MF095040

~~#2177~~ - 53.72 Ac.
~~#2153~~ - 102.18 Ac.
2195 - 29.05 Ac.
~~# 2224~~ - 99.47 Ac.
~~# 2166~~ - 85.53 Ac.
~~# 2152~~ - 90.53 Ac.
~~# 2151~~ - 38.46 Ac.

State Lease	*Control*	*Base File*	*County*
MF095040	01-000758		BURLESON
MF095040	01-000767		BRAZOS

Survey	BRAZOS RIVER		
Block			
Block Name			
Township			
Section/Tract			
Land Part			
Part Description			
Acres	~~550~~ ~~194.56~~		29.05
Depth Below	*Depth Above*	*Depth Other*	See Lease

*Leasing:*_____
*Analyst:*_____
Maps: ✓
GIS: ✓

Name	UNION PACIFIC RESOURCES
Lease Date	8/4/1992
Primary Term	2 yrs
Bonus ($)	$41,250.00
Rental ($)	$0.00
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

-M-
F
F291225
UNION PACIFIC RESOURCES
0 0 4 0 9 5

#2224 Unit - 99.47Ac.
#2127 Unit - 39.01Ac.
#2195 Unit - 29.05Ac.
#2166 UNIT - 85.53Ac.
#2153 UNIT - 92.07Ac.
#2152 UNIT - 90.53Ac.
#2151 UNIT - 38.46Ac

Pass To:
Legal
Rental
Min. A/c
Min. Map
CS AS

STATE LEASE - RIVERBEDS M-95040

		(21)	(26)
COUNTY (CODE)	:	BRAZOS & BURLESON	
RIVER NAME	:	BRAZOS RIVER	
TRACT	:	8-A	
ACRES	:	550 APPROX.	
DEPTH LIMITS	:	Brazos	Burleson
CONTROL NO. (S)	:	01-00076-7	01-00075-8
LESSEE	:	UNION PACIFIC RESOURCES CO	
DATE	:	AUGUST 4, 1992	
PRIMARY TERM	:	2 YEARS	
BONUS	:	$41,250.00	
ROYALTY	:	SEE LEASE	
RENTALS	:	$5.00	

CONTENTS OF FILE NO. 95040

1. Bid Form AUG - 4 1992	12. Ltr. to Seneca MAY 02 1995 MAY 02 1995
2. Lease AUG - 4 1992	13. Memo to UPRC (Division Order)
3. Transmittal Letter SEP - 3 1992	14. Compl Rpt Well # 2-H 10-24-97
(Pooling Rpt. + Pooling Agreement) See items #4 & #5 in M-94913	15. Journal completion papers dated 1-4-96. Well 1H. 5/14/98
(Pooling Rpt + Pooling Agreement - Gaubatz-Yegua) See items #5 + #6 in M-94912	scanned SM 3/11/15
(Pooling Rpt + Pooling Agreement - See-Huggins) See items #7 + #8 in M-94913	scanned pf 7-29-2019
(Pooling Rpt + Pooling Agreement - Leachman-Robinson) See items #9 + #10 in M-94913	(See M-094821 #24, Assign # 10877
(Pooling Rpt + Pooling Agreement - J.K. Lassy) See items #7 + #8 in M-94912	EnerVest (to) Magnolia 7-26-19
(Pooling Rpt + Perm. Pooling Agreement - Deere-Siegert) SEE ITEMS #7 + #8 in M-94914	scanned pf 8-8-2019
4. Rental Payment 7-10-93	(See M-094821 #25
5. Pooling Committee Rpt 8-31-93	EV Prop to Harvest 8-12-19
(Term Agreement - Cannon-Chance) " 6. Pooling Agreement	scanned pf 8-15-2019
(Pooling Rpt + Perm. Pooling Agreement - J.K. Lassy) SEE ITEMS # 11 + #12 in M-94912	
(Pooling Rpt + Permanent Pooling Agreement - Leachman-Robinson) SEE ITEMS # 15 + #16 in M-94914	
(Pooling Rpt + Perm. Pooling Agreement - Gaubatz) SEE ITEMS #15 + #16 in M-94912 Yegua	
(Pooling Rpt + Perm. Pooling Agreement - See-Huggins SEE ITEMS #14 + #15 in M-94913	
Missing 7. Pooling Committee Rpt 12-1-93	
8. Pooling Agreement (Permanent - Cannon-Chance) "	
9. Application to Drill Well #1 "	
10. Completion Rpts well #1 "	
Charles Stark. See ~~Letter~~ Dated 3-23-94 in M 94912	
Deed of Trust See ~~Assignment~~ in M 94912	
Deed of Trust. See ~~Assignment~~ in M 94912	
See Letter Dated 3-25-94 in M 94912	
11. DIVISION Order JUL 22 1994	

GLO-S-08-(1-82)

Cert. Fact
May 13, 1993
For: Union Pacific Resources Co.

95040

92063150

92063151

Garry Mauro
Commissioner
General Land Office

Date
August 4, 1992

MINERAL LEASE BID APPLICATION

Texas General Land Office ED - 01(2-88) Rev. 2

APPLICANT AGREEMENT

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

APPLICANT IDENTIFICATION TO APPEAR ON LEASE

Name: Union Pacific Resources Company

Address: 801 Cherry Street

Fort Worth, Texas 76102

Telephone (817) 877-6999

AREA DESCRIPTION

County(ies): Brazos & Burleson

Survey/Area (If Applicable): Brazos River James Hope, A-22; Samuel Davidson, A-13; J. Hope, A-23; Walter Sutherland, A-55.

Block/Tsp (If Applicable): _____ Section/Tract: 8-A Acres: 550

BID SUBMISSION

Royalty: 25% Rental Per Acre: $5.00 Primary Term: 2 Yrs.

Cash Bonus Enclosed: Forty-One Thousand Two Hundred Fifty and 00/100 (Dollars) $ 41,250.00

Sales Fee Attached: Six Hundred Eighteen and 75/100 (Dollars) $ 618.75

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.	APPLICANT(S)	BONUS AMOUNT ENCLOSED
1	Union Pacific Resources Company 801 Cherry Street, Ft. Worth, TX 76102	($) 41,250.00

APPLICANT TAX I.D. NUMBER

[redacted]

SIGNATURE OF APPLICANT/AGENT

BEN K. WEBB
Senior Landman
UNION PACIFIC RESOURCES COMPANY

BID FORM
M-95040 8-4-92

File No. MF-95040

Bid Form

Date Filed: 8/4/92

Jerry E. Patterson, Commissioner

By _____

SLS Lease Form
Revised 08/92

The State of Texas

Austin, Texas

OIL AND GAS LEASE
NO. M-95040

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

Tract 8-A, Brazos River, Brazos and Burleson Counties, Texas, containing approximately 550 acres, is bound on the North by a Southwesterly extension of the Northwest line of the James Hope Survey, A-22, and being bound on the South by a Westerly extension of the South line of the Walter Sutherland Survey, A-55, both surveys being located in Brazos County, Texas,

was, after being duly advertised, offered for lease on the **4th** day of **August, 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 **4th** day of **August, 1992**, and it was found and determined that **Union Pacific Resources Company** whose address is **801 Cherry Street, Fort Worth, Texas 76102** had offered the highest and best bid for a lease of the area above described and is, therefore, entitled to receive a lease thereon:

NOW, THEREFORE, I, Garry Mauro, Commissioner of the General Land Office of the State of Texas, hereinafter sometimes referred to as "Lessor," whose address is Austin, Texas, by virtue of the authority vested in me and in consideration of the payment by the hereinafter designated Lessee, the sum of **Forty-One Thousand Two Hundred Fifty and No/100** Dollars (**$41,250.00**), 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 **two (2)** 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 or on acreage pooled therewith on or before six (6) months from the effective date of this lease, this lease shall terminate as to both parties. If no producing well is on the leased premises on 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 production from a well on the leased premises for twelve (12) months from said date.

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, 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) 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, 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, 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 11 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 **4th** day of **August, 1992.**

Garry Mauro

COMMISSIONER OF THE GENERAL LAND OFFICE
OF THE STATE OF TEXAS

APPROVED

Legal
Geology
Executive

OIL AND GAS LEASE NO. M-95040 (2.)

DATE 8-4-92 BY MICK

Texas General Land Office
Garry Mauro, Commissioner

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

September 3, 1992

Union Pacific Resources Company
801 Cherry Street
Fort Worth, Texas 76102

Attn: Ben K. Webb

Gentlemen:

Thank you for your participation in the State of Texas Oil and Gas Lease Sale held on the 4th day of August, 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. 1 M-95040

The lease agreement for this marginal number is enclosed. The lease will serve as your receipt for the amount of your bid. Also, your contractual and statutory responsibilities to the General Land Office are outlined in the lease agreement. Section 6(B) requires operators to submit written notice of all drilling, production, and related activities. More specifically, when a lessee files various forms with the Texas Railroad Commission and the Department of Energy, they are required to submit copies of these forms to the General Land Office. Examples of these forms are:

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

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

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

Your cooperation in complying with the reporting requirements outlined above will be greatly appreciated, and will contribute to the General Land Office's efforts to effectively manage the State of Texas' oil and gas resources. Failure to comply with these requirements will subject your lease to possible forfeiture.

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

Sincerely,

Garry Mauro

Garry Mauro

Printed on recycled paper with soybean ink

(3.)

File No. MF- 95040

Transmittal Letter

Date Filed: 9/3/92

Jerry E. Patterson, Commissioner

By

(01-89)

LESSOR: ST OF TX M-95040

Union Pacific Resources

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

122092

LEASE DATE	STATE	COUNTY OR PARISH	RECORDING	FOR PERIOD MOS.	FOR PERIOD BEGINNING	ETY.	COMPANY LEASE NUMBER
08/04/92	TX	BURLESON	V207 P313	12	08/04/93	02	TX2 46248

FOR CREDIT TO:

TAXID: ST TX M-95040
ST. OF TX M-95040
AUSTIN TX 78701

1700 NORTH CONGRESS

AMOUNT

$816.05

93066741

121

PLEASE SIGN THE RECEIPT COPY AND RETURN
DETACH STATEMENT BEFORE DEPOSITING

(01-89)

LESSOR:
ST OF TX M-95040

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

122093

LEASE DATE	STATE	COUNTY OR PARISH	RECORDING	FOR PERIOD MOS.	FOR PERIOD BEGINNING	ETY.	COMPANY LEASE NUMBER
08/04/92	TX	BRAZOS	V1612 P219	12	08/04/93	04	TX2 46248

FOR CREDIT TO:

AMOUNT

TAXID: ST TX M-95040
ST. OF TX M-95040
AUSTIN TX 78701

1700 NORTH CONGRESS

$816.05

93066742

121

Union Pacific Resources

PLEASE SIGN THE RECEIPT COPY AND RETURN
DETACH STATEMENT BEFORE DEPOSITING

MF-95040
Rental Payment
7-10-93



File No. MF-95040

Rental payment

Date Filed: 7/10/93

Jerry E. Patterson, Commissioner

By

7-10-93

#2175

DO NOT DESTROY

GLO-36-10-84 -MEMO-

Operator Union PACIFIC Resources 4,000031777

Unit Name Cannon-Chance Unit #1

County 03 Brazos & Burleson

Effective Date 6-1-93

Unitized for: Oil ___ Gas ___ Oil & Gas ✓

1. M.F. No. 95040

Area RIVERBEDS Tr. 5

Sec. ___ Blk. ___ Survey ___

99.47 / 637.07 x 1/5 = 3.1227 %

.156136 .20 .031227

2. M.F. No. ___

Area ___ Tr. ___

Sec. ___ Blk. ___ Survey ___

___ x ___ . ___ %

3. M.F. No. ___

Area ___ Tr. ___

Sec. ___ Blk. ___ Survey ___

___ x ___ . ___ %

4. M.F. No. ___

Area ___ Tr. ___

Sec. ___ Blk. ___ Survey ___

___ x ___ . ___ %

REMARKS: Keyed 9/28/00 JMS.

#2175

TEMPORARY

POOLING COMMITTEE REPORT

TO: SCHOOL LAND BOARD

DATE: June 1, 1993

OPERATOR: Union Pacific Resources Company
COUNTY: Brazos & Burleson
UNIT NAME: Cannon-Chance 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 In Unit	Lessee of Record
SF	M-95040	1/4 **	8-5-95	3	550	99.47	UPRC

** Subject to royalty reduction provision in the lease

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

PRIVATE ACRES: 537.60
STATE ACRES: 99.47
TOTAL UNIT ACRES: 637.07

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 15.614%
State Unit Royalty 3.123%

Railroad Commission Rules:
Spacing 734.40 Acres
Acreage Factor 100%

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

REMARKS:

- Union Pacific Resources Company is requesting six month temporary oil and gas pooling to all depths.

- The applicant plans on completing a horizontal oil well in the Austin Chalk Formation. The proposed unit well was spud on April 21, 1993. The proposed horizontal length is 5,000 feet.

- Horizontal severance is effective 2 years after the primary or extended term, as provided in the lease.

- 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 terms set out above.

Susan D Albers

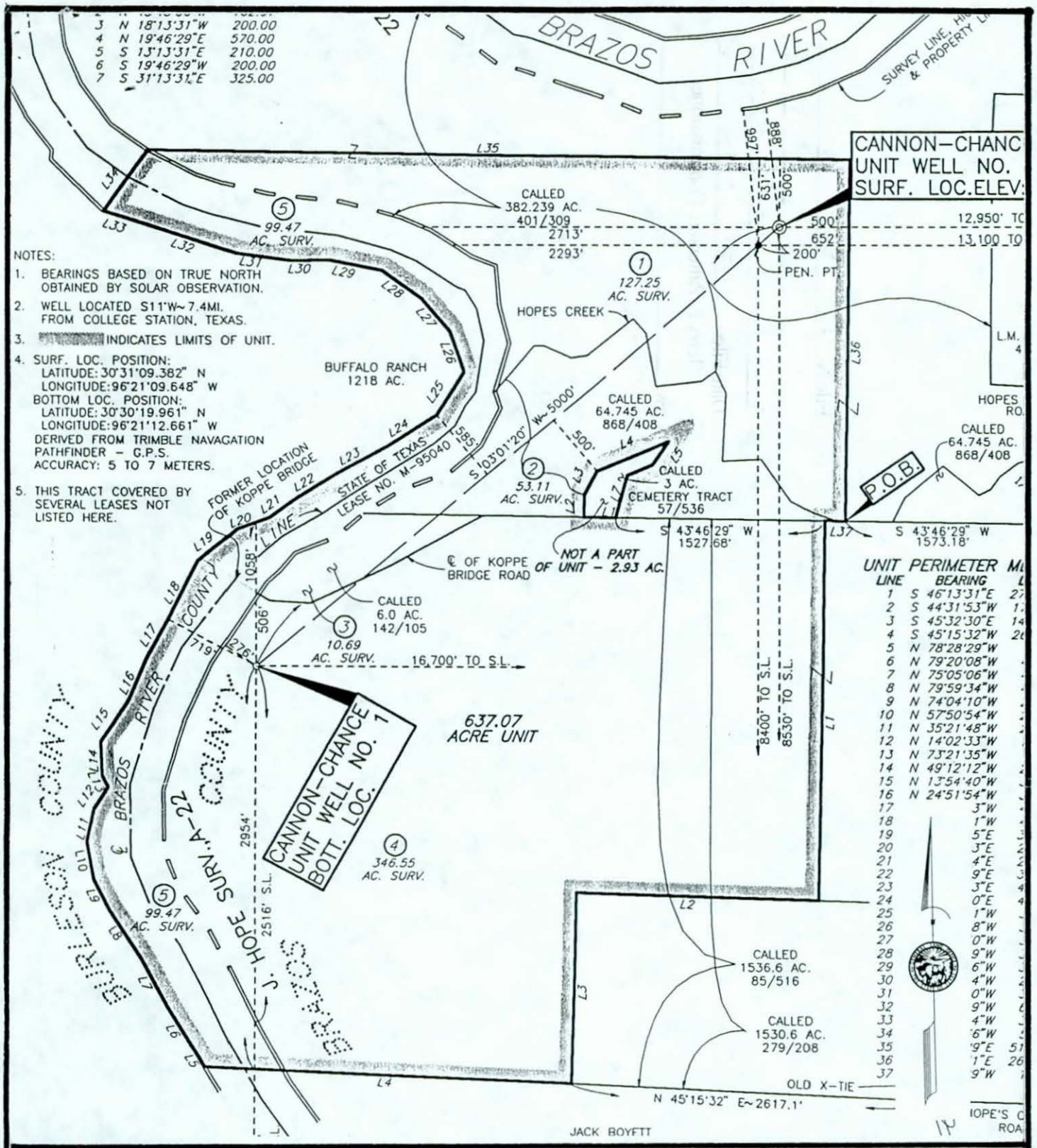
Susan D. Albers

Priscilla M Hubenak

Priscilla M. Hubenak

Peter A Boone

Peter A. Boone



Union Pacific Resources
Cannon-Chance Unit No.1
Giddings (Austin Chalk-3)
M-95040
Brazos & Burleson

(5) M-95040

Pooling Committee Rpt

FILED: 8-31-93

File No. MF-95040

Pooling committee Rpt

Date Filed: 8/31/93

Jerry E. Patterson, Commissioner

By

TERM POOLING AGREEMENT
UNION PACIFIC RESOURCES COMPANY
CANNON-CHANCE UNIT NO. 1
BRAZOS AND BURLESON COUNTIES 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. 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 637.07 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 June 1, 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 December 1, 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 8/25/93

Legal
Geology
Execution

STATE OF TEXAS

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

Date Executed July 15, 1993

UNION PACIFIC RESOURCES COMPANY

By Carolyn J. David

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 1st day of June, 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 25th day of August, 1993.

Linda K. Fisher
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF Tarrant

This instrument was acknowledged before me on July 15, 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:

Leigh M. Kauffman
Notary Public
STATE OF TEXAS
My Comm. Exp. 03/11/95

Date Executed July 22, 1993

TORCH ENERGY ASSOCIATES

By _____

Its MATTHEW S. RAMSEY
Vice President

Approval

Date Executed July 22, 1993

NUEVO ENERGY COMPANY

By _____

Its MATTHEW S. RAMSEY
Senior Vice President-Land

Approval

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on the 22nd day of July, 1993, by Matthew S. Ramsey, the VP of TORCH ENERGY ASSOCIATES, a Texas Limited Partnership, on behalf of said partnership.

DEBORAH A. DAVIS
MY COMMISSION EXPIRES
March 23, 1997

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 22nd day of July, 1993, by Matthew S. Ramsey, the Sr. VP Land of NUEVO ENERGY COMPANY, a Delaware corporation, on behalf of said corporation.

DEBORAH A. DAVIS
MY COMMISSION EXPIRES
March 23, 1997

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

Exhibit "A" attached to and made a part of that certain "Term Pooling Agreement, Union Pacific Resources Company, Cannon-Chance Unit No. 1, Brazos and Burleson Counties, Texas."

Lease #: TX1-41854
Lessor: Robert H. Cannon, et ux
Lessee: Union Pacific Resources Company
Dated: April 30, 1990
Filed: Official Records of Brazos County, Texas
Recorded: Volume 1202, Page 456

Lease #: TX1-42107(1)
Lessor: NCNB Texas National Bank, Successor Trustee
Lessee: Union Pacific Resources Company
Dated: October 1, 1990
Memorandum dated October 1, 1990
Filed: Official Records of Brazos County, Texas
Recorded: Volume 1223, Page 15
Amended: July 14, 1992
Recorded: Volume 1581, Page 239

Lease #: TX1-42107(2)
Lessor: Patience Chance Thomason
Lessee: Union Pacific Resources Company
Dated: October 24, 1990
Memorandum dated October 24, 1990
Filed: Official Records of Brazos County, Texas
Recorded: Volume 1233, Page 63
Amended: July 22, 1992
Recorded: Volume 1609, Page 110

Lease #: TX1-42107(3)
Lessor: Abigail Thomason Corbett and Nelson D. Durst, Trustees
Lessee: Union Pacific Resources Company
Dated: October 24, 1990
Memorandum dated October 24, 1990
Filed: Official Records of Brazos County, Texas
Recorded: Volume 1233, Page 60
Amended: July 22, 1992
Recorded: Volume 1609, Page 112

Lease #: TX1-42764
Lessor: Dilford C. Carter, et ux
Lessee: Union Pacific Resources Company
Dated: December 10, 1990
Filed: Official Records of Brazos County, Texas
Recorded: Volume 1238, Page 365

Lease #: TX1-43214(1)
Lessor: Weldon Price
Lessee: Union Pacific Resources Company
Dated: May 30, 1991
Filed: Official Records of Brazos County, Texas
Recorded: Volume 1297, Page 312

Lease #: TX1-43214(2)
Lessor: Emily Ruth Carroll
Lessee: Union Pacific Resources Company
Dated: May 30, 1991
Filed: Official Records of Brazos County, Texas
Recorded: Volume 1297, Page 314

Lease #: TX1-43214(3)
Lessor: Hazel Price Wilson, et al
Lessee: Union Pacific Resources Company
Dated: May 30, 1991
Filed: Official Records of Brazos County, Texas
Recorded: Volume 1302, Page 265

Lease #: TX1-43214(4)
Lessor: Gene S. Stephens, et ux
Lessee: Union Pacific Resources Company
Dated: March 16, 1993
Filed: Official Records of Brazos County, Texas
Recorded: Volume 1748, Page 26

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

Exhibit "B" attached to and made a part of that certain "Term Pooling Agreement, Union Pacific Resources Company, Cannon-Chance Unit No. 1, Brazos and Burleson Counties, Texas".

Cannon-Chance Unit Well No. 1
637.07 Acre Unit
Union Pacific Resources Company
James Hope Survey, A-22
Brazos and Burleson Counties, Texas

Field notes of a 637.07 acre tract or parcel of land, lying and being situated in the James Hope Survey, Abstract No. 22, Brazos and Burleson Counties, Texas, and consisting of the following tracts:

Part of the called 382.239 acre tract described in the deed from Charles E. Neelley to Robert H. Cannon, as recorded in Volume 401, Page 309, of the Deed Records of Brazos County, Texas;

All of the western portion of the called 64.745 acre tract described in the deed from Charles E. Neelley to Dilford C. Carter and wife, Sigrid Carter, as recorded in Volume 868, Page 408, of the Official Records of Brazos County, Texas;

All of the called 6 acre tract described in the deed from George C. Chance to R. F. Smith and A. B. Smith, as recorded in Volume 142, Page 105, of the Deed Records of Brazos County, Texas;

Part of the called 1536.6 acre (net) tract described in the deed from Walter D. Caldwell, Trustee to George C. Chance, as recorded in Volume 85, Page 516, of the Deed Records of Brazos County, Texas;

And part of the called 550 acre (Tract 8-A), Brazos River - Oil & Gas Lease from the State of Texas to Union Pacific Resources Company, as recorded in Volume 1612, Page 219, of the Official Records of Brazos County, Texas, and said 637.07 acre tract being more particularly described as follows:

COMMENCING at the ½" iron rod found at a 6" creosote post fence corner in the southwest line of Hope's Creek Road marking the east corner of the eastern portion of the beforementioned 64.745 acre tract, same being in the northwest line of the beforementioned 1536.6 acre tract, from which the north corner of the called 82.7 acre tract described in Volume 47, Page 470, in the center of Hope's Creek Road bears N 43° 46' 29" E 23.0 feet, and a ½" iron rod found at a 6" creosote post fence corner in the northeast line of Hope's Creek Road bears N 42° 31' 21" E 46.0 feet;

THENCE S 43° 46' 29" W along the common line between the beforementioned eastern portion of the 64.745 acre tract and the beforementioned 1536.6 acre tract, adjacent to a fence, at a distance of 1225.13 feet, pass the south corner of the eastern portion of the 64.745 acre tract, same being an easterly corner of the beforementioned 382.239 acre tract in the center of Hope's Creek, continue on along the common line between the 1536.6 acre tract and the 382.239 acre tract (creek and fence bow to the southeast) for a total distance of 1573.18 feet to the PLACE OF BEGINNING of this description, from which a double (3" and 5") elm tree on the southeast bank of Hope's Creek bears S 24° 35' 27" E 94.8 feet;

THENCE S 43° 46' 29" W along the common line between the beforementioned 382.239 acre tract and the beforementioned 1536.6 acre tract at a distance of 67.9 feet, pass the north or northeast corner of the beforementioned western portion of the 64.745 acre tract, continue on for a total distance of 147.94 feet and corner, from which a double elm tree (5" and 6") on the southern bank of Hope's Creek bears S 50° 22' 32" W 151.6 feet;

THENCE S 46° 13' 31" E across the beforementioned 1536.6 acre tract for a distance of 2770.71 feet to the northwest line of the called 460.0 acre tract described in the Oil & Gas Lease from Patience Chance Thomason to Union Pacific Resources Company, as recorded in Volume 1609, Page 110, of the Official Records of Brazos County, Texas;

THENCE through the interior of the beforementioned 1536.6 acre tract and along the northwest and southwest lines of the beforementioned 460.0 acre tract as follows:

S 44° 31' 53" W 1772.22 feet to the re-constructed west corner of the 460.00 acre tract,

S 45° 32' 30" E 1400.00 feet to the south corner of the 460.0 acre tract, same being in the common line between the beforementioned 1536.6 acre tract and the called 191 acre tract described as a 95-5/8 acre tract, a 40 acre tract and 55-5/8 acre tract in Volume "L", Page 553, of the Civil Minutes of the District Court Records, from which the crosstie fence corner at the intersection of the fenced southwesterly line of Hope's Creek Road bears N 45° 15' 32" E 2617.1 feet;

THENCE S 45° 15' 32" W along the common, occupied line between the beforementioned 1536.6 acre tract and the beforementioned 191 acre tract, adjacent to a fence, at a distance of 964.5 feet, pass a 24" snag fence angle point, continue on, adjacent to and northwest of a fence, at a distance of 1138.3 feet, pass the south corner of the 1536.6 acre tract on the north (Brazos County) bank of the Brazos River, continue on across said river for a total distance of 2671.26 feet to the southern (Burleson County) bank of the Brazos River, from which a 16" willow tree at end of fence on the north bank of the Brazos River bears N 56° 06' 39" E 698.6 feet;

THENCE along the southerly high bank of the Brazos River (Burleson County side) as follows:

N 78° 28' 29" W 103.59 feet,
N 79° 20' 08" W 404.90 feet,
N 75° 05' 06" W 410.55 feet,
N 79° 59' 34" W 410.73 feet,
N 74° 04' 10" W 253.28 feet,

N 57° 50' 54" W 292.25 feet,
N 35° 21' 48" W 241.94 feet,
N 14° 02' 33" W 189.60 feet,
N 73° 21' 35" W 95.80 feet,
N 49° 12' 12" W 244.70 feet,
N 13° 54' 40" W 373.92 feet,
N 24° 51' 54" W 322.35 feet,
N 18° 48' 23" W 403.79 feet,
N 20° 34' 21" W 410.34 feet,
N 3° 42' 35" E 368.28 feet,
N 22° 23' 53" E 240.56 feet,
N 6° 35' 44" E 255.83 feet,
N 10° 46' 49" E 342.23 feet,
N 13° 29' 23" E 416.59 feet,
N 9° 49' 30" E 426.13 feet,
N 14° 26' 41" W 372.40 feet,
N 66° 37' 18" W 308.80 feet,
N 87° 54' 30" W 313.97 feet,
S 77° 36' 59" W 355.56 feet,
S 53° 34' 26" W 387.69 feet,
S 42° 30' 14" W 284.78 feet,
S 50° 11' 00" W 388.68 feet,
S 60° 44' 29" W 605.36 feet,
S 60° 15' 44" W 393.16 feet;

THENCE N 11° 51' 36" W across the Brazos River for a distance of 553.78 feet to the north bank of the Brazos River (Brazos County side), same being the southerly line of the beforementioned 382.239 acre tract from which a 30" hackberry tree fence corner in field fence bears N 51° 54' 55" E 2704.1 feet;

THENCE through the interior of the beforementioned 382.239 acre tract as follows:

N 43° 46' 29" E 5118.16 feet and corner, from which a 5/8" iron rod found at a 6" creosote post fence corner marking the north corner of the 382.239 acre tract in the fenced southwest line of Hope's Creek bears N 31° 26' 30" E 2376.82 feet, and a 5/8" iron rod found at a crosstie fence corner marking an interior ell corner of the 382.239 acre tract bears S 79° 29' 18" E 1913.01 feet,

S 46° 13' 31" E for a distance of 2632.88 feet to the **PLACE OF BEGINNING**, containing 640.00 acres of land, more or less, **Save and Except** the following described 2.93 acre tract;

Save and Except Tract Description
2.93 Acre Tract
James Hope Survey, A-22
Brazos County, Texas

Field notes of a 2.93 acre tract or parcel of land, lying and being set in the James Hope Survey, Abstract No. 22, Brazos County, Texas, and being all of the called 3 acre tract described in the deed from L. Stephan to the Trustees of Colored Riverside Cemetery Association, recorded in Volume 57, Page 536, of the Deed Records of Brazos county, Texas, (This 3 acre tract being located entirely within the abovementioned 64.745 acre tract Volume 868, Page 408, and no on-the-ground evidence was found that this 3 acre tract was ever fenced or marked on-the-ground. The location of this 3 acre tract is based on the passing call in said 3 acre description of the "James Gammill fence". We have determined that the James Gammill referred to is actually James Gamble who obtained an 82.7 acre tract in Volume 47, Page 470, of the Deed Records of Brazos County, Texas, which adjoins the 3 acre tract to the southeast. The north corner of the 82.7 acre tract is in the center of Hopes Creek Road and this is where this 2.93 acre description commences), and said 2.93 acre tract being more particularly described as follows:

COMMENCING at the north corner of the beforementioned 82.7 acre tract in the center of Hope's Creek Road, same being in the northwest line of the abovementioned 1536.6 acre tract (85/516), from which a ½" iron rod found at a 6" creosote post fence corner in the fenced northeast line of Hope's Creek Road bears N 41° 16' 16" E 23.0 feet;

THENCE S 43° 46' 29" W along the northwest line of the beforementioned 82.7 acre tract, same being the northwest line of the beforementioned 1536.6 acre tract, at a distance of 23.0 feet, pass a ½" iron rod found at a 6" creosote post fence corner in the fenced southwest line of Hope's Creek Road marking the east corner of the abovementioned eastern portion of the 64.745 acre tract, continue on along the common line between the 82.7 acre tract and the 64.745 acre tract, adjacent to a fence, at a distance of 1248.1 feet, pass the south corner of the eastern portion of the 64.745 acre tract, same being an easterly corner of the abovementioned 382.239 acre tract (401/309) in the center of Hope's Creek, continue on along the common line between the 82.7 acre tract and the 382.239 acre tract (creek and fence bow to the southeast, at a distance of 1664.1 feet, pass the northeast or east corner of the western portion of the 64.745 acre tract, in the center of Hope's Creek, continue on along the common line between the 64.745 acre tract and the 82.7 acre tract, at a distance of 1894.7 feet, a double elm tree (5" and 6") on the southerly high bank of Hope's Creek bears northwest 17.4 feet, continue on, adjacent to an approximately 14 fee southeast of a fence for a total distance of 3271.78 feet to the re-established east corner of the called 3 acre tract for the PLACE OF BEGINNING of this description, from which a 6" creosote post fence angle point bears S 53° 12' 56" W 88.5 feet;

Save and Except Tract Description
Continued - Page 2

THENCE S 43° 46' 29" W along the southeast line of the beforementioned 3 acre tract, same being the northwest line of the 82.7 acre tract, and same being the southeast line of the 64.745 acre tract, at a distance of 106.00 feet, pass the west corner of the 82.7 acre tract as called for in said deed (1216 varas from center of Hope's Creek Road), continue on at a distance of 139.0 feet, pass a 6" creosote post fence corner at the east end of a well road entrance, continue on across the well road entrance for a total distance of 235.00 feet to the south corner of the 3 acre tract, from which a 6" creosote post fence corner at the southwest end of a cattle guard in said well road bears N 11° 32' 45" E 56.9 feet, and a 6" creosote post fence corner at the northeast end of said cattle guard bears N 18° 10' 13" E 77.3 feet;

THENCE along the reconstructed lines of the beforementioned 3 acre tract and generally encompassing a ridge over-looking Hope's Creek as follows:

N 45° 40' 06" W	162.97 feet,
N 18° 13' 31" W	200.00 feet,
N 19° 46' 29" E	570.00 feet to the north corner of the 3 acre tract from which a chain link fence corner at the northwest corner of a fenced burial enclosure containing several headstones bears S 02° 05' E 574 feet,
S 13° 13' 31" E	210.00 feet,
S 19° 46' 29" W	200.00 feet from which a chain link fence corner at the northeast corner of said fenced burial enclosure bears S 16° 27' E 192 feet,
S 31° 13' 31" E	for a distance of 325.00 feet to the PLACE OF BEGINNING, containing 2.93 acres of land, more or less, bearing a NET acreage of 637.07 acres for this unit.

Bearings based on True North, as obtained by Solar Observation

Prepared 04/17/93

kes93-02b:\cannon-c.640

LIMITED TO THE AUSTIN CHALK FORMATION, as found between 9750 feet and 10122 feet in the Inexco Chance Farms #1 Well, which is located 4300 feet from the southeast line and 9400 feet from the northeast line of the J. Hope Survey, A-22, Brazos County, Texas.

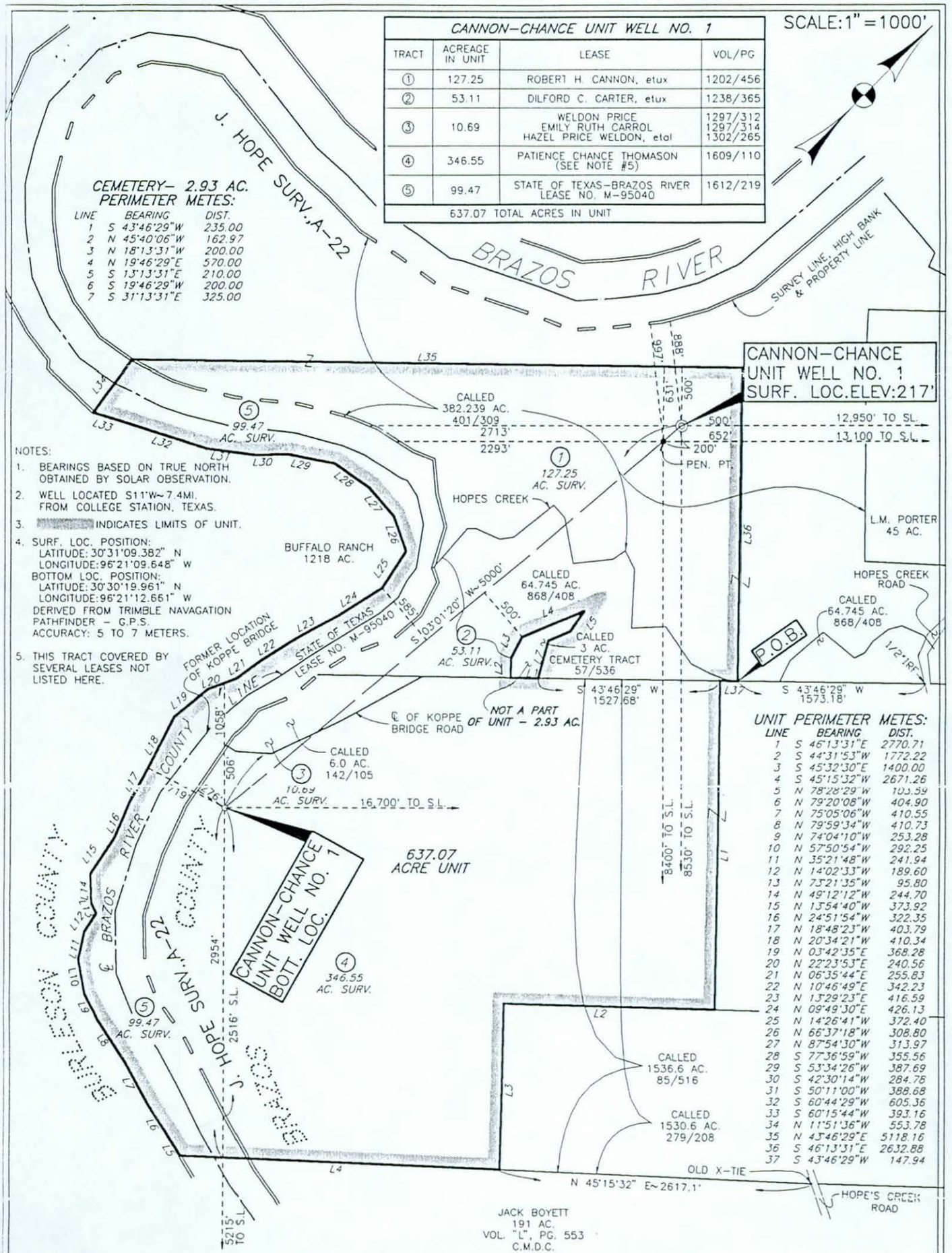


Exhibit "C" attached to and made a part of that certain "Term Pooling Agreement, Union Pacific Resources Company, Cannon-Chance Unit No. 1, Brazos and Burleson Counties, Texas".

STATE OF TEXAS
REGISTERED
S.M. KLING
2003
PROFESSIONAL
LAND SURVEYOR

SURVEYED: APRIL, 1993

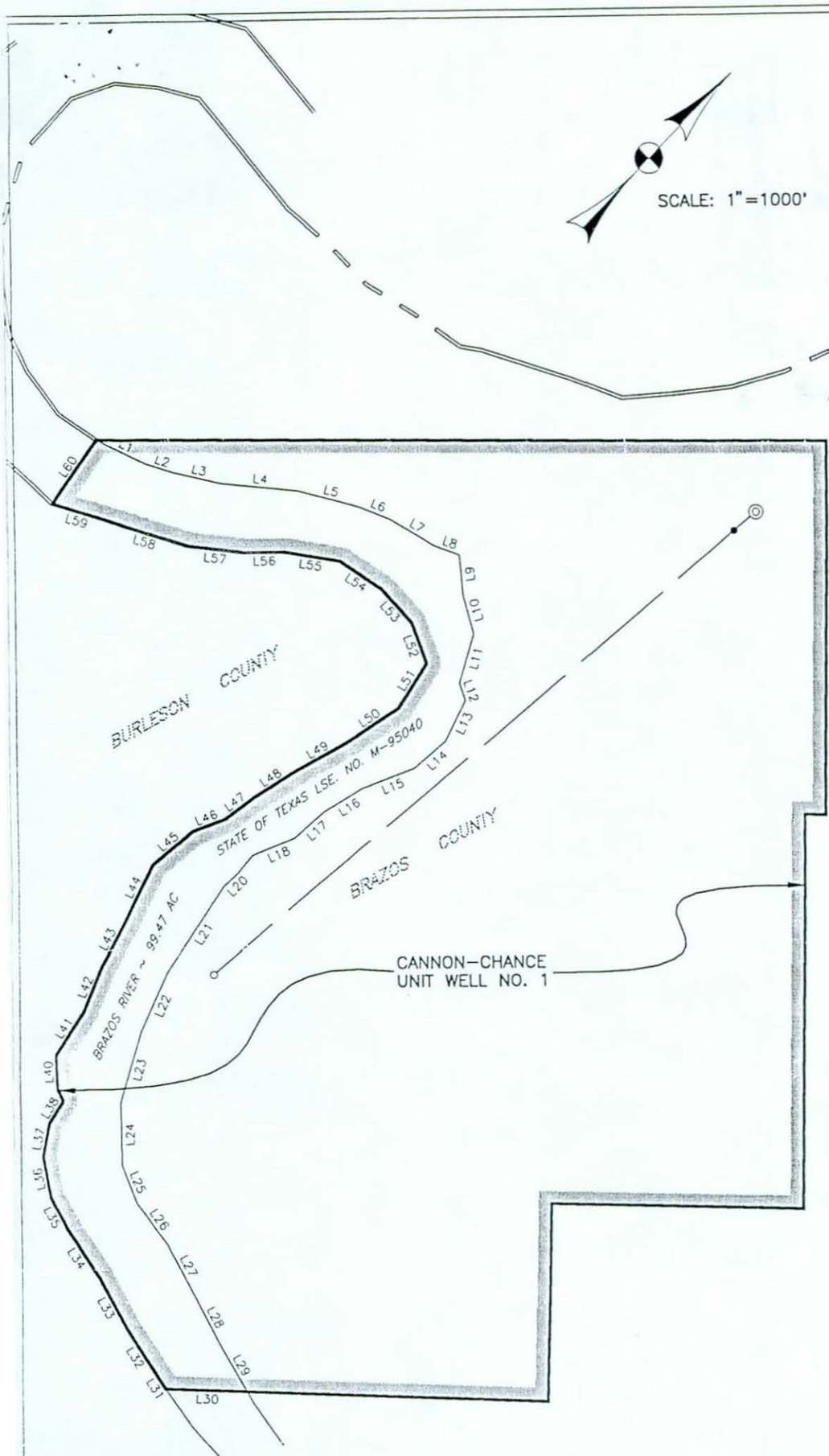
BY: S.M. KLING R.P.L.S. NO. 2003

WELL LOCATION
CANNON–CHANCE UNIT WELL NO. 1
UNION PACIFIC RESOURCES COMPANY
JAMES HOPE SURVEY, A–22
BRAZOS COUNTY & BURLESON COUNTY, TEXAS

SCALE:1" = 1000' APRIL, 1993

AG1\041\0221101A

KLING ENGINEERING & SURVEYING
BRYAN, TEXAS



BRAZOS RIVER–TRACT 5 METES:

LINE	BEARING	DIST.
L1	N 70°16'22" E	388.98
L2	N 61°47'15" E	201.69
L3	N 56°39'49" E	338.70
L4	N 49°19'45" E	543.70
L5	N 58°03'00" E	435.34
L6	N 65°17'46" E	238.30
L7	N 74°55'13" E	349.96
L8	N 63°38'17" E	191.43
L9	S 51°46'13" E	283.14
L10	S 61°51'57" E	285.11
L11	S 30°17'18" E	362.14
L12	S 65°50'54" E	129.14
L13	S 20°26'42" E	316.01
L14	S 01°56'02" W	296.07
L15	S 22°12'25" W	393.70
L16	S 11°09'33" W	309.46
L17	S 01°12'08" W	275.05
L18	S 20°58'09" W	325.72
L19	S 07°16'15" E	159.43
L20	S 00°44'58" E	139.37
L21	S 13°11'00" E	709.20
L22	S 22°45'42" E	453.09
L23	S 30°31'34" E	537.57
L24	S 47°57'03" E	445.36
L25	S 68°47'32" E	289.87
L26	S 82°16'52" E	353.38
L27	S 74°43'45" E	399.63
L28	S 73°13'15" E	410.95
L29	S 76°13'49" E	373.39
L30	S 45°15'32" W	568.49
L31	N 78°28'29" W	103.59
L32	N 79°20'08" W	404.90
L33	N 75°05'06" W	410.55
L34	N 79°59'34" W	410.73
L35	N 74°04'10" W	253.28
L36	N 57°50'54" W	292.25
L37	N 35°21'48" W	241.94
L38	N 14°02'33" W	189.60
L39	N 73°21'35" W	95.80
L40	N 49°12'12" W	244.70
L41	N 13°54'40" W	373.92
L42	N 24°51'54" W	322.35
L43	N 18°48'23" W	403.79
L44	N 20°34'21" W	410.34
L45	N 03°42'35" E	368.28
L46	N 22°23'53" E	240.56
L47	N 06°35'44" E	255.83
L48	N 10°46'49" E	342.23
L49	N 13°29'23" E	416.59
L50	N 09°49'30" E	426.13
L51	N 14°26'41" W	372.40
L52	N 66°37'18" W	308.80
L53	N 87°54'30" W	313.97
L54	S 77°36'59" W	355.56
L55	S 53°34'26" W	387.69
L56	S 42°30'14" W	284.78
L57	S 50°11'00" W	388.68
L58	S 60°44'29" W	605.36
L59	S 60°15'44" W	393.16
L60	N 11°51'36" W	553.78

NOTE: BEARINGS BASED ON TRUE NORTH AS OBTAINED BY SOLOR OBSERVATION.

BRAZOS RIVER
TRACT 5 METES
CANNON–CHANCE
UNIT WELL NO. 1

UNION PACIFIC RESOURCES COMPANY
JAMES HOPE SURVEY, A–22
BRAZOS COUNTY & BURLESON COUNTY, TEXAS

SCALE: 1"=1000' MAY, 1993

KLING ENGINEERING & SURVEYING
BRYAN, TEXAS

(6) M-95040

Pooling Agreement
FILED: 8-31-93

File No. MF-95040

Pooling Agreement

Date Filed: 8/31/93

Jerry E. Patterson, Commissioner

By

#2224

DO NOT DESTROY

GLO-36-10-84 -MEMO-

Operator Union Pacific Resources

Unit Name Cannon-Chance

County Brazos-BURLESON

Effective Date 11-2-93

Unitized for: Oil ___ Gas ___ Oil & Gas ✓

1. M.F. No. 095040

Area RIVERBED Tr. 5

Sec. ___ Blk. ___ Survey ___

99.47 / 637.07 x 1/5 3.1227 %

.156136 .20000 .031227

2. M.F. No. ___

Area ___ Tr. ___

Sec. ___ Blk. ___ Survey ___

___ x ___ . ___ %

3. M.F. No. ___

Area ___ Tr. ___

Sec. ___ Blk. ___ Survey ___

___ x ___ . ___ %

4. M.F. No. ___

Area ___ Tr. ___

Sec. ___ Blk. ___ Survey ___

___ x ___ . ___ %

REMARKS: Keyed 9/28/00 MS.

PERMANENT

POOLING COMMITTEE REPORT

TO: SCHOOL LAND BOARD

DATE: November 2, 1993

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

UNIT NAME: Cannon-Chance 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 In Unit	Lessee of Record
SF ✓	M-95040	1/4 **	8-5-95	3	550	99.47	UPRC

** Subject to Royalty Reduction Provision

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

PRIVATE ACRES: 537.60
STATE ACRES: 99.47
TOTAL UNIT ACRES: 637.07

Unitized for:
Oil _____
Gas _____
Both x

Depth(s):
See Remarks
Formation:
See Remarks

Well Location:
State Land _____
Private Land x

Participation: SURFACE ACRES
Basis ~~See Remarks~~
State Acreage 15.614%
State Unit Royalty 3.123%

.03

Railroad Commission Rules:
Spacing 734 Acres
Acreage Factor 100%

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

REMARKS:

- On June 1, 1993, the School Land Board approved temporary six month pooling to all depths for the proposed unit.

- 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 9860 feet to 9,990 feet, as shown on the electric log of McMurrey Petroleum's Carter Well #1.

- The applicant completed a horizontal gas well with dual bottom hole locations, on June 14, 1993. The well produced 3110 mcf and 397 bbls during the initial potential tests.

- If the unit is approved, the applicant will earn a royalty reduction, making the state's unit royalty participation 3.123%.

- Horizontal severance is provided for in the lease.

- APPROVAL BY THE SCHOOL LAND BOARD IN NO WAY RATIFIES ANY OF THE STATE LEASES INCLUDED IN THIS PROPOSED UNIT.

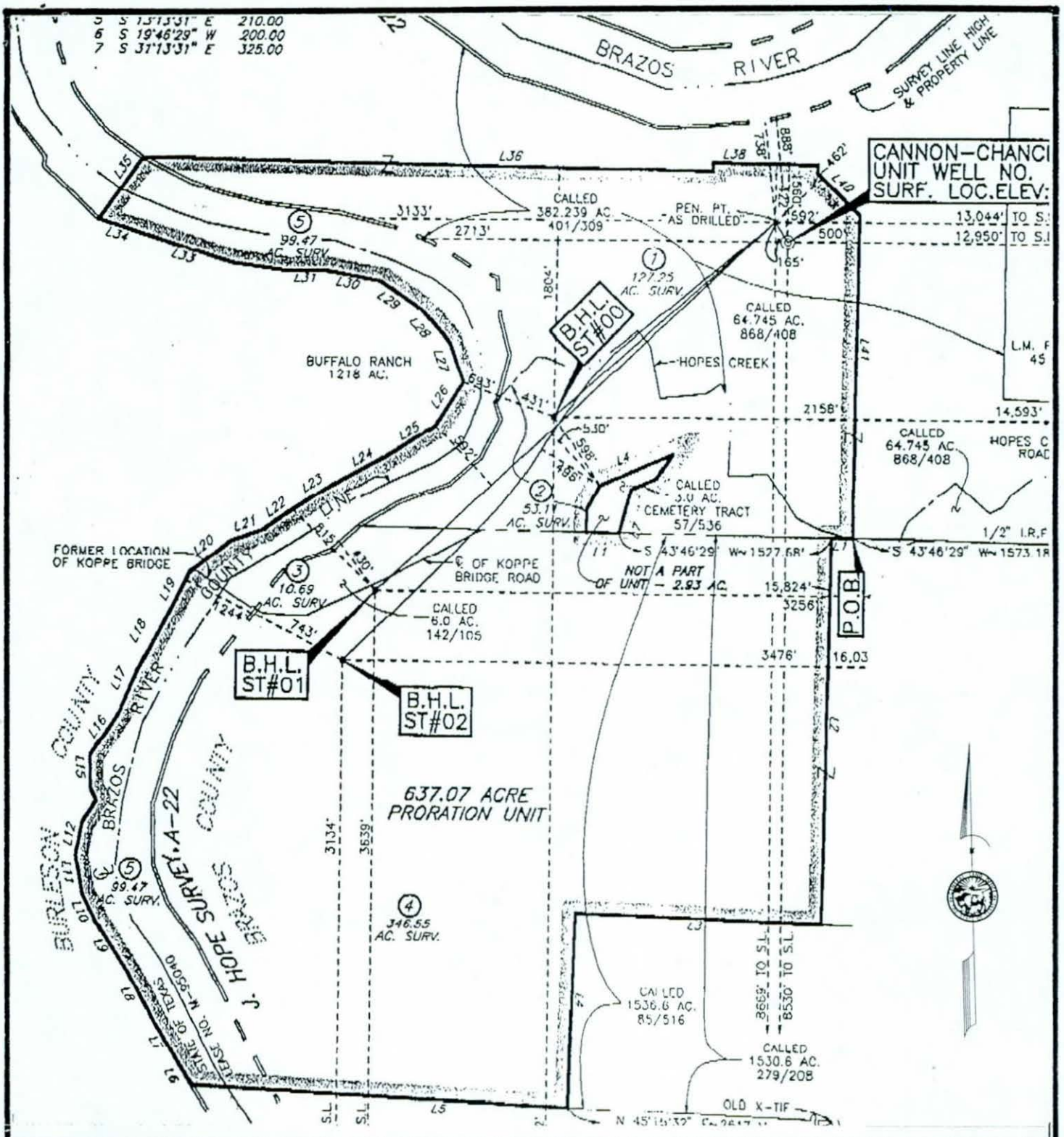
POOLING COMMITTEE RECOMMENDATION:

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

Jennifer Gilchrist

Priscilla M. Hubenak

Peter A. Boone



Union Pacific Resources Company
Cannon-Chance Unit No.1
Giddings(Austin Chalk-3)
Brazos & Burleson Counties
M-95040

⑦ M-95040

~~Application to Drill well #1~~

POOLING COMMITTEE RPT

FILED: 12-1-93

POOLING AGREEMENT
UNION PACIFIC RESOURCES COMPANY
CANNON-CHANCE 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 9,860 feet to 9,990 feet as shown on the electric log of McMurrey Petroleum's Carter 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 637.07 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, lying outside the unitized area described in Exhibit "B", 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.

(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 November 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.

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 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.

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 11/30/93

Legal
Geology
Execution

STATE OF TEXAS

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

Date Executed 11/12/93

UNION PACIFIC RESOURCES COMPANY

By Carolyn J. David
Carolyn J. David, Attorney-in-Fact

JB

ATTEST:

Date Executed

NUEVO ENERGY COMPANY

By
Matthew S. Ramsey, Senior Vice President - Land

ATTEST:

Approval

Date Executed _____

TORCH ENERGY ASSOCIATES

By _____
Matthew S. Ramsey, Vice President

ATTEST:

_____

Approval

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 November, 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 24th day of November, 1993.

Linda K. Fisher
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on November 12, 1993, by Carolyn J. David as Attorney-in-Fact for Union Pacific Resources Company, a Delaware corporation, on behalf of said corporation.

Leigh M. Kauffman
Notary Public
STATE OF TEXAS
My Comm. Exp. 03/11/95

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

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on November 15, 1993, by Matthew S. Ramsey as Senior Vice President - Land of Nuevo Energy Company, a Delaware corporation, on behalf of said corporation.

LYNN KRAILO
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
OCT. 8, 1994

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

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on November 15, 1993, by Matthew S. Ramsey as Vice President of Torch Energy Associates, a Texas Limited Partnership, on behalf of said corporation.

LYNN KRAILO
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
OCT. 8, 1994

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

Exhibit "A" attached to and made a part of that certain "Pooling Agreement, Union Pacific Resources Company, Cannon-Chance Unit No. 1, Brazos and Burleson Counties, Texas."

Lease #: TX1-41854
Lessor: Robert H. Cannon, et ux
Lessee: Union Pacific Resources Company
Dated: April 30, 1990
Filed: Official Records of Brazos County, Texas
Recorded: Volume 1202, Page 456

Lease #: TX1-42107(1)
Lessor: NCNB Texas National Bank, Successor Trustee
Lessee: Union Pacific Resources Company
Dated: October 1, 1990
Memorandum dated October 1, 1990
Filed: Official Records of Brazos County, Texas
Recorded: Volume 1223, Page 15
Amended: July 14, 1992
Recorded: Volume 1581, Page 239

Lease #: TX1-42107(2)
Lessor: Patience Chance Thomason
Lessee: Union Pacific Resources Company
Dated: October 24, 1990
Memorandum dated October 24, 1990
Filed: Official Records of Brazos County, Texas
Recorded: Volume 1233, Page 63
Amended: July 22, 1992
Recorded: Volume 1609, Page 110

Lease #: TX1-42107(3)
Lessor: Abigail Thomason Corbett and Nelson D. Durst, Trustees
Lessee: Union Pacific Resources Company
Dated: October 24, 1990
Memorandum dated October 24, 1990
Filed: Official Records of Brazos County, Texas
Recorded: Volume 1233, Page 60
Amended: July 22, 1992
Recorded: Volume 1609, Page 112

Lease #: TX1-42764
Lessor: Dilford C. Carter, et ux
Lessee: Union Pacific Resources Company
Dated: December 10, 1990
Filed: Official Records of Brazos County, Texas
Recorded: Volume 1238, Page 365

Lease #: TX1-43214(1)
Lessor: Weldon Price
Lessee: Union Pacific Resources Company
Dated: May 30, 1991
Filed: Official Records of Brazos County, Texas
Recorded: Volume 1297, Page 312

Lease #: TX1-43214(2)
Lessor: Emily Ruth Carroll
Lessee: Union Pacific Resources Company
Dated: May 30, 1991
Filed: Official Records of Brazos County, Texas
Recorded: Volume 1297, Page 314

Lease #: TX1-43214(3)
Lessor: Hazel Price Wilson, et al
Lessee: Union Pacific Resources Company
Dated: May 30, 1991
Filed: Official Records of Brazos County, Texas
Recorded: Volume 1302, Page 265

Lease #: TX1-43214(4)
Lessor: Gene S. Stephens, et ux
Lessee: Union Pacific Resources Company
Dated: March 16, 1993
Filed: Official Records of Brazos County, Texas
Recorded: Volume 1748, Page 26

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

Exhibit "B" attached to and made a part of that certain "Pooling Agreement, Union Pacific Resources Company, Cannon-Chance Unit No. 1, Brazos and Burleson Counties, Texas."

Cannon-Chance Unit Well No. 1
637.07 Acre Unit
Union Pacific Resources Company
James Hope Survey, A-22
Brazos and Burleson Counties, Texas

Field notes of a 637.07 acre tract or parcel of land, lying and being situated in the James Hope Survey, Abstract No. 22, Brazos and Burleson Counties, Texas, and consisting of the following tracts:

Part of the called 382.239 acre tract described in the deed from Charles E. Neelley to Robert H. Cannon, as recorded in Volume 401, Page 309, of the Deed Records of Brazos County, Texas;

All of the western portion of the called 64.745 acre tract described in the deed from Charles E. Neelley to Dilford C. Carter and wife, Sigrid Carter, as recorded in Volume 868, Page 408, of the Official Records of Brazos County, Texas;

All of the called 6 acre tract described in the deed from George C. Chance to R. F. Smith and A. B. Smith, as recorded in Volume 142, Page 105, of the Deed Records of Brazos County, Texas;

Part of the called 1536.6 acre (net) tract described in the deed from Walter D. Caldwell, Trustee to George C. Chance, as recorded in Volume 85, Page 516, of the Deed Records of Brazos County, Texas;

And part of the called 550 acre (Tract 8-A), Brazos River - Oil & Gas Lease from the State of Texas to Union Pacific Resources Company, as recorded in Volume 1612, Page 219, of the Official Records of Brazos County, Texas, and said 637.07 acre tract being more particularly described as follows:

COMMENCING at the ½" iron rod found at a 6" creosote post fence corner in the southwest line of Hope's Creek Road marking the east corner of the eastern portion of the beforementioned 64.745 acre tract, same being in the northwest line of the beforementioned 1536.6 acre tract, from which the north corner of the called 82.7 acre tract described in Volume 47, Page 470, in the center of Hope's Creek Road bears N 43° 46' 29" E 23.0 feet, and a ½" iron rod found at a 6" creosote post fence corner in the northeast line of Hope's Creek Road bears N 42° 31' 21" E 46.0 feet;

THENCE S 43° 46' 29" W along the common line between the beforementioned eastern portion of the 64.745 acre tract and the beforementioned 1536.6 acre tract, adjacent to a fence, at a distance of 1225.13 feet, pass the south corner of the eastern portion of the 64.745 acre tract, same being an easterly corner of the beforementioned 382.239 acre tract in the center of Hope's Creek, continue on along the common line between the 1536.6 acre tract and the 382.239 acre tract (creek and fence bow to the southeast) for a total distance of 1573.18 feet to the **PLACE OF BEGINNING** of this description, from which a double (3" and 5") elm tree on the southeast bank of Hope's Creek bears S 24° 35' 27" E 94.8 feet;

THENCE S 43° 46' 29" W along the common line between the beforementioned 382.239 acre tract and the beforementioned 1536.6 acre tract at a distance of 67.9 feet, pass the north or northeast corner of the beforementioned western portion of the 64.745 acre tract, continue on for a total distance of 147.94 feet and corner, from which a double elm tree (5" and 6") on the southern bank of Hope's Creek bears S 50° 22' 32" W 151.6 feet;

THENCE S 46° 13' 31" E across the beforementioned 1536.6 acre tract for a distance of 2770.71 feet to the northwest line of the called 460.0 acre tract described in the Oil & Gas Lease from Patience Chance Thomason to Union Pacific Resources Company, as recorded in Volume 1609, Page 110, of the Official Records of Brazos County, Texas;

THENCE through the interior of the beforementioned 1536.6 acre tract and along the northwest and southwest lines of the beforementioned 460.0 acre tract as follows:

S 44° 31' 53" W 1772.22 feet to the re-constructed west corner of the 460.00 acre tract,

S 45° 32' 30" E 1400.00 feet to the south corner of the 460.0 acre tract, same being in the common line between the beforementioned 1536.6 acre tract and the called 191 acre tract described as a 95-5/8 acre tract, a 40 acre tract and 55-5/8 acre tract in Volume "L", Page 553, of the Civil Minutes of the District Court Records, from which the crosstie fence corner at the intersection of the fenced southwesterly line of Hope's Creek Road bears N 45° 15' 32" E 2617.1 feet;

THENCE S 45° 15' 32" W along the common, occupied line between the beforementioned 1536.6 acre tract and the beforementioned 191 acre tract, adjacent to a fence, at a distance of 964.5 feet, pass a 24" snag fence angle point, continue on, adjacent to and northwest of a fence, at a distance of 1138.3 feet, pass the south corner of the 1536.6 acre tract on the north (Brazos County) bank of the Brazos River, continue on across said river for a total distance of 2671.26 feet to the southern (Burleson County) bank of the Brazos River, from which a 16" willow tree at end of fence on the north bank of the Brazos River bears N 56° 06' 39" E 698.6 feet;

THENCE along the southerly high bank of the Brazos River (Burleson County side) as follows:

N 78° 28' 29" W 103.59 feet,
N 79° 20' 08" W 404.90 feet,
N 75° 05' 06" W 410.55 feet,
N 79° 59' 34" W 410.73 feet,
N 74° 04' 10" W 253.28 feet,

N 57° 50′ 54" W 292.25 feet,
N 35° 21′ 48" W 241.94 feet,
N 14° 02′ 33" W 189.60 feet,
N 73° 21′ 35" W 95.80 feet,
N 49° 12′ 12" W 244.70 feet,
N 13° 54′ 40" W 373.92 feet,
N 24° 51′ 54" W 322.35 feet,
N 18° 48′ 23" W 403.79 feet,
N 20° 34′ 21" W 410.34 feet,
N 3° 42′ 35" E 368.28 feet,
N 22° 23′ 53" E 240.56 feet,
N 6° 35′ 44" E 255.83 feet,
N 10° 46′ 49" E 342.23 feet,
N 13° 29′ 23" E 416.59 feet,
N 9° 49′ 30" E 426.13 feet,
N 14° 26′ 41" W 372.40 feet,
N 66° 37′ 18" W 308.80 feet,
N 87° 54′ 30" W 313.97 feet,
S 77° 36′ 59" W 355.56 feet,
S 53° 34′ 26" W 387.69 feet,
S 42° 30′ 14" W 284.78 feet,
S 50° 11′ 00" W 388.68 feet,
S 60° 44′ 29" W 605.36 feet,
S 60° 15′ 44" W 393.16 feet;

THENCE N 11° 51′ 36" W across the Brazos River for a distance of 553.78 feet to the north bank of the Brazos River (Brazos County side), same being the southerly line of the beforementioned 382.239 acre tract from which a 30" hackberry tree fence corner in field fence bears N 51° 54′ 55" E 2704.1 feet;

THENCE through the interior of the beforementioned 382.239 acre tract as follows:

N 43° 46′ 29" E 4068.16 feet and corner, from which a 5/8" iron rod found at a 6" creosote post fence corner marking the north corner of the 382.239 acre tract in the fenced southwest line of Hope's Creek bears N 35° 12′ 46" E 3409.97 feet, and a 5/8" iron rod found at a crosstie fence corner marking an interior ell corner of the 382.239 acre tract bears N 81° 04′ 53" E 2639.23 feet,
N 46° 13′ 31" W 60.00 feet,
N 43° 46′ 29" E 750.00 feet,
S 46° 13′ 31" E 60.00 feet,
N 88° 46′ 29" E 424.26 feet,
S 46° 13′ 31" E for a distance of 2332.88 feet to the **PLACE OF BEGINNING**, containing 640.00 acres of land, more or less, **Save and Except** the following described 2.93 acre tract;

Save and Except Tract Description
2.93 Acre Tract
James Hope Survey, A-22
Brazos County, Texas

Field notes of a 2.93 acre tract or parcel of land, lying and being set in the James Hope Survey, Abstract No. 22, Brazos County, Texas, and being all of the called 3 acre tract described in the deed from L. Stephan to the Trustees of Colored Riverside Cemetery Association, recorded in Volume 57, Page 536, of the Deed Records of Brazos county, Texas, (This 3 acre tract being located entirely within the abovementioned 64.745 acre tract Volume 868, Page 408, and no on-the-ground evidence was found that this 3 acre tract was ever fenced or marked on-the-ground. The location of this 3 acre tract is based on the passing call in said 3 acre description of the "James Gammill fence". We have determined that the James Gammill referred to is actually James Gamble who obtained an 82.7 acre tract in Volume 47, Page 470, of the Deed Records of Brazos County, Texas, which adjoins the 3 acre tract to the southeast. The north corner of the 82.7 acre tract is in the center of Hopes Creek Road and this is where this 2.93 acre description commences), and said 2.93 acre tract being more particularly described as follows:

COMMENCING at the north corner of the beforementioned 82.7 acre tract in the center of Hope's Creek Road, same being in the northwest line of the abovementioned 1536.6 acre tract (85/516), from which a ½" iron rod found at a 6" creosote post fence corner in the fenced northeast line of Hope's Creek Road bears N 41° 16' 16" E 23.0 feet;

THENCE S 43° 46' 29" W along the northwest line of the beforementioned 82.7 acre tract, same being the northwest line of the beforementioned 1536.6 acre tract, at a distance of 23.0 feet, pass a ½" iron rod found at a 6" creosote post fence corner in the fenced southwest line of Hope's Creek Road marking the east corner of the abovementioned eastern portion of the 64.745 acre tract, continue on along the common line between the 82.7 acre tract and the 64.745 acre tract, adjacent to a fence, at a distance of 1248.1 feet, pass the south corner of the eastern portion of the 64.745 acre tract, same being an easterly corner of the abovementioned 382.239 acre tract (401/309) in the center of Hope's Creek, continue on along the common line between the 82.7 acre tract and the 382.239 acre tract (creek and fence bow to the southeast, at a distance of 1664.1 feet, pass the northeast or east corner of the western portion of the 64.745 acre tract, in the center of Hope's Creek, continue on along the common line between the 64.745 acre tract and the 82.7 acre tract, at a distance of 1894.7 feet, a double elm tree (5" and 6") on the southerly high bank of Hope's Creek bears northwest 17.4 feet, continue on, adjacent to an approximately 14 fee southeast of a fence for a total distance of 3271.78 feet to the re-established east corner of the called 3 acre tract for the **PLACE OF BEGINNING** of this description, from which a 6" creosote post fence angle point bears S 53° 12' 56" W 88.5 feet;

Save and Except Tract Description
Continued - Page 2

THENCE S 43° 46′ 29" W along the southeast line of the beforementioned 3 acre tract, same being the northwest line of the 82.7 acre tract, and same being the southeast line of the 64.745 acre tract, at a distance of 106.00 feet, pass the west corner of the 82.7 acre tract as called for in said deed (1216 varas from center of Hope's Creek Road), continue on at a distance of 139.0 feet, pass a 6" creosote post fence corner at the east end of a well road entrance, continue on across the well road entrance for a total distance of 235.00 feet to the south corner of the 3 acre tract, from which a 6" creosote post fence corner at the southwest end of a cattle guard in said well road bears N 11° 32′ 45" E 56.9 feet, and a 6" creosote post fence corner at the northeast end of said cattle guard bears N 18° 10′ 13" E 77.3 feet;

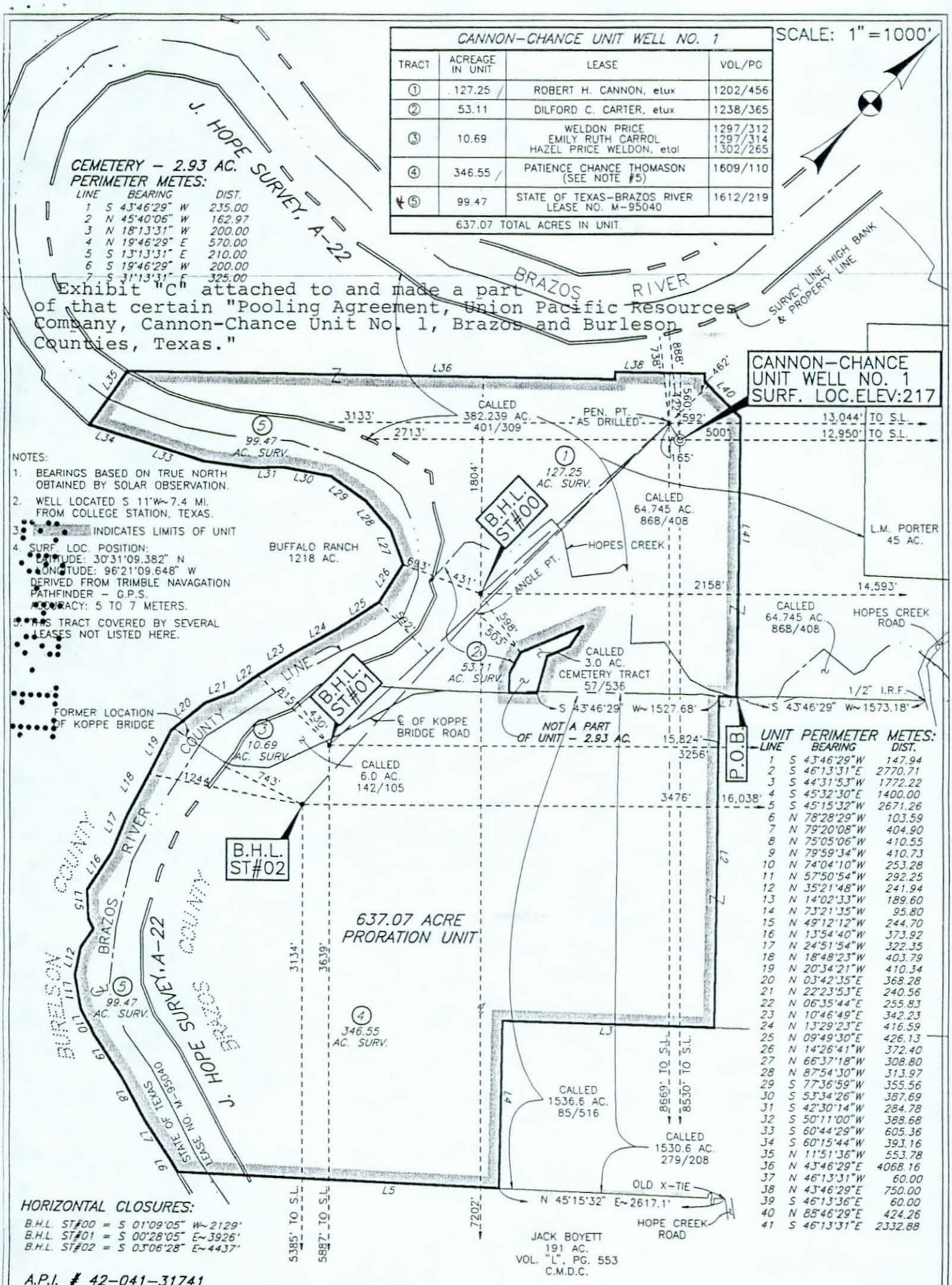
THENCE along the reconstructed lines of the beforementioned 3 acre tract and generally encompassing a ridge over-looking Hope's Creek as follows:

N 45° 40′ 06" W	162.97 feet,
N 18° 13′ 31" W	200.00 feet,
N 19° 46′ 29" E	570.00 feet to the north corner of the 3 acre tract from which a chain link fence corner at the northwest corner of a fenced burial enclosure containing several headstones bears S 02° 05′ E 574 feet,
S 13° 13′ 31" E	210.00 feet,
S 19° 46′ 29" W	200.00 feet from which a chain link fence corner at the northeast corner of said fenced burial enclosure bears S 16° 27′ E 192 feet,
S 31° 13′ 31" E	for a distance of 325.00 feet to the **PLACE OF BEGINNING**, containing 2.93 acres of land, more or less, bearing a NET acreage of 637.07 acres for this unit.

Bearings based on True North, as obtained by Solar Observation

Prepared 04/17/93
Revised 10/18/93 changed unit

kes93-02b:\cannon-c.640


CANNON-CHANCE UNIT WELL NO. 1
SCALE: 1"=1000'
TRACT | ACREAGE IN UNIT | LEASE | VOL/PG
① | 127.25 | ROBERT H. CANNON, etux | 1202/456
② | 53.11 | DILFORD C. CARTER, etux | 1238/365
③ | 10.69 | WELDON PRICE, EMILY RUTH CARROL, HAZEL PRICE WELDON, etal | 1297/312, 1297/314, 1302/265
④ | 346.55 | PATIENCE CHANCE THOMASON (SEE NOTE #5) | 1609/110
⑤ | 99.47 | STATE OF TEXAS-BRAZOS RIVER LEASE NO. M-95040 | 1612/219
637.07 TOTAL ACRES IN UNIT.
CEMETERY - 2.93 AC.
PERIMETER METES:
LINE BEARING DIST.
1 S 43°46'29" W 235.00
2 N 45°40'06" W 162.97
3 N 18°13'31" W 200.00
4 N 19°46'29" E 570.00
5 S 13°13'31" E 210.00
6 S 19°46'29" W 200.00
7 S 31°13'31" E 325.00
J. HOPE SURVEY, A-22
BRAZOS RIVER
SURVEY LINE HIGH BANK & PROPERTY LINE
Exhibit "C" attached to and made a part of that certain "Pooling Agreement, Union Pacific Resources Company, Cannon-Chance Unit No. 1, Brazos and Burleson Counties, Texas."
CANNON-CHANCE UNIT WELL NO. 1
SURF. LOC.ELEV:217
CALLED 382.239 AC. 401/309
PEN. PT. AS DRILLED
99.47 AC. SURV.
127.25 AC. SURV.
CALLED 64.745 AC. 868/408
L.M. PORTER 45 AC.
HOPES CREEK
BUFFALO RANCH 1218 AC.
ANGLE PT.
B.H.L. ST#00
B.H.L. ST#01
B.H.L. ST#02
53.11 AC. SURV.
CALLED 3.0 AC. CEMETERY TRACT 57/536
HOPES CREEK ROAD
1/2" I.R.F.
S 43°46'29" W~1527.68'
S 43°46'29" W~1573.18'
NOT A PART OF UNIT - 2.93 AC.
P.O.B.
FORMER LOCATION OF KOPPE BRIDGE
℄ OF KOPPE BRIDGE ROAD
10.69 AC. SURV.
CALLED 6.0 AC. 142/105
637.07 ACRE PRORATION UNIT
346.55 AC. SURV.
CALLED 1536.6 AC. 85/516
CALLED 1530.6 AC. 279/208
OLD X-TIE
N 45°15'32" E~2617.1'
HOPE CREEK ROAD
JACK BOYETT 191 AC. VOL. "L", PG. 553 C.M.D.C.
BRAZOS COUNTY
BURLESON COUNTY
STATE OF TEXAS LEASE NO. M-95040
NOTES:
1. BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION.
2. WELL LOCATED S 11°W~7.4 MI. FROM COLLEGE STATION, TEXAS.
3. [illegible] INDICATES LIMITS OF UNIT
4. SURF. LOC. POSITION:
LATITUDE: 30°31'09.382" N
LONGITUDE: 96°21'09.648" W
DERIVED FROM TRIMBLE NAVAGATION PATHFINDER - G.P.S.
ACCURACY: 5 TO 7 METERS.
5. THIS TRACT COVERED BY SEVERAL LEASES NOT LISTED HERE.
UNIT PERIMETER METES:
LINE BEARING DIST.
1 S 43°46'29"W 147.94
2 S 46°13'31"E 2770.71
3 S 44°31'53"W 1772.22
4 S 45°32'30"E 1400.00
5 S 45°15'32"W 2671.26
6 N 78°28'29"W 103.59
7 N 79°20'08"W 404.90
8 N 75°05'06"W 410.55
9 N 79°59'34"W 410.73
10 N 74°04'10"W 253.28
11 N 57°50'54"W 292.25
12 N 35°21'48"W 241.94
13 N 14°02'33"W 189.60
14 N 73°21'35"W 95.80
15 N 49°12'12"W 244.70
16 N 13°54'40"W 373.92
17 N 24°51'54"W 322.35
18 N 18°48'23"W 403.79
19 N 20°34'21"W 410.34
20 N 03°42'35"E 368.28
21 N 22°23'53"E 240.56
22 N 06°35'44"E 255.83
23 N 10°46'49"E 342.23
24 N 13°29'23"E 416.59
25 N 09°49'30"E 426.13
26 N 14°26'41"W 372.40
27 N 66°37'18"W 308.80
28 N 87°54'30"W 313.97
29 S 77°36'59"W 355.56
30 S 53°34'26"W 387.69
31 S 42°30'14"W 284.78
32 S 50°11'00"W 388.68
33 S 60°44'29"W 605.36
34 S 60°15'44"W 393.16
35 N 11°51'36"W 553.78
36 N 43°46'29"E 4068.16
37 N 46°13'31"W 60.00
38 N 43°46'29"E 750.00
39 S 46°13'36"E 60.00
40 N 88°46'29"E 424.26
41 S 46°13'31"E 2332.88
HORIZONTAL CLOSURES:
B.H.L. ST#00 = S 01°09'05" W~2129'
B.H.L. ST#01 = S 00°28'05" E~3926'
B.H.L. ST#02 = S 03°06'28" E~4437'
A.P.I. # 42-041-31741
REVISED: 10/18/93
CHANGED UNIT CONFIGURATION
PRORATION UNIT PLAT PREPARED: 09/27/93
SURVEYED: APRIL, 1993
STATE OF TEXAS REGISTERED S.M. KLING 2003 PROFESSIONAL LAND SURVEYOR
BY: S.M. KLING R.P.L.S. 2003
PRORATION UNIT PLAT
PURSUANT TO STATEWIDE RULE 86
FOR GIDDINGS (AUSTIN-CHALK 3) FIELD
CANNON-CHANCE UNIT WELL NO. 1
UNION PACIFIC RESOURCES COMPANY
JAMES HOPE SURVEY, A-22
BRAZOS COUNTY & BURLESON COUNTY, TEXAS
SCALE: 1"=1000'
SEPT., 1993
WG1\041\0221101A
KLING ENGINEERING & SURVEYING
BRYAN, TEXAS

(8) M-95040

Pooling Agreement

FILED: 12-1-93

11-SP-93

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

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

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

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

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

Form W-1
Rev. 9/1/91

EFFECTIVE SEPT. 1, 1991, PERMIT APPLICATION FEE WILL VARY ACCORDING TO THE TOTAL DEPTH SHOWN IN ITEM NO. 9 BELOW.
0-2000' - 8100, 2001' - 4000' - 8125
4001' - 9000' - 8150 9001' or deeper - 8200

Purpose of filing (mark appropriate boxes):
[X] Drill [ ] Deepen (below casing) [ ] Deepen (within casing) [ ] Plug Back [ ] Re-Enter
[X] Horizontal [ ] Directional Well [ ] Sidetrack [ ] Amended Permit (enter permit no. at right & explain fully in Remarks)

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

1. Operator's Name (exactly as shown on Form P-5, Organization Report): Union Pacific Resources Company
3. RRC Operator No.: 876645
4. RRC District No.: 03
5. County of Well Site: Brazos SHL TL

2. Address (including city and zip code):
P.O. Box 7
MS 3407
Fort Worth, TX 76101

6. Lease Name (32 spaces maximum): Cannon-Chance Unit
7. RRC Lease/ID No.:
8. Well No.: 1
9. Total Depth: 17,000'

10. Location
• Section _____ Block _____ Survey SHL TL James Hope Abstract No. A-22
• This well is to be located 7.4 miles in a SW direction from College Station, TX, which is the nearest town in the county of the well site.

11. Distance from proposed location to nearest lease or unit line: 500 ft.
12. Number of contiguous acres in lease, pooled unit, or unitized tract: 637.07 (OUTLINE ON PLAT.)

13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line.	14. Completion depth	15. Spacing pattern (ft.)	16. Density pattern (acres)	17. Number of acres in drilling unit for this well. OUTLINE ON PLAT.	18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks.	19. Distance from proposed location to nearest applied for, permitted, or completed well this lease & reservoir. (ft.)	20. Oil, gas, or other type well (Specify)	21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir. OIL	GAS
Giddings (Austin Chalk-3)	17000'	467/1200	160/80	637.07	NO	N/A	OIL	-1-	-0-
Giddings (Austin Chalk, Gas)	17000'	467/1200	160/80	637.07	NO	N/A	GAS	-0-	-1-

22. Perpendicular surface location from two nearest designated lines:
• Lease/Unit 500' FNWL & 500' FNEL
• Survey/Section 8530' FSEL & 12950' FNEL

If a directional well, show also projected bottom-hole location:
• Lease/Unit 2954' FSEL & 719' FWL
• Survey/Section 16700' FNEL & 5215' FSEL

23. Is this a pooled unit?
Yes [XX] ▶ (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 [X]

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

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

Remarks
Penetration Point: 652' FNEL & 631' FNWL of Unit: 8400' FSEL & 13100' FNEL of Survey

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

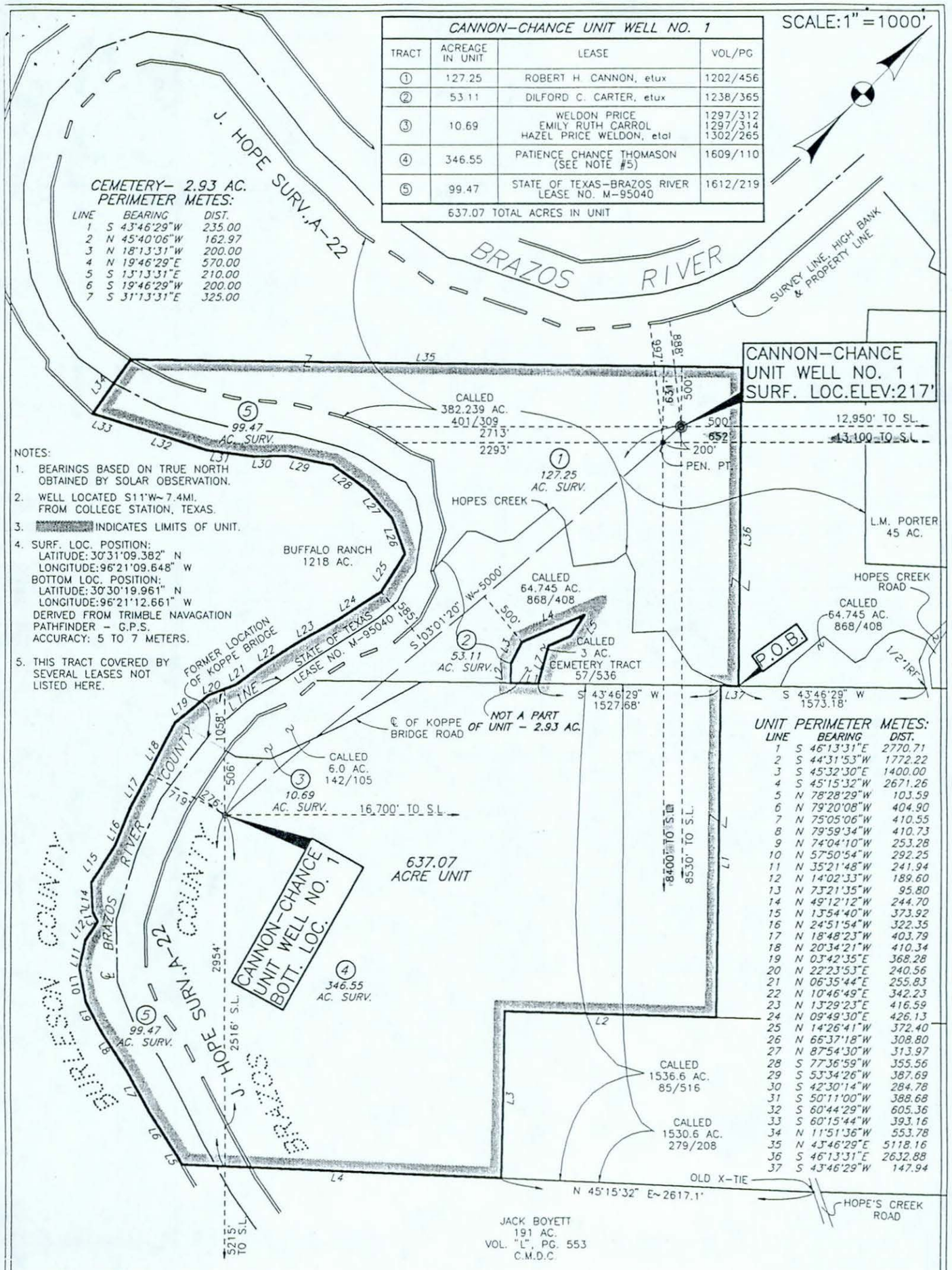
Sharon Cook/BM
Signature

Sharon Cook / RA
Name and title of operator's representative

4/19/93
Date: mo. day yr.

817-877-7792
Tel.: Area Code Number

• RRC Use Only •



NOTES:

1. BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION.
2. WELL LOCATED S11°W~7.4MI. FROM COLLEGE STATION, TEXAS.
3. ▒▒▒▒ INDICATES LIMITS OF UNIT.
4. SURF. LOC. POSITION:
   LATITUDE: 30°31'09.382" N
   LONGITUDE: 96°21'09.648" W
   BOTTOM LOC. POSITION:
   LATITUDE: 30°30'19.961" N
   LONGITUDE: 96°21'12.661" W
   DERIVED FROM TRIMBLE NAVAGATION PATHFINDER – G.P.S.
   ACCURACY: 5 TO 7 METERS.
5. THIS TRACT COVERED BY SEVERAL LEASES NOT LISTED HERE.

WELL LOCATION

CANNON–CHANCE UNIT WELL NO. 1

UNION PACIFIC RESOURCES COMPANY

JAMES HOPE SURVEY, A–22

BRAZOS COUNTY & BURLESON COUNTY, TEXAS

STATE OF TEXAS
REGISTERED
S.M. KLING
2003
PROFESSIONAL
LAND SURVEYOR

SURVEYED: APRIL, 1993

BY: S.M. KLING R.P.L.S. NO. 2003

SCALE: 1" = 1000' APRIL, 1993

)WG1\041\0221101A

KLING ENGINEERING & SURVEYING
BRYAN, TEXAS

REV. 6/89

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
410847	4/19/93	03
API NUMBER	**FORM W-1 RECEIVED**	**COUNTY**
42 041 31741	4/19/93	BRAZOS
TYPE OF OPERATION		**ACRES**
DRILL (HORIZONTAL)		637.07

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	WELL NUMBER
CANNON-CHANCE UNIT	1
LOCATION	**TOTAL DEPTH**
7.40 MILES SW FROM COLLEGE STAT.	17,000

SECTION, BLOCK and/or SURVEY

SECTION => BLOCK => ABSTRACT => 22

SURVEY ==> JAMES HOPE

DISTANCE--LEASE LINES			DISTANCE--NEAREST WELL ON LEASE
500.00 F NW	-	500.00 F NE	NA
DISTANCE--SURVEY LINES			
8,530.00 F SE	-	12,950.00 F NE	

READ IMPORTANT CONDITIONS AND INSTRUCTIONS ON THE BACK OF THIS FORM

FIELD(S) AND LIMITATIONS

PERMIT BOTTOM HOLE LOCATION:
SECTION ==========> BLOCK => ABSTRACT => 22
SURVEY NAME =====> JAMES HOPE
LEASE DISTANCE ==> 2,954.00 F SE - 719.00 F W
SURVEY DISTANCE => 16,700.00 F NE - 5,215.00 F SE
NEAREST WELL ====> NA

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

** LIMITATIONS **

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

REGULAR PROVIDED THIS WELL IS NEVER COMPLETED IN VIOLATION OF APPLICABLE SPECIAL FIELD OR STATEWIDE SPACING RULES.
PENETRATION POINT: 652' FNEL & 631' FNWL OF UNIT
8400 FSEL & 13100 FNEL OF SURVEY

RAILROAD COMMISSION OF TEXAS

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

April 19, 1993

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

RE: DIRECTIONAL DEVIATION
PERMIT #: 410847
LEASE: CANNON-CHANCE UNIT WELL #: 1
FIELD: SEE ATTACHMENT COUNTY: BRAZOS

SURFACE LOCATION:
LEASE: 500.00 F NW & 500.00 F NE
SURVEY: 8530.00 F SE & 12950.00 F NE

BOTTOM HOLE LOCATION:
LEASE: 2954.00 F SE & 719.00 F W
SURVEY: 16700.00 F NE & 5215.00 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

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

cc: RRC - District Office HOUSTON 03
Production and Proration

ATTACHMENT
PERMIT #: 410847

FIELD: GIDDINGS (AUSTIN CHALK-3)

FIELD: GIDDINGS (AUSTIN CHALK, GAS)

Form P – 12
(1/16/74)

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

CERTIFICATE OF POOLING AUTHORITY

I, Sharon Cook, 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: Cannon-Chance Unit WELL NO. 1

FIELD: Giddings (Austin Chalk-3) Fld.
Giddings (Austin Chalk, Gas) Fld. Brazos COUNTY,

TEXAS, contains 637.07 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
1	Union Pacific Resources Company	Robert H. Cannon, etux	127.25	
2	Union Pacific Resources Company	Dilford C. Carter, etux	53.11	
3	Union Pacific Resources Company	Weldon Price, Emily Ruth Carrol, Hazel Price Weldon, etal	10.69	
4	Union Pacific Resources Company	Patience Chance Thomason	346.55	
5	Union Pacific Resources Company	State of Texas-Brazos River Lse. No. M-95040	99.47	
		TOTAL:	637.07	

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.

Sharon Cook/BAM — Representative of Operator

Regulatory Analyst — Title

4/19/93 — Date

Telephone 817 (A/C) 877-7792 (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.

(9) M-95040
Appl. to Drill Well #1
Filed: 12-1-93

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form G-1
Rev. 4-1-85

Type or print only

483-047

API No. 42- 041-31741

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

7. RRC District No. 3

8. RRC Gas ID No.

1. FIELD NAME (as per RRC Records or Wildcat): GIDDINGS(AUSTIN CHALK, GAS)

2. LEASE NAME: CANNON - CHANCE 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: BRAZOS

4. ADDRESS: P.O. BOX 7 MS 3407 FORT WORTH, TX 76101-0007

11. Purpose of filing
- Initial Potential [x]
- Retest [ ]
- Reclass [ ]
- Well record only (Explain in remarks) [ ]

5. Location (Section, Block, and Survey): JAMES HOPE A-22

5b. Distance and direction to nearest town in this county: 7.4 MILES SW FROM COLLEGE STATION

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 # | Oil—O Gas—G | WELL #

13. Pipe Line Connection: Austin Chalk Natural Gas Mktg Services

14. Completion or recompletion date: 06/14/93

15. Any condensate on hand at time of workover or recompletion? [ ] Yes [ ] No

16. Type of Electric or other Log Run: GAMMA RAY

Section I — GAS MEASUREMENT DATA

Date of Test: 7-8-93

Gas Measurement Method (Check One): Orifice Meter [x] ▶ Flange Taps [x] Pipe Taps [ ] | Positive Choke [ ] | Orifice Vent Meter [ ] | Pitot Tube [ ] | Critical-flow Prover [ ]

Gas produced during test: 972 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_{tf}	Gravity Factor F_g	Compress. Factor F_{pv}	Volume MCF/DAY
1	4.026	2.500	43,217.40	69	109.0	120	0.9469	0.8754	1.004	3,119
2	4.026	2.500	43,217.40	62	101.0	120	0.9469	0.8754	1.003	2,844
3	4.026	2.500	43,217.40	61	81.0	119	0.9477	0.8754	1.003	2,528
4	4.026	2.500	43,217.40	58	69.0	116	0.9501	0.8754	1.003	2,281

Section II — FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas)	Gravity Liquid Hydrocarbon	Gas Liquid Hydro Ratio	Gravity of Mixture	Avg. Shut-in Temp.	Bottom Hole Temp.
0.7830	49.8 Deg. API	8,566 CF/Bbl	G_{mix} = 1.062	179 °F	262 °F @ 10,049 (Depth)

$D_{eff}^{8/3}$ = 6.310

$\sqrt{T_f}$ = $\sqrt{661.9}$ = 25.73

$\sqrt{GL}$ = $\sqrt{10,672.59}$ = 103.31

$$C = \frac{1118 \times D_{eff}^{8/3}}{\sqrt{T}} = \frac{7054.58}{25.73} = 274.21$$

$$\frac{\sqrt{GL}}{C} = \frac{103.31}{274.21} = 0.3767$$

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			2,780	95	7,728				
1	180	24/64	1,615	145	2,608	1,175.0	1,380.7	1,997	0.809
2	105	22/64	1,675	144	2,806	1,071.4	1,147.9	1,988	0.842
3	105	20/64	1,715	142	2,941	952.4	907.1	1,962	0.874
4	120	18/64	1,775	136	3,151	859.2	738.2	1,972	0.900

Run No.	F	K	$S = \frac{1}{z}$	E^{ks}	P_f and P_s	P_f^2 and P_s^2 (thousands)	$P_f^2 - P_s^2$ (thousands)
Shut-In	AMERADA INSTR. #47833 (5400#)				4015	16,120	
1	0.908	0.2744	1.4639	1.49433	2413	5,824	10,296
2	0.923	0.2792	1.4569	1.50188	2516	6,329	9,791
3	0.939	0.2837	1.4523	1.50990	2589	6,705	9,415
4	0.951	0.2875	1.4454	1.51512	2689	7,233	8,887

Angle of Slope
θ ....45.0°.....
n ....1.000.....
Absolute Open Flow
..4,900.. 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.

David West / Union Pacific Resources Co.
Signature, Well Tester — 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 /WANDA BARTELL — Signature, Operator's representative
REGULATORY ANALYST — Title
08/09/93 — Date
Tel: 817/877-7941 — A/C Number

SECTION 2

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

17. Type of Completion:
New Well [X] (HORIZONTAL) Deepening [ ] Plug Back [ ] Other [ ]

18. Permit to Drill, Plug Back or Deepen: DATE 04/19/93 PERMIT NO. 410847
Rule 37 Exception: CASE NO.
Water Injection Permit: PERMIT NO.
Salt Water Disposal Permit: PERMIT NO.
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: 1

21. Total number of acres in this lease: 637.07

22. Date Plug Back, Deepening, WorkOver or Drilling Operations: Commenced 04/21/93 Completed 06/04/93

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 500 Feet from NE Line of the CANNON CHANCE UNIT Lease

25. Elevation (DF, RKB, RT, GR, ETC.): GL: 217' KB: 241'

26. Was directional survey made other than inclination (form W-12)? [X] Yes [ ] No

27. Top of Pay: 9543'

28. Total Depth: 14,584'

29. P. B. Depth: 14,584'

30. Surface Casing Determined by: Field Rules [ ] Recommendation of T.D.W.? [X] Dt. of Letter 04/19/93
Railroad Commission (Special) [ ] Dt. of Letter

31. Is well multiple completion? [ ] Yes [X] 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 X; Cable Tools

34. Name of Drilling Contractor: DELTA #35

35. Cementing Affidavit Attached? [X] 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#	3030'		1126 sxs 15:85:8 & 320 sxs "A"	14 3/4"	Surface	2821.02
7 5/8"	26.4# & 29.7#	9602'		500 sxs "H"	9 7/8"	8600'	720'

37. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen

38. TUBING RECORD

Size	Depth Set	Packer Set
2 3/8"	9381'	9364'

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

From	9602'	ST 00	To	11,925'
From	11,700	ST 01	To	13,977'
From	9943'	ST 02	To	14,584'
From		OPEN HOLE COMPLETION		

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	5866'	AUSTIN CHALK	9543'
NAVARRO	7229'		
PECAN GAP	8518'		

REMARKS

GAS WELL

BACK PRESSURE CURVE

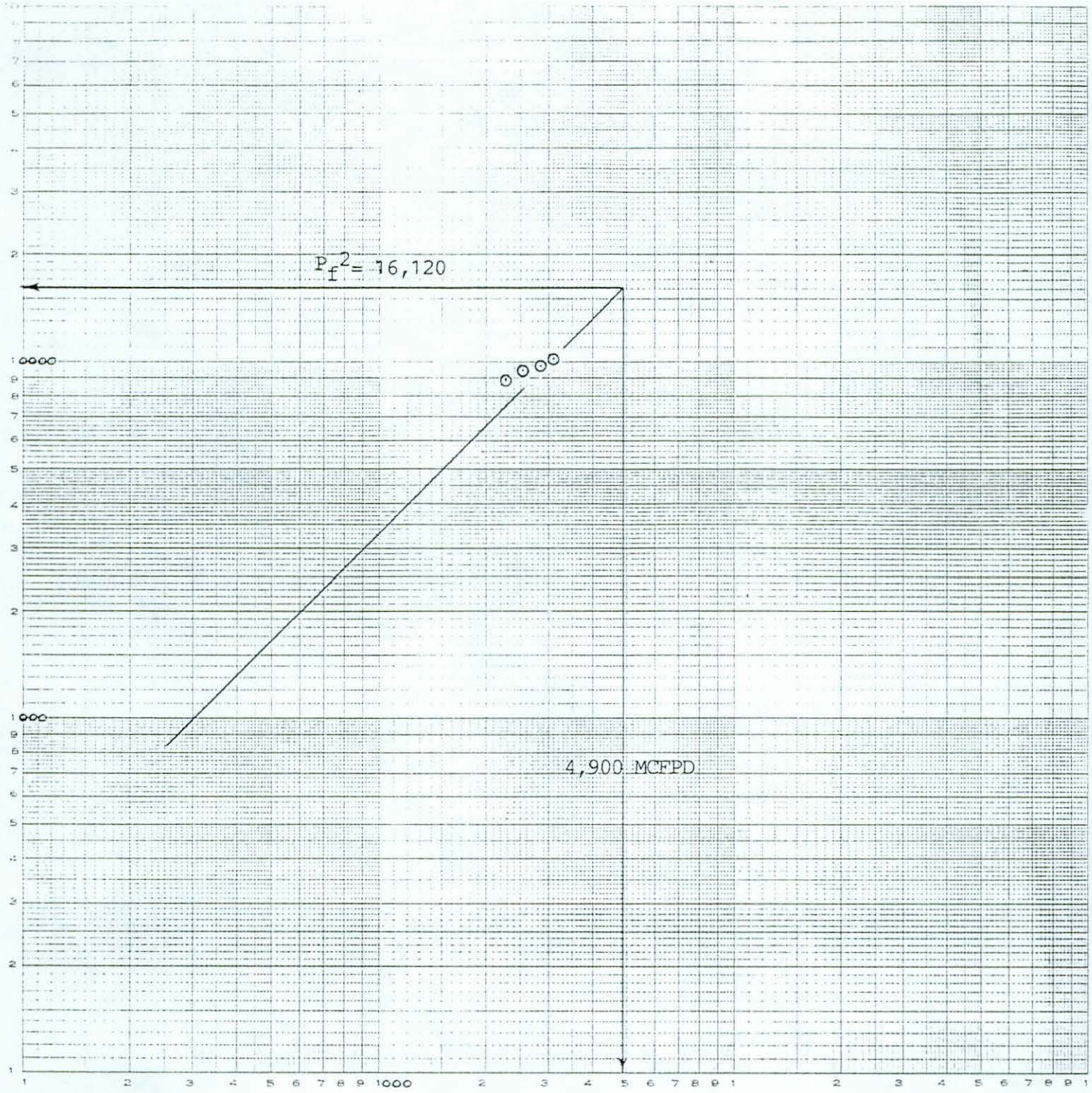
County BRAZOS Field GIDDINGS (AUSTIN CHALK, GAS)

Operator UNION PACIFIC RESOURCES COMPANY

Lease CANNON - CHANCE UNIT, WELL NO. 1

Volume 4,900 MCF/24 hr.

Date Tested 7-8-93



Θ = 45.0° n = 1.000

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

READ INSTRUCTIONS ON BACK

GAS WELL CLASSIFICATION REPORT

Form G-5
Rev. 01/01/86

1. OPERATOR NAME (Exactly as shown on Form P-5 Organization Report)	3. RRC DISTRICT NO.	4. OIL LEASE NO. OR GAS WELL ID NO.
UNION PACIFIC RESOURCES COMPANY	03	
2. MAILING ADDRESS P.O. BOX 7, MS 3407 FORT WORTH, TEXAS 76101-0007	5. WELL NO. 1	6. API NO. 42-041-31741
	7. COUNTY OF WELL SITE BRAZOS	

8. FIELD NAME (as per RRC Records)	9. LEASE NAME
GIDDINGS (AUSTIN CHALK, GAS)	CANNON-CHANCE UNIT
10. LOCATION (Section, Block, and Survey) JAMES HOPE A-22	**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)

A. Date of Test: 07/07/93

B. Gas Volume: 3110 (Mcf)

C. Oil or Condensate Volume: 397 (Bbl)

D. Water Volume: 702 (Bbl)

E. Gas/Liquid Hydrocarbon Ratio: 7834 (Cf/Bbl)

F. Flowing Tubing Pressure: 1655 (psia)

G. Choke Size: 24/64 (in.)

H. Casing Pressure: 15 (psia)

I. Shut-in Wellhead Pressure--
Tubing: 2780 (psia)

J. Separator Operating Pressure: 180 (psia)

K. Color of Stock Tank Liquid: DARK STRAW

L. Gravity of Separator Liquid: 49.8 °API

M. Gravity of Stock Tank Liquid: 47.2 °API

N. Specific Gravity of the Gas (Air = 1): .783

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 ANALYSIS ATTACHED

Date Liquid Sample Obtained: _____

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.

David West
NAME (Type or Print)

David West
SIGNATURE

WELL TESTER
TITLE

08/09/93
DATE

WANDA BARTELL
CONTACT PERSON

(817) 877-7941
PHONE NUMBER

RRC USE ONLY

(10) M-95040

Completion Rpts Well #1

FILED: 12-1-93



Union Pacific Resources

A Subsidiary of Union Pacific Corporation

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

BUSINESS REPLY MAIL

FIRST CLASS MAIL PERMIT NO. 2336 FORT WORTH, TX.

POSTAGE WILL BE PAID BY ADDRESSEE

UNION PACIFIC RESOURCES

ATTENTION DIVISION ORDER SECTION
P O BOX 2993
FORT WORTH TX 76101-9945

ENV - 555
(02-92)

Union Pacific Resources

A Subsidiary of Union Pacific Corporation

Union Pacific Resources Company
Attenton: Division Order Section
P.O. Box 2993
Fort Worth, Texas 76113-2993



APR 19 1994

46.61.4

1700 CUNG 52001804 ** CR 0171
***** AUTOMATED MAIL (MUM) *****

1700 N CONGRESS AVE #825
AUSTIN TX 78701-1495

FORM ENV-558 (12-89)

Texas General Land Office
Garry Mauro, Commissioner

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

July 22, 1994

Union Pacific Resources
Attn: Ms. Martha English
P. O. Box 7
Fort Worth, Texas 76101-0007

Re: Mineral File No. M-95040
U.P.R. Prop. No. 013467

Dear Ms. English:

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

EHM:mrg

Enclosures

Printed on recycled paper with soybean ink

M-95040

122

Union Pacific Resources
A Subsidiary of Union Pacific Corporation

April 11, 1994

DEAR INTEREST OWNER:

This letter is to advise you that Union Pacific Resources Company's Division Order Department has put your interest in line for pay for the interest you have on the enclosed Division Order.

However, research has revealed that even though you are in a "Pay Status", we do not have a Signed Division Order in our file.

It would be appreciated if you would sign the enclosed Division Order(s) and return to Union Pacific Resources so that our records will be complete.

I have enclosed a stamped envelope for your convenience.

Thanking you in advance for your prompt attention to this request.

Sincerely,

Martha English

LAND MANAGEMENT DEPARTMENT

RECEIVED
APR 19 1994
ENERGY RESOURCES

Union Pacific Resources Company
P.O. Box 7
Fort Worth, Texas 76101-0007
817 / 877-6000
TWX 910 893 5024
Telex 758-447

Union Pacific Resources
A Subsidiary of Union Pacific Corporation

M-95040

DATE: 04/07/94

DIVISION ORDER

ME

PROPERTY NUMBER: 013467 PRODUCT(S):CRUDE OIL
B

PROPERTY NAME: CANNON-CHANCE UNIT #1 COUNTY/PARISH: BRAZOS

OPERATOR: UNION PACIFIC RESOURCES STATE: TEXAS

LEGAL DESCRIPTION: 637.07 ACRES OUT OF JAMES HOPE SURVEY, A-22.
(UNIT DESIGNATION - VOLUME 1815, PAGE 189)

STATE OF TEXAS 005772101001
% COMMISSION GEN. LAND OFFICE
1700 N CONGRESS AVENUE
STEPHEN F. AUSTIN BLDG. 100
AUSTIN TX 78701

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

OWNER SIGNATURE(S)/CORPORATE TITLE

SIGNATURE OF WITNESS #1

[redacted]
SOCIAL SECURITY OR TAX ID #

SIGNATURE OF WITNESS #2

NEW ADDRESS (IF CHANGED)

OWNER NUMBER	DOI/ID	OWNER NAME	INTEREST TYPE	INTEREST PAID BY UPRC
0057721 01	001	STATE OF TEXAS	RI	0.031227

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

UNION PACIFIC RESOURCES COMPANY

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

1. **OIL** : Oil shall include crude oil, condensate and other liquid hydrocarbons marketed in conjunction with the production of oil and gas. The price of all oil marketed shall be a posted per barrel field price for similiar oil for the field where produced or as established under applicable contract, less A) trucking, barging or pipeline expenses, if any, to the point of delivery designated by the purchaser; B) the cost of any treatment necessary to render such oil merchantable; C) any proper deduction for water, dirt, sediment and other impurities; and D) corrections for temperature and gravity made in accordance with established rules prevailing at the time and place of delivery. All oil marketed under the terms of this division order shall become the property of the purchaser to whom it is marketed by Union Pacific Resources Co. (UPRC)when delivered to such purchaser or when delivered into any pipeline or to any person, firm or corporation designated by such purchaser to receive or transport said oil for its account.

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

3. **COMMINGLING** : If production from the property is commingled with production from other properties, a portion of the total shall be allocated to the property on the basis of lease meter readings or any other method generally accepted in the industry.

4. **UNITIZATION** : In the event the production from the property is pooled, unitized or communitized with one or more other properties by voluntary agreement, declaration, operation of law, or by action of a governmental authority with jurisdiction, the oil and/or gas allocated to the property from the total oil and/or gas produced and marketed from the pooled, unitized or communitized area shall be deemed for all purposes to have been actually produced from the property.

5. **TITLES** : If any dispute or question arises concerning title to the interest of the owner(s) in the property or the proceeds from the sale of production therefrom, UPRC shall be furnished, at its request, such evidence of title as it may require. Until such evidence of title is furnished and such dispute or question is resolved to the satisfaction of UPRC, or until satisfactory indemnity is furnished to UPRC, UPRC is authorized to withhold proceeds due the owner(s) of the disputed or questioned interest. If any action or suit is filed in any state or federal court or administrative body affecting an owner(s) interest or proceeds due, owner(s) shall immediately provide written notice to UPRC stating the court or administrative body in which the action is filed and the title of the action.

6. **CHANGE OF OWNERSHIP** : Owner(s), their heirs, representatives, successors or assigns, shall timely notify UPRC, at the address above, of each change in the person or entity entitled to receive payment hereunder. No transfer of ownership or change in the person or entity entitled to receive payment, however effected, shall be binding upon UPRC until it has received, at no expense to UPRC: A) a properly recorded instrument or instruments evidencing such transfer or change; B) such further evidence as UPRC may require; and C) a properly executed division order/transfer order executed by all parties in interest. Furthermore, owner(s) relieve UPRC from the responsibility and liability for determining when and whether such owner's interest shall change or revert to or otherwise become owned by another party. Owner(s) shall indemnify UPRC and hold UPRC harmless from any and all claims, causes of action, damages or losses including, but not limited to, court costs and reasonable attorney's fees which may arise or result to any owner in the event of a change of ownership for which timely and sufficient notice is not received by UPRC. The accounting for all such transfers or changes of interests shall be as of 7:00 AM on the first day of the calendar month following the month in which notice is received by UPRC.

7. **WARRANTIES** : Owner(s) hereby warrants and agrees to forever defend the title to such owner's interest including that owner's share in proceeds from sales. The operator and other working interest owners severally represent that all oil and/or gas produced and marketed from the property has been or will be produced in compliance with all applicable federal, state and local laws, rules and regulations.

8. **TAXES AND ASSESSMENTS** : UPRC shall deduct, as required by applicable law, from any proceeds due an owner, any or all production, severance, ad valorem, excise, sales, and other or dissimilar taxes. Any charges or assessments or any interest or penalties in connection therewith, now or hereafter levied, assessed or placed on such proceeds or an owners interest by a governmental authority will also be deducted.

9. **SETTLEMENT** : Settlement shall be made monthly to owner(s). If the proceeds payable to an owner in any one month amount to less than twenty-five dollars ($25.00), UPRC may, at its option, accrue such proceeds and proceeds of subsequent months, until the amounts accrued total twenty-five dollars ($25.00).

10. **EXECUTION** : This document shall be binding upon all signatory parties, their heirs, representatives, successors or assigns.

Union Pacific Resources
A Subsidiary of Union Pacific Corporation

DATE: 04/07/94

DIVISION ORDER

ME

PROPERTY NUMBER: 013467 PRODUCT(S):CRUDE OIL
B

PROPERTY NAME: CANNON-CHANCE UNIT #1 COUNTY/PARISH: BRAZOS

OPERATOR: UNION PACIFIC RESOURCES STATE: TEXAS

LEGAL DESCRIPTION: 637.07 ACRES OUT OF JAMES HOPE SURVEY, A-22.
(UNIT DESIGNATION - VOLUME 1815, PAGE 189)

STATE OF TEXAS 005772101001
% COMMISSION GEN. LAND OFFICE
1700 N CONGRESS AVENUE
STEPHEN F. AUSTIN BLDG. 100
AUSTIN TX 78701

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

OWNER SIGNATURE(S)/CORPORATE TITLE

SIGNATURE OF WITNESS #1

[redacted]
SOCIAL SECURITY OR TAX ID #

SIGNATURE OF WITNESS #2

NEW ADDRESS (IF CHANGED)

OWNER NUMBER	DOI/ID	OWNER NAME	INTEREST TYPE	INTEREST PAID BY UPRC
0057721 01	001	STATE OF TEXAS	RI	0.031227

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

UNION PACIFIC RESOURCES COMPANY

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

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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

DATE: 04/07/94

DIVISION ORDER

ME

PROPERTY NUMBER: 013467 PRODUCT(S):GAS
F

PROPERTY NAME: CANNON-CHANCE UNIT #1 COUNTY/PARISH: BRAZOS

OPERATOR: UNION PACIFIC RESOURCES STATE: TEXAS

LEGAL DESCRIPTION: 637.07 ACRES OUT OF JAMES HOPE SURVEY, A-22.
(UNIT DESIGNATION - VOLUME 1815, PAGE 189)

STATE OF TEXAS 005772101001
% COMMISSION GEN. LAND OFFICE
1700 N CONGRESS AVENUE
STEPHEN F. AUSTIN BLDG. 200
AUSTIN TX 78701

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

OWNER SIGNATURE(S)/CORPORATE TITLE

SIGNATURE OF WITNESS #1

[redacted]
SOCIAL SECURITY OR TAX ID #

SIGNATURE OF WITNESS #2

NEW ADDRESS (IF CHANGED)

OWNER NUMBER	DOI/ID	OWNER NAME	INTEREST TYPE	INTEREST PAID BY UPRC
0057721 01	001	STATE OF TEXAS	RI	0.039034

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.

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3. **COMMINGLING** : If production from the property is commingled with production from other properties, a portion of the total shall be allocated to the property on the basis of lease meter readings or any other method generally accepted in the industry.

4. **UNITIZATION** : In the event the production from the property is pooled, unitized or communitized with one or more other properties by voluntary agreement, declaration, operation of law, or by action of a governmental authority with jurisdiction, the oil and/or gas allocated to the property from the total oil and/or gas produced and marketed from the pooled, unitized or communitized area shall be deemed for all purposes to have been actually produced from the property.

5. **TITLES** : If any dispute or question arises concerning title to the interest of the owner(s) in the property or the proceeds from the sale of production therefrom, UPRC shall be furnished, at its request, such evidence of title as it may require. Until such evidence of title is furnished and such dispute or question is resolved to the satisfaction of UPRC, or until satisfactory indemnity is furnished to UPRC, UPRC is authorized to withhold proceeds due the owner(s) of the disputed or questioned interest. If any action or suit is filed in any state or federal court or administrative body affecting an owner(s) interest or proceeds due, owner(s) shall immediately provide written notice to UPRC stating the court or administrative body in which the action is filed and the title of the action.

6. **CHANGE OF OWNERSHIP** : Owner(s), their heirs, representatives, successors or assigns, shall timely notify UPRC, at the address above, of each change in the person or entity entitled to receive payment hereunder. No transfer of ownership or change in the person or entity entitled to receive payment, however effected, shall be binding upon UPRC until it has received, at no expense to UPRC: A) a properly recorded instrument or instruments evidencing such transfer or change; B) such further evidence as UPRC may require; and C) a properly executed division order/transfer order executed by all parties in interest. Furthermore, owner(s) relieve UPRC from the responsibility and liability for determining when and whether such owner's interest shall change or revert to or otherwise become owned by another party. Owner(s) shall indemnify UPRC and hold UPRC harmless from any and all claims, causes of action, damages or losses including, but not limited to, court costs and reasonable attorney's fees which may arise or result to any owner in the event of a change of ownership for which timely and sufficient notice is not received by UPRC. The accounting for all such transfers or changes of interests shall be as of 7:00 AM on the first day of the calendar month following the month in which notice is received by UPRC.

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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

DATE: 04/07/94

DIVISION ORDER

ME

PROPERTY NUMBER: 013467 PRODUCT(S):GAS
F

PROPERTY NAME: CANNON-CHANCE UNIT #1 COUNTY/PARISH: BRAZOS

OPERATOR: UNION PACIFIC RESOURCES STATE: TEXAS

LEGAL DESCRIPTION: 637.07 ACRES OUT OF JAMES HOPE SURVEY, A-22.
(UNIT DESIGNATION - VOLUME 1815, PAGE 189)

STATE OF TEXAS 005772101001
% COMMISSION GEN. LAND OFFICE
1700 N CONGRESS AVENUE
STEPHEN F. AUSTIN BLDG. 200
AUSTIN TX 78701

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Union Pacific Resources
A Subsidiary of Union Pacific Corporation

TO ALL INTEREST OWNERS:

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

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

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

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

2. If you have more than **one ownership interest** reflected on the Division Order, you must sign and return a division order for each separate ownership interest.

3. Signature by Agents, Attorneys-in-Fact, or Guardians other than the named interest owner must be verified by attaching evidence of the rights vested in the signatory party.

4. Include the proper Social Security Number or Tax Identification, whichever applies, in the space provided below your signature.

5. Insert the address to which checks are to be mailed. **Please print or type. Please do not abbreviate.**

6. You should notify us promptly of any change in your mailing address. This notice must be over your own signature, or the signature of your appointed agent. Always include your owner number and your old address, then state your new address with zip code.

UNION PACIFIC RESOURCES COMPANY

- PLEASE SEE REVERSE SIDE -

Union Pacific Resources Company Settlement Check Statement.

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

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

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

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

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

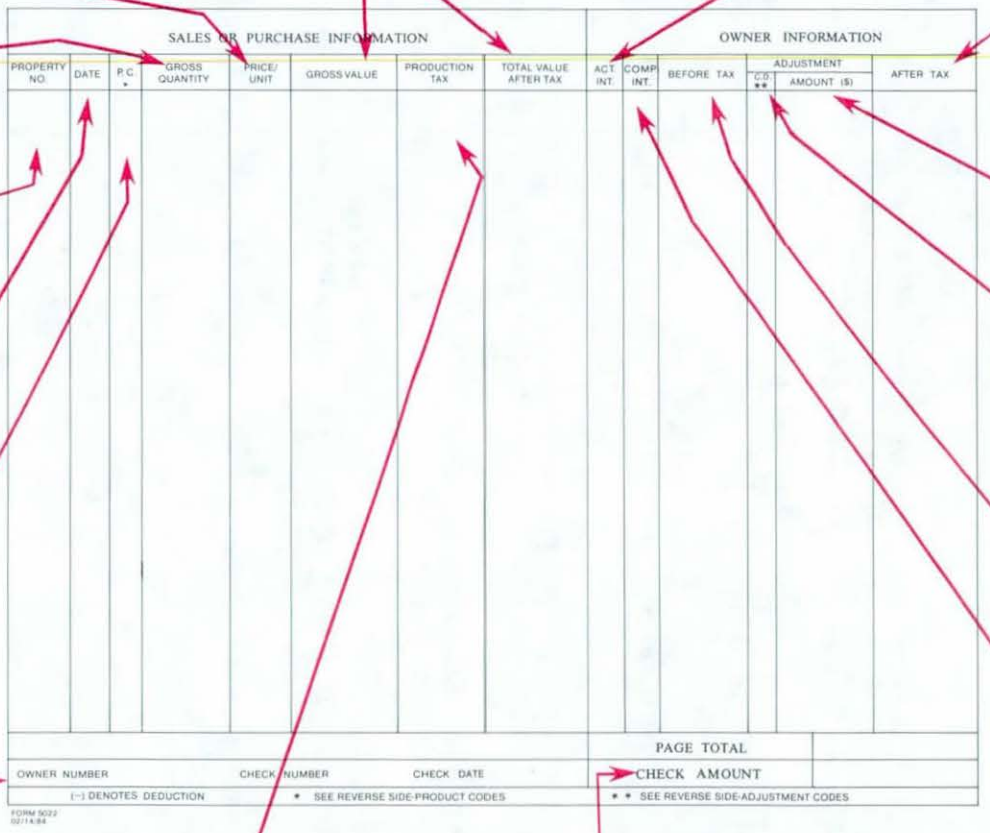
Gross Quantity
Barrels of Crude Oil, Condensate or Gas Liquid Products; MCF of Gas or Casinghead Gas; and Tons of Sulphur in sales or purchases of products delivered.

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

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

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

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



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

Check Amount
The total amount payable on the check.

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

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

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

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

File Dated
JUL 22 1994
Division Order
M-
(11)

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

Texas General Land Office
Garry Mauro, Commissioner

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

May 2, 1995

Seneca Resources Corporation
333 Clay Street, Suite 4150
Houston, Tx 77002-4176
Jeanette Rossi

Re: Mineral File No. M-094914 & M-095040
Pecore-Seigert No. 1-H Gas Unit

Dear Ms. Rossi:

We have received the amended division order submitted by your company for the above referenced lease and made the necessary changes 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) 475-1462.

Sincerely,

Lillie Gamble

Lillie Gamble
Accounts Examiner
Royalty and Revenue Processing
Energy Resources

/LRG

Enclosures

Printed on recycled paper with soybean ink

(12)

M- 95040

Ltr. to Seneca MAY 02 1995

File Dated MAY 02 1995

file

GENERAL LAND OFFICE

GARRY MAURO
COMMISSIONER

MEMORANDUM

DATE: November 4, 1994

TO: Union Pacific Resources
Division Order Section

FROM: Lillie Gamble

SUBJECT: State Lease M-95040, Unit #2166
Operator: Seneca Resources Corporation
Giddings-Austin Chalk Field
Pecore-Siegert Gas Unit #1H

After researching our records, it was determined that the "total unit royalty interest" for UPRC should be ".024298" not ".030375." When the temporary unit was assigned, the acreage was 96 and the royalty decimal was .25. After the Pooling Committee approved a permanent unit, your company was subject to "Royalty Reduction Provision from .25 to .20. Also, upon approval, the acreage had changed from 96 to 85.53. These variations caused changes to the "tract participation factor and the total unit royalty interest" (.12149 x .20 = .024298). Your royalty interest is based on ".12149 x .25 = .030375. I have contacted the representative with Seneca and Deborah Lunsford with UPRC of these corrections. Therefore, it is necessary for you to submit an amended Division Order reflecting the correct Royalty Interest of .024298. I have attached a copy of the Division Order you previously submitted; but I will retain the original until the amended is received. Please call me if there is a discrepancy or questions.

Thank you,
Lillie Gamble
512-475-1462

Union Pacific Resources
A Subsidiary of Union Pacific Corporation

DIVISION ORDER

DATE: 04/07/94

ME

*95040

PROPERTY NUMBER: 068085 PRODUCT(S):GAS
F

PROPERTY NAME: PECORE-SIEGERT GAS UNIT #1-H COUNTY/PARISH: BURLESON

OPERATOR: SENECA RESOURCES CORP. STATE: TEXAS

LEGAL DESCRIPTION: 704 ACRES OUT OF JAMES FISHER SURVEY, A-23.

STATE OF TEXAS 005772101001
% COMMISSION GEN. LAND OFFICE
1700 N CONGRESS AVENUE
STEPHEN F. AUSTIN BLDG. 200
AUSTIN TX 78701

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SIGNATURE OF WITNESS #1

[redacted]
SOCIAL SECURITY OR TAX ID #

SIGNATURE OF WITNESS #2

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OWNER NUMBER	DOI/ID	OWNER NAME	INTEREST TYPE	INTEREST PAID BY UPRC
0057721 01	001	STATE OF TEXAS	RI	0.030375

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
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Union Pacific Resources
A Subsidiary of Union Pacific Corporation

M-94914
M-95040

DIVISION ORDER

DATE: 04/07/94

ME

PROPERTY NUMBER: 068085 PRODUCT(S):GAS
F
PROPERTY NAME: PECORE-SIEGERT GAS UNIT #1-H COUNTY/PARISH: BURLESON

OPERATOR: SENECA RESOURCES CORP. STATE: TEXAS

LEGAL DESCRIPTION: 704 ACRES OUT OF JAMES FISHER SURVEY, A-23.

STATE OF TEXAS 005772101001
% COMMISSION GEN. LAND OFFICE
1700 N CONGRESS AVENUE
STEPHEN F. AUSTIN BLDG. 200
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2. **GAS** : Gas shall include natural gas, gas liquids, casinghead gas, associated gaseous hydrocarbons and plant by-products marketed in conjunction with the production of oil and gas. The settlement for all gas produced and marketed from the property shall be made on the basis of measurements in accordance with industry standards and shall be priced in accordance with the applicable gas sales contract or processing agreement, less any fair and reasonable charges for, but not limited to, A) compression, B) processing, C) making it merchantable, and D) transportation, if sold or taken off the property.

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

TO ALL INTEREST OWNERS:

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

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

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

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

2. If you have more than **one ownership interest** reflected on the Division Order, you must sign and return a division order for each separate ownership interest.

3. Signature by Agents, Attorneys-in-Fact, or Guardians other than the named interest owner must be verified by attaching evidence of the rights vested in the signatory party.

4. Include the proper Social Security Number or Tax Identification, whichever applies, in the space provided below your signature.

5. Insert the address to which checks are to be mailed. **Please print or type. Please do not abbreviate.**

6. You should notify us promptly of any change in your mailing address. This notice must be over your own signature, or the signature of your appointed agent. Always include your owner number and your old address, then state your new address with zip code.

UNION PACIFIC RESOURCES COMPANY

- PLEASE SEE REVERSE SIDE -

Union Pacific Resources Company Settlement Check Statement.

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

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

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

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

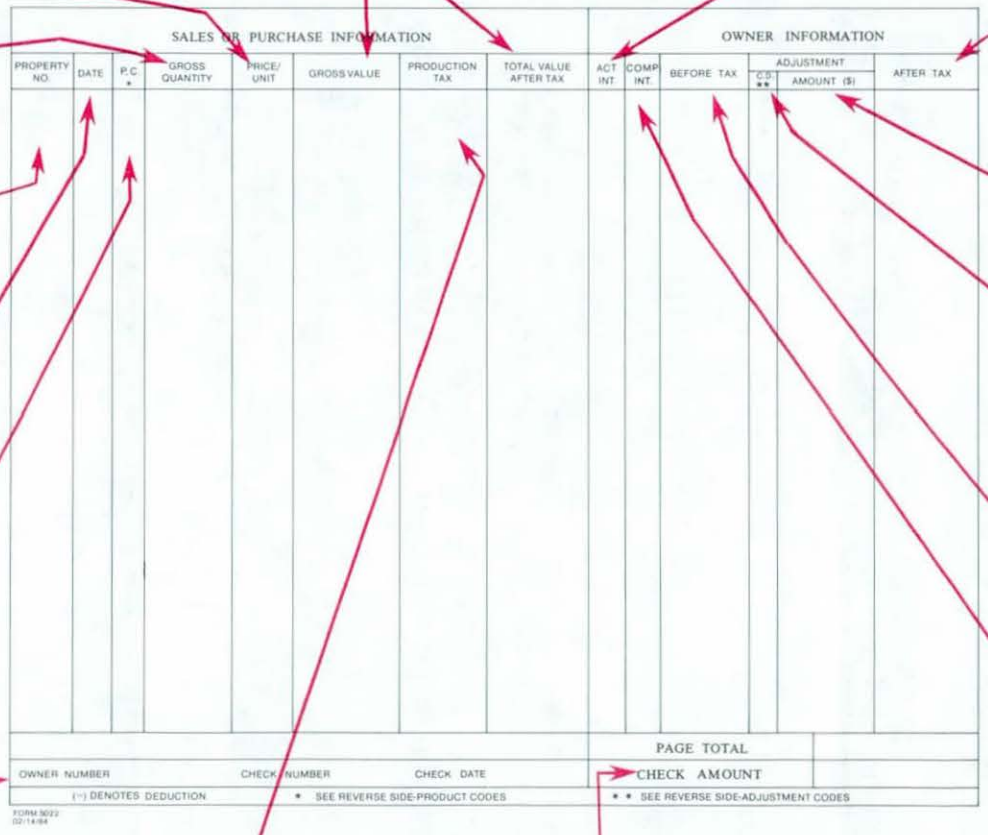
Gross Quantity
Barrels of Crude Oil, Condensate or Gas Liquid Products; MCF of Gas or Casinghead Gas; and Tons of Sulphur in sales or purchases of products delivered.

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

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

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

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



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

Check Amount
The total amount payable on the check.

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

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

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

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

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

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

Union Pacific Resources
A Subsidiary of Union Pacific Corporation

April 11, 1994

DEAR INTEREST OWNER:

This letter is to advise you that Union Pacific Resources Company's Division Order Department has put your interest in line for pay for the interest you have on the enclosed Division Order.

However, research has revealed that even though you are in a "Pay Status", we do not have a Signed Division Order in our file.

It would be appreciated if you would sign the enclosed Division Order(s) and return to Union Pacific Resources so that our records will be complete.

I have enclosed a stamped envelope for your convenience.

Thanking you in advance for your prompt attention to this request.

Sincerely,

LAND MANAGEMENT DEPARTMENT

Martha English

EXT 6371
11-3-94
Left message for Martha to call in reference to sending amended D.O.
Silvia

Union Pacific Resources Company
P.O. Box 7
Fort Worth, Texas 76101-0007
817 / 877-6000
TWX 910 893 5024
Telex 758-447

#13 M95040
D.O. Letter To
UPRC
11-4-94

1/26/95

75040

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form G-1
Rev. 4/1/83

Type or print only

483-047

API No. 42-041-31842

7. RRC District No. 3

8. RRC Gas ID No. New well

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

1. FIELD NAME (as per RRC Records or Wildcat): Giddings
2. LEASE NAME: Lyons
9. Well No.: 2-H
3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report): Seneca Resources Corporation
RRC Operator No.: 767060
10. County of well site: Brazos
4. ADDRESS: 333 Clay Street, Suite 4150, Houston, Texas 77002-4176
11. Purpose of filing: Initial Potential [X]; Retest [ ]; Reclass [ ]; Well record only (Explain in remarks) [ ]
5. Location (Section, Block, and Survey): James Hope Survey A-23
5b. Distance and direction to nearest town in this county.: 4.7 mi S of Wellborn, Texas
6. If operator has changed within last 60 days, name former operator: NA
12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no. FIELD & RESERVOIR: NA; GAS ID or OIL LEASE #; Oil-O Gas-G; WELL #
13. Pipe Line Connection: GPM Gas Corp.
14. Completion or recompletion date: 12-15-94
15. Any condensate on hand at time of workover or recompletion? [ ] Yes [ ] No NA
16. Type of Electric or other Log Run.: GR

Section I GAS MEASUREMENT DATA

Date of Test: 01/17/95
Gas Measurement Method (Check One): Orifice Meter [X] ▶ Flange Taps [X] Pipe Taps [ ]; Positive Choke [ ]; Orifice Vent Meter [ ]; Pitot Tube [ ]; Critical-Flow Prover [ ]
Gas produced during test: 4014 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. ^oF	Temp. Factor F_{tf}	Gravity Factor F_g	Compress Factor F_{pv}	Volume MCF/DAY
1		Applied	Automation Total Flow Meter							1338
2										
3										
4										

Section II FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas)	Gravity Liquid Hydrocarbon	Gas-Liquid Hydro Ratio	Gravity of Mixture	Avg. Shut-in Temp.	Bottom Hole Temp.
.745	50.8 Deg. API	42748 CF/Bbl	G_{mix} = .807	176 ^oF	278 ^oF @ 10732 TVD (Depth)

$D_{eff}^{8/3} = 6.310$; $\sqrt{T_f} = \sqrt{659} = 25.67$; $\sqrt{GL} = \sqrt{8660.72} = 93.06$

$C = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}} = 1118 \times 6.310 / 25.67 = 274.82$; $\frac{\sqrt{GL}}{C} = 93.06 / 274.82 = .3386$

Run No.	Time of Run Min.	Choke Size	Wellhead Press. P_W PSIA	Wellhead Flow Temp. F^o	P_w^2 (Thousands)	R	R^2 (Thousands)	P_t	P_w/P_t
Shut-in	24 Hrs		2115	74					
1	4320	28/64	623	120	388	453.0	205.2	770	.8091
2									
3									
4									

Run No.	F	K	$S = \frac{1}{z}$	E^{ks}	P_t and P_s	P_t^2 and P_s^2 (thousands)	$P_t^2 - P_s^2$ (thousands)
Shut-in		.2553	1.2924	1.3909	2942	8655	
1	.9079	.2237	1.1113	1.2822	987	974	7681
2							
3							
4							

Angle of Slope: θ 45.00 ; n 1.0000

Absolute Open Flow: 1508 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.

Jim Ware — Signature Well Tester
FESCO Inc. — Name of Company
LeeAnna Smilbow — 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.

Signature: Operator's representative
Petroleum Engineer — Title
01-30-95 — Date
(713) 658-0191 — A/C Number

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

17. Type of Completion: New Well [X] Deepening [ ] Plug Back [ ] Other [ ]

18. Permit to Drill, Plug Back or Deepen — DATE 10-13-94 — PERMIT NO. 429067
Rule 37 Exception — CASE NO.
Water Injection Permit — PERMIT NO.
Salt Water Disposal Permit — PERMIT NO.
Other — PERMIT NO.

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

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

21. Total number of acres in this lease: 1,069.25

22. Date Plug Back, Deepening, WorkOver or Drilling Operations: Commenced 10-31-94; Completed 12-15-94

23. Distance to nearest well, Same Lease & Reservoir: NA

24. Location of well, relative to nearest lease boundaries of lease on which this well is located: 1,203 Feet From Int NW Line and 3,377 Feet from East Line of the Lyons Unit Lease

25. Elevation (DF, RKB, RT, GR, ETC.): 248'

26. Was directional survey made other than inclination (Form W-12)? [X] Yes [ ] No

27. Top of Pay: 10,315'

28. Total Depth: 13,568'

29. P. B. Depth: 13,568'

30. Surface Casing Determined by: Field Rules [ ]; Recommendation of T.D.W.R. Railroad Commission (Special) [X]; Dt. of Letter 10-13-94

31. Is well multiple completion? [ ] Yes [X] 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 #
NA			

33. Intervals Drilled by: Rotary Tools X; Cable Tools

34. Name of Drilling Contractor: Patterson

35. Is Cementing Affidavit Attached? [X] 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.
16"		52'					
10-3/4"	40.50 & 45.50	3345'		1500 "Pos H" & 500 "A"	14-3/4"	Surf	4215
7-5/8"	29.70	10357'		100 "Pos H" + 500 "H"	9-7/8"	7815'	736

37. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen

38. TUBING RECORD

Size	Depth Set	Packer Set
2-3/8"	10239'	10239'

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

From 10357'	To 13568'
From 10357'	To 12725'
From 10357'	To 10806'
From	To

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
Navarro	8270'MD		
Pecan Gap	9565'MD		
Austin Chalk	10315'MD		

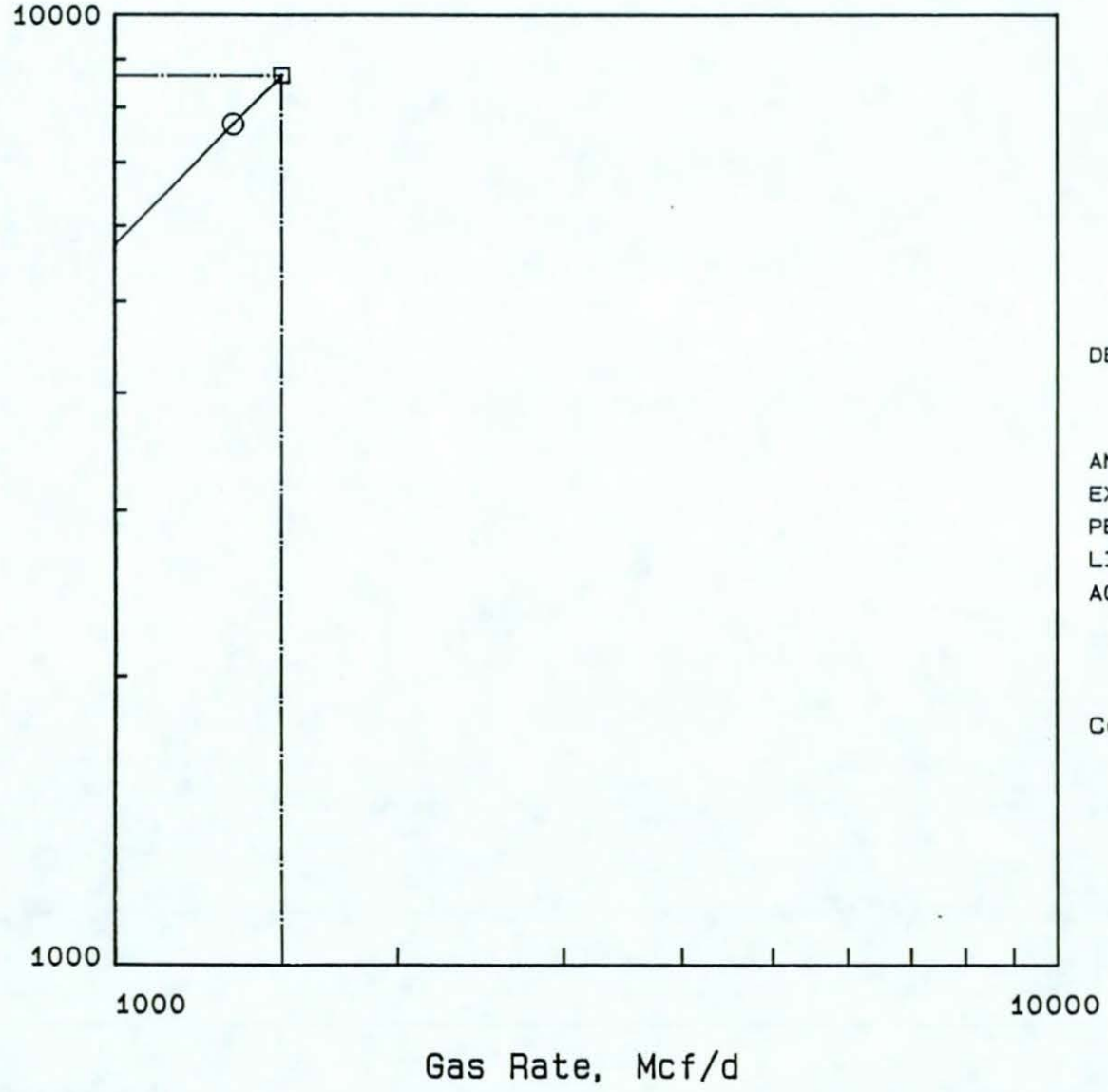
REMARKS

This test was conducted : request of the operator for the express purpose o sfying RRC requirements. Its suitability for any o... purpose is not certified by FESCO Inc. For ...ails contact FESCO Inc.

Seneca Resources Corporation

Lease : Lyons
Well No.: 2-H
Field : Giddings
County : Brazos
Test Date : 01/17/95
RRC District: 3

Gas Deliverability Plot



Single Point BPT Data

Point	Rate, Mcf/d	BHP, PsiA	(Pf² - Ps²), psi2 (*1.0E-03)
SI	0	2942	-----
1	1338	987	7681
AOF	1508	15	8655

DELIVERABILITY RESULTS

DELIVERABILITY LINE: Drawn through the point corresponding to the top rate at a 45.0 degree angle.

ANGLE.....: θ = 45.0 degrees
EXPONENT.....: n = 1.0000
PERFORMANCE COEF: C = 0.1742 (Mcf/d)/psi²
LINE EQUATION...: $Q = C(Pf^2 - Ps^2)^n$
AOF.....: 1508 Mcf/d

Certified by: Tim Ware
District Manager
Bryan, Texas
409-775-1825

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

READ INSTRUCTIONS ON BACK

GAS WELL CLASSIFICATION REPORT

Form G-5
Rev. 01/01/86

1. OPERATOR NAME (Exactly as shown on Form P-5 Organization Report)	3. RRC DISTRICT NO.	4. OIL LEASE NO. OR GAS WELL ID NO.
Seneca Resources Corporation	3	New well
2. MAILING ADDRESS	**5. WELL NO.**	**6. API NO.**
333 Clay Street, Suite 4150 Houston, Texas 77002-4176	2-H	42-041-31842
	7. COUNTY OF WELL SITE	
	Brazos	

8. FIELD NAME (as per RRC Records)	9. LEASE NAME
Giddings	Lyons Unit
10. LOCATION (Section, Block, and Survey)	**11. PIPELINE CONNECTION OR USE OF GAS**
James Hope Survey A-23	GPM Gas Corp.

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

A. Date of Test: 01/17/95

B. Gas Volume: 1338 (Mcf)

C. Oil or Condensate Volume: 31.30 (Bbl)

D. Water Volume: 1026.46 (Bbl)

E. Gas/Liquid Hydrocarbon Ratio: 42748 (Cf/Bbl)

F. Flowing Tubing Pressure: 623 (psia)

G. Choke Size: 28/64 (in.)

H. Casing Pressure: 1115 (psia)

I. Shut-in Wellhead Pressure-Tubing: 2115 (psia)

J. Separator Operating Pressure: 775 (psia)

K. Color of Stock Tank Liquid: Light Straw

L. Gravity of Separator Liquid: NA °API

M. Gravity of Stock Tank Liquid: 50.8 °API

N. Specific Gravity of the Gas (Air = 1): 0.745

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.

Date Liquid Sample Obtained: 01/16/95

Where Obtained: ☐ Separator ☒ Stock Tank

% Over	Temp. (deg. F)	% Over	Temp. (deg. F)
Initial Boiling Temp.	124	60	370
10	198	70	424
20	240	80	504
30	262	90	610
40	278	95	726
50	326	End Point	728

Total Recovery: 96.0 percent

Residue: 3.0 percent

Loss: 1.0 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.

Tim Ware — FESCO Inc.
NAME (Type or Print)

Tim Ware
SIGNATURE

Lee Anna Snelson
Bryan District Manager
TITLE

01/18/95
DATE

Tim Ware — (409) 775-1825
CONTACT PERSON — PHONE NUMBER

RRC USE ONLY

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION
[PRINTED FORM]

[DISTRICT 03]

[ ] RETEST

FORM G-10
Rev. 11/1/83
GAS WELL STATUS REPORT

Operator SENECA RESOURCES CORPORATION
Address 333 Clay St., Suite 4150
Houston, Texas 77002

Test Period

Due Date

Effective Date

* FIELD NAME / LEASE NAME	RRC IDENT. NO. / WELL NUMBER	PRODUCING WELLS: DATE TESTED Mo/Day/Yr	DAILY PRODUCING RATE: GAS	CONDENSATE	WATER / GAS/COND.	PRESSURE PSIA#	POTENTIAL BHP	NON-PRODUCING WELLS: SHUT IN @ (Date Required)	EXCEPTION SWR 14B (Expiration Date)	INJECTION	SALT WATER DISPOSAL	PLUGGED & ABANDONED
GIDDINGS (Austin Chalk-Gas)	New	01-25-95	1533 MCF	25.5 BBLS	905 BBLS	2275 SIWH	MCF/DAY					
Lyons Unit	2-H		.745 Spec.Grav.	50.0 Grav. °API	60 MCF/Bbl	580 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)

X ADDITIONAL SPECIAL TEST REQUIREMENT

@ 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.

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.

Signature

01-30-95
Date

Petroleum Engineer
Title

(713) 658-0191
Telephone

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

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

1. Operator's Name (As shown on Form P-5, Organization Report)	2. RRC Operator No.	3. RRC District No.	4. County of Well Site
SENECA RESOURCES CORPORATION	767060	03	Brazos

5. Field Name (Wildcat or exactly as shown on RRC records)	6. API No.	7. Drilling Permit No.
Giddings (Austin Chalk-Gas	42- 041-31842	429067

8. Lease Name	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No.
Lyons Unit	---	Pending	2-H

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date			11-16-94				
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.)			10357'				
17. Number of centralizers used			6				
18. Hrs. waiting on cement before drill-out			40				
1st Slurry	19. API cement used: No. of sacks ▶		100				
	Class ▶		65:35 H:poz				
	Additives ▶		*				
2nd Slurry	No. of sacks ▶		500				
	Class ▶		H				
	Additives ▶		**				
3rd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1st	20. Slurry pumped: Volume (cu. ft.) ▶		220				
	Height (ft.) ▶		1023				
2nd	Volume (cu. ft.) ▶		735				
	Height (ft.) ▶		3304				
3rd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶		955				
	Height (ft.) ▶		4237				
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?			no				

22. Remarks
* 6% D20 + 0.35% D800
** 35% D66 + 0.35% D800

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

801 Standard St., Longview, Texas	75604	903/295-6100	11-16-94
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.

Steve Conely	Petroleum Engineer	Steve Conely	
Typed or printed name of operator's representative	Title	Signature	

333 Clay St., Suite 4150	Houston, TX 77002	(713) 658-0191	01-30-95
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.

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

1. Operator's Name (As shown on Form P-5, Organization Report)	2. RRC Operator No.	3. RRC District No.	4. County of Well Site
SENECA RESOURCES CORPORATION	767060	03	Brazos

5. Field Name (Wildcat or exactly as shown on RRC records)	6. API No.	7. Drilling Permit No.
Giddings (Austin Chalk-Gas)	42- 041-31842	429067

8. Lease Name	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No.
Lyons Unit	---	Pending	2-H

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date		11-3-94					
13. •Drilled hole size		14-3/4"					
•Est. % wash or hole enlargement		---					
14. Size of casing (in. O.D.)		10-3/4"					
15. Top of liner (ft.)		---					
16. Setting depth (ft.)		3345					
17. Number of centralizers used		20					
18. Hrs. waiting on cement before drill-out		24.5					
1st Slurry	19. API cement used: No. of sacks ▶	1500					
	Class ▶	85:15 A:poz					
	Additives ▶	*					
2nd Slurry	No. of sacks ▶	500					
	Class ▶	A					
	Additives ▶						
3rd Slurry	No. of sacks ▶	50					
	Class ▶	A					
	Additives ▶	2% S1					
1st	20. Slurry pumped: Volume (cu. ft.) ▶	3105					
	Height (ft.) ▶	5580					
2nd	Volume (cu. ft.) ▶	615					
	Height (ft.) ▶	1016					
3rd	Volume (cu. ft.) ▶	59					
	Height (ft.) ▶	106					
Total	Volume (cu. ft.) ▶	3779					
	Height (ft.) ▶	surface					
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?		yes 206 bbls					

22. Remarks * 8% D20 + 3% D44 (bwow) + 1/4 #/sk D29

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	Ronnie Justice	
Name and title of cementer's representative	Cementing Company	Signature	
801 Standard St., Longview, Texas 75604		903/295-6100	11-3-94
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.

Steve Conley	Petroleum Engineer	Steve Conley	
Typed or printed name of operator's representative	Title	Signature	
333 Clay St., Suite 4150	Houston, TX 77002	(713) 658-0191	01-30-95
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.

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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.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form W-12
(1-1-71)

INCLINATION REPORT
(One Copy Must Be Filed With Each Completion Report.)

1. FIELD NAME (as per RRC Records or Wildcat): Giddings (Austin Chalk-Gas)	2. LEASE NAME: Lyons Unit
3. OPERATOR: SENECA RESOURCES CORP.	6. RRC District: 03
4. ADDRESS: 333 Clay Street, Suite 4150 Houston, Texas 77002	7. RRC Lease Number. (Oil completions only):
5. LOCATION (Section, Block, and Survey): J. Hope A-23	8. Well Number: 2-H
	9. RRC Identification Number (Gas completions only): Pending
	10. County: Brazos

RECORD OF INCLINATION

*11. Measured Depth (feet)	12. Course Length (Hundreds of feet)	*13. Angle of Inclination (Degrees)	14. Displacement per Hundred Feet (Sine of Angle X100)	15. Course Displacement (feet)	16. Accumulative Displacement (feet)
57	.57	1/4	.44	.26	.26
1053	9.96	3/4	1.31	13.05	13.31
1543	4.90	3/4	1.31	6.42	19.73
2040	4.97	1	1.75	8.70	28.43
2536	4.96	3/4	1.31	6.50	34.93
3039	5.03	1-1/4	2.19	11.02	45.95
3345	3.06	1/2	.87	2.67	48.62
3847	5.02	1/2	.87	4.37	52.99
4346	4.99	1	1.75	8.74	61.73
4838	4.92	1-1/4	2.19	10.78	72.51
5380	5.42	1-1/4	2.19	11.87	84.38
5840	4.60	1-1/4	2.19	10.08	94.46
6339	4.99	1-1/4	2.19	10.93	105.39
6775	4.36	1-1/4	2.19	9.55	114.94
7266	4.91	3/4	1.31	6.44	121.38
7764	4.98	3/4	1.31	6.53	127.91

If additional space is needed, use the reverse side of this form.

17. Is any information shown on the reverse side of this form? ☒ yes ☐ no

18. Accumulative total displacement of well bore at total depth of 10,357 feet = 202.86 feet.

*19. Inclination measurements were made in – ☐ Tubing ☐ Casing ☐ Open hole ☒ Drill Pipe

20. Distance from surface location of well to the nearest lease line 1,203' F Int NWL & 3,377' FEL feet.

21. Minimum distance to lease line as prescribed by field rules 467' feet.

22. Was the subject well at any time intentionally deviated from the vertical in any manner whatsoever? Yes

(If the answer to the above question is "yes", attach written explanation of the circumstances.)

INCLINATION DATA CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge. This certification covers all data as indicated by asterisks (*) by the item numbers on this form.

Karen K. Johnson

Signature of Authorized Representative

Karen K. Johnson - Agent

Name of Person and Title (type or print)

PATTERSON DRILLING COMPANY

Name of Company

Telephone: 713 591-1381
Area Code

OPERATOR CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of all information presented in this report, and that all data presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all data and information presented herein except inclination data as indicated by asterisks (*) by the item numbers on this form.

Signature of Authorized Representative

Steve Conley Petroleum Engineer

Name of Person and Title (type or print)

SENECA RESOURCES CORPORATION

Operator

Telephone: 713 658-0191
Area Code

Railroad Commission Use Only:

Approved By: _____ Title: _____ Date: _____

* Designates items certified by company that conducted the inclination surveys.

RECORD OF INCLINATION (Continued from reverse side)

*11. Measured Depth (feet)	12. Course Length (Hundreds of feet)	*13. Angle of Inclination (Degrees)	14. Displacement per Hundred Feet (Sine of Angle X100)	15. Course Displacement (feet)	16. Accumulative Displacement (feet)
8262	4.98	1-1/4	2.19	10.91	138.82
8762	5.00	1-1/4	2.19	10.95	149.77
9253	4.91	2-1/4	3.93	19.30	169.07
9762	5.09	1-3/4	3.06	15.58	184.65
10357 TD	5.95	1-3/4	3.06	18.21	202.86

If additional space is needed, attach separate sheet and check here. ☐

REMARKS: _____

– INSTRUCTIONS –

An inclination survey made by persons or concerns approved by the Commission shall be filed on a form prescribed by the Commission for each well drilled or deepened with rotary tools or when, as a result of any operation, the course of the well is changed. No inclination survey is required on wells that are drilled and completed as dry holes that are plugged and abandoned. (Inclination surveys are required on re-entry of abandoned wells.) Inclination surveys must be made in accordance with the provisions of Statewide Rule 11.

This report shall be filed in the District Office of the Commission for the district in which the well is drilled; by attaching one copy to each appropriate completion for the well. (except Plugging Report)

The Commission may require the submittal of the original charts, graphs, or discs, resulting from the surveys.

Form P-15
(5-5-71)

STATEMENT OF PRODUCTIVITY OF ACREAGE ASSIGNED TO PRORATION UNITS

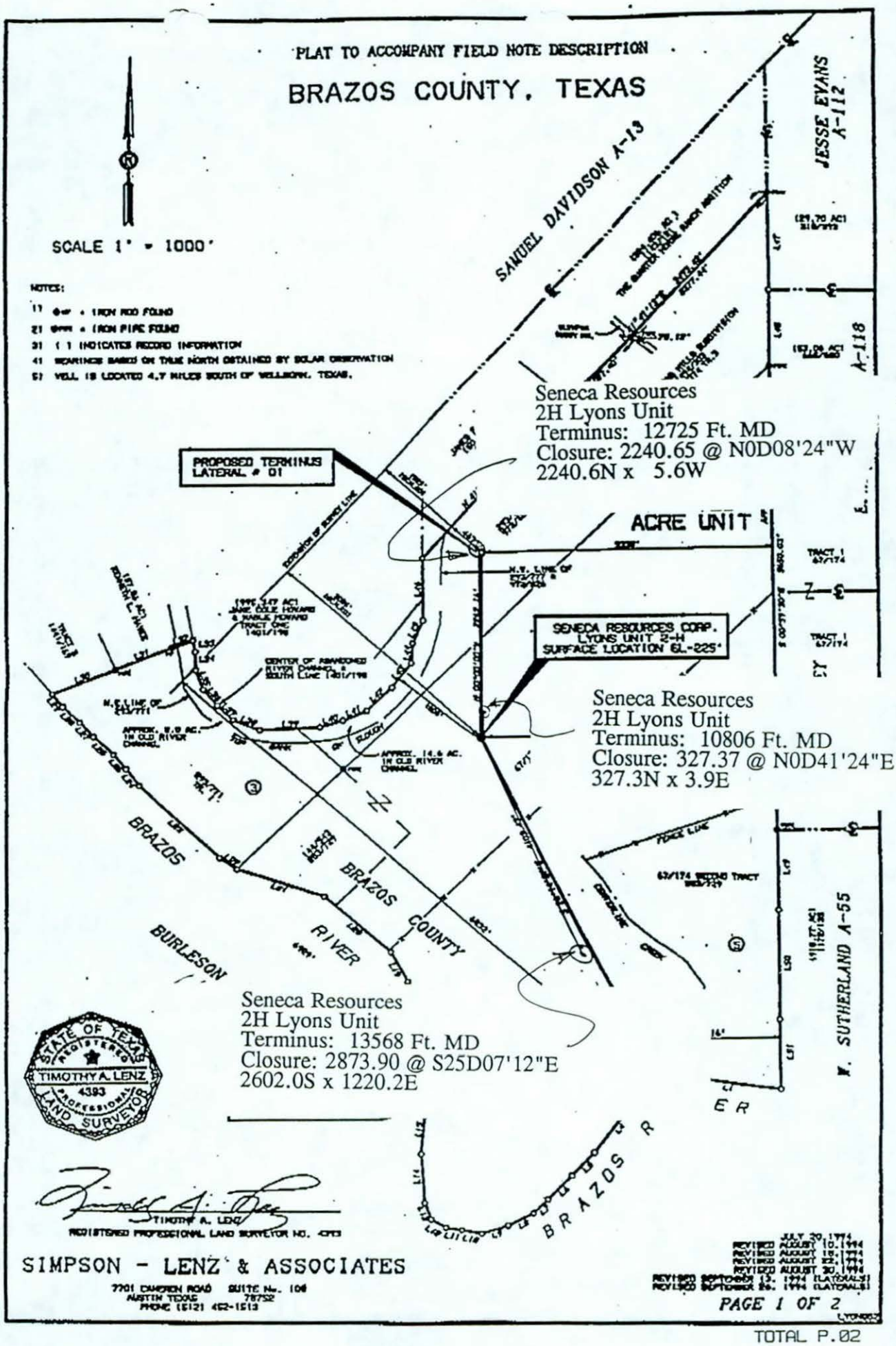
The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the SENECA RESOURCES CORPORATION (OPERATOR), Lyons Unit (LEASE), No. 2-H (WELL); that such well is completed in the Giddings (Austin Chalk-Gas) Field, Brazos County, Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces 1069.25 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 01-30-95 Signature Lee Ruby

Telephone (713) (AREA CODE) 658-0191 Title Petroleum Engineer


PLAT TO ACCOMPANY FIELD NOTE DESCRIPTION
BRAZOS COUNTY, TEXAS
SCALE 1" = 1000'
NOTES:
1) ⊙ = IRON ROD FOUND
2) ⊙ = IRON PIPE FOUND
3) ( ) INDICATES RECORD INFORMATION
4) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
5) WELL IS LOCATED 4.7 MILES SOUTH OF WELLBORN, TEXAS.
SAMUEL DAVIDSON A-13
JESSE EVANS A-112
A-118
PROPOSED TERMINUS LATERAL # 01
Seneca Resources
2H Lyons Unit
Terminus: 12725 Ft. MD
Closure: 2240.65 @ N0D08'24"W
2240.6N x 5.6W
ACRE UNIT
SENECA RESOURCES CORP.
LYONS UNIT 2-H
SURFACE LOCATION 61-225'
Seneca Resources
2H Lyons Unit
Terminus: 10806 Ft. MD
Closure: 327.37 @ N0D41'24"E
327.3N x 3.9E
BRAZOS
BURLESON
RIVER
BRAZOS COUNTY
Seneca Resources
2H Lyons Unit
Terminus: 13568 Ft. MD
Closure: 2873.90 @ S25D07'12"E
2602.0S x 1220.2E
W. SUTHERLAND A-55
BRAZOS R
STATE OF TEXAS
REGISTERED
TIMOTHY A. LENZ
4393
PROFESSIONAL
LAND SURVEYOR
TIMOTHY A. LENZ
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4393
SIMPSON - LENZ & ASSOCIATES
7701 CAMERON ROAD SUITE No. 106
AUSTIN TEXAS 78752
PHONE (512) 452-1513
JULY 20, 1994
REVISED AUGUST 10, 1994
REVISED AUGUST 15, 1994
REVISED AUGUST 30, 1994
REVISED SEPTEMBER 13, 1994 (LATERAL #1)
REVISED SEPTEMBER 26, 1994 (LATERAL #1)
PAGE 1 OF 2

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Please Read Instructions

ELECTRIC LOG STATUS REPORT

FORM L-1
Rev. 12/88

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: SENECA RESOURCES CORPORATION	District No.: 03	Completion Date: 12-15-94	
Field Name: Giddings (Austin Chalk-Gas)	Drilling Permit No.: 429867		
Lease Name: Lyons Unit	Lease/ID No.: (new well)	Well No.: 2-H	
County: Brazos	API No.: 42 -041-31842		

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

[~] A. BASIC ELECTRIC LOG NOT RUN

[X] B. BASIC ELECTRIC LOG RUN (select one)

- [X] 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) _____.

Lee Kelley
signature

Petroleum Engineer
title

Steve Conley
name (print)

(713) 658-0191
phone

01-30-95
date

For Railroad Commission use only

F E S C O I N C.
1408 East Main - Alice, Texas 78332-3998

FOR: Seneca Resources Corporation
333 Clay Street, Suite 4150
Houston, Texas 77002-4176

DATE: 01/18/95

FIELD: Giddings

WELL: Lyons No. 2-H

COUNTY: Brazos

LEASE SEPARATOR PRODUCTION TEST

Date Time	Test Hours	Choke Size	WELLHEAD --PRESSURE-- Tbg	WELLHEAD --PRESSURE-- Csg	WELLHEAD Temp F	SEPARATOR GAS Press Psig	SEPARATOR GAS Temp F	SEPARATOR GAS Volume Mcf/d	SEPARATOR GAS Spec Grav	SEPARATOR GAS GOR Mcf/b	STOCK TANK FLUIDS CONDENSATE/OIL Bbls/d	CONDENSATE/OIL Bbls/MM	CONDENSATE/OIL API	STOCK TANK FLUIDS Color	WATER Bbls/d	WATER Bbls/MM	WATER Cl/ppm
1/16 09:30	48.00	28/64	600	1100	120	Start test.											
01/17 09:30	24.00	28/64	608	1100	120	760	117	1338	.745	42.7	31.30	23.39	50.8	Lt.S.	1026.46	767.16	22000

Total Gas produced through separator = 1338 MCF
Total Oil produced during test = 31.30 Bbls
Total Water produced during test = 1026.46 Bbls

Pressure = Psig

Lt.S. = Light Straw

Certified: FESCO INC. - Bryan, Texas

By: Tim Ware
District Manager 409-775-1825

Base conditions: 14.65 Psia & 60 F
File: D100117 Job Number: J100337.001A

January 18, 1995

FESCO, INC.
400 Industrial Blvd - Bryan, Texas 77803

For: Seneca Resources Corporation
333 Clay Street, Suite 4150
Houston, Texas 77002-4176

Sample: Lyons No. 2-H — Field: Giddings
Meter Run Gas @ 760 PSIG & 110 Deg F

Date Sampled: 01-16-95

CHROMATOGRAPH ANALYSIS

COMPONENT	MOL%	GPM
Nitrogen	0.581	
Carbon Dioxide	4.850	
Methane	76.110	
Ethane	12.270	3.264
Propane	3.737	1.024
Isobutane	0.564	0.184
n-Butane	0.925	0.290
Isopentane	0.258	0.094
n-Pentane	0.244	0.088
Hexanes Plus	0.461	0.197
Totals	100.000	5.141

Computed Real Properties:
Specific Gravity ----- 0.745 (Air=1)
Compressibility (Z) -- 0.9966
Gross Heating Value @ 14.65 PSIA & 60 Deg F
Dry Basis ---------- 1172 BTU/CF
Saturated Basis ---- 1152 BTU/CF

Base Conditions: 14.65 PSIA and 60 Deg F

Certified: FESCO Inc. - Bryan, Texas

Ralph Batten 409-775-1825

Job Number: 01806.001 — Cyl Number: B-34

(14) M-95040
COMPL RPT #2-H
10-24-97

ENERGY RESOURCES

OIL & GAS REGULATORY CONSULTANTS
Patricia A. Rygg

2205 Big Horn Drive
Austin, Texas 78734
(512)266-3066
Fax (512) 266-3018

January 4, 1996

Texas Railroad Commission
District 03
13201 Northwest Freeway, Suite 701
Houston, TX 77040

MF-94914 and MF-95040

RE: GAS WELL COMPLETION PAPERS
Seneca Resources Corporation
A. Smith Unit Well #1H
Giddings (Austin Chalk-Gas) Field
Grimes County, Texas

Gentlemen:

Enclosed, in duplicate, please find a completed Form G-1, wellbore schematic, Form G-5, AOF Curve, Form L-1, Form P-12 and plat, Form P-15 and plat, Form W-15 (one for each casing string) and Form W-15 for plug setting prior to sidetrack. Form P-4 was previously filed with your office.

Please call me at (512) 266-3066 should you have any questions concerning the enclosed gas well completion paperwork. Thank you.

Sincerely yours,

ENERGY RESOURCES

Patricia A. Rygg

Patricia A. Rygg
Agent for Seneca Resources Corporation

PAR/me
Enclosures

xc: Seneca Resources Corporation, Attn: Sunna Denny
333 Clay St., Suite 4150, Houston, TX 77002

Type or print only

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form G-1
Rev. 4/1/83

483-047

API No. 42-185-30540

7. RRC District No. 03

8. RRC Gas ID No.

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

1. FIELD NAME (as per RRC Records or Wildcat): Giddings (Austin Chalk-Gas)

2. LEASE NAME: A. Smith Unit

9. Well No.: 1H

3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report): Seneca Resources Corporation

RRC Operator No.: 767060

10. County of well site: Grimes

4. ADDRESS: 333 Clay St., Suite 4150, Houston, TX 77002

11. Purpose of filing
- Initial Potential [X]
- Retest [ ]
- Reclass [ ]
- Well record only (Explain in remarks) [ ]

5. Location (Section, Block, and Survey): SL&PEN PT: .Garrett A-17; TL#1&TL#2: Kennard

5b. Distance and direction to nearest town in this county.: A-34 7 miles NE from Anderson

6. If operator has changed within last 60 days, name former operator: N/A

12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no.

FIELD & RESERVOIR	GAS ID or OIL LEASE #	Oil—O Gas—G	WELL #
N/A			

13. Pipe Line Connection: Aquila Southwest

14. Completion or recompletion date: 11-17-95

15. Any condensate on hand at time of workover or recompletion? [ ] Yes [X] No

16. Type of Electric or other Log Run.: Dual Ind/Gamma Ray

Section I — GAS MEASUREMENT DATA

Date of Test: 12/09/95

Gas Measurement Method (Check One): Orifice Meter [X] ▶ Flange Taps [X] Pipe Taps [ ] | Positive Choke [ ] | Orifice Vent Meter [ ] | Pitot Tube [ ] | Critical-flow Prover [ ]

Gas produced during test: 16176 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_{tf}	Gravity Factor F_g	Compress Factor F_{pv}	Volume MCF/DAY
1	4.026	2.750	54417.44	1095	8.00	68	.9924	.9593	1.112	5392
2										
3										
4										

Section II — FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas)	Gravity Liquid Hydrocarbon	Gas-Liquid Hydro Ratio	Gravity of Mixture	Avg. Shut-in Temp.	Bottom Hole Temp.
.652	---- Deg. API	Dry CF/Bbl	G_{mix} = .652	203 °F	332 °F @ 13571 (Depth)

$D_{eff}^{8/3}$ = 6.310 | $\sqrt{T_f}$ = $\sqrt{666}$ = 25.81 | $\sqrt{GL}$ = $\sqrt{8848.29}$ = 94.07

$C = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}}$ = 1118 X 6.310 / 25.81 = 273.33 | $\frac{\sqrt{GL}}{C}$ = 94.07 / 273.33 = .3441

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	24 Hrs		5415	74					
1	4320	24/64	3695	80	13653	1855.4	3442.5	4135	.8936
2									
3									
4									

Run No.	F	K	$S = \frac{1}{z}$	E^{ks}	P_f and P_s	P_f^2 and P_s^2 (thousands)	$P_f^2 - P_s^2$ (thousands)
Shut—In		.2502	.9174	1.2580	6812	46403	
1	.9478	.2361	1.0281	1.2747	5271	27783	18620
2							
3							
4							

Angle of Slope: θ 45.00 ; n 1.0000

Absolute Open Flow: 13438 MCF/DAY

ELL 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 cts 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 rnished by the operator of the well.

Jim Ware — Signature: Well Tester
Delma Soto
FESCO Inc. — Name of Company
RRC Representative

PERATOR'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 pervised and directed this report, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Patricia A. Rygg / Patricia A. Rygg — Signature: Operator's representative
Agent — Title
1-4-96 — Date
Tel: (512) 266-3066 Agent — A/C Number

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

17. Type of Completion: New Well [X] Deepening [ ] Plug Back [ ] Other [ ]

18. Permit to Drill, Plug Back or Deepen — DATE: Amended 1-4-96 — PERMIT NO: 439541
Rule 37 Exception: N/A — CASE NO:
Water Injection Permit: N/A — PERMIT NO:
Salt Water Disposal Permit: N/A — PERMIT NO:
Other: Annular Disposal approved 11/15/95 — PERMIT NO: MP-03-398

19. Notice of Intention to Drill this well was filed in Name of: Seneca Resources Corporation

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

21. Total number of acres in this lease: 718.69

22. Date Plug Back, Deepening, WorkOver or Drilling Operations: Commenced 9/6/95; Completed 11/17/95

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: SEE REMARKS for PEN PT, TL#1 & TL#2 — SL: 227.7 Feet From South Line and 3286 Feet from East Line of the A. Smith Unit Lease

25. Elevation (DF, RKB, RT, GR, ETC.): 376.75' GR

26. Was directional survey made other than inclination (Form W—12)? [X] Yes [ ] No

27. Top of Pay: 13585'

28. Total Depth: 16342'MD 13511'TVD

29. P. B. Depth: ----

30. Surface Casing Determined by: Field Rules [ ] Recommendation of T.D.W.R. Railroad Commission (Special) [X] — SC-571 Dt. of Letter 8/21/9 — Dt. of Letter 9/1/95

31. Is well multiple completion? [ ] Yes [X] 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 #
N/A			

33. Intervals Drilled by: Rotary Tools X; Cable Tools

34. Name of Drilling Contractor: Nabors Rig

35. Is Cementing Affidavit Attached? [X] 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.
16"	65#	71'		Driven	16"	---	---
10-3/4"	40.5&45.5#	3710'	1890	Neat/Std	14-3/4"	Surf.	4183'
7-5/8"	29.7&33.7#	13617'	100	Hall. Lite	9-7/8"	8474'	1102
			& 600	Prem.			

Drilled 6-1/2" hole to terminus loc'

37. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen
3-1/2" 12.95PPF L-80 PH6	12979'	16342'	-----	-----

38. TUBING RECORD

Size	Depth Set	Packer Set
2-3/8" 4.6#	12793'	12793'
		Guiberson G-10

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

From	13617' MD (13527' TVD)	To	14971'MD (13569' TVD
From	13648' MD (13545' TVD)	To	16342'MD (13511'TVD
From		To	
From		To	

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

Depth Interval	Amount and Kind of Material Used
10,723'-13,400'	Set a 638' cmt. plug w/500 sx Prem. 10723' to 10085' (tagged); drilled out to 10460' and sidetracked junked hole; top of fish 12076' (8 jts HWDP & BHA).

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

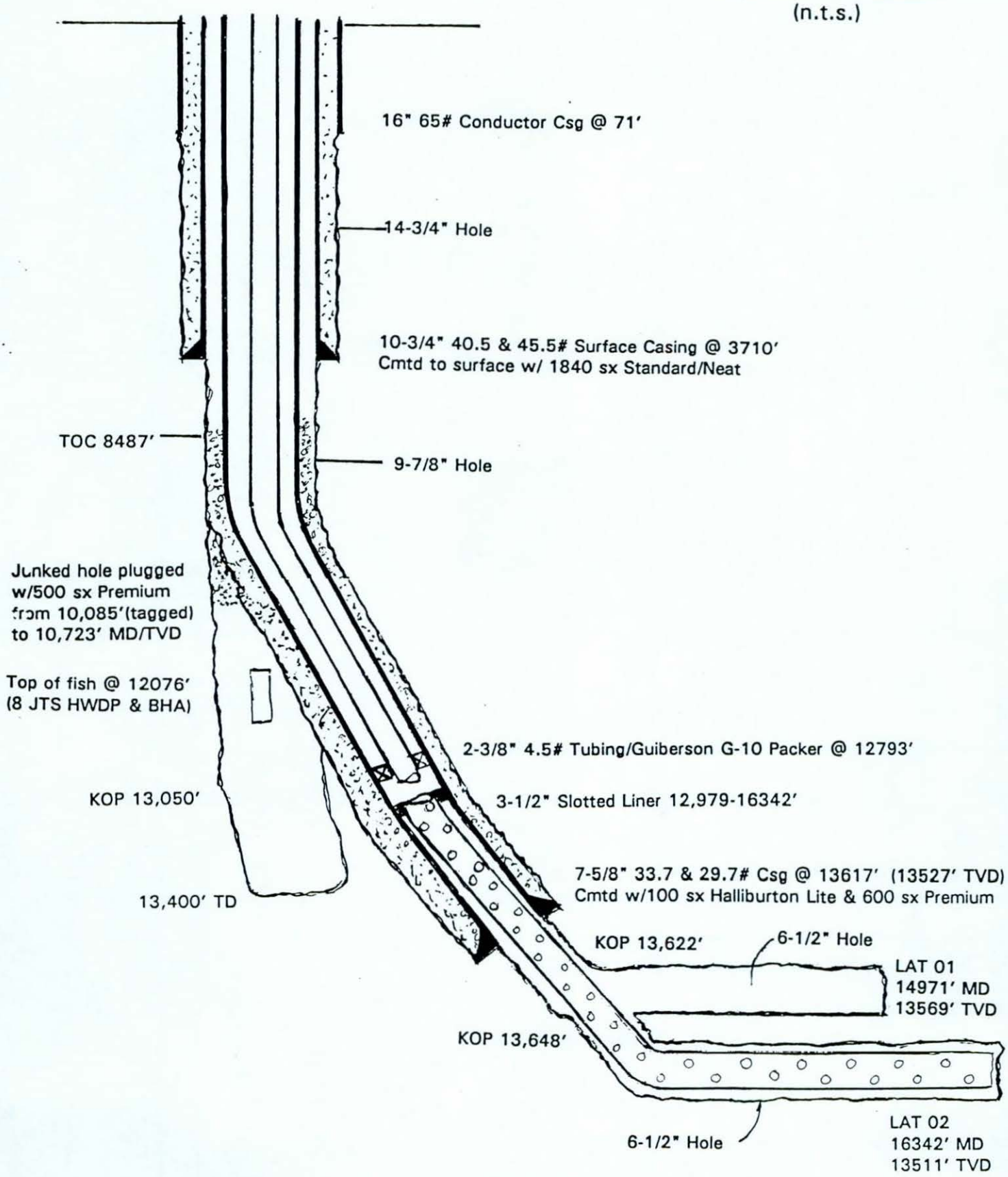
Formations	Depth	Formations	Depth
Midway	10085'	Pecan Gap	12554'
Navarro	10380'	Austin Chalk	13585'
Taylor	11630'		

REMARKS: PEN PT: 3345' FEL & 529' FSL of Lease; 1223.8' FWL & 129' FNL of survey
TL #1: 2333.68' FEL & 1866' FSL of lease; 2333.68' FEL & 1209' FSL of survey
TL #2: 675.6' FEL & 1460.5' FNL of lease; 2137' FEL & 2558' FSL of survey

WELLBORE SCHEMATIC ATTACHED

Seneca Resources Corporation
A. SMITH UNIT WELL NO. 1H
Grimes County, Texas

WELLBORE DIAGRAM
(n.t.s.)



RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

READ INSTRUCTIONS ON BACK

GAS WELL CLASSIFICATION REPORT

Form G-5
Rev. 01/01/86

1. OPERATOR NAME (Exactly as shown on Form P-5 Organization Report)	3. RRC DISTRICT NO.	4. OIL LEASE NO. OR GAS WELL ID NO.
Seneca Resources Corporation	03	
2. MAILING ADDRESS	**5. WELL NO.**	**6. API NO.**
333 Clay St., Suite 4150 Houston, TX 77002	1H	42-185-30540
	7. COUNTY OF WELL SITE	
	Grimes	
8. FIELD NAME (as per RRC Records)	**9. LEASE NAME**	
Giddings (Austin Chalk-Gas)	A. Smith Unit	
10. LOCATION (Section, Block, and Survey)	**11. PIPELINE CONNECTION OR USE OF GAS**	
SL&PEN PT: C. Garrett A-17; TL#1&TL#2: Kennard A-34	Aquila Southwest	

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

A. Date of Test: 12/09/95

B. Gas Volume: 5392 (Mcf)

C. Oil or Condensate Volume: 0.00 (Bbl)

D. Water Volume: 46.70 (Bbl)

E. Gas/Liquid Hydrocarbon Ratio: Dry (Cf/Bbl)

F. Flowing Tubing Pressure: 3695 (psia)

G. Choke Size: 24/64 (in.)

H. Casing Pressure: 15 (psia)

I. Shut-in Wellhead Pressure--Tubing: 5415 (psia)

J. Separator Operating Pressure: 1095 (psia)

K. Color of Stock Tank Liquid: ---

L. Gravity of Separator Liquid: --- °API

M. Gravity of Stock Tank Liquid: N/A °API

N. Specific Gravity of the Gas (Air = 1): 0.652

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.

Date Liquid Sample Obtained: _____

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.

12/13/95
DATE

Tim Ware FESCO Inc.
NAME (Type or Print)

Tim Ware Debra Soto
SIGNATURE

Bryan District Manager
TITLE

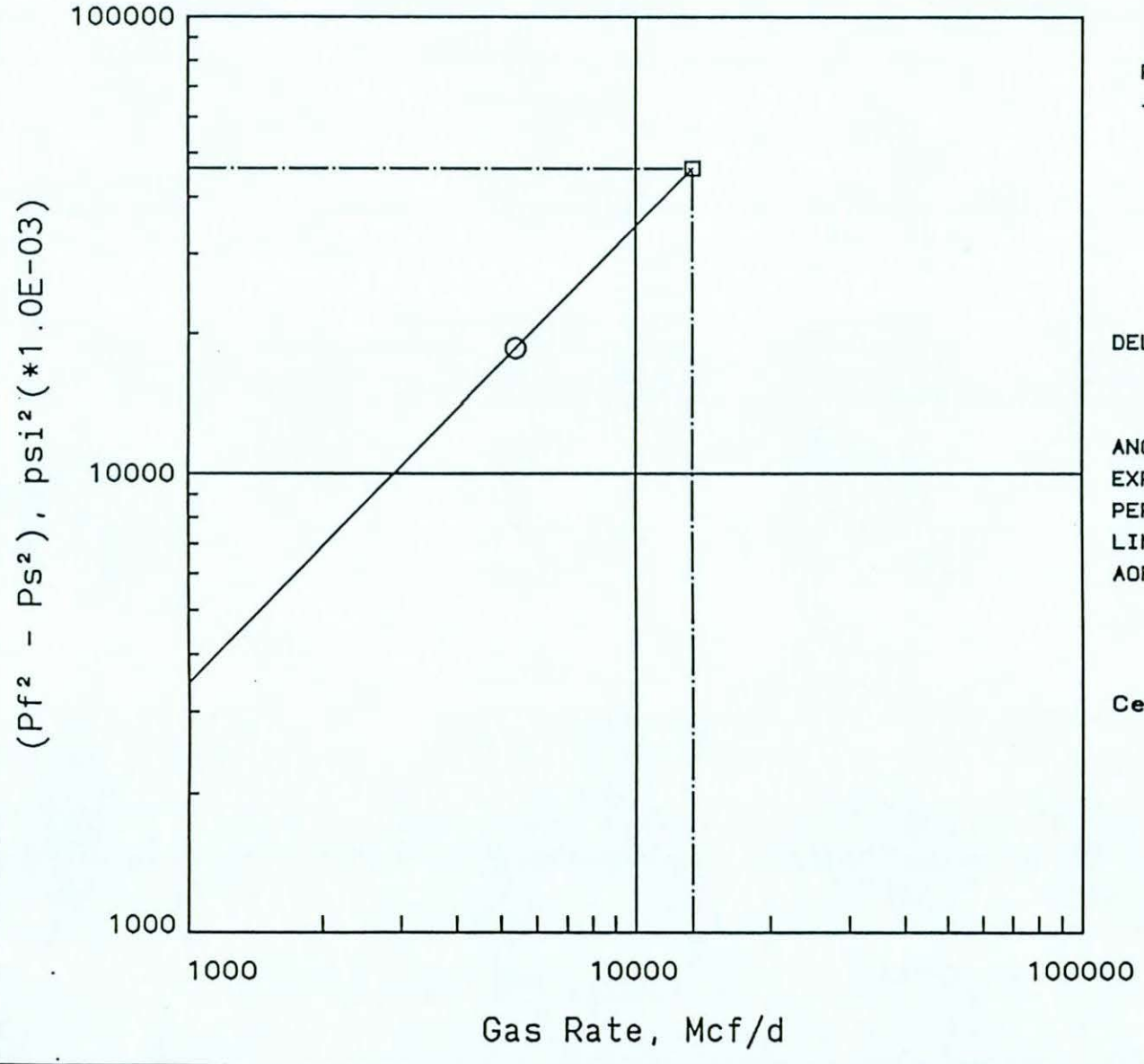
Tim Ware (409) 775-1825
CONTACT PERSON PHONE NUMBER

RRC USE ONLY

Seneca Resources Corporation

Lease : A. Smith Unit
Well No.: 1H
Field : Giddings (Austin Chalk - Gas)
County : Grimes
Test Date : 12/09/95
RRC District: 3

Gas Deliverability Plot



Single Point BPT Data

Point	Rate, Mcf/d	BHP, PsiA	(Pf² - Ps²), psi2 (*1.0E-03)
SI	0	6812	-----
1	5392	5271	18620
AOF	13438	15	46403

DELIVERABILITY RESULTS

DELIVERABILITY LINE: Drawn through the point corresponding to the top rate at a 45.0 degree angle.

ANGLE.....: θ = 45.0 degrees
EXPONENT.....: n = 1.0000
PERFORMANCE COEF: C = 0.2896 (Mcf/d)/psi²
LINE EQUATION...: Q = C(Pf² - Ps²)ⁿ
AOF.....: 13438 Mcf/d

Certified by: Tim Ware
District Manager
Bryan, Texas
409-775-1825

RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

Please Read Instructions

ELECTRIC LOG STATUS REPORT

FORM L-1

Rev. 12/88

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: Seneca Resources Corporation	District No.: 03	Completion Date: 11/17/95	
Field Name: Giddings (Austin Chalk-Gas)	Drilling Permit No.: 439541		
Lease Name: A. Smith Unit	Lease/ID No.:	Well No.: 1H	
County: Grimes	API No.: 42 -185-30540		

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

[ ] A. BASIC ELECTRIC LOG NOT RUN

[Y] B. BASIC ELECTRIC LOG RUN (select one)

- [X] 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) _____.

Patricia A. Rygg
signature

Patricia A. Rygg
name (print)

Agent 512-266-3066
title

(713)654-2600 (Operator)
phone

1-4-96
date

For Railroad Commission use only

Form P-15
(5-5-71)

STATEMENT OF PRODUCTIVITY OF ACREAGE ASSIGNED TO PRORATION UNITS

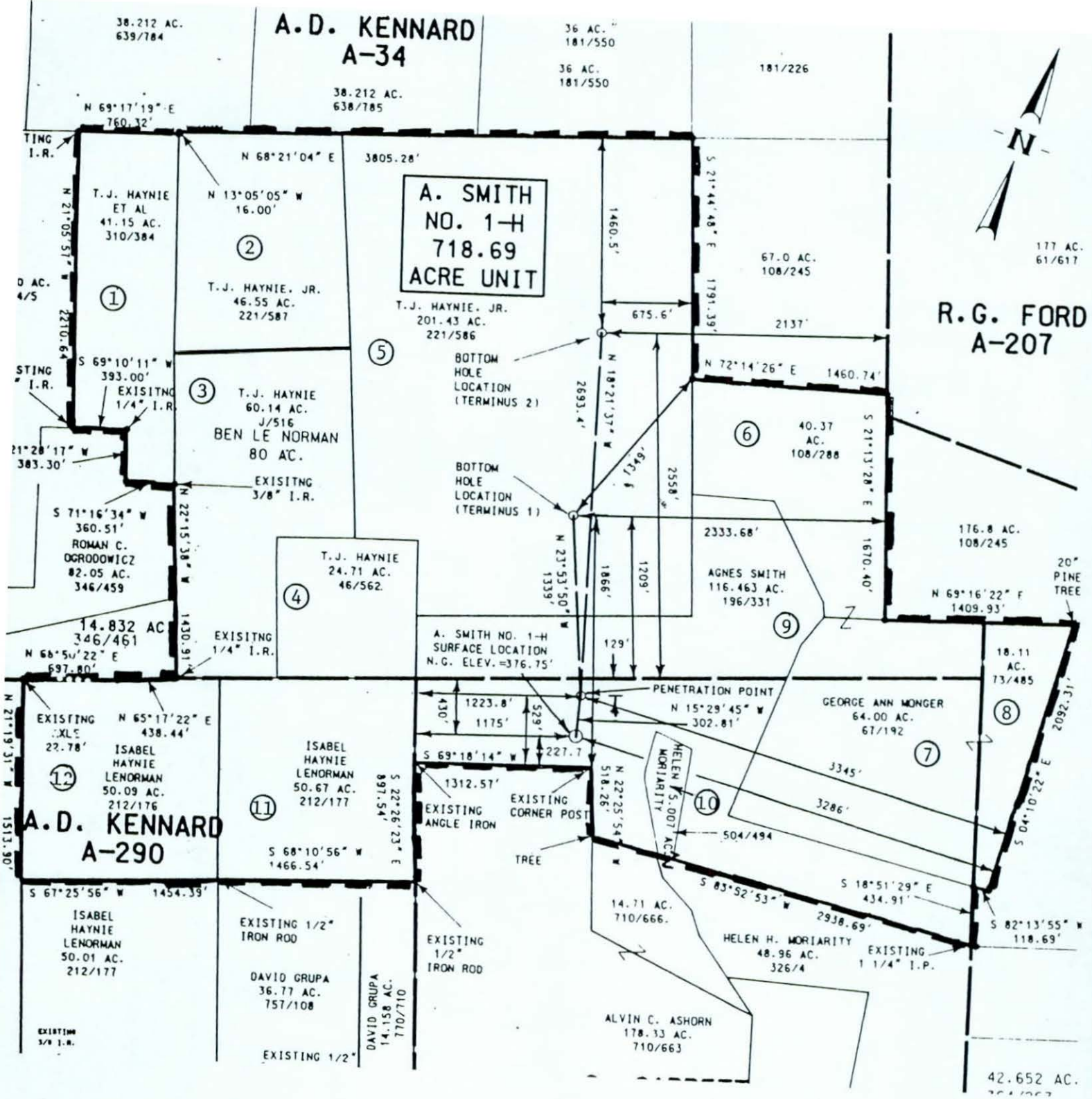
The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the Seneca Resources Corporation (OPERATOR), A. Smith Unit (LEASE), No. 1H (WELL); that such well is completed in the Giddings (Austin Chalk-Gas) Field, Grimes County, Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces 718.69 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 1-4-96 Signature Patricia A. Rygg /Patricia A. Rygg

Telephone 713-654-2600 (AREA CODE) Operator Title Agent 512-266-3066


A. SMITH
NO. 1-H
718.69
ACRE UNIT
A.D. KENNARD
A-34
A.D. KENNARD
A-290
R.G. FORD
A-207
T.J. HAYNIE ET AL
41.15 AC.
310/384
T.J. HAYNIE. JR.
46.55 AC.
221/587
T.J. HAYNIE. JR.
201.43 AC.
221/586
T.J. HAYNIE
60.14 AC.
J/516
BEN LE NORMAN
80 AC.
T.J. HAYNIE
24.71 AC.
46/562
ROMAN C. OGRODOWICZ
82.05 AC.
346/459
14.832 AC
346/461
ISABEL HAYNIE LENORMAN
50.09 AC.
212/176
ISABEL HAYNIE LENORMAN
50.67 AC.
212/177
ISABEL HAYNIE LENORMAN
50.01 AC.
212/177
DAVID GRUPA
36.77 AC.
757/108
DAVID GRUPA
14.158 AC.
770/710
ALVIN C. ASHORN
178.33 AC.
710/663
HELEN H. MORIARITY
48.96 AC.
326/4
14.71 AC.
710/666.
HELEN MORIARITY
5.007 AC.
504/494
GEORGE ANN MONGER
64.00 AC.
67/192
AGNES SMITH
116.463 AC.
196/331
67.0 AC.
108/245
40.37 AC.
108/288
176.8 AC.
108/245
18.11 AC.
73/485
42.652 AC.
BOTTOM HOLE LOCATION (TERMINUS 2)
BOTTOM HOLE LOCATION (TERMINUS 1)
A. SMITH NO. 1-H SURFACE LOCATION
N.G. ELEV. =376.75'
PENETRATION POINT
EXISITNG 1/4" I.R.
EXISITNG 3/8" I.R.
EXISTING 1/2" IRON ROD
EXISTING ANGLE IRON
EXISTING CORNER POST
TREE
EXISTING 1 1/4" I.P.
20" PINE TREE
N 69°17'19" E 760.32'
N 68°21'04" E 3805.28'
N 13°05'05" W 16.00'
S 69°10'11" W 393.00'
S 71°16'34" W 360.51'
N 68°50'22" E 697.80'
N 65°17'22" E 438.44'
S 67°25'56" W 1454.39'
S 68°10'56" W 1466.54'
S 69°18'14" W 1312.57'
N 72°14'26" E 1460.74'
N 15°29'45" W 302.81'
S 82°13'55" W 118.69'
S 18°51'29" E 434.91'
S 04°10'22" E 2092.31'
S 85°52'53" W 2938.69'
N 69°16'22" E 1409.93'
1460.5'
675.6'
2137'
1791.39'
2693.4'
2558'
1866'
1209'
1339'
1670.40'
2333.68'
1223.8'
1175'
227.7'
518.26'
3345'
3286'
1430.91'
897.54'
1513.30'
2210.64'
383.30'
22.78'
N

Form P – 12
(1/16/74)

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

CERTIFICATE OF POOLING AUTHORITY

I, Patricia A. Rygg, 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: Seneca Resources Corporation

NAME OF POOLED UNIT: A. Smith Unit WELL NO. 1H

FIELD: Giddings (Austin Chalk-Gas), Grimes COUNTY, TEXAS, contains 718.69 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
Tract 1	Seneca Resources Corporation	T. J. Haynie et al	41.15	
Tract 2	Seneca Resources Corporation	T. J. Haynie, Jr.	46.55	
Tract 3	Seneca Resources Corporation	T. J. Haynie	60.14	
Tract 4	Seneca Resources Corporation	T. J. Haynie	24.71	
Tract 5	Seneca Resources Corporation	T. J. Haynie, Jr.	201.43	
Tract 6	Seneca Resources Corporation	George Ann Monger	40.37	
Tract 7	Seneca Resources Corporation	George Ann Monger	64.00	
Tract 8	Seneca Resources Corporation	George Ann Monger	18.11	
Tract 9	Seneca Resources Corporation	Agnes Smith	116.463	
Tract 10	Seneca Resources Corporation	Helen H. Moriarity	5.007	
Tract 11	Seneca Resources Corporation	Isabel Haynie Lenorman	50.67	
Tract 12	Seneca Resources Corporation	Isabel Haynie Lenorman	50.09	
		Total	718.69 Acres	

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.

Patricia A. Rygg /Patricia A. Rygg — Agent — 1-4-96

Representative of Operator | Title | Date

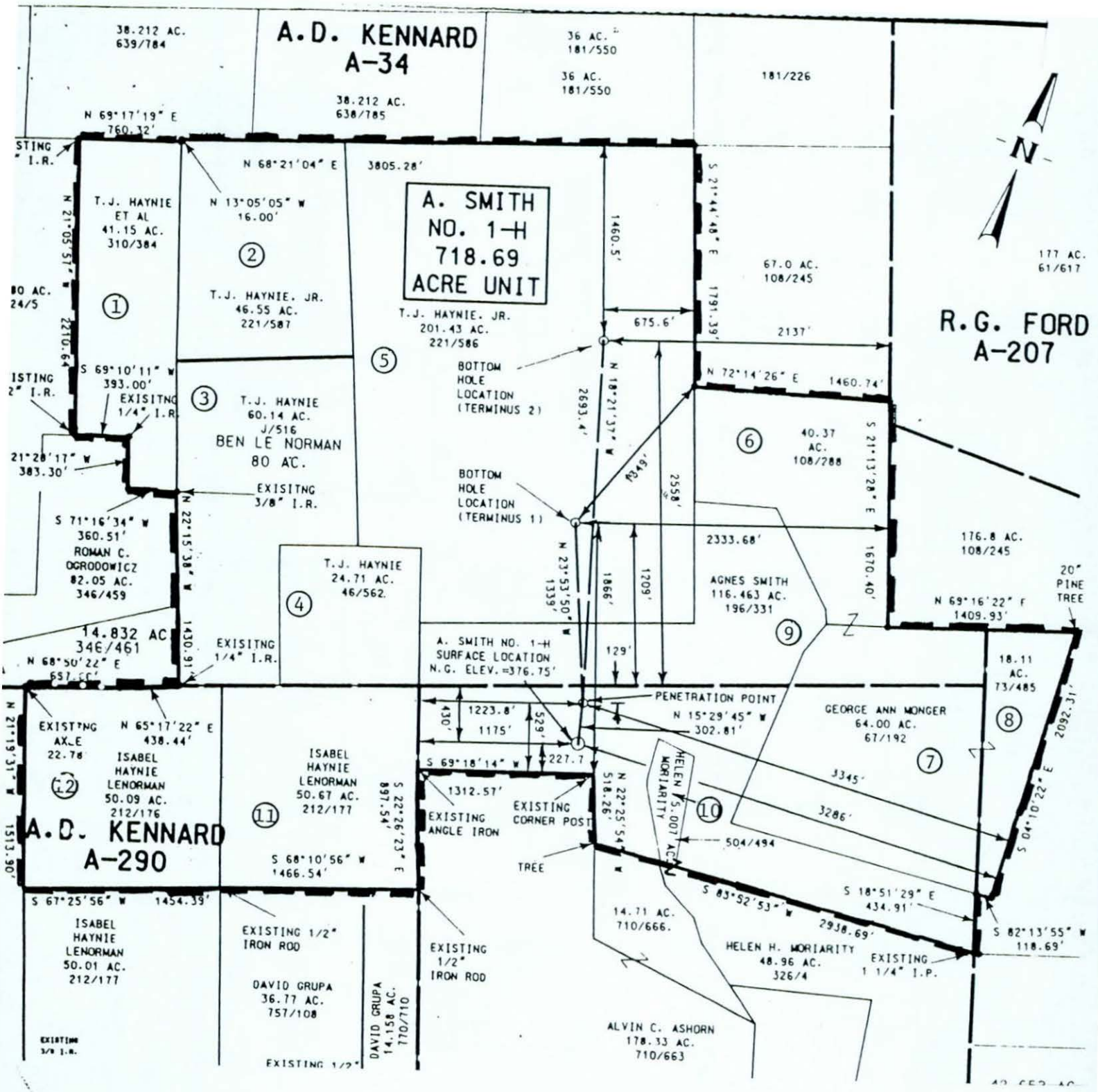
Telephone (713) 654-2600 (Operator)

A/C Number

(512) 266-3066 (Agent)

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.


A. SMITH
NO. 1-H
718.69
ACRE UNIT
A.D. KENNARD
A-34
A.D. KENNARD
A-290
R.G. FORD
A-207
T.J. HAYNIE ET AL
41.15 AC.
310/384
T.J. HAYNIE. JR.
46.55 AC.
221/587
T.J. HAYNIE. JR.
201.43 AC.
221/586
T.J. HAYNIE
60.14 AC.
J/516
BEN LE NORMAN
80 AC.
T.J. HAYNIE
24.71 AC.
46/562
ROMAN C. OGRODOWICZ
82.05 AC.
346/459
14.832 AC
346/461
ISABEL HAYNIE LENORMAN
50.09 AC.
212/176
ISABEL HAYNIE LENORMAN
50.67 AC.
212/177
ISABEL HAYNIE LENORMAN
50.01 AC.
212/177
DAVID GRUPA
36.77 AC.
757/108
DAVID GRUPA
14.158 AC.
770/710
AGNES SMITH
116.463 AC.
196/331
GEORGE ANN MONGER
64.00 AC.
67/192
HELEN H. MORIARITY
48.96 AC.
326/4
14.71 AC.
710/666.
ALVIN C. ASHORN
178.33 AC.
710/663
67.0 AC.
108/245
40.37
AC.
108/288
176.8 AC.
108/245
18.11
AC.
73/485
BOTTOM HOLE LOCATION (TERMINUS 2)
BOTTOM HOLE LOCATION (TERMINUS 1)
A. SMITH NO. 1-H SURFACE LOCATION N.G. ELEV. =376.75'
PENETRATION POINT
N 15°29'45" W
302.81'
EXISTING ANGLE IRON
EXISTING CORNER POST
EXISTING 1/2" IRON ROD
EXISTING 1 1/4" I.P.
TREE
20" PINE TREE
N 69°17'19" E
760.32'
N 68°21'04" E
3805.28'
N 13°05'05" W
16.00'
S 69°10'11" W
393.00'
S 71°16'34" W
360.51'
N 65°17'22" E
438.44'
S 68°10'56" W
1466.54'
S 67°25'56" W
1454.39'
N 72°14'26" E
1460.74'
N 69°16'22" E
1409.93'
S 82°13'55" W
118.69'
S 83°52'53" W
2938.69'
S 18°51'29" E
434.91'
S 04°10'22" E
2092.31'
2333.68'
675.6'
2137'
1460.5'
1791.39'
2693.4'
2558'
1866'
1209'
1339'
1223.8'
1175'
529'
227.7'
1312.57'
518.26'
504/494
3345'
3286'
177 AC.
61/617
181/226
36 AC.
181/550
38.212 AC.
639/784
38.212 AC.
638/785

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

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form W-15
Cementing Report
Rev. 4/1/83
483-045

1. Operator's Name (As shown on Form P-5, Organization Report)	2. RRC Operator No.	3. RRC District No.	4. County of Well Site
Seneca Resources Corporation	767060	03	Grimes

5. Field Name (Wildcat or exactly as shown on RRC records)	6. API No.	7. Drilling Permit No.
Giddings (Austin Chalk-Gas)	42-185-30540	439541

8. Lease Name	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No.
A. Smith Unit	N/A		1H

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date		9-8-95					
13. •Drilled hole size		14-3/4"					
•Est. % wash or hole enlargement		100%					
14. Size of casing (in. O.D.)		10-3/4"					
15. Top of liner (ft.)		---					
16. Setting depth (ft.)		3710'					
17. Number of centralizers used		28					
18. Hrs. waiting on cement before drill-out		40					
1st Slurry	19. API cement used: No. of sacks ▶	1340					
	Class ▶	STANDARD					
	Additives ▶	2% ECONOLITE + 3% SALT + 1/4#/SK FLOCELE					
2nd Slurry	No. of sacks ▶	500					
	Class ▶	STANDARD					
	Additives ▶	NEAT					
3rd Slurry	No. of sacks ▶	50					
TOP OUT	Class ▶	STANDARD					
	Additives ▶	2% CALCIUM CHLORIDE					
1st	20. Slurry pumped: Volume (cu. ft.) ▶	3484					
	Height (ft.) ▶	6262.2					
2nd	Volume (cu. ft.) ▶	635					
	Height (ft.) ▶	1052.9					
3rd	Volume (cu. ft.) ▶	64					
	Height (ft.) ▶	114					
Total	Volume (cu. ft.) ▶	4183					
	Height (ft.) ▶	7429.1					
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?		YES					

22. Remarks: Csg cmtg witnessed by Josef Ironkwe, RRC D.O. 3

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.

Douglas Sykes-Serv. Supervisor	HALLIBURTON ENERGY	Doug Sykes
Name and title of cementer's representative	Cementing Company	Signature

P.O. BOX 688	CALDWELL, TEXAS 77836	409/567-4674	9-8-95
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.

Steve Conley	Engineer	Steve Conley
Typed or printed name of operator's representative	Title	Signature

Seneca Resources Corporation 333 Clay St., Suite 4150	Houston, TX 77002	(713) 654-2600	1-3-96
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.

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

1. Operator's Name (As shown on Form P-5, Organization Report)	2. RRC Operator No.	3. RRC District No.	4. County of Well Site
Seneca Resources Corporation	767060	03	Grimes

5. Field Name (Wildcat or exactly as shown on RRC records)	6. API No.	7. Drilling Permit No.
Giddings (Austin Chalk-Gas)	42- 185-30540	439541

8. Lease Name	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No.
A. Smith Unit	N/A		1H

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date			10-22-95				
13. •Drilled hole size			9-7/8"				
•Est. % wash or hole enlargement			35%				
14. Size of casing (in. O.D.)			7-5/8"				
15. Top of liner (ft.)			---				
16. Setting depth (ft.)			13617'				
17. Number of centralizers used			19				
18. Hrs. waiting on cement before drill-out			80				
1st Slurry	19. API cement used: No. of sacks ▶		100				
	Class ▶		HLC				
	Additives ▶		.7% HR-12				
2nd Slurry	No. of sacks ▶		600				
	Class ▶		PREMIUM				
	Additives ▶		35% SSA-1 + .65% HR-12				
3rd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1st	20. Slurry pumped: Volume (cu. ft.) ▶		220				
	Height (ft.) ▶		1024				
2nd	Volume (cu. ft.) ▶		882				
	Height (ft.) ▶		4106				
3rd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶		1102				
	Height (ft.) ▶		5130				
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?			NO				

22. Remarks

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.

David Ondrasek-Service Supervisor — Name and title of cementer's representative
HALLIBURTON ENERGY — Cementing Company
David Ondrasek — Signature

P.O. BOX 688 — Address
CALDWELL, TEXAS 77836 — City, State, Zip Code
409/567-4674 — Tel.: Area Code Number
10-22-95 — 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.

Steve Conley — Typed or printed name of operator's representative
Engineer — Title
Steve Conley — Signature

Seneca Resources Corporation
333 Clay St., Suite 4150 — Address
Houston, TX 77002 — City, State, Zip Code
(713) 654-2600 — Tel.: Area Code Number
1-3-96 — 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;
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- 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

Form W-15
Cementing Report
Rev. 4/1/83
483-045

1. Operator's Name (As shown on Form P-5, Organization Report)	2. RRC Operator No.	3. RRC District No.	4. County of Well Site
Seneca Resources Corporation	767060	03	Grimes

5. Field Name (Wildcat or exactly as shown on RRC records)	6. API No.	7. Drilling Permit No.
Giddings (Austin Chalk-Gas)	42-185-30540	439541

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A. Smith Unit	N/A		1H

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date							
13. •Drilled hole size							
•Est. % wash or hole enlargement							
14. Size of casing (in. O.D.)							
15. Top of liner (ft.)							
16. Setting depth (ft.)							
17. Number of centralizers used							
18. Hrs. waiting on cement before drill-out							
1st Slurry	19. API cement used: No. of sacks ▶						
	Class ▶						
	Additives ▶						
2nd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
3rd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1st	20. Slurry pumped: Volume (cu. ft.) ▶						
	Height (ft.) ▶						
2nd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
3rd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?							

22. Remarks: Drld 9-7/8" hole to 13,400' TD. Pipe stuck. Backed off drill pipe @ 12,076'. Left 8 joints HWDP and BHA in hole. Plugged off junked hole w/500 sx Premium 10723'-10,085' (tagged).

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	10-5-95							
24. Size of hole or pipe plugged (in.)	9-7/8							
25. Depth to bottom of tubing or drill pipe (ft.)	10723							
26. Sacks of cement used (each plug)	500							
27. Slurry volume pumped (cu. ft.)	495							
28. Calculated top of plug (ft.)	9792							
29. Measured top of plug, if tagged (ft.)	10,085'							
30. Slurry wt. (lbs/gal)	17.0							
31. Type cement	PREMIUM							

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Regi Ketcham-Service Supervisor	HALLIBURTON ENERGY	Regi Ketcham	
Name and title of cementer's representative	Cementing Company	Signature	
P.O. BOX 688 CALDWELL, TEXAS 77836	409/567-4674	10-5-95	
Address City, State, Zip Code	Tel.: Area Code Number	Date: mo. day yr.	

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Steve Conley	Engineer	Steve Conley	
Typed or printed name of operator's representative	Title	Signature	
Seneca Resources Corporation 333 Clay St., Suite 4150 Houston, TX 77002	(713) 654-2600	1-3-96	
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(15) MF-95040

Gas well completion papers dated 1-4-96
well # 1-H. 5/14/98