Laws"), including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (as amended, hereinafter called "CERCLA"), the Resource Conservation and Recovery Act of 1976, as amended by the Used Oil Recycling Act of 1980, the Solid Waste Disposal Act Amendments of 1980, and the Hazardous and Solid Waste Amendments of 1984 (as amended, hereinafter called "RCRA") and applicable state law. Mortgagor undertook, at the time of acquisition of the Property, all appropriate inquiry into the previous ownership and uses of the Property consistent with good commercial or customary practice.

(B) Future Performance. Mortgagor will not cause or permit the Property or Mortgagor to be in violation of, or do anything or permit anything to be done which may subject the Property to, any remedial obligations under any Applicable Environmental Laws, and Mortgagor will promptly notify Mortgagee in writing of any existing, pending or, to the best knowledge of Mortgagor, threatened investigation or inquiry by any governmental authority in connection with any Applicable Environmental Laws. Mortgagor will take all steps necessary to determine that no hazardous substances or solid wastes have been disposed of or otherwise released on or to the Property in violation of any Applicable Environmental Laws. Mortgagor will not cause or permit the disposal or other release of any hazardous substance or solid waste on or to the Property in violation of any Applicable Environmental Laws and covenants and agrees to keep or cause the Property to be kept free of any hazardous substance or solid waste and to remove the same (or if removal is prohibited by law, to take whatever action is required by law) promptly upon discovery at its sole expense. Upon Mortgagee's reasonable request, at any time and from time to time during the existence of this Mortgage, Mortgagor will provide at Mortgagor's sole expense an inspection or audit of the Property from an engineering or consulting firm approved by Mortgagee, indicating the presence or absence of hazardous substances and solid waste on the Property. The terms "hazardous substance" and "release" as used in this Mortgage shall have the meanings specified in CERCLA, and the terms "solid waste" and "disposal" (or "disposed") shall have the meanings specified in RCRA; provided, in the event either CERCLA or RCRA is amended so as to broaden the meaning of any term defined thereby, such broader meaning shall apply subsequent to the effective date of such amendment and provided further, to the extent that the laws of the states in which the Mortgaged Properties are located establish a meaning for "hazardous substance," "release," "solid waste," or "disposal" which is broader than that specified in either CERCLA or RCRA, such broader meaning shall apply.

(h) Defense of Mortgage. If the validity or priority of this Mortgage or of any rights, titles, liens or security interests created or evidenced hereby with respect to the Property or any part thereof or the title of Mortgagor to the Property shall be endangered or questioned or shall be attacked directly or indirectly or if any legal proceedings are instituted against Mortgagor with respect thereto, Mortgagor will give prompt written notice thereof to Mortgagee and at Mortgagor's own cost and expense will diligently endeavor to cure any defect that may be developed or claimed, and will take all necessary and proper steps for the defense of such legal proceedings, including, but not limited to, the employment of counsel, the prosecution or defense of litigation and the release or discharge of all adverse claims, and Trustee and Mortgagee, or either of them (whether or not named as parties to legal proceedings with respect thereto), are hereby authorized and empowered to take such additional steps as in their judgment and discretion may be necessary or proper for the defense of any such legal proceedings or the protection of the validity or priority of this Mortgage and the rights, titles, liens and security interests created or evidenced hereby, including but not limited to the employment of independent counsel, the prosecution or defense of litigation, the compromise or discharge of any adverse claims made with respect to the Property, the purchase of any tax title and the removal of prior liens or security interests, and all expenditures so made of every kind and character shall be a demand obligation (which obligation Mortgagor hereby expressly promises to pay) owing by Mortgagor to Mortgagee or Trustee (as the case may be), and the party incurring such expenses shall be subrogated to all rights of the person receiving such payment.

(i) Fees and Expenses; Indemnity. Mortgagor will pay all appraisal fees, recording fees, taxes, brokerage fees and commissions, abstract and other records search fees, attorneys' fees and expenses and all other costs and expenses of every character incurred by Mortgagor or Mortgagee in connection with the preparation of this Mortgage and any related instruments (e.g., financing statements) and any and all amendments, supplements or modifications to such instruments. Mortgagor will reimburse Trustee and Mortgagee (for purposes of this paragraph, the terms "Trustee" and "Mortgagee" shall include the directors, officers, partners, employees and agents of Trustee or Mortgagee, respectively, and any persons or entities owned or controlled by or affiliated with Trustee or Mortgagee, respectively) for all expenditures, including reasonable attorneys' fees and expenses, incurred or expended in connection with (i) the breach by Mortgagor of any covenant, agreement or condition contained herein, (ii) the exercise by Mortgagee and/or Trustee of any of their rights and remedies hereunder, and (iii) the protection of the Property and/or Mortgagee's and/or Trustee's liens and security interests therein, and any such

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Evelyn M. Henry
County Clerk
Burleson County, Texas

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reimbursement obligation shall be a demand obligation owing to Mortgagee or Trustee, as the case may be. Mortgagor will indemnify and hold harmless Trustee and Mortgagee from and against (and will reimburse Trustee and Mortgagee for) all expenditures, including reasonable attorneys' fees and expenses, incurred or expended in connection with all claims, demands, liabilities, losses, damages (including without limitation consequential damages), causes of action, judgments, penalties, costs and expenses (including without limitation reasonable attorneys' fees and expenses) which may be imposed upon, asserted against or incurred or paid by either of them on account of, in connection with, or arising out of (A) any bodily injury or death or property damage occurring in or upon or in the vicinity of the Property through any cause whatsoever, (B) any act performed or omitted to be performed hereunder or the breach of any representation or warranty herein, (C) the exercise of any rights and remedies hereunder, (D) any transaction, act, omission, event or circumstance arising out of or in any way connected with the Property or with this Mortgage, (E) any violation on or prior to the Release Date (as hereinafter defined) of any Applicable Environmental Law, (F) any act, omission, event or circumstance existing or occurring on or prior to the Release Date (including without limitation the presence on the Property or release from the Property of hazardous substances or solid wastes disposed of or otherwise released), resulting from or in connection with the ownership, construction, occupancy, operation, use and/or maintenance of the Property regardless of whether the act, omission, event or circumstance constituted a violation of any Applicable Environmental Law at the time of its existence or occurrence, and (G) any and all claims or proceedings (whether brought by private party or governmental agencies) for bodily injury, property damage, abatement or remediation, environmental damage or impairment or any other injury or damage resulting from or relating to any hazardous or toxic substance, solid waste or contaminated material located upon or migrating into, from or through the Property (whether or not the release of such materials was caused by Mortgagor, a tenant or subtenant or a prior owner or tenant or subtenant on the Property and whether or not the alleged liability is attributable to the handling, storage, generation, transportation, removal or disposal of such substance, waste or material or the mere presence of such substance, waste or material on the Property), which the Mortgagee and/or the Trustee may have liability with respect to due to the granting of this Mortgage, the exercise of any of their rights under this Mortgage, or otherwise. Mortgagee shall have the right to compromise and adjust any such claims, actions and judgments, and in addition to the rights to be indemnified as herein provided, all amounts paid by Mortgagee in compromise, satisfaction or discharge of any such claim, action or judgment, and all court costs, attorneys' fees and other expenses of every character expended by Mortgagee pursuant to the provisions of this section shall be a demand obligation (which obligation Mortgagor hereby expressly promises to pay) owing by Mortgagor to Mortgagee. The "Release Date" as used herein shall mean the earlier of the following two dates: (i) the date on which the obligations secured hereby have been paid and performed in full and this Mortgage has been released of record, or (ii) the date on which the lien of this Mortgage is foreclosed or a deed in lieu of such foreclosure is fully effective and recorded. **WITHOUT LIMITATION, IT IS THE INTENTION OF MORTGAGOR AND MORTGAGEE TO EACH INDEMNIFIED PARTY WITH RESPECT TO CLAIMS, DEMANDS, LIABILITIES, LOSSES, DAMAGES, CAUSES OF ACTION, JUDGMENTS, PENALTIES, COSTS AND EXPENSES (INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEYS' FEES) WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF THE NEGLIGENCE OF SUCH (AND/OR ANY OTHER) INDEMNIFIED PARTY.** However, such indemnities shall not apply to any particular indemnified party (but shall apply to the other indemnified parties) to the extent the subject of the indemnification is caused by or arises out of the gross negligence or willful misconduct of such particular indemnified party. The foregoing indemnities shall not terminate upon the Release Date or upon the release, foreclosure or other termination of this Mortgage but will survive the Release Date, foreclosure of this Mortgage or conveyance in lieu of foreclosure, and the repayment of the secured obligations and the discharge and release of this Mortgage and the other documents evidencing and/or securing the secured obligations. Any amount to be paid hereunder by Mortgagor to Mortgagee and/or Trustee shall be a demand obligation owing by Mortgagor to Mortgagee and/or Trustee.

(j) Insurance. Mortgagor will maintain with companies of recognized responsibility satisfactory to Mortgagee such insurance against loss or damage to person or property as would a reasonably prudent operator under similar circumstances. In the event of any loss under any insurance policies so carried by Mortgagor, Mortgagee shall have the right (but not the obligation) to make proof of loss and collect the same or to cause Mortgagor to collect the same, and all amounts so collected shall be (i) first applied toward costs, charges and expenses (including reasonable attorneys' fees), if any, incurred by Mortgagee in the collection thereof, and (ii) then paid into the Security Account established pursuant to the Deposit Agreement.

(k) Further Assurances. Mortgagor will, on request of Mortgagee, (i) promptly correct any defect, error or omission which may be discovered in the contents of this Mortgage, or in the execution or acknowledgment of this Mortgage; (ii) execute, acknowledge, deliver and record and/or file such further instruments (including, without limitation, further deeds of trust, mortgages, security agreements, financing statements, continuation statements, and assignments of production, accounts, funds, contract rights, general intangibles, and proceeds) and do such further acts as may be necessary, desirable or proper to carry out more effectively the purposes of this Mortgage and to more fully identify and subject to the liens and security interests hereof any property intended to be covered hereby, including specifically, but without limitation, any renewals,

STATE OF TEXAS
COUNTY OF BURLESON

The document to which this certificate is attached is a full, true and correct copy of the original file and of record in my office.

Thereby certify, on 1-27-94



Erlynn M. [Signature]
County Clerk
Burleson County, Texas

additions, substitutions, replacements, or appurtenances to the Property; and (iii) execute, acknowledge, deliver, and file and/or record any document or instrument (including specifically any financing statement) desired by Mortgagee to protect the lien or the security interest hereunder against the rights or interests of third persons. Mortgagor shall pay all costs connected with any of the foregoing.

(l) Taxes on Note or Mortgage. Mortgagor will promptly pay all income, franchise and other taxes owing by Mortgagor and any stamp taxes or other taxes (unless such payment by Mortgagor is prohibited by law) which may be required to be paid with respect to the secured obligations, this Mortgage or any other instrument evidencing or securing any of the secured obligations. In the event of the enactment after this date of any law of any governmental entity applicable to Mortgagee, the secured obligations, the Property or this Mortgage deducting from the value of property for the purpose of taxation any lien or security interest thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of deeds of trust or mortgages or security agreements or debts secured by deeds of trust or mortgages or security agreements or the interest of the mortgagee or secured party in the property covered thereby, or the manner of collection of such taxes, so as to affect this Mortgage or the obligations secured hereby or Mortgagee, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay such taxes, assessments, charges or liens, or reimburse Mortgagee therefor; provided, however, that if in the opinion of counsel for Mortgagee (i) it might be unlawful to require Mortgagor to make such payment or (ii) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable sixty (60) days from the giving of such notice.

Section 2.2. Compliance by Operator. As to any part of the Mortgaged Properties which is operated by a party other than Mortgagor, Mortgagor agrees to take all such action and to exercise all rights and remedies as are reasonably available to Mortgagor (including, but not limited to, all rights under any operating agreement) to cause the party who is the operator of such property to comply with the covenants and agreements contained herein.

Section 2.3. Performance by Mortgagee on Mortgagor's Behalf. Mortgagor agrees that, if Mortgagor fails to perform any act or to take any action which hereunder Mortgagor is required to perform or take, or to pay any money which hereunder Mortgagor is required to pay, Mortgagee, in Mortgagor's name or its own name, may, but shall not be obligated to, perform or cause to be performed such act or take such action or pay such money, and any expenses so incurred by Mortgagee and any money so paid by Mortgagee shall be a demand obligation owing by Mortgagor to Mortgagee (which obligation Mortgagor hereby expressly promises to pay) and Mortgagee, upon making such payment, shall be subrogated to all of the rights of the person, corporation or body politic receiving such payment.

Section 2.4 Miscellaneous Agreements.

(a) No action which Mortgagee may take or omit to take in connection with any of the Assumption Agreement or the other Transaction Documents or the KP Hedge Contracts (as such terms are defined in the Assumption Agreement) (herein collectively called the "Obligation Documents") and/or any of the secured obligations, and no course of dealing of Mortgagee with any party to the Obligation Documents or any other third party, shall release or diminish Mortgagor's obligations, liabilities, agreements or duties hereunder, affect this Mortgage in any way, or afford Mortgagor any recourse against Mortgagee, regardless of whether any such action or inaction may increase any risks to or liabilities of Mortgagor or increase any risk to or diminish any safeguard of any lien or security interest created hereunder. Without limiting the foregoing, Mortgagor hereby expressly agrees that Mortgagee may, from time to time, without notice to or the consent of Mortgagor:

(i) Amend, change or modify, in whole or in part, any one or more of the Obligation Documents in accordance with the terms thereof and give or refuse to give any waivers or other indulgences with respect thereto;

(ii) Neglect, delay, fail, or refuse to take or prosecute any action for the collection or enforcement of any of the obligations, liabilities and/or indebtedness created under or pursuant to the Obligation Documents (herein called the "Obligations"), to foreclose or take or prosecute any action in connection with this Mortgage or any Obligation Document, to bring suit or to take any other action concerning the Obligations or the Obligation Documents;

(iii) Accelerate, change, rearrange, extend, or renew the time, terms, or manner for payment or performance of any one or more of the Obligations;

(iv) Compromise or settle any unpaid or unperformed Obligation or any other obligation or amount due or owing, or claimed to be due or owing, under any one or more of the Obligation Documents;



(v) Discharge, release, substitute or add parties as obligors under the Obligation Documents ("Obligors"); and

(vi) Apply all monies received from Obligors (or others) or under this Mortgage for any of the Obligations, as Mortgagee may determine to be in its best interest, without in any way being required to marshal Property or to apply all or any part of such monies upon any particular Obligations.

(b) No action or inaction of any Obligor or any third party, and no change of law or circumstances, shall release or diminish Mortgagee's obligations, liabilities, agreements, or duties hereunder, or affect this Mortgage in any way.

(c) Mortgagee may invoke the security and other benefits of this Mortgage before pursuing any remedies against any Obligor or any third person. Mortgagee may maintain an action against Mortgagee on this Mortgage without joining any other Obligor therein and without bringing separate action against any other Obligor.

(d) If any payment to Mortgagee by any Obligor is held to constitute a preference or a voidable transfer under applicable state or federal laws, or if for any other reason Mortgagee is required to refund such payment to the payor thereof or to pay the amount thereof to any third party, such payment to Mortgagee shall not constitute a release of Mortgagor from any liability hereunder, and Mortgagor agrees and acknowledges that this Mortgage shall continue to be effective or shall be reinstated, as the case may be, to the extent of any such payment or payments.

(e) Mortgagor hereby waives, with respect to the Obligations, this Mortgage and the Obligation Documents: (i) notice of the incurrence of any Obligation by any Obligor; (ii) notice that Mortgagee, any Obligor, or any third party has taken or omitted to take any action under any Obligation Document or any other agreement or instrument relating thereto or relating to any Obligation; (iii) demand, presentment for payment, and notice of demand, dishonor, nonpayment, or nonperformance; (iv) notice of intention to accelerate, notice of acceleration, protest, and notice of protest; and (v) all other notices whatsoever.

(f) Mortgagor shall have no right of subrogation with respect hereto, and Mortgagor hereby waives any rights to enforce any rights of subrogation, contribution, reimbursement, indemnification, exoneration and any other remedy which Mortgagor may have against any Obligor or third party with respect to this Mortgage, or the duties of Mortgagor under applicable law. Mortgagor hereby irrevocably agrees, to the fullest extent permitted by law, that it will not exercise (and herein waives) any rights against any Obligor or third party or Mortgagee which it may acquire by way of subrogation, contribution, reimbursement, indemnification or exoneration under or with respect to this Mortgage, the other Obligation Documents or applicable law, by any payment made hereunder or otherwise. If the foregoing waivers are adjudicated unenforceable by a court of competent jurisdiction, then Mortgagor agrees that no liability or obligation of any Obligor or any third party that shall accrue by virtue of any right to subrogation, contribution, indemnity, reimbursement or exoneration shall be paid, nor shall any such liability or obligation be deemed owed, until all of the Obligations shall have been paid or otherwise performed in full.

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 certify, on 1-27-94



Evelyn M. Henry
County Clerk
Burleson County, Texas

ARTICLE III.

Remedies Upon Default

Section 3.1. Default. The term "default" as used in this Mortgage shall mean the occurrence of any of the following events:

(a) the occurrence of a "TEMI Event of Default" as defined in the Assumption Agreement; or

(b) the failure of Mortgagor timely and properly to observe, keep or perform any covenant, agreement, warranty or condition herein required to be observed, kept or performed, if such failure is not remedied within 30 days after written notice and demand by Mortgagee for the performance of such covenant, agreement, warranty or condition; or

(c) any representation contained herein (or in any certificate delivered by Mortgagor to Mortgagee in connection herewith) shall prove to have been false or misleading in any material respect on the date made (or on the date as of which made) and such representation is not made true and correct (as of the time such corrective action is taken) within 30 days after written notice and demand by Mortgagee to Mortgagor objecting to such representation not being true and correct.

Section 3.2. Pre-Foreclosure Remedies. Upon the occurrence of a default, Mortgagee is authorized, prior or subsequent to the institution of any foreclosure proceedings, to enter upon the Property, or any part thereof, and to take possession of the Property and all books and records relating thereto, and to exercise without interference from Mortgagor any and all rights which Mortgagor has with

respect to the management, possession, operation, protection or preservation of the Property. If necessary to obtain the possession provided for above, Mortgagee may invoke any and all remedies to dispossess Mortgagor. All costs, expenses and liabilities of every character incurred by Mortgagee in managing, operating, maintaining, protecting or preserving the Property shall constitute a demand obligation (which obligation Mortgagor hereby expressly promises to pay) owing by Mortgagor to Mortgagee, all of which shall constitute a portion of the secured obligations. In connection with any action taken by Mortgagee pursuant to this Section 3.2, MORTGAGEE SHALL NOT BE LIABLE FOR ANY LOSS SUSTAINED BY MORTGAGOR RESULTING FROM ANY ACT OR OMISSION OF MORTGAGEE IN MANAGING THE PROPERTY UNLESS SUCH LOSS IS CAUSED BY THE WILLFUL MISCONDUCT AND BAD FAITH OF MORTGAGEE, nor shall Mortgagee be obligated to perform or discharge any obligation, duty or liability of Mortgagor arising under any agreement forming a part of the Property or arising under any Permitted Encumbrance or otherwise arising. Mortgagor hereby assents to, ratifies and confirms any and all actions of Mortgagee with respect to the Property taken under this Section 3.2.

Section 3.3. Foreclosure.

(a) Upon the occurrence of a default, Trustee is authorized and empowered and it shall be Trustee's special duty at the request of Mortgagee to sell the Mortgaged Properties, or any part thereof, as an entirety or in parcels as Mortgagee may elect, at such place or places and otherwise in the manner and upon such notice as may be required by law or, in the absence of any such requirement, as Trustee may deem appropriate. If Trustee shall have given notice of sale hereunder, any successor or substitute Trustee thereafter appointed may complete the sale and the conveyance of the property pursuant thereto as if such notice had been given by the successor or substitute Trustee conducting the sale. Cumulative of the foregoing and the other provisions of this Section 3.3, such sales of all or any part of such Mortgaged Properties shall be conducted at the courthouse of any county (whether or not the counties in which such Mortgaged Properties are located are contiguous) in the State of Texas in which any part of such Mortgaged Properties is situated, at public vendue to the highest bidder for cash between the hours of ten o'clock a.m. and four o'clock p.m. on the first Tuesday in any month or at such other place, time and date as provided by the statutes of the State of Texas then in force governing sales of real estate under powers conferred by deed of trust, after having given notice of such sale in accordance with such statutes.

A POWER OF SALE HAS BEEN GRANTED IN THIS MORTGAGE. A POWER OF SALE MAY ALLOW TRUSTEE TO TAKE THE MORTGAGED PROPERTIES AND SELL THEM WITHOUT GOING TO COURT IN A FORECLOSURE ACTION UPON DEFAULT BY MORTGAGOR UNDER THIS MORTGAGE.

(b) Upon the occurrence of a default, Mortgagee may exercise its rights of enforcement with respect to the Collateral under the Texas Business and Commerce Code, as amended. Cumulative of the foregoing and the other provisions of this Section 3.3:

(i) Mortgagee may enter upon the Mortgaged Properties or otherwise upon Mortgagor's premises to take possession of, assemble and collect the Collateral; and

(ii) Mortgagee may require Mortgagor to assemble the Collateral and make it available at a place Mortgagee designates which is mutually convenient to allow Mortgagee to take possession or dispose of the Collateral; and

(iii) written notice mailed to Mortgagor as provided herein at least five (5) days prior to the date of public sale of the Collateral or prior to the date after which private sale of the Collateral will be made shall constitute reasonable notice; and

(iv) in the event of a foreclosure of the liens and/or security interests evidenced hereby, the Collateral, or any part thereof, and the Mortgaged Properties, or any part thereof may, at the option of Mortgagee, be sold, as a whole or in parts, together or separately (including, without limitation, where a portion of the Mortgaged Properties is sold, the Collateral related thereto may be sold in connection therewith); and

(v) the expenses of sale provided for in clause FIRST of Section 3.6 shall include the reasonable expenses of retaking the Collateral, or any part thereof, holding the same and preparing the same for sale or other disposition; and

(vi) should, under this subsection, the Collateral be disposed of other than by sale, any proceeds of such disposition shall be treated under Section 3.6 as if the same were sales proceeds.

(c) To the extent permitted by applicable law, the sale by Trustee or Mortgagee hereunder of less than the whole of the Property shall not exhaust the powers of sale herein granted or the right to judicial foreclosure, and successive sale or sales may be made until the whole of the Property shall be sold, and, if the proceeds of such sale of less than the whole of the Property shall be less than the aggregate of the indebtedness secured hereby and the expense of conducting such sale, this Mortgage and the liens and security interests hereof shall remain in full force and effect as to the unsold portion of the Property just as though no sale had been made; provided, however, that Mortgagor shall never have any right to require the sale of less than the whole of the Property. In the event any sale hereunder is not completed or is defective in the opinion of Mortgagee, such sale shall not exhaust the powers of sale hereunder or the



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 certify, on

1-27-94



Evelyn M. Henry
County Clerk
Burleson County, Texas

right to judicial foreclosure, and Mortgagee shall have the right to cause a subsequent sale or sales to be made. Any sale may be adjourned by announcement at the time and place appointed for such sale without further notice except as may be required by law. The Trustee or his successor or substitute may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by it (including, without limitation, the posting of notices and the conduct of sale). Any and all statements of fact or other recitals made in any deed or deeds, or other instruments of transfer, given in connection with a sale as to nonpayment of the secured indebtedness or as to the occurrence of any default, or as to Mortgagee's having declared all of indebtedness to be due and payable, or as to the request to sell, or as to notice of time, place and terms of sale and the properties to be sold having been duly given, or, with respect to any sale by the Trustee, or any successor or substitute trustee, as to the refusal, failure or inability to act of Trustee or any substitute or successor trustee or the appointment of any substitute or successor trustee, or as to any other act or thing having been duly done, shall be taken as prima facie evidence of the truth of the facts so stated and recited. With respect to any sale held in foreclosure of the liens and/or security interests covered hereby, it shall not be necessary for the Trustee, Mortgagee, any public officer acting under execution or order of the court or any other party to have physically present or constructively in his/her or its possession, either at the time of or prior to such sale, the Property or any part thereof.

Section 3.4. Effective as Mortgage. As to the Mortgaged Properties, this instrument shall be effective as a mortgage as well as a deed of trust and upon the occurrence of a default may be foreclosed as to the Mortgaged Properties, or any portion thereof, in any manner permitted by applicable law, and any foreclosure suit may be brought by Trustee or by Mortgagee. To the extent, if any, required to cause this instrument to be so effective as a mortgage as well as a deed of trust, Mortgagor hereby mortgages the Mortgaged Properties to Mortgagee. In the event a foreclosure hereunder as to the Mortgaged Properties, or any part thereof, shall be commenced by Trustee, or his substitute or successor, Mortgagee may at any time before the sale of such properties direct Trustee to abandon the sale, and may then institute suit for the foreclosure of this Mortgage as to such properties. It is agreed that if Mortgagee should institute a suit for the foreclosure of this Mortgage, Mortgagee may at any time before the entry of a final judgment in said suit dismiss the same, and require Trustee, its substitute or successor to sell the Mortgaged Properties, or any part thereof, in accordance with the provisions of this Mortgage.

Section 3.5. Receiver. In addition to all other remedies herein provided for, Mortgagor agrees that, upon the occurrence of a default or any event or circumstance which, with the lapse of time or the giving or notice, or both, would constitute a default hereunder, Mortgagee shall as a matter of right be entitled to the appointment of a receiver or receivers for all or any part of the Property, whether such receivership be incident to a proposed sale (or sales) of such property or otherwise, and without regard to the value of the Property or the solvency of any person or persons liable for the payment of the indebtedness secured hereby, and Mortgagor does hereby consent to the appointment of such receiver or receivers, waives any and all defenses to such appointment, and agrees not to oppose any application therefor by Mortgagee. Nothing herein is to be construed to deprive Mortgagee of any other right, remedy or privilege it may now or hereafter have under the law to have a receiver appointed. Any money advanced by Mortgagee in connection with any such receivership shall be a demand obligation (which obligation Mortgagor hereby expressly promises to pay) owing by Mortgagor to Mortgagee.

Section 3.6. Proceeds of Foreclosure. The proceeds of any sale held in foreclosure of the liens and/or security interests evidenced hereby shall be applied:

FIRST, to the payment of all necessary costs and expenses incident to such foreclosure sale, including but not limited to all court costs and charges of every character in the event foreclosed by suit and including but not limited to a reasonable fee to the Trustee if such sale was made by the Trustee acting under the provisions of Section 3.3(a); and

SECOND, the remainder shall be deposited into the Security Account.

Section 3.7. Mortgagee as Purchaser. Any party constituting Mortgagee shall have the right to become the purchaser at any sale held in foreclosure of the liens and/or security interests evidenced hereby, and any Mortgagee purchasing at any such sale shall have the right to deposit the amount of the bid into the Security Account.

Section 3.8. Foreclosure as to Matured Obligations. Upon the occurrence of a default, Mortgagee shall have the right to proceed with foreclosure of the liens and/or security interests evidenced hereby without declaring all of the secured obligations due, and in such event, any such foreclosure sale may be made subject to the unmatured part of the secured obligations and shall not in any manner affect the unmatured part of the secured obligations, but as to such unmatured part, this Mortgage shall remain in full force and effect just as though no sale had been made. The proceeds of such sale shall be applied as provided in Section 3.6. Several sales may be made hereunder without exhausting the right of sale for any unmatured part of the secured indebtedness.

Section 3.9. Remedies Cumulative. All remedies herein provided for are cumulative of each other and of all other remedies existing at law or in equity, and Trustee and Mortgagee shall, in addition to the remedies herein provided, be entitled to avail themselves of all such other remedies as may now or hereafter exist at law or in equity for the collection of the secured obligations and the enforcement of the covenants herein and the foreclosure of the liens and/or security interests evidenced hereby, and the resort

to any remedy provided for hereunder or provided for by law shall not prevent the concurrent or subsequent employment of any other appropriate remedy or remedies.

Section 3.10. Mortgagee's Discretion as to Security. Mortgagee may resort to any security given by this Mortgage or to any other security now existing or hereafter given to secure the secured obligations, in whole or in part, and in such portions and in such order as may seem best to Mortgagee in its sole and uncontrolled discretion, and any such action shall not in any way be considered as a waiver of any of the rights, benefits, liens or security interests evidenced by this Mortgage.

Section 3.11. Mortgagor's Waiver of Certain Rights. To the full extent Mortgagor may do so, Mortgagor agrees that Mortgagor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay, extension or redemption, and Mortgagor, for Mortgagor, Mortgagor's heirs, devisees, representatives, successors and assigns, and for any and all persons ever claiming any interest in the Property, to the extent permitted by applicable law, hereby waives and releases all rights of appraisal, valuation, stay of execution, redemption, notice of intention to mature or declare due the whole of the secured obligations, notice of election to mature or declare due the whole of the secured obligations and all rights to a marshaling of assets of Mortgagor, including the Property, or to a sale in inverse order of alienation in the event of foreclosure of the liens and/or security interests hereby created. Mortgagor shall not have or assert any right under any statute or rule of law pertaining to the marshaling of assets, sale in inverse order of alienation, the exemption of homestead, the administration of estates of decedents, or other matters whatever to defeat, reduce or affect the right of Trustee and/or Mortgagee under the terms of this Mortgage to a sale of the Property for the collection of the secured obligations without any prior or different resort for collection, or the right of Mortgagee under the terms of this Mortgage to the payment of the secured obligations out of the proceeds of sale of the Property in preference to every other claimant whatever. If any law referred to in this section and now in force, of which Mortgagor or Mortgagor's heirs, devisees, representatives, successors or assigns or any other persons claiming any interest in the Mortgaged Properties or the Collateral might take advantage despite this section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this section.

Section 3.12. Mortgagor as Tenant Post-Foreclosure. In the event there is a foreclosure sale hereunder and at the time of such sale Mortgagor or Mortgagor's heirs, devisees, representatives, successors or assigns or any other persons claiming any interest in the Property by, through or under Mortgagor are occupying or using the Property, or any part thereof, each and all shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of either landlord or tenant, at a reasonable rental per day based upon the value of the property occupied, such rental to be due daily to the purchaser. To the extent permitted by applicable law, the purchaser at such sale shall, notwithstanding any language herein apparently to the contrary, have the sole option to demand immediate possession following the sale or to permit the occupants to remain as tenants at will. In the event the tenant fails to surrender possession of said property upon demand, the purchaser shall be entitled to institute and maintain a summary action for possession of the property (such as an action for forcible entry and detainer) in any court having jurisdiction.

ARTICLE IV.

Miscellaneous

Section 4.1. Scope of Mortgage. This Mortgage is a deed of trust and mortgage of both real and personal property, a security agreement, a financing statement and an assignment, and also covers proceeds and fixtures.

Section 4.2. Effective as a Financing Statement. This Mortgage shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the Property. This Mortgage shall also be effective as a financing statement covering minerals and other substances of value which may be extracted from the earth (including without limitation oil and gas), and accounts related thereto, which will be financed at the wellhead or minehead of the wells or mines located on the Mortgaged Properties. This Mortgage is to be filed for record in the real estate records of each county where any part of the Mortgaged Properties is situated, and may also be filed in the offices of the Bureau of Land Management or the Minerals Management Service or state agency (or any successor agencies). This Mortgage shall also be effective as a financing statement covering any other Property and may be filed in any other appropriate filing or recording office. The mailing address of Mortgagor is the address of Mortgagor set forth at the end of this Mortgage and the address of Mortgagee from which information concerning the security interests hereunder may be obtained is the address of Mortgagee set forth at the end of this Mortgage.

Section 4.3. Reproduction of Mortgage as Financing Statement. A carbon, photographic, facsimile or other reproduction of this Mortgage or of any financing statement relating to this Mortgage shall be sufficient as a financing statement for any of the purposes referred to in Section 4.2.

Section 4.4. Notice to Account Debtors. Mortgagee may at any time notify the account debtors or obligors of any accounts, chattel paper, negotiable instruments or other evidences of indebtedness included in the Collateral to pay Mortgagee directly.



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 certify, on 1-27-94



Evelyn M. Henry
County Clerk
Burleson County, Texas

Section 4.5. Waiver by Mortgagee. Upon default, Mortgagee may at any time and from time to time in writing waive compliance by Mortgagor with any covenant herein made by Mortgagor to the extent and in the manner specified in such writing, or consent to Mortgagor's doing any act which hereunder Mortgagor is prohibited from doing, or to Mortgagor's failing to do any act which hereunder Mortgagor is required to do, to the extent and in the manner specified in such writing, or release any part of the Property or any interest therein or any Production Proceeds from the lien and security interest of this Mortgage, without the joinder of Trustee, or release any party liable, either directly or indirectly, for the secured obligations, or for any covenant herein or in any other Loan Document, without impairing or releasing the liability of any other party. No such act shall in any way impair the rights or powers of Mortgagee (or Trustee) hereunder except to the extent specifically agreed to by Mortgagee in such writing.

Section 4.6. No Impairment of Security. The lien, security interest and other security rights of Mortgagee hereunder shall not be impaired by any indulgence, moratorium or release granted by Mortgagee including, but not limited to, any renewal, extension or modification which Mortgagee may grant with respect to any secured obligations, or any surrender, compromise, release, renewal, extension, exchange or substitution which Mortgagee may grant in respect of the Property (including without limitation Production Proceeds), or any part thereof or any interest therein, or any release or indulgence granted to any endorser, guarantor or surety of any secured obligations.

Section 4.7. Acts Not Constituting Waiver by Mortgagee. Mortgagee may waive any default without waiving any other prior or subsequent default. Mortgagee may remedy any default without waiving the default remedied. Neither failure by Trustee or Mortgagee to exercise, nor delay by Trustee or Mortgagee in exercising, any right, power or remedy upon any default shall be construed as a waiver of such default or as a waiver of the right to exercise any such right, power or remedy at a later date. No single or partial exercise by Trustee or Mortgagee of any right, power or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy hereunder may be exercised at any time and from time to time. No modification or waiver of any provision hereof nor consent to any departure by Mortgagor therefrom shall in any event be effective unless the same shall be in writing and signed by Mortgagee and then such waiver or consent shall be effective only in the specific instances, for the purpose for which given and to the extent therein specified. No notice to nor demand on Mortgagor in any case shall of itself entitle Mortgagor to any other or further notice or demand in similar or other circumstances. Acceptance by Mortgagee of any payment in an amount less than the amount then due on any secured obligation shall be deemed an acceptance on account only and shall not in any way excuse the existence of a default hereunder.

Section 4.8. Mortgagor's Successors. In the event the ownership of the Property or any part thereof becomes vested in a person other than Mortgagor, Mortgagee and Trustee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to this Mortgage and to the obligations secured hereby in the same manner as with Mortgagor, without in any way vitiating or discharging Mortgagor's liability hereunder or for the payment or performance of the obligations secured hereby. No transfer of the Property, no forbearance on the part of Mortgagee, and no extension of the time for the payment or satisfaction of the obligations secured hereby given by Mortgagee shall operate to release, discharge, modify, change or affect, in whole or in part, the liability of Mortgagor hereunder or for the payment or performance of the obligations secured hereby or the liability of any other person hereunder or for the payment or performance of the obligations secured hereby.

Section 4.9. Payment of Demand Obligations. All demand obligations which may be owing hereunder at any time by Mortgagor (whether to Mortgagee or Trustee) shall be paid directly to Mortgagee at the address set forth at the end of this Mortgage. Notwithstanding any provision hereof to the contrary, any demand obligation owing to Mortgagee or Trustee hereunder shall, until properly paid, constitute a portion of the secured obligations and shall be secured by this Mortgage.

Section 4.10. Application of Payments to Certain Obligations. If any part of the secured obligations cannot be lawfully secured by this Mortgage or if any part of the Property cannot be lawfully subject to the lien and security interest hereof to the full extent of such obligations, then all payments made shall be applied on said obligations first in discharge of that portion thereof which is not secured by this Mortgage.

Section 4.11. Substitute Trustee. The Trustee may resign by an instrument in writing addressed to Mortgagee, or Trustee may be removed at any time with or without cause by an instrument in writing executed by Mortgagee. In case of the death, resignation, removal, or disqualification of Trustee, or if for any reason Mortgagee shall deem it desirable to appoint a substitute or successor trustee to act instead of the herein named trustee or any substitute or successor trustee, then Mortgagee shall have the right and is hereby authorized and empowered to appoint a successor trustee, or a substitute trustee, without other formality than appointment and designation in writing executed by Mortgagee and the authority hereby conferred shall extend to the appointment of other successor and substitute trustees successively until the obligations secured hereby have been paid in full, or until the Property is sold hereunder. Such appointment and designation by Mortgagee shall be full evidence of the right and authority to make the same and of all facts therein recited. If Mortgagee is a corporation or association and such appointment is executed in its behalf by an officer of such corporation or association, such appointment shall be conclusively presumed to be executed with authority and shall be valid and sufficient without proof of any action by the board of directors or any superior officer of the corporation or association. Upon the making of any such appointment and designation, all of the estate and title of Trustee in the Mortgage

Properties shall vest in the named successor or substitute Trustee and it shall thereupon succeed to, and shall hold, possess and execute, all the rights, powers, privileges, immunities and duties herein conferred upon Trustee; but nevertheless, upon the written request of Mortgagee or of the successor or substitute Trustee, the Trustee ceasing to act shall execute and deliver an instrument transferring to such successor or substitute Trustee all of the estate and title in the Mortgaged Properties of the Trustee so ceasing to act, together with all the rights, powers, privileges, immunities and duties herein conferred upon the Trustee, and shall duly assign, transfer and deliver any of the properties and moneys held by said Trustee hereunder to said successor or substitute Trustee. All references herein to Trustee shall be deemed to refer to Trustee (including any successor or substitute appointed and designated as herein provided) from time to time acting hereunder.

Section 4.12. No Liability for Trustee. THE TRUSTEE SHALL NOT BE LIABLE FOR ANY ERROR OF JUDGMENT OR ACT DONE BY TRUSTEE IN GOOD FAITH, OR BE OTHERWISE RESPONSIBLE OR ACCOUNTABLE UNDER ANY CIRCUMSTANCES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, THE TRUSTEE'S NEGLIGENCE), EXCEPT FOR TRUSTEE'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. The Trustee shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by it hereunder, believed by it in good faith to be genuine. All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by law), and Trustee shall be under no liability for interest on any moneys received by him hereunder. Mortgagor hereby ratifies and confirms any and all acts which the herein named Trustee or its successor or successors, substitute or substitutes, shall do lawfully by virtue hereof. Mortgagor will reimburse Trustee for, and indemnify and save it harmless against, any and all liability and expenses (including attorneys fees) which may be incurred by it in the performance of his duties. The foregoing indemnities shall not terminate upon the Release Date or upon the release, foreclosure or other termination of this Mortgage but will survive the Release Date, foreclosure of this Mortgage or conveyance in lieu of foreclosure, and the repayment or satisfaction of the secured obligations and the discharge and release of this Mortgage and the other documents evidencing and/or securing the secured obligations. Any amount to be paid hereunder by Mortgagor to Trustee shall be a demand obligation owing by Mortgagor to Trustee.

Section 4.13. Release of Mortgage. If all of the secured obligations are satisfied or otherwise extinguished and all of the covenants, warranties, undertakings and agreements made in this Mortgage are kept and performed, then Mortgagee shall, at Mortgagor's request, release this Mortgage, in due form and at Mortgagor's cost; provided, however, that, notwithstanding such release, certain indemnifications and other rights which are provided herein to continue following the release hereof, shall continue in effect unaffected by such release.

Section 4.14. Notices. All notices, requests, consents, demands and other communications required or permitted hereunder shall be in writing and shall be deemed sufficiently given or furnished if delivered by personal delivery, by telecopy, by delivery service with proof of delivery, or by registered or certified United States mail, postage prepaid, at the addresses specified at the end of this Mortgage (unless changed by similar notice in writing given by the particular party whose address is to be changed). Any such notice or communication shall be deemed to have been given (a) in the case of personal delivery or delivery service, as of the date of first attempted delivery at the address and in the manner provided herein, (b) in the case of telecopy, upon receipt, and (c) in the case of registered or certified United States mail, three days after deposit in the mail. Notwithstanding the foregoing, any notice given in connection with a foreclosure of the liens and/or security interests created hereunder, or otherwise in connection with the exercise by Mortgagee or Trustee of their respective rights hereunder, which is given in a manner permitted by applicable law shall constitute proper notice; without limitation of the foregoing, notice given in a form required or permitted by statute shall (as to the portion of the Property to which such statute is applicable) constitute proper notice.

Section 4.15. Invalidity of Certain Provisions. A determination that any provision of this Mortgage is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Mortgage to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances.

Section 4.16. Gender; Titles. Within this Mortgage, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires. Titles appearing at the beginning of any subdivisions hereof are for convenience only, do not constitute any part of such subdivisions, and shall be disregarded in construing the language contained in such subdivisions.

Section 4.17. Recording. Mortgagor will cause this Mortgage and all amendments and supplements thereto and substitutions therefor and all financing statements and continuation statements relating thereto to be recorded, filed, re-recorded and refiled in such manner and in such places as Trustee or Mortgagee shall reasonably request and will pay all such recording, filing, re-recording and refiling taxes, fees and other charges.

Section 4.18. Reporting Compliance. Mortgagor agrees to comply with any and all reporting requirements applicable to the transaction evidenced by the Note and secured by this Mortgage which are



set forth in any law, statute, ordinance, rule, regulation, order or determination of any governmental authority, and further agrees upon request of Mortgagee to furnish Mortgagee with evidence of such compliance.

Section 4.19. Mortgagee's Consent. Except where otherwise expressly provided herein, in any instance hereunder where the approval, consent or the exercise of judgment of Mortgagee is required, the granting or denial of such approval or consent and the exercise of such judgment shall be within the sole discretion of Mortgagee, and Mortgagee shall not, for any reason or to any extent, be required to grant such approval or consent or exercise such judgment in any particular manner, regardless of the reasonableness of either the request or Mortgagee's judgment.

Section 4.20. Certain Obligations of Mortgagor. Without limiting Mortgagor's obligations hereunder, Mortgagor liability hereunder shall extend to and include all expenses and other duties and liabilities with respect to Mortgagor's obligations hereunder which would be owed but for the fact that the same may be unenforceable due to the existence of a bankruptcy, reorganization or similar proceeding.

Section 4.21. Counterparts. This Mortgage may be executed in several counterparts, all of which are identical, except that, to facilitate recordation, certain counterparts hereof may include only that portion of Exhibit A and/or Exhibit B which contains descriptions of the properties located in (or otherwise subject to the requirements and/or protections of the recording or filing acts or regulations of) the recording jurisdiction in which the particular counterpart is to be recorded, and other portions of Exhibit A and/or Exhibit B shall be included in such counterparts by reference only. All of such counterparts together shall constitute one and the same instrument. Complete copies of this Mortgage containing the entire Exhibit A have been retained by Mortgagor and Mortgagee.

Section 4.22. Successors and Assigns. The terms, provisions, covenants, representations, indemnifications and conditions hereof shall be binding upon Mortgagor, and the successors and assigns of Mortgagor, and shall inure to the benefit of Trustee and Mortgagee and their respective successors and assigns, and shall constitute covenants running with the Mortgaged Properties. All references in this Mortgage to Mortgagor, Trustee or Mortgagee shall be deemed to include all such successors and assigns.

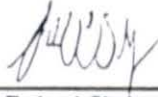
Section 4.23. FINAL AGREEMENT OF THE PARTIES. THE WRITTEN MORTGAGE AND ASSUMPTION AGREEMENT REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Section 4.24. CHOICE OF LAW. THIS MORTGAGE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF TEXAS APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE AND THE LAWS OF THE UNITED STATES OF AMERICA, EXCEPT THAT TO THE EXTENT THAT THE LAW OF A STATE IN WHICH A PORTION OF THE PROPERTY IS LOCATED (OR WHICH IS OTHERWISE APPLICABLE TO A PORTION OF THE PROPERTY) NECESSARILY GOVERNS WITH RESPECT TO PROCEDURAL AND SUBSTANTIVE MATTERS RELATING TO THE CREATION, PERFECTION AND ENFORCEMENT OF THE LIENS, SECURITY INTERESTS AND OTHER RIGHTS AND REMEDIES OF THE TRUSTEE OR THE MORTGAGEE GRANTED HEREIN, THE LAW OF SUCH STATE SHALL APPLY AS TO THAT PORTION OF THE PROPERTY LOCATED IN (OR OTHERWISE SUBJECT TO THE LAWS OF) SUCH STATE.

This instrument is executed by Mortgagor this 23rd day of November, 1993.

MORTGAGOR:

TORCH ROYALTY COMPANY

By: 
Name: Roland Sledge
Title: Vice President

The address of Mortgagee is:

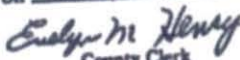
1600 Summer Street, 6th Floor
Stamford, CT 06927-1550

The address of Mortgagor is:

Suite 1600
1221 Lamar
Houston, TX 77010

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 certify, on 1-27-94




County Clerk
Burleson County, Texas

The address of the Trustee is:

1700 Pacific Avenue
3300 First City Center
Dallas, Texas 75201

This instrument prepared by:

Karen E. Lynch
Thompson & Knight, P.C.
1700 Pacific Avenue
Dallas, Texas 75201

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me on this 23rd day of November, 1993, by Roland Sledge as Vice President of Torch Royalty Company, a Delaware corporation, on behalf of such corporation.

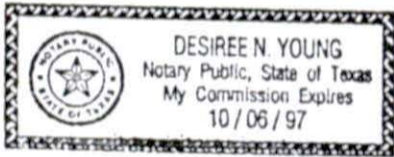
Desiree N. Young

NOTARY PUBLIC, State of Texas

My commission expires:

10/6/97

[SEAL]



STATE OF TEXAS
COUNTY OF BURLESON

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Thereby certify, on 1-27-94



Evelyn M. Henry

County Clerk
Burleson County, Texas

492

BURLESON COUNTY, TEXAS

EXHIBIT A

Cottonwood Bayou No. 1 Well

THE LEASES TO BE CONVEYED:

Oil and Gas Lease dated March 14, 1990, between First American Bank of Bryan, Texas, as Lessor and Union Pacific Resources Company, as Lessee, (Memorandum of which was filed August 1, 1990,...) recorded in Volume 168, Page 471 of the Oil and Gas Lease Records of Burleson County, Texas.

SUBJECT TO:

Operating Agreement dated effective June 22, 1990, between Union Pacific Resources Company, as Operator, and Nuevo Energy Company, et al., as Non-Operator.

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

VOL 142 : 493

STATE OF TEXAS
COUNTY OF BURLESON

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Thereby certify, on 1-27-94



Evelyn M. Henry
County Clerk
Burleson County, Texas

EXHIBIT A

Thomas Drought No. 1 Well

THE LEASES TO BE CONVEYED:

Oil, Gas and Mineral Lease, dated February 20, 1990, between Thomas Drought, Independent Executor and Trustee under the Will of Kathleen L. Drought, Deceased, and Anne Lucia Drought Wallace, Individually and as Independent Executrix under the Will of Francis T. Drought, Deceased, as Lessors and Union Pacific Resources Company, as Lessee, recorded in Volume 174, Page 738 of the Oil and Gas Lease Records of Burleson County, Texas.

SUBJECT TO:

Operating Agreement dated 5/21/91, effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd, and Sinclair Oil Company.

Operating Agreement effective September 24, 1991 between Union Pacific Resources Company, as Operator and Sinclair Oil Corporation, Torch Energy Associates Ltd, and Neuvo Energy as Non-Operator.

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VOL 142 : 494

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Evelyn M. Henry
County Clerk
Burleson County, Texas

EXHIBIT A

Gaubatz-Fojt Unit No. 1 Well

Designation of Unit, dated March 5, 1993, but effective March 1, 1993, being the Union Pacific Resources Company "Gaubatz-Fojt Unit", recorded in Volume 212, Page 595 of the Oil and Gas Lease Records of Burleson County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: Mrs. Willie Gaubatz
LESSEE: Union Pacific Resources Company
DATE: March 5, 1990
RECORDING: Vol. 162, Page 211 Oil and Gas Lease Records
Burleson County, Texas
2. LESSOR: Yegua Properties, Ltd.
LESSEE: Union Pacific Resources Company
DATE: October 12, 1990
RECORDING: Vol. 177, Page 79 Oil and Gas Lease Records
Burleson County, Texas
3. LESSOR: Albin A. Fojt
LESSEE: Union Pacific Resources Company
DATE: March 19, 1990
RECORDING: Vol. 164, Page 200 Oil and Gas Lease Records
Burleson County, Texas
4. LESSOR: Juanita F. Edwards Howell
LESSEE: Union Pacific Resources Company
DATE: March 19, 1993
RECORDING: Vol. 164, Page 196 Oil and Gas Lease Records
Burleson County, Texas
5. LESSOR: Elsie F. Hull
LESSEE: Union Pacific Resources Company
DATE: March 19, 1993
RECORDING: Vol. 164, Page 192 Oil and Gas Lease Records
Burleson County, Texas
6. LESSOR: Robert W. Fojt, et al
LESSEE: Union Pacific Resources Company
DATE: March 19, 1990
RECORDING: Vol. 164, Page 330 Oil and Gas Lease Records
Burleson County, Texas

SUBJECT TO:

Letter Agreement dated 5/21/91 but effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd and Sinclair.

Operating Agreement effective January 5, 1993 between Union Pacific Resources Company, as Operator, and Sinclair Oil Corporation, et al as Non-Operators.

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VOL 142: 495

STATE OF TEXAS
COUNTY OF BURLESON
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Thereby certify, on 1-27-94



Evelyn M. Henry
County Clerk
Burleson County, Texas

EXHIBIT A

Gaubatz Yequa Unit No. 1

Designation of Unit, dated March 5, 1993, being the Union Pacific Resources Company's "Gaubatz-Yequa Unit No. 1", recorded in Volume 212, Page 584 of the Oil and Gas Lease Records of Burleson County, Texas, and Volume 1778, Page 167 of the Official Records of Brazos County, Texas, and any amendments thereto;

THE LEASES TO BE CONVEYED:

1. LESSOR: Mrs. Willie Gaubatz
LESSEE: Union Pacific Resources Company
DATED: October 4, 1991
RECORDED: Vol. 162, Page 211 Oil and Gas Lease Records of Burleson County, Texas.
2. LESSOR: State of Texas M-95040
LESSEE: Union Pacific Resources Company
DATED: August 4, 1992
RECORDED: Vol. 1612, Page 219 Official Records of Brazos County, Texas.
3. LESSOR: State of Texas M-94912
LESSEE: Union Pacific Resources Company
DATED: April 7, 1992
RECORDED: Vol. 204, Page 70 Oil and Gas Lease Records of Burleson County, Texas.
4. LESSOR: First City, Texas-Bryan, N.A.
LESSEE: Union Pacific Resources Corporation
DATED: June 11, 1990
RECORDED: Vol. 166, Page 464 Oil and Gas Lease Records of Burleson County, Texas.
5. LESSOR: Yequa Properties, Ltd.
LESSEE: Union Pacific Resources Corporation
DATED: October 12, 1990
RECORDED: Vol. 177, Page 79 Oil and Gas Lease Records of Burleson County, Texas.

SUBJECT TO:

Term Pooling Agreement, dated March 15, 1993, between General Land Office of Texas and Union Pacific Resources Company, recorded in Vol. 1778, Page 193 of the Official Records of Brazos County, Texas and Vol. 214, Page 1 of the Oil and Gas Lease Records of Burleson County, Texas. (For state leases).

Letter Agreement dated 5/21/91 effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd and Sinclair.

Operating Agreement effective November 16, 1992 between Union Pacific Resources Company as Operator, and Sinclair Oil Corporation, et al, as Non-Operator.

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STATE OF TEXAS
COUNTY OF BURLESON

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Thereby certify, on

1-27-94



Evelyn M. Henry
County Clerk
Burleson County, Texas

Burleson County, Texas

EXHIBIT A

Hilton Yegua Unit No. 1

Pooling Designation, dated May 4, 1992, being the Union Pacific Resources Company, "Hilton-Yegua Unit Well No. 1", recorded in Vol. 201, Page 767 of the Oil and Gas Lease Records of Burleson County, Texas, and;

Amendment to Designation of Unit, dated May 26, 1992, being Union Pacific Resources Company et al, Hilton-Yegua Unit, recorded in Volume _____, Page _____ of the Oil and Gas Lease Records of Burleson County, Texas

THE LEASES TO BE CONVEYED:

1. LESSOR: Henry W. Hilton et ux
LESSEE: Union Pacific Resources Company
DATE: May 13, 1990
RECORDING: Vol. 165, Page 802 of the Oil and Gas Lease Records of Burleson County, Texas
2. LESSOR: W. L. Killgore, Sr.
LESSEE: Union Pacific Resources Company
DATE: June 14, 1991
RECORDING: Vol. 188 Page 3 of the Oil and Gas Lease Records of Burleson County, Texas
3. LESSOR: Yegua Properties, Ltd.
LESSEE: Union Pacific Resources Company
DATE: October 12, 1990
RECORDING: Vol. 177, Page 79 of the Oil and Gas Lease Records of Burleson County, Texas
4. LESSOR: Maurine C. Peters
LESSEE: Union Pacific Resources Company
DATE: June 12, 1991
RECORDING: Vol. 188, Page 481 of the Oil and Gas Lease Records of Burleson County, Texas
5. LESSOR: R. D. Littleton
LESSEE: Union Pacific Resources Company
DATE: May 15, 1990
RECORDING: Vol. 165, Page 798 of the Oil and Gas Lease Records of Burleson County, Texas
6. LESSOR: Wesley N. Lueckemyer et ux
LESSEE: Union Pacific Resources Company
DATE: May 25, 1990
RECORDING: Vol. 170, Page 123 of the Oil and Gas Lease Records of Burleson County, Texas
7. LESSOR: Lillie B. Jones
LESSEE: Union Pacific Resources Company
DATE: May 24, 1990
RECORDING: Vol. 165, Page 831 of the Oil and Gas Lease Records of Burleson County, Texas
8. LESSOR: Ella B. Sayles, et al
LESSEE: Union Pacific Resources Company
DATE: July 18, 1990
RECORDING: Vol. 170, Page 300 of the Oil and Gas Lease Records of Burleson County, Texas
9. LESSOR: Raymond H. Kovar, et ux
LESSEE: Union Pacific Resources Company
DATE: May 23, 1990
RECORDING: Vol. 168, Page 478 of the Oil and Gas Lease Records of Burleson County, Texas

STATE OF TEXAS
COUNTY OF BURLESON

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Thereby certify, on

1-27-94



Evelyn M. Henry
County Clerk
Burleson County, Texas

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10. LESSOR: First City, Texas-Austin, Trustee
LESSEE: Union Pacific Resources Company
DATE: November 12, 1990
RECORDING: Vol. 195, Page 649 of the Oil and Gas
Lease Records of Burleson County, Texas

SUBJECT TO:

Letter Agreement dated 5/21/91 but effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd and Sinclair Oil Company.

Operating Agreement effective November 21, 1991 between Union Pacific Resources Company as Operator, and Sinclair Oil Corporation et al as Non-Operator.

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VOL 142:498

STATE OF TEXAS
COUNTY OF BURLESON

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Thereby certify, on 1-27-94



Evelyn M. Henry
County Clerk
Burleson County, Texas

EXHIBIT A

Robert K. Hutchings No. 1-H Well

320 acres of land, more or less, out of the Thomas B. Reese Survey, A-206 in Burleson County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: Robert K. Hutchings
LESSEE: Union Pacific Resources Company
DATE: July 18, 1990
RECORDING: Vol. 171, Page 317 of the Oil and Gas Lease Records of Burleson County, Texas
2. LESSOR: Sealy Hutchings
LESSEE: Union Pacific Resources Company
DATE: July 18, 1990
RECORDING: Vol. 171, Page 307 of the Oil and Gas Lease Records of Burleson County, Texas
3. LESSOR: Mary Elizabeth et al
LESSEE: Union Pacific Resources Company
DATE: July 18, 1990
RECORDING: Vol. 171, Page 387 of the Oil and Gas Lease Records of Burleson County, Texas
4. LESSOR: Ann Harris Ivory
LESSEE: Union Pacific Resources Company
DATE: July 18, 1990
RECORDING: Vol. 171, Page 397 of the Oil and Gas Lease Records of Burleson County, Texas
5. LESSOR: Titus H. Harris, Jr.
LESSEE: Union Pacific Resources Company
DATE: July 18, 1990
RECORDING: Vol. 171, Page 407 of the Oil and Gas Lease Records of Burleson County, Texas
6. LESSOR: Edward Randall Harris
LESSEE: Union Pacific Resources Company
DATE: July 18, 1990
RECORDING: Vol. 174, Page 813 of the Oil and Gas Lease Records of Burleson County, Texas
7. LESSOR: M. C. & Co., Ltd.
LESSEE: Union Pacific Resources Company
DATE: May 15, 1990
RECORDING: Vol. 171, Page 357 of the Oil and Gas Lease Records of Burleson County, Texas
8. LESSOR: Kathryn King Harris
LESSEE: Union Pacific Resources Company
DATE: July 18, 1990
RECORDING: Vol. 171, Page 367 of the Oil and Gas Lease Records of Burleson County, Texas
9. LESSOR: NCNB Texas National Bank
LESSEE: Union Pacific Resources Company
DATE: July 18, 1990
RECORDING: Vol. 171, Page 417 of the Oil and Gas Lease Records of Burleson County, Texas
10. LESSOR: NCNB Texas National Bank
LESSEE: Union Pacific Resources Company
DATE: July 18, 1990
RECORDING: Vol. 171, Page 427 of the Oil and Gas Lease Records of Burleson County, Texas

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VOL 142: 499

STATE OF TEXAS
COUNTY OF BURLESON

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Thereby certify, on 1-27-94



Erlynn M. Henry
County Clerk
Burleson County, Texas

LL99

11. LESSOR: NCNB Texas National Bank
 LESSEE: Union Pacific Resources Company
 DATE: July 18, 1990
 RECORDING: Vol. 171, Page 437 of the Oil and Gas Lease
 Records of Burleson County, Texas
12. LESSOR: Robert K. Hutchings
 LESSEE: Union Pacific Resources Company
 DATE: July 18, 1990
 RECORDING: Vol. 171, Page 337 of the Oil and Gas Lease
 Records of Burleson County, Texas
13. LESSOR: Robert K. Hutchings
 LESSEE: Union Pacific Resources Company
 DATE: July 18, 1990
 RECORDING: Vol. 171, Page 327 of the Oil and Gas Lease
 Records of Burleson County, Texas
14. LESSOR: Robert K. Hutchings
 LESSEE: Union Pacific Resources Company
 DATE: July 18, 1990
 RECORDING: Vol. 171, Page 347 of the Oil and Gas Lease
 Records of Burleson County, Texas
5. LESSOR: Ernest D. Cavin, III
 LESSEE: Union Pacific Resources Company
 DATE: July 18, 1990
 RECORDING: Vol. 171, Page 377 of the Oil and Gas Lease
 Records of Burleson County, Texas

SUBJECT TO:

Letter Agreement dated 5/21/91 but effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd, and Sinclair Oil Company.

Operating Agreement effective March 12, 1992 between Union Pacific Resources Company, as Operator and Nuevo Energy Company, Torch Energy Associates Ltd, and Sinclair Oil Company, as Non-Operator.

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[VOL] 142-500

STATE OF TEXAS
 COUNTY OF BURLESON
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Thereby certify, on 1-27-94



Evelyn M. Henry
 County Clerk
 Burleson County, Texas

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EXHIBIT A

Robert Hutchings No. 2-H Well

360.0 acres of land, more or less, out of the Thomas B. Reese Survey, A-206 and the Henry C. Cooper Survey, A-289 in Burleson County, Texas

THE LEASES TO BE CONVEYED:

1. LESSOR: Robert K. Hutchings
LESSEE: Union Pacific Resources Company
DATE: July 18, 1990
RECORDING: Vol. 171, Page 317 of the Oil and Gas Lease Records of Burleson County, Texas
2. LESSOR: Sealy Hutchings
LESSEE: Union Pacific Resources Company
DATE: July 18, 1990
RECORDING: Vol. 171, Page 307 of the Oil and Gas Lease Records of Burleson County, Texas
3. LESSOR: Mary Elizabeth et al
LESSEE: Union Pacific Resources Company
DATE: July 18, 1990
RECORDING: Vol. 171, Page 387 of the Oil and Gas Lease Records of Burleson County, Texas
4. LESSOR: Ann Harris Ivory
LESSEE: Union Pacific Resources Company
DATE: July 18, 1990
RECORDING: Vol. 171, Page 397 of the Oil and Gas Lease Records of Burleson County, Texas
5. LESSOR: Titus H. Harris, Jr.
LESSEE: Union Pacific Resources Company
DATE: July 18, 1990
RECORDING: Vol. 171, Page 407 of the Oil and Gas Lease Records of Burleson County, Texas
6. LESSOR: Edward Randall Harris
LESSEE: Union Pacific Resources Company
DATE: July 18, 1990
RECORDING: Vol. 174, Page 813 of the Oil and Gas Lease Records of Burleson County, Texas
7. LESSOR: M. C. & Co., Ltd.
LESSEE: Union Pacific Resources Company
DATE: May 15, 1990
RECORDING: Vol. 171, Page 357 of the Oil and Gas Lease Records of Burleson County, Texas
8. LESSOR: Kathryn King Harris
LESSEE: Union Pacific Resources Company
DATE: July 18, 1990
RECORDING: Vol. 171, Page 367 of the Oil and Gas Lease Records of Burleson County, Texas
9. LESSOR: NCNB Texas National Bank
LESSEE: Union Pacific Resources Company
DATE: July 18, 1990
RECORDING: Vol. 171, Page 417 of the Oil and Gas Lease Records of Burleson County, Texas
10. LESSOR: NCNB Texas National Bank
LESSEE: Union Pacific Resources Company
DATE: July 18, 1990
RECORDING: Vol. 171, Page 427 of the Oil and Gas Lease Records of Burleson County, Texas

STATE OF TEXAS
COUNTY OF BURLESON

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file and of record in my office.

Thereby certify, on 7-27-94



Endy M Henry
County Clerk
Burleson County, Texas

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501

11. LESSOR: NCNB Texas National Bank
 LESSEE: Union Pacific Resources Company
 DATE: July 18, 1990
 RECORDING: Vol. 171, Page 437 of the Oil and Gas Lease
 Records of Burleson County, Texas
12. LESSOR: Robert K. Hutchings
 LESSEE: Union Pacific Resources Company
 DATE: July 18, 1990
 RECORDING: Vol. 171, Page 337 of the Oil and Gas Lease
 Records of Burleson County, Texas
13. LESSOR: Robert K. Hutchings
 LESSEE: Union Pacific Resources Company
 DATE: July 18, 1990
 RECORDING: Vol. 171, Page 327 of the Oil and Gas Lease
 Records of Burleson County, Texas
14. LESSOR: Robert K. Hutchings
 LESSEE: Union Pacific Resources Company
 DATE: July 18, 1990
 RECORDING: Vol. 171, Page 347 of the Oil and Gas Lease
 Records of Burleson County, Texas
15. LESSOR: Ernest D. Cavin, III
 LESSEE: Union Pacific Resources Company
 DATE: July 18, 1990
 RECORDING: Vol. 171, Page 377 of the Oil and Gas Lease
 Records of Burleson County, Texas

SUBJECT TO:

Letter Agreement dated 5/21/91 but effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd, and Sinclair Oil Company.

Operating Agreement effective March 24, 1992 between Union Pacific Resources Company, as Operator and Sinclair Oil Corporation, et al as Non-Operator.

COUNTY CLERK'S MEMO.
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VOL 142-502

**STATE OF TEXAS
 COUNTY OF BURLESON**

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Thereby certify, on 1-27-94



Evelyn M. Henry
 County Clerk
 Burleson County, Texas

EXHIBIT A

Lewis-Hoyt Unit No. 1

360 acres of land, more or less, located in the Alfred Miles Survey, A-190; the Samuel Lawrence Survey, A-36; the Charles A. Bennett Survey, A-4 and the Aaron Calvin Survey, A-13 in Burleson County, Texas, being described in Designation of Unit, dated December 20, 1991, Union Pacific Resources Company's "Lewis-Hoyt Unit No. 1", recorded in Volume 196, Page 352 of the Oil and Gas Lease Records of Burleson County, Texas, and any amendments thereto.

THE LEASES TO BE CONVEYED:

1. LESSOR: Milton L. Lewis et ux
LESSEE: Union Pacific Resources Company
DATED: February 14, 1990
RECORDED: Volume 161, Page 377, Oil and Gas Lease
Records of Burleson County, Texas.
(Memorandum)
2. LESSOR: John W. Krenek et ux
LESSEE: Union Pacific Resources Company
DATED: February 14, 1990
RECORDED: Volume 163, Page 659, Oil and Gas Lease
Records of Burleson County, Texas.
3. LESSOR: Raymond J. Vajdak et ux
LESSEE: Union Pacific Resources Company
DATED: February 1, 1990
RECORDED: Volume 161, Page 356, Oil and Gas Lease
Records of Burleson County, Texas.
4. LESSOR: Berton W. Hoyt et al
LESSEE: Union Pacific Resources Company
DATED: February 17, 1990
RECORDED: Volume 163, Page 662, Oil and Gas Lease
Records of Burleson County, Texas.

SUBJECT TO:

Letter Agreement dated 5/21/91 effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd and Sinclair Oil Company.

Operating Agreement effective September 25, 1991 between Union Pacific Resources Company as Operator and Sinclair Oil Corp, Torch Energy Associates Ltd and Neuvo Energy Company as Non-Operator.

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VOL 142 503

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COUNTY OF BURLESON
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Thereby certify, on 1-27-94



Evelyn M. Henry
County Clerk
Burleson County, Texas

EXHIBIT A

Pecore Seigert 1

Designation of Unit, dated March 8, 1993. Amended Designation of Unit, dated March 8, 1993, recorded in Vol. 1790, Page 200, Burleson County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: State of Texas (M-95040)
LESSEE: Union Pacific Resources Company
DATE: August 4, 1992
RECORDED: Vol. 207, Page 313, Burleson County, Texas

SUBJECT TO:

Notice and Declaration of Operating Agreement dated effective December 4, 1992, by and between Seneca Resources Corporation, as Operator, and Union Pacific Resources Company, et al, as Non-Operators.

Letter Agreement dated 5/21/91 effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd, and Sinclair Oil Company.

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VOL 142-504

STATE OF TEXAS
COUNTY OF BURLESON

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Thereby certify, on 1-27-94



Evelyn M. Henry
County Clerk
Burleson County, Texas

EXHIBIT A

Tamu #2 and #3

THE LEASES TO BE CONVEYED:

1. LESSOR: Texas A&M University System
LESSEE: Skelly Oil Company
DATED: January 25, 1977
RECORDED: Book 20, Page 52 of Burleson County, Texas.

SUBJECT TO:

Operating Agreement dated October 5, 1992, by and between MW Petroleum Corporation, as Operator and Columbia Gas Development Corporation, as Non-Operator.

Letter Agreement dated 10/8/92 by and between Torch Energy Advisors, et al, M.W. Petroleum and Texaco.

Farmout Agreement dated 9/24/92 by and between Texaco USA, Farmor, and M.W. Petroleum, as Farmee.

Operating Agreement dated April 20, 1977 between Getty Oil Company as Operator and Amoco Production Company et al as Non-Operator.

Gas Purchase Contract dated September 18, 1980, between Getty Oil Company as Seller and Ferguson Crossing Pipeline Company, as Buyer, as amended.

COUNTY CLERK'S MEMO.
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VOL. 142-505

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COUNTY OF BURLESON

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Thereby certify, on 1-27-94



Evelyn M. Henry
County Clerk
Burleson County, Texas

COUNTY CLERK'S MEMO.
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EXHIBIT A

Yegua H-1

Designation of Unit - Yegua Unit No. H-1, dated April 19, 1991,
recorded in Vol. 201, Page 783 in Burleson County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: Yegua Properties, Ltd.
LESSEE: Union Pacific Resources Company
DATED: October 12, 1990
RECORDED: Vol. 177, Page 79, Oil and Gas Lease Records,
Burleson County, Texas
2. LESSOR: Dorothy Jane Embry, et vir
LESSEE: Union Pacific Resources Company
DATED: October 5, 1990
RECORDED: Vol. 174, Page 95, Oil and Gas Lease Records,
Burleson County, Texas
3. LESSOR: Robert Philip Love, et ux
LESSEE: Union Pacific Resources Company
DATED: October 5, 1990
RECORDED: Vol. 177, Page 79, Oil and Gas Lease Records,
Burleson County, Texas
4. LESSOR: Nettie Byrd Jones
LESSEE: Union Pacific Resources Company
DATED: July 4, 1991
RECORDED: Vol. 189, Page 698 Oil and Gas Lease Records,
Burleson County, Texas
5. LESSOR: Portia Elaine Reid Friend
LESSEE: Union Pacific Resources Company
DATED: July 4, 1991
RECORDED: Vol. 190, Page 176, Oil and Gas Lease Records,
Burleson County, Texas
6. LESSOR: Anna Rebecca Byrd Bracken
LESSEE: Union Pacific Resources Company
DATED: July 4, 1991
RECORDED: Vol. 190, Page 179, Oil and Gas Lease Records,
Burleson County, Texas
7. LESSOR: Charles Etta B. Jackson
LESSEE: Union Pacific Resources Company
DATED: July 4, 1991
RECORDED: Vol. 190, Page 191, Oil and Gas Lease Records,
Burleson County, Texas
8. LESSOR: James Cleveland Reid
LESSEE: Union Pacific Resources Company
DATED: July 4, 1991
RECORDED: Vol. 190, Page 185, Oil and Gas Lease Records,
Burleson County, Texas
9. LESSOR: Timmoxena Geneva Jackson
LESSEE: Union Pacific Resources Company
DATED: July 4, 1991
RECORDED: Vol. 190, Page 182, Oil and Gas Lease Records,
Burleson County, Texas
10. LESSOR: Jimmy Ruth Porter Hardin
LESSEE: Union Pacific Resources Company
DATED: July 22, 1991
RECORDED: Vol. 190, Page 194 Oil and Gas Lease Records,
Burleson County, Texas

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COUNTY OF BURLESON
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Thereby certify, on 1-27-94



Evelyn M. Henry
County Clerk
Burleson County, Texas

11. LESSOR: Ethel Simon Byrd, et al
LESSEE: Union Pacific Resources Company
DATED: July 4, 1991
RECORDED: Vol. 190, Page 197, Oil and Gas Lease Records,
Burleson County, Texas
12. LESSOR: Peter G. Byrd, Jr.
LESSEE: Union Pacific Resources Company
DATED: July 4, 1991
RECORDED: Vol. 190, Page 200, Oil and Gas Lease Records,
Burleson County, Texas
13. LESSOR: Julius Hazel Byrd Payne
LESSEE: Union Pacific Resources Company
DATED: July 4, 1991
RECORDED: Vol. 191, Page 821, Oil and Gas Lease Records,
Burleson County, Texas

SUBJECT TO:

Operating Agreement effective September 4, 1991, between Union Pacific Resources Company, as Operator and Nuevo Energy Company, et al as Non-Operator.

Letter Agreement dated 5/12/91, effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd and Sinclair Oil Company.

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VOL 142-507


STATE OF TEXAS
COUNTY OF BURLESON
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file and of record in my office.
Thereby certify, on 1-27-94

Evelyn M. Henry
County Clerk
Burleson County, Texas

EXHIBIT A

Yegua H-2

Designation of Unit - Yegua Unit No. H-2, dated April 14, 1991, recorded in Burleson County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: Yegua Properties, Ltd.
LESSEE: Union Pacific Resources Company
DATED: October 12, 1990
RECORDED: Vol. 177, Page 79, Oil and Gas Lease Records, Burleson County, Texas
2. LESSOR: Carol Rogers Bicknell and husband, Sam Bicknell
LESSEE: Union Pacific Resources Company
DATED: September 7, 1990
RECORDED: Vol. 176, Page 230, Oil and Gas Lease Records, Burleson County, Texas
3. LESSOR: Clinton Giddings Anderson
LESSEE: Union Pacific Resources Company
DATED: September 7, 1990
RECORDED: Vol. 171, Page 765, Oil and Gas Lease Records, Burleson County, Texas
4. LESSOR: Sue Anne Kennedy
LESSEE: Union Pacific Resources Company
DATED: September 7, 1990
RECORDED: Vol. 179, Page 765, Oil and Gas Lease Records, Burleson County, Texas

SUBJECT TO:

Operating Agreement effective October 11, 1991 between Union Pacific Resources Company, as Operator, and Nuevo Energy Company, et al as Non-Operator.

Letter Agreement dated 5/21/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd and Sinclair Oil Company.

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COUNTY OF BURLESON
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Thereby certify, on 1-27-94



Erlynn M. Henry
County Clerk
Burleson County, Texas

EXHIBIT A

Yegua-Ware 1

Designation of Unit - Yegua-Ware Unit No. 1, dated effective December 21, 1992, recorded in Burleson County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: Yegua Properties, Ltd.
LESSEE: Union Pacific Resources Company
DATED: October 12, 1990
RECORDED: Vol. 177, Page 79, Oil and Gas Lease Records, Burleson County, Texas
2. LESSOR: Chauncey Shepard Barrier
LESSEE: Union Pacific Resources Company
DATED: October 10, 1990
RECORDED: Vol. 173, Page 258, Oil and Gas Lease Records, Burleson County, Texas
3. LESSOR: Mrs. Dorthy M. Vetter
LESSEE: Union Pacific Resources Company
DATED: June 12, 1990
RECORDED: Vol. 167, Page 845, Oil and Gas Lease Records, Burleson County, Texas
4. LESSOR: Isabel Blakeley
LESSEE: Union Pacific Resources Company
DATED: June 12, 1990
RECORDED: Vol. 168, Page 16, Oil and Gas Lease Records, Burleson County, Texas
5. LESSOR: Mrs. Betty Hill
LESSEE: Union Pacific Resources Company
DATED: August 2, 1990
RECORDED: Vol. 171, Page 447, Oil and Gas Lease Records, Burleson County, Texas
6. LESSOR: Worth D. Ware, Jr., et al
LESSEE: Union Pacific Resources Company
DATED: April 27, 1992
RECORDED: Vol. 206, Page 432, Oil and Gas Lease Records, Burleson County, Texas

SUBJECT TO:

Operating Agreement effective July 15, 1992 between Union Pacific Resources Company as Operator and Nuevo Energy Company, et al as Non-Operators.

Letter Agreement dated 5/21/91 effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd, and Sinclair Oil Company.

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STATE OF TEXAS
COUNTY OF BURLESON
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Thereby certify, on 1-27-94



Evelyn M. Henry
County Clerk
Burleson County, Texas

EXHIBIT A

See-Huggins

Designation of Unit dated January 14, 1993, recorded in Vol. 1778, Page 197, Burleson County, Texas and recorded in Vol. _____, Page _____, Brazos County, Texas.

THE LEASES TO BE CONVEYED:

1. LESSOR: Samuel W. Rizzo
LESSEE: Union Pacific Resources Company
DATED: July 31, 1990
RECORDED: Vol. 174, Page 249 of the Oil & Gas Lease Records of Burleson County, Texas
2. LESSOR: Edgar C. Griffin
LESSEE: Union Pacific Resources Company
DATED: July 31, 1990
RECORDED: Vol. 171, Page 462 of the Oil & Gas Lease Records of Burleson County, Texas
3. LESSOR: Budnik-Fritcher Joint Venture
LESSEE: Union Pacific Resources Company
DATED: September 21, 1990
RECORDED: Vol. 173, Page 253 of the Oil & Gas Lease Records of Burleson County, Texas
4. LESSOR: Budnik-Fritcher Joint Venture
LESSEE: Union Pacific Resources Company
DATED: October 5, 1990
RECORDED: Vol. 174, Page 83 of the Oil & Gas Lease Records of Burleson County, Texas
5. LESSOR: James B. Wyrick, et ux, Pat J. Wyrick
LESSEE: Union Pacific Resources Company
DATED: October 5, 1990
RECORDED: Vol. 174, Page 283 of the Oil & Gas Lease Records of Burleson County, Texas
6. LESSOR: William O. Huggins, III
LESSEE: Union Pacific Resources Company
DATED: August 21, 1990
RECORDED: Vol. 171, Page 483 of the Oil & Gas Lease Records of Burleson County, Texas
7. LESSOR: Henry A. Ondrasek, et ux, Kerry Ondrasek
LESSEE: Union Pacific Resources Company
DATED: January 29, 1992
RECORDED: Vol. 198, Page 835 of the Oil & Gas Lease Records of Burleson County, Texas
8. LESSOR: Frances Jewel Willis
LESSEE: Union Pacific Resources Company
DATED: February 4, 1992
RECORDED: Vol. 198, Page 831 of the Oil & Gas Lease Records of Burleson County, Texas
9. LESSOR: Gary Smith
LESSEE: Union Pacific Resources Company
DATED: October 21, 1992
RECORDED: Vol. 209, Page 519 of the Oil & Gas Lease Records of Burleson County, Texas
10. LESSOR: Preston Smith
LESSEE: Union Pacific Resources Company
DATED: October 21, 1992
RECORDED: Vol. 209, Page 515 of the Oil & Gas Lease Records of Burleson County, Texas

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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 certify, on 1-27-94



Erlynn M. Henry
County Clerk
Burleson County, Texas

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11. LESSOR: Henry A. Ondrasek, et ux, Kerry Ondrasek
 LESSEE: Union Pacific Resources Company
 DATED: October 22, 1992
 RECORDED: Vol. 209, Page 517 of the Oil & Gas Lease
 Records of Burleson County, Texas
12. LESSOR: Willis Gilliam, et ux, Shirley Gilliam
 LESSEE: Union Pacific Resources Company
 DATED: October 19, 1992
 RECORDED: Vol. 209, Page 521 of the Oil & Gas Lease
 Records of Burleson County, Texas
13. LESSOR: Robert L. Earle, et ux, Billie Earle
 LESSEE: Union Pacific Resources Company
 DATED: October 28, 1992
 RECORDED: Vol. 209, Page 655 of the Oil & Gas Lease
 Records of Burleson County, Texas
14. LESSOR: Raymond Murphy, a single man, individually and
 as Custodian for Douglas John English, minor
 LESSEE: Union Pacific Resources Company
 DATED: October 21, 1992
 RECORDED: Vol. 209, Page 747 of the Oil & Gas Lease
 Records of Burleson County, Texas
15. LESSOR: Alphonse Budnik, Jr., et ux, Mary Frances
 Budnik, David Lawrence Hodges, et ux, Theresa
 V. Hodges
 LESSEE: Union Pacific Resources Company
 DATED: October 23, 1992
 RECORDED: Vol. 209, Page 653 of the Oil & Gas Lease
 Records of Burleson County, Texas
16. LESSOR: Burney Gerland and Gene Gerland
 LESSEE: Union Pacific Resources Company
 DATED: October 19, 1992
 RECORDED: Vol. 209, Page 657 of the Oil & Gas Lease
 Records of Burleson County, Texas
17. LESSOR: Budnik-Fritcher Joint Venture
 LESSEE: Union Pacific Resources Company
 DATED: October 20, 1992
 RECORDED: Vol. 209, Page 659 of the Oil & Gas Lease
 Records of Burleson County, Texas
18. LESSOR: Smith Myers, et ux, Betty Myers
 LESSEE: Union Pacific Resources Company
 DATED: October 20, 1992
 RECORDED: Vol. 209, Page 659 of the Oil & Gas Lease
 Records of Burleson County, Texas
19. LESSOR: Charles Ray Horn, et ux, Mary C. Horn
 LESSEE: Union Pacific Resources Company
 DATED: October 22, 1992
 RECORDED: Vol. 209, Page 740 of the Oil & Gas Lease
 Records of Burleson County, Texas
20. LESSOR: Douglas Spikes, et ux, Vancy Spikes
 LESSEE: Union Pacific Resources Company
 DATED: October 30, 1992
 RECORDED: Vol. 209, Page 738 of the Oil & Gas Lease
 Records of Burleson County, Texas
21. LESSOR: Billy Lehde, et ux, Gloria Lehde
 LESSEE: Union Pacific Resources Company
 DATED: October 28, 1992
 RECORDED: Vol. 209, Page 787 of the Oil & Gas Lease
 Records of Burleson County, Texas

STATE OF TEXAS
 COUNTY OF BURLESON

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Thereby certify, on 1-27-94



Evelyn M. Henry
 County Clerk
 Burleson County, Texas

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22. LESSOR: Wesley Westerfeld, et ux, Carol Westerfeld
 LESSEE: Union Pacific Resources Company
 DATED: October 28, 1992
 RECORDED: Vol. 210, Page 126 of the Oil & Gas Lease Records of Burleson County, Texas
23. LESSOR: John R. Koonce, et ux, Joni Koonce
 LESSEE: Union Pacific Resources Company
 DATED: October 26, 1992
 RECORDED: Vol. 210, Page 128 of the Oil & Gas Lease Records of Burleson County, Texas
24. LESSOR: Samuel W. Rizzo
 LESSEE: Union Pacific Resources Company
 DATED: August 28, 1990
 RECORDED: Vol. 174, Page 257 of the Oil & Gas Lease Records of Burleson County, Texas
25. LESSOR: Charles J. Sebesta, Jr., et ux, Jane M. Sebesta
 LESSEE: Union Pacific Resources Company
 DATED: August 16, 1990
 RECORDED: Vol. 174, Page 224 of the Oil & Gas Lease Records of Burleson County, Texas
26. LESSOR: William O. Huggins, III
 LESSEE: Union Pacific Resources Company
 DATED: August 21, 1990
 RECORDED: Vol. 171, Page 491 of the Oil & Gas Lease Records of Burleson County, Texas
27. LESSOR: Edgar C. Griffin
 LESSEE: Union Pacific Resources Company
 DATED: August 28, 1990
 RECORDED: Vol. 171, Page 466 of the Oil & Gas Lease Records of Burleson County, Texas
28. LESSOR: Samuel W. Rizzo
 LESSEE: Union Pacific Resources Company
 DATED: July 27, 1990
 RECORDED: Vol. 174, Page 241 of the Oil & Gas Lease Records of Burleson County, Texas
29. LESSOR: William O. Huggins, III
 LESSEE: Union Pacific Resources Company
 DATED: August 21, 1990
 RECORDED: Vol. 171, Page 475 of the Oil & Gas Lease Records of Burleson County, Texas
30. LESSOR: Edgar C. Griffin
 LESSEE: Union Pacific Resources Company
 DATED: July 27, 1990
 RECORDED: Vol. 171, Page 454 of the Oil & Gas Lease Records of Burleson County, Texas
31. LESSOR: Darrell Wayne Chmelar, et ux, Lori Ann Chmelar
 LESSEE: Union Pacific Resources Company
 DATED: February 20, 1992
 RECORDED: Vol. 200, Page 172 of the Oil & Gas Lease Records of Burleson County, Texas
32. LESSOR: Samuel W. Rizzo
 LESSEE: Union Pacific Resources Company
 DATED: July 27, 1990
 RECORDED: Vol. 174, Page 245 of the Oil & Gas Lease Records of Burleson County, Texas

VOL: 142-512

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

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 certify, on 1-27-94



Erlynn M. Henry
 County Clerk
 Burleson County, Texas

512

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 certify, on 7-27-94



Evelyn M. Henry
County Clerk
Burleson County, Texas

FILED FOR RECORD
at 9:00 o'clock A. M.
DEC 9 1993
Evelyn M. Henry
EVELYN M. HENRY
COUNTY CLERK, BURLESON CO.

- 33. LESSOR: Charles Ray Conner, Jr., et ux, Laurie Conner
LESSEE: Union Pacific Resources Company
DATED: July 27, 1990
RECORDED: Vol. 170, Page 35 of the Oil & Gas Lease
Records of Burleson County, Texas
- 34. LESSOR: Edgar C. Griffin
LESSEE: Union Pacific Resources Company
DATED: July 27, 1990
RECORDED: Vol. 171, Page 458 of the Oil & Gas Lease
Records of Burleson County, Texas
- 35. LESSOR: William O. Huggins, III
LESSEE: Union Pacific Resources Company
DATED: October 4, 1991
RECORDED: Vol. 193, Page 495 of the Oil & Gas Lease
Records of Burleson County, Texas
- 36. LESSOR: Edward C. See, et ux, Mary Louise See
LESSEE: Union Pacific Resources Company
DATED: July 11, 1990
RECORDED: Vol. 170, Page 42 of the Oil & Gas Lease
Records of Burleson County, Texas
- 37. LESSOR: John William See
LESSEE: Union Pacific Resources Company
DATED: October 4, 1991
RECORDED: Vol. 194, Page 801 of the Oil & Gas Lease
Records of Burleson County, Texas
- 38. LESSOR: State of Texas
LESSEE: Union Pacific Resources Company
DATED: April 7, 1992
RECORDED: Vol. 204, Page 42 of the Oil & Gas Lease
Records of Burleson County, Texas
- 39. LESSOR: State of Texas
LESSEE: Union Pacific Resources Company
DATED: August 4, 1992
RECORDED: Vol. 1612, Page 219 of the Oil & Gas Lease
Records of Brazos County, Texas
Vol. 207, Page 313 of the Oil & Gas Lease
Records of Burleson County, Texas

SUBJECT TO:

Operating Agreement effective October 15, 1992 between Union Pacific Resources Company, as Operator and Nuevo Energy Company, et al as Non-Operator.

Letter Agreement dated 5/21/91 effective 5/1/91 between Union Pacific Resources Company, Nuevo Energy Company, Torch Energy Associates Ltd, and Sinclair Oil Company.

VOL 142: 513

**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 9 day of December, 19 93, at 9:00 o'clock A. M. and duly recorded on 9 day of December, 19 93, in the Deed of Trust Record of said County, in Vol. 142 Page 477-513.

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.

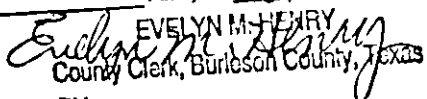
By _____, Deputy

Evelyn M. Henry
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. 142,
Page 477-513, Deed of Trust
Records, Burleson County, Texas.

Witness my hand and seal of office on this the 27 day
of January A.D., 19 94.


EVELYN M. HENRY
County Clerk, Burleson County, Texas

BY _____ Deputy

21

MF 94912
ITEM Deed of Trust
TO _____
FROM _____
DATE 3-23-74

5 . 5



Texas General Land Office
Garry Mauro, Commissioner

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

March 25, 1994

PATRICIA SONE
THOMPSON & KNIGHT
3300 FIRST CITY CENTER, 1700 PACIFIC AVE.
DALLAS, TEXAS 75201

RE: ASSIGNMENT FILING

Dear Ms. SONE:

The General Land Office received the following instruments on March 23, 1994, and has filed them in Mineral File Nos. M-94912, M-94913, M-94914, M-95020, M-95040, M-95066.

- 1.) DEED OF TRUST, MORTGAGE, ASSIGNMENT, SECURITY AGREEMENT AND FINANCING STATEMENT from TORCH ROYALTY COMPANY to JAMES L. IRISH, Trustee, and GENERAL ELECTRIC CAPITAL CORPORATION, Mortgagee, dated November 23, 1993 recorded in BRAZOS County, Texas.
- 2.) DEED OF TRUST, MORTGAGE, ASSIGNMENT, SECURITY AGREEMENT AND FINANCING STATEMENT from TORCH ROYALTY COMPANY to JAMES L. IRISH, Trustee, and GENERAL ELECTRIC CAPITAL CORPORATION, Mortgagee, dated November 23, 1993 recorded in BRAZOS County, Texas.

The total amount of the fees received for the filing of the instruments listed above is \$300.00, the receipt of which is acknowledged by the General Land Office.

Sincerely,

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

MHR/mhr

22.

MF 94912
ITEM LT.
TO Thompson + Knight
F. O.
DATE 3-25-94

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

LESSOR: ST OF TX M-94912

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

CHECK NO. 125739

LEASE DATE	STATE	COUNTY OR PARISH	RECORDING	FOR PERIOD		TRACT	COMPANY LEASE NUMBER	
				MOS.	BEGINNING			
04/07/92	TX	BURLESON	V204 P70	12	04/07/94	02	TX2 45516	

TAXID: ST TX M-94912
ST OF TX M-94912
STEPHEN F AUSTIN BLDG

1700 NORTH CONGRESS AVE
AUSTIN TX 78701

\$150.00

94042186



✓ Union Pacific Resources 121

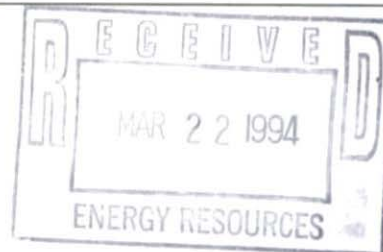
PLEASE SIGN BELOW AND RETURN

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-94912

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

CHECK NO. 125739

LEASE DATE	STATE	COUNTY OR PARISH	RECORDING	FOR PERIOD		TRACT	COMPANY LEASE NUMBER	
				MOS.	BEGINNING			
04/07/92	TX	BURLESON	V204 P70	12	04/07/94	02	TX2 45516	

#0995

m-94912(23)
Rental Pynt
3.22.94



**Union Pacific
Resources**

A Subsidiary of Union Pacific Corporation

June 1, 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-94912
UPRC Lease No. TX2-45516
- 2) Partial Release of Oil and Gas Lease
State of Texas Oil and Gas Lease No. M-94913
UPRC Lease No. TX2-45524

Also enclosed is a check in the amount of \$50.00 to cover filing fees.

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

Very truly yours,

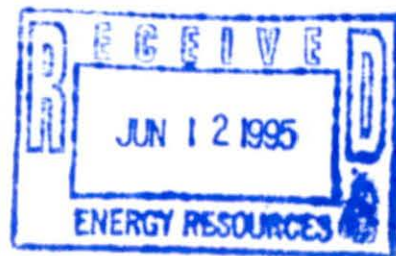
UNION PACIFIC RESOURCES COMPANY



Yvonne Mason

Yvonne Mason
Specialist
Land Management

Enclosures




**THE STATE OF TEXAS
COUNTY OF BURLESON**

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 12 day of April, 19 95, at 9:00 o'clock A. M. and duly recorded on 13 day of April, 19 95, in the Oil & Gas Lease Record of said County, in Vol. 240 Page 190.

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

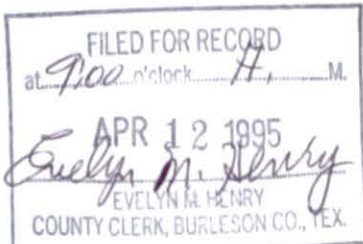
STATE OF TEXAS }
 } SS
COUNTIES OF BURLESON }

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 J. K. Lassig Unit No. 1 as further described in that Pooling Agreement filed in the Burleson County, Texas records in Volume 220, Page 860 and the Gaubatz-Yegua Unit No. 1 as further described in that Pooling Agreement filed in the Burleson County, Texas records in Volume 221 Page 785.

UPRC LEASE NO.: Tx2-45516
Date: April 7, 1992
Lessor: State of Texas
Lessee: Union Pacific Resources Company
Recording Information: Volume 204, Page 70, Burleson Co.

7th 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 (W.D.C.)

STATE OF TEXAS }
 } SS
COUNTY OF TARRANT }

The foregoing instrument was acknowledged before me this 7th 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



25

MF 94912
ITEM Return
TO _____
FROM _____
DATE 6-12-95

2023

FILED FOR RECORD
at 2:00 PM on APR 12 1995
BY *Buddy M. R. McCoy*
CLERK, COUNTY CLERK, BURBESON CO., TEX

1530

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

99.00 pd

108
MF 94912
ITEM LTR
TO
FROM Union Pacific
DATE 10-12-95





Texas General Land Office
Garry Mauro, Commissioner

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

June 14, 1995

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

RE: FILING OF RELEASE

Dear MS. MASON:

The General Land Office received the following instruments on June 12, 1995, filed them in Mineral File Nos. M-94912 & M-94913.

- 1.) RELEASE OF OIL & GAS LEASE dated APRIL 7, 1995, recorded in BURLESON County, Texas.
- 2.) RELEASE OF OIL & GAS LEASE dated APRIL 7, 1995, recorded in BURLESON County, Texas.

The total amount of the fee received for the filing of this instrument listed above is \$50.00, the receipt of which is acknowledged by the General Land Office.

Sincerely,

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

MHS/mhs

27.

MF 94912

ITEM LTR

(1) Union Pacific

FROM

DATE 6-18-95

From: Carl Bonn
To: Arellano, Jesse
CC: King, Joe; Saenz, Alex; Stimson, Lannie
Date: 9/14/2011 8:28 AM
Subject: Unit 2151 terminated (MF094912 & MF095040) Burleson/Brazos County

Jesse,

Please be advised that the referenced Unit terminated eff 11/1/08. Both related leases are held by Unit 2195.

Thanks,
Carl

Unit 2151

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM W-3
Rev. 12/92

RRC JOB #2011-4146

Plugging Report
6-3-11 WF
✓ REG

API NO. (if Available) 42-051-33355
1. RRC District 03
4. RRC Lease or ID. Number 145218

FILE IN DUPLICATE WITH DISTRICT OFFICE OF DISTRICT IN WHICH WELL IS LOCATED WITHIN THIRTY DAYS AFTER PLUGGING

2. FIELD NAME (as per RRC Records) Clay, NE (Austin Chalk, 11350)	3. Lease Name Gaubatz-Yegua Unit	5. Well Number 1
6. OPERATOR EnerVest Operating, LLC	6a. Original Form W-1 Filed in Name of: Union Pacific Resources Company	10. County Burleson
7. ADDRESS 1001 Fannin, Ste 800 Houston, TX 77002	6b. Any Subsequent W-1's Filed in Name of:	11. Date Drilling Permit Issued 12/9/92
8. Location of Well, Relative to Nearest Lease Boundaries of Lease on which this Well is Located	431 Feet From NW Line and 1342 Feet From NE Line of the Gaubatz-Yegua Unit Lease	12. Permit Number 406619
9a. SECTION, BLOCK, AND SURVEY Wm. McWilliams / A-39	9b. Distance and Direction From Nearest Town in this County 7.2 miles ESE from Snook, TX	13. Date Drilling Commenced 02/03/93
16. Type Well (Oil, Gas, Dry) Gas	Total Depth 14500 MD 10658 TVD	14. Date Drilling Completed 03/07/93
17. If Multiple-Completion List All Field Names and Oil Lease or Gas ID No.'s	GAS ID or OIL LEASE #	15. Date Well Plugged 05/17/11
18. If Gas, Amt. Of Cond on Hand at time of Plugging	Oil-G Gas-G	Well #

CEMENTING TO PLUG AND ABANDON DATA:	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
*19. Cementing Date	05/16/11	05/16/11	05/17/11	05/17/11	05/17/11			
20. Size of Hole or Pipe in which Plug Placed (Inches)	***	10 3/4	10 3/4	10 3/4	10 3/4			
21. Depth to Bottom of Tubing or Drill Pipe (ft.)	3340	2535	1885	350	15			
*22. Sacks of Cement Used (each plug)	75	65	60	55	5			
*23. Slurry Volume Pumped (cu. Ft.)	79.5	68.9	63.6	58.3	5.3			
*24. Calculated Top of Plug (ft.)	3205	2415	1545	250	5			
25. Measured Top of Plug (if tagged) (ft.)		2410						
*26. Slurry Wt. #/Gal.	16.4	16.4	16.4	16.4	16.4			
27. Type Cement	H	H	H	H	H			

28. CASING AND TUBING RECORD AFTER PLUGGING

SIZE	WT.#/FT.	PUT IN WELL (ft.)	LEFT IN WELL (ft.)	HOLE SIZE (in.)
10 3/4	40.5	3272	3267	14 3/4
7 5/8	24.4/29.7	10333	7024	9 7/8

29. Was any Non-Drillable Material (Other Than Casing) Left in This Well Yes No
 29a. If answer to above is "Yes" state depth to top of "junk" left in hole and briefly describe non-drillable material. (Use Reverse Side of Form if more space is needed.)
 Top of "junk" @ 9910' -- Baker Model D pkr
 *See Remarks On Back

30. LIST ALL OPEN HOLE AND/OR PERFORATED INTERVALS

FROM	TO	FROM	TO
10333	14600		

I have knowledge that the cementing operations, as reflected by the information found on this form, were performed as indicated by such information.

- Designates items to be completed by Cementing Company. Items not so designated shall be completed by Operator.

Signature of Cementer or Authorized Representative: Bernard Hester
 Name of Cementing Company: TETRA Applied Technologies, L.L.C 05/24/11

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.

Denise Scolaro Denise Scolaro Regulatory Tech. 6-3-11 Phone (713) 495-6533
 REPRESENTATIVE OF COMPANY TITLE DATE A/C NUMBER

SIGNATURE: REPRESENTATIVE OF RAILROAD COMMISSION *** 7 5/8, 9 7/8, 10 3/4

31. Was Well filled with Mud-Laden Fluid, According to the regulations of the Railroad Commission <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	32. How was Mud Applied? Pumped thru tbg.	33. Mud Weight 9.5 LBS/GAL
34. Total Depth <u>14600 MD / 10658 TVD</u> Depth of Deepest Fresh Water <u>2475</u>	Other Fresh Water Zones by T.D.W.R. TOP BOTTOM Surface 300 <u>1600</u> <u>2475</u> _____ _____	35. Have all Abandoned Wells on this Lease been Plugged according to RRC Rules? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 36. If NO, Explain
37. Name and Address of Cementing or Service company who mixed and pumped cement in this well <u>TETRA Applied Technologies, LLC, P.O. Box 2266, Victoria, TX 77902</u>		Date RRC District Office notified of plugging <u>05/10/11</u>
38. Name(s) and Address(es) of Surface Owners of Well Site <u>Aileen Ferguson</u> <u>11105 Shady Hollow Drive</u> <u>Austin, TX 78748</u> _____ _____		
39. Was Notice Given Before Plugging to the Above? Yes		
FILL IN BELOW FOR DRY HOLES ONLY		
40. For Dry Holes, this Form must be accompanied by either a Driller's, Electric, Radioactivity or Acoustical/Sonic Log or such Log must be released to a Commercial Log Service. <input type="checkbox"/> Log Attached <input type="checkbox"/> Log released to _____ Date _____ Type Logs: <input type="checkbox"/> Driller's <input type="checkbox"/> Electric <input type="checkbox"/> Radioactivity <input type="checkbox"/> Acoustical/Sonic		
41. Date FORM P-8 (Special Clearance) Filed?		
42. Amount of Oil produced prior to Plugging _____ bbls* <small>* File FORM P-1 (Oil Production Report) for month this oil was produced</small>		
RRC USE ONLY		
Nearest Field _____		

REMARKS Jet cut 7 5/8" casing @ 3322'-- recovered 3309.10'.
Cut & capped well 5' below ground level.

28

File No. MFO 94912

W3 to limit 2151 Termination
& email to terminate

Date Filed: 9-14-11

Jerry E. Patterson, Commissioner

By Carl Bonn



Texas General Land Office
Garry Mauro, Commissioner

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

November 18, 1996

Sinclair Oil Corporation
P.O. Box 30825
Salt Lake City, Utah 84130-0825

Re: Mineral File No. M- 094912 & 095040
Property No. 423088

Dear Sir or Madam:

We have received the division order submitted by your company for the above referenced lease and filed same in our files. Please be sure to reference this mineral file number in all future royalty payments, reports and correspondence concerning the lease.

The payment of royalties to the State of Texas is set by statute. As the execution of the division order may, in some cases, effect the payments of such royalties, it is not the policy of this office to execute them. Insofar as allowed by law, the Texas General Land Office acquiesces in the sale of oil and gas under the terms and conditions set out in the lease.

If you should have any questions, please feel free to call me at (512) 475-1527.

Sincerely,

Eugene H. Moore, Jr.

Eugene H. Moore, Jr.
Accounts Examiner
Royalty and Revenue Processing
Energy Resources



OIL & GAS DIVISION ORDER

To: SINCLAIR OIL CORPORATION
P.O. Box 30825
Salt Lake City, Utah 84130-0825

EFFECTIVE: May 1, 1996
LEASE No: 423088

Each of the undersigned guarantees and warrants he is the legal owner of, and own no greater interest than, the interest set out opposite his name in oil or the proceeds from the sale of oil from the following described property:

J. K. Lassig #1 Well
600 Acres out of William McWilliams Survey A-39
Burlison County, Texas

FILE COPY

Effective as of the above date and until further written notice either from you or from us, the undersigned owner and all other parties executing this instrument hereby authorize you, your successors or assigns to receive and measure such sales in accordance with applicable governmental rules and regulations and to give credit as set forth below:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF

FILE COPY

The following covenants are parts of this instrument and shall be binding on the undersigned, their successors, legal representatives, and assigns:

1. Oil sold hereunder shall be delivered f.o.b. to the carrier designated to gather and receive such oil, and shall become your property upon receipt thereof by the carrier designated by you or by any other purchaser to whom you may resell such oil. The term "oil" as used in this division order shall include all marketable liquid hydrocarbons.

Should the oil produced from the herein described land be commingled with oil produced from one or more other separately owned tracts of land prior to delivery to the designated carrier, the commingled oil sold hereunder shall be deemed to be the interest of the undersigned in that portion of the total commingled oil delivered which is allocated to the herein described land on the basis of lease meter readings or any other method generally accepted in the industry as an equitable basis for determining the quantity and quality of oil sold from each separately owned tract. Such formula shall be uniformly applied to all owners of an interest in the tracts of land involved.

Should the interest of the undersigned in the oil produced from the herein described land be unitized with oil produced from one or more other tracts of land, this instrument shall thereafter be deemed to be modified to the extent necessary to conform with the applicable unitization agreement or plan of unitization, and all revisions or amendments thereto, but otherwise to remain in force and effect as to all other provisions. In such event, the portion of the unitized oil sold hereunder shall be the interest of the undersigned in that portion of the total unitized oil delivered which is allocated to the herein described land and shall be deemed for all purposes to have been actually produced from said land.

Should the oil sold hereunder be resold by you to another purchaser accepting delivery thereof at the same point at which you take title, you agree to pay for such oil based upon the volume computation made by such purchaser and at the price received by you for such oil, reduced by any transportation charges deducted by such purchaser.

You may refuse to receive any oil not considered merchantable by you.

EXHIBIT "A"

<u>ROYALTY:</u>	<u>TOTAL INTEREST</u>
Albert Richard Kadell c/o Regency Title Company 13030 Rummel Creek Houston, TX 77079	.00313700
Clarence J. McBride P.O. Box 3025 Laredo, TX 78044	.01882350
✓ Commissioner of General Land Office 1700 N. Congress Avenue Austin, TX 78701	.00805400
Dorothy Gunter Armstrong 2812 Broadmoor Bryan, TX 77802	.00941200
Eleanor Miller Reese 21627 Cimarron Parkway Katy, TX 77450	.00941200
Eloise Kadell Schreiner 5519 35th Street Lubbock, TX 79407	.00313750
Florine Sowar Borden P.O. Box 425 Rochester, VT 05767	.00313750
Galinda R. Lassig 9261 Autauga Houston, TX 77080	.00941200
Jack Conaway & Joy Conaway 16418 Willowbank Drive Tomball, TX 77375-8456	.00146650 <u>.00146650</u> .00293300
Galinda R. Lassig, Independent Executrix of the Estate of John K. Lassig, Deceased 9261 Autauga Houston, TX 77080	.00941200
Texas Commerce Bank, N.A., Independent Executor of the Estate of Marshall H. Worthington, Dec P.O. Box 209829 Houston, TX 77216-9829	.01532850
William Batte Bryant, Trustee of the Lillian Batte Bryant Trust n/w/o Lillian Batte Bryant 14302 Radbrook Houston, TX 77079	.00941200
<u>WORKING INTEREST:</u>	
Sinclair Oil Corporation 550 East South Temple Salt Lake City, UT 84102	<u>.39838900</u>
Total Interest	.50000000

M. 94912
Division Order

File Dated 11-21-96

CR 95040

(29)