

MF095173

Unit 9801

Unit 10702

iNut 10704

Lease Type	<b>Control</b>	<b>Basefile</b>	<b>County</b>
HROW 56 [State	56-029447		BURLESON
	Survey	Highways & Public Transportati...	
	Block		
	Block Name		
	Township		
	Section/Tract		
	Land Part	SH 21	
	Acres	Net: 26.900000	Gross: 26.900000
	Depth Below	Depth Above	Depth Other
			Allow All Depths
	Name	EXXON	
	Lease Date	1/19/1993	
	Primary Term	5 years	
	Bonus	\$26.90	
	Lease Royalty	0.12500000	
	Paid Up	NA	

Leasing: \_\_\_\_\_

Maps: \_\_\_\_\_

GIS: \_\_\_\_\_

Scanlab: \_\_\_\_\_



### 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*



Pass To: \_\_\_\_\_  
Lend \_\_\_\_\_  
Rental \_\_\_\_\_  
Min A/c \_\_\_\_\_  
Min. Map \_\_\_\_\_

*DR*  
*76*

HIGHWAY RIGHT-OF-WAY M-95173 PAID-UP

COUNTY (CODE) : BURLESON (26)  
SURVEY : A. KUYKENDALL  
BLOCK : A-34  
TOWNSHIP : \_\_\_\_\_  
SECTION : \_\_\_\_\_  
PART : \_\_\_\_\_  
ACRES : 5.38  
DEPTH LIMITS : NONE  
BASE FILE (S) : \_\_\_\_\_  
CONTROL NO. (S) : 56-02944-7  
LESSEE : EXXON CORP.  
DATE : 1-19-93  
PRIMARY TERM : 5 YR  
BONUS : 26.90 (5.00)  
ROYALTY : 1/8  
RENTALS : 1.00 (PAID-UP)

1. Lease	1-19-93	( See MFO 94875 item # 27 for )
2. Memo to SUB	1-8-93	Fully Executed PSA Unit 10702
3. WORK sheet	————	scanned Pt 3-2-2021
4. Receipt of Money	————	16. Assign # 11034
5. Ltr from Exxon	12-1-92	XTO et al (to) Magnolia 4-20-21
6. Waiver/Exxon	11-30-92	scanned Pt 5-4-2021
7. Waiver/Stage	11-24-92	see MFO 94875 #2 Division Order
8. Plat	————	Scanned W 10-20-2021
9. All. of Fact	11-9-92	see MFO 95053 #20 Division Order
10. Title opinion	2-27-92	scanned Pt 5-24-2023
11. Row Deed (4)	————	
12. Adjacent leases (5)	————	
See Pooling Agreement #13 in M-95053 6-24-93		
13 Designation of Pooled Unit	9-14-93	
14 Supplemental - Cooks Point Unit # 8	9-14-93	
15 Amended Supp. - Cook Point Unit # 8	9-14-93	

Scanned sm 10/29/13

- See MF119781, item #12, Ltr from Esquisto
- See MF119781, item #13, Bonus Consideration
- See MF119781, item #14, Memo to Commissioner
- See MF119781, item #15, Letter to Esquisto
- See MF119781, item #16, Pooling Agreement Unit 9801

scanned Pt 5-17-2019

( See MFO 94875 #17, Assign # 10871  
EnerVest (to) Magnolia 7-26-19

scanned Pt 8-7-2019

( See MFO 94875 #18, Assign # 10879  
EV Prop (to) HarVest 8-12-19

scanned Pt 8-16-2019

( See MFO 94875 for Buckslip  
10702, "Nowak Unit", PSA  
Nowak Unit, iNut 10704,  
items 20-26

# The State of Texas



Austin, Texas

PAID-UP

OIL AND GAS LEASE NO. M-95173  
GENERAL LAND OFFICE  
AUSTIN, TEXAS

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress, Austin, Texas, 78701, hereinafter called "Lessor", hereunto authorized by the School Land Board, pursuant to the provisions of Chapters 32, 34 and 52 of the Natural Resources Code (hereinafter called N.R.C.), and amendments thereto, and all applicable rules promulgated by the School Land Board, and Exxon Corporation, whose address is P.O. Box 2305, Houston, Texas 77252, hereinafter called "Lessee". *41000037014*

1. Lessor, in consideration of Twenty Six and 90/100 Dollars (\$26.90), receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of Burleson, State of Texas, and is described as follows:

5.38 acres of land, more or less, situated in said Burleson County, Texas, more particularly described in

Exhibit "A" attached hereto and made a part hereof together with a plat, attached hereto as Exhibit "B", depicting said right-of-way and surrounding area for purposes of illustration only.

For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 5.38 acres, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. PRIMARY TERM: This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of five (5) years from January 19, 1993, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. ROYALTIES: As royalty Lessee covenants and agrees:

(a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its well, the equal one eighth (1\8) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such one eighth (1\8) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil;

(b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by lessee, one eighth (1\8) of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one eighth (1\8) of such gas and casinghead gas.

(c) If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred.

(d) Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle

labor trouble or to market gas upon terms unacceptable to Lessee.

(e) If at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check of lessee, as royalty, the sum of \$5.38. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

(f) All royalties not taken in kind shall be paid to the Commissioner of the General Land Office at Austin, Texas, in the following manner:

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, the 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. The State shall have first lien upon all oil and gas produced from the area covered by this lease to secure the payment of all unpaid royalty and other sums of money that may become due to the State hereunder.

4. POOLING: (a) Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons. Units pooled for oil hereunder shall not exceed 160 acres each in area, and units pooled for gas hereunder shall not exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, unless oil or gas units of a greater size are allowed under or prescribed by rules of the Railroad Commission of Texas. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, as operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) the proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between

parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force for so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

(b) Neither unit production of oil or gas, nor unit operations, nor payment of shut-in royalties from a unit gas well, shall serve to hold the lease in force as to any area outside the unit, regardless of whether the production, maintenance of a shut-in gas well, or operations are actually located on the State tract or not.

(c) Lessee agrees to file with the General Land Office a copy of any unit designation which this lease is included within ninety (90) days of such designation.

5. RELEASE: 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 prescribed filing fee. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

6. REWORK: If at any time or times during the primary term operations are conducted on said land and if all operations are discontinued, this lease shall thereafter terminate at the end of the primary term or on the ninetieth day after discontinuance of all operations, whichever is the later date, unless on such later date either (1) Lessee is conducting operations or (2) the shut-in well provisions of paragraph 3 or the provisions of paragraph 9 are applicable. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling,

testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil or gas, or production of oil or gas in paying quantities.

7. MINERAL USE: Lessee shall have the use, free from royalty, of oil and gas produced from said land in all operations hereunder.

8. NOTICE: In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations.

9. FORCE MAJEURE: If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

10. LESSER ESTATE, CLAUSE: If this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessors interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease bears to the whole and undivided fee simple estate therein.

11. ASSIGNMENTS: This lease may be transferred at any time. All transfers must reference the lease by file number and must be recorded in the county where the land covered hereby 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 prescribed filing fee. 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.

12. WELL INFORMATION: Lessee agrees to forthwith furnish Lessor, upon written request, with copies of all drilling logs, electrical logs, cores and core records and other information pertaining to all wells drilled by lessee either on the leased premises or acreage pooled therewith, when requested to do so. Said information shall remain confidential as required by statute.

13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well located off the leased premises, or by pooling of said land with other land, lease or leases as hereinabove provided.

14. COMPENSATORY ROYALTY: Lessee shall pay a compensatory royalty if this lease is not being held by production on the leased premises, by production from a pooled unit, or by payment of shut-in royalties in accordance with the terms of this lease, and if oil or gas is sold or delivered in paying quantities from a well located within 2500 feet of the leased premises and completed in a producible reservoir underlying the area leased hereunder or in any case in which drainage is occurring. Such compensatory royalty shall be paid at the royalty rate provided in this lease based on the value of production from the well as provided in the lease on which such well is located. The compensatory royalty shall be paid in the same proportion that the acreage of this lease has to the acreage of the proration unit surrounding the draining well plus the acreage of this lease. The compensatory royalty shall be paid monthly to the Commissioner of the General Land Office on or before the last day of the month after the month in which the oil or gas is sold and delivered from the well causing the drainage or from the well located within 2500 feet of the leased premises and completed in a producible reservoir under this lease. Notwithstanding anything herein to the contrary, compensatory royalty payable hereunder shall be no less than an amount equal to \$10.76, and shall maintain this lease in effect for so long as such payments are made as provided herein.

15. FORFEITURE: If Lessee shall fail or refuse to make 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, 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 this lease is pooled or assigned and the unit designation or 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. However, nothing herein shall be construed as waiving the automatic termination of this lease by operations 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.

16. RAILROAD COMMISSION: 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 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

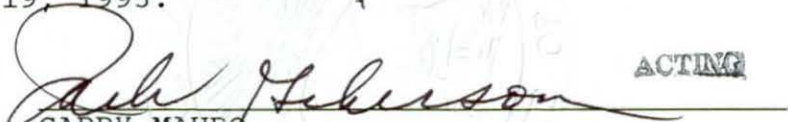
production; and

(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; provided, however, after notice and hearing as provided in Title 3 of the N.R.C., the Railroad Commission of Texas may grant exceptions to these provisions of Subchapter H of Chapter 52 of the N.R.C. if it finds and determines that enforcement of such provisions:

(1) would cause physical waste as defined in Title 3 of the N.R.C.; or

(2) would unreasonably deny to the Lessee an opportunity to produce economically hydrocarbons from the land subject to this lease.

IN TESTIMONY WHEREOF, witness the signature of the Commissioner of the General Land Office, under the seal of the General Land Office, effective as of January 19, 1993.

 **ACTING**  
GARRY MAURO  
COMMISSIONER OF THE GENERAL LAND OFFICE  
OF THE STATE OF TEXAS

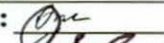

Approved:  
Energy: RM  
Legal (Form):   
Executive: 

Exhibit "A"

Being 5.38 acres of land, more or less situated in the Abner Kuykendall Survey, Abstract No. 34, in Burleson County, Texas. Said 5.38 acres of land being all of and the same lands conveyed to the State in Deeds from W. H. Oliver as recorded in Volume 76, Page 503, and from M. L. Parker, et al as recorded in Volume 76, Page 558, and a portion of the same land conveyed to the State in a deed from M. P. Carr as recorded in Volume 76, Page 403. All being recorded in the Deed Records of Burleson County, Texas. Said 5.38 acres being a strip of land 100.00 feet in width, 50.00 feet either side of the centerline of S. H. 21. Said strip of land being more particularly described as follows, to wit;

Beginning at point on the west line of the aforementioned Oliver property where it intersects the centerline of said highway at Engineer's Centerline Station Number 1377+94.00;

Thence N 16° 53' 00" W, departing from the centerline of S. H. 21, along the aforementioned west line of the Oliver property, a distance of 50.00 feet to a point on the north right of way line of S.H. 21;

Thence N 72° 43' 00" E, along the north right of way line of S.H. 21, a distance of 2,332.25 feet to a point, in the west line of a County Road, 50.00 feet left of and parallel to the centerline of S.H. 21;

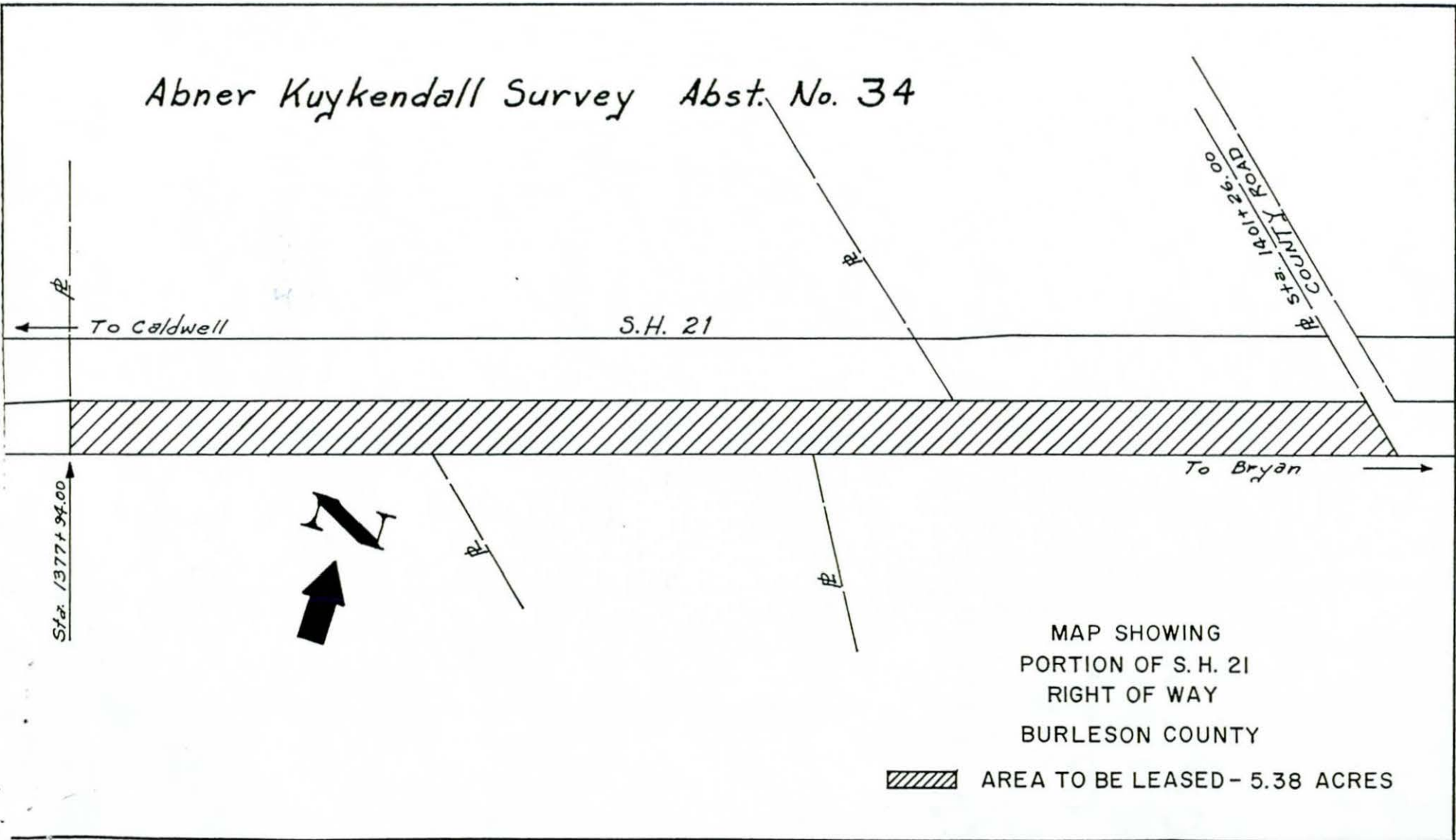
Thence S 46° 54' 00" E, departing from the north right of way line of S.H. 21, along the extended west line of the said County Road, crossing the centerline of S.H. 21 at Engineer's Centerline Station Number 1401+50.00, and continuing on to a point on the south right of way line of S.H. 21. Said point being 50.00 feet right of and parallel to said centerline.

Thence S 72° 43' 00" W, along the south right of way line of S.H. 21, a distance of 2,386.00 feet to a point on the west line of the Oliver property and being 50.00 feet right of and at right angles to Engineer's Centerline Station Number 1377+94.00;

Thence N 16° 53' 00" W, along the west line of the Oliver property, a distance of 50.00 feet to the Point of Beginning of the strip of land herein described containing 5.38 acres of land, more or less.

Being as indicated on the official right of way map which is on file with the Texas Department of Transportation and is identified under Control Number 116-3-27.

# Abner Kuykendall Survey Abst. No. 34



MAP SHOWING  
PORTION OF S. H. 21  
RIGHT OF WAY  
BURLESON COUNTY

 AREA TO BE LEASED - 5.38 ACRES

①

95173  
Lodge

MF \_\_\_\_\_  
Item \_\_\_\_\_  
To Exxon  
From G/O  
Date 1.19.93

RECEIVED AS STATED

Date 12.3.92

Reg No 18787 *Process fee*

*100.00*

GENERAL LAND OFFICE

RECEIVED AS STATED

Date 12.3.92

Reg No 18788

*Rovus 26.90*  
*Rentel 21.52*  
*Sales Fee .40*

GENERAL LAND OFFICE

GENERAL LAND OFFICE

GARRY MAURO  
COMMISSIONER

MEMORANDUM

M. 95173

Sub - 1-19-93

DATE: January 8, 1993

TO: School Land Board

FROM: Robert Hatter / Lease Administration

SUBJECT: Application To Lease Right-of-Way

APPLICANT: Exxon Corporation

REFERENCE: Being 5.38 acres, more or less, of State Highway 21, situated in the Abner Kuykendall Svy., A-34, in Burleson County, Texas

The following terms were provide for in the adjacent leases:

	<u>High</u>	<u>Low</u>
Bonus/Acre:	\$5.00	\$5.00
Royalty:	1/8	1/8
Delay Rental:	\$1.00	\$1.00
Primary Term:	5 year	5 year

The application has been reviewed by the Lease Administration Department and approved by the Department of Transportation. Subchapter F, Chapter 32 of the Texas Natural Resources Code requires the approval of the application to the lease with the following terms:

Bonus/Acre:	\$5.00 per acre
Royalty:	1/8 royalty
Delay Rental:	\$1.00 per acre
Primary Term:	5 year

Exxon Corporation holds the mineral interest in the leases adjoining the above referenced right-of-way. Therefore, the applicant is entitled to a lease of the entire 5.38 acres. The applicant has submitted a title opinion showing that the state owns the entire mineral estate in the right-of-way and has submitted all other pertinent information required by the School Land Board rules.



# Texas Department of Transportation

P.O. BOX 5075 • AUSTIN, TEXAS 78763-5075 • (512) 416-2901  
January 7, 1993

Contact: D-15

Mr. Garry Mauro  
Commissioner  
General Land Office  
Petroleum and Mineral Division  
1700 North Congress Avenue  
Austin, Texas

Dear Commissioner Mauro:

We have reviewed the proposed oil and gas lease applications and the following requests for preferential leases are considered sufficiently documented to be presented to the Public School Land Board for approval:

<u>County</u>	<u>Nominator</u>	<u>Bonus</u>	<u>Royalty</u>	<u>Primary Term</u>	<u>Delay Rental</u>
Brazos	G. S. I. Oil and Gas, Inc.	\$100.00	1/5	3 Years	None
Gonzales	Gilbraltar Resources, Inc.	\$50.00	1/5	1 Year	None
King	Marshall and Winston, Inc.	\$25.00	1/4	90 days	None
Burleson	Exxon Corp.	\$5.00	1/8	5 years	\$1.00
Jefferson	Amerada Hess, Corp.	\$509.24	1/4	3 years	None

Attached is one copy each of the field notes and sketch for the proposed leases. If additional information is needed, please contact Jimmy Perry at (512)1 416-2874.

Sincerely,

Gary Bernethy, P.E.  
Director of Right of Way

Attachments

Exhibit "A"

Being 5.38 acres of land, more or less situated in the Abner Kuykendall Survey, Abstract No. 34, in Burleson County, Texas. Said 5.38 acres of land being all of and the same lands conveyed to the State in Deeds from W. H. Oliver as recorded in Volume 76, Page 503, and from M. L. Parker, et al as recorded in Volume 76, Page 558, and a portion of the same land conveyed to the State in a deed from M. P. Carr as recorded in Volume 76, Page 403. All being recorded in the Deed Records of Burleson County, Texas. Said 5.38 acres being a strip of land 100.00 feet in width, 50.00 feet either side of the centerline of S. H. 21. Said strip of land being more particularly described as follows, to wit;

Beginning at point on the west line of the aforementioned Oliver property where it intersects the centerline of said highway at Engineer's Centerline Station Number 1377+94.00;

Thence N 16° 53' 00" W, departing from the centerline of S. H. 21, along the aforementioned west line of the Oliver property, a distance of 50.00 feet to a point on the north right of way line of S.H. 21;

Thence N 72° 43' 00" E, along the north right of way line of S.H. 21, a distance of 2,332.25 feet to a point, in the west line of a County Road, 50.00 feet left of and parallel to the centerline of S.H. 21;

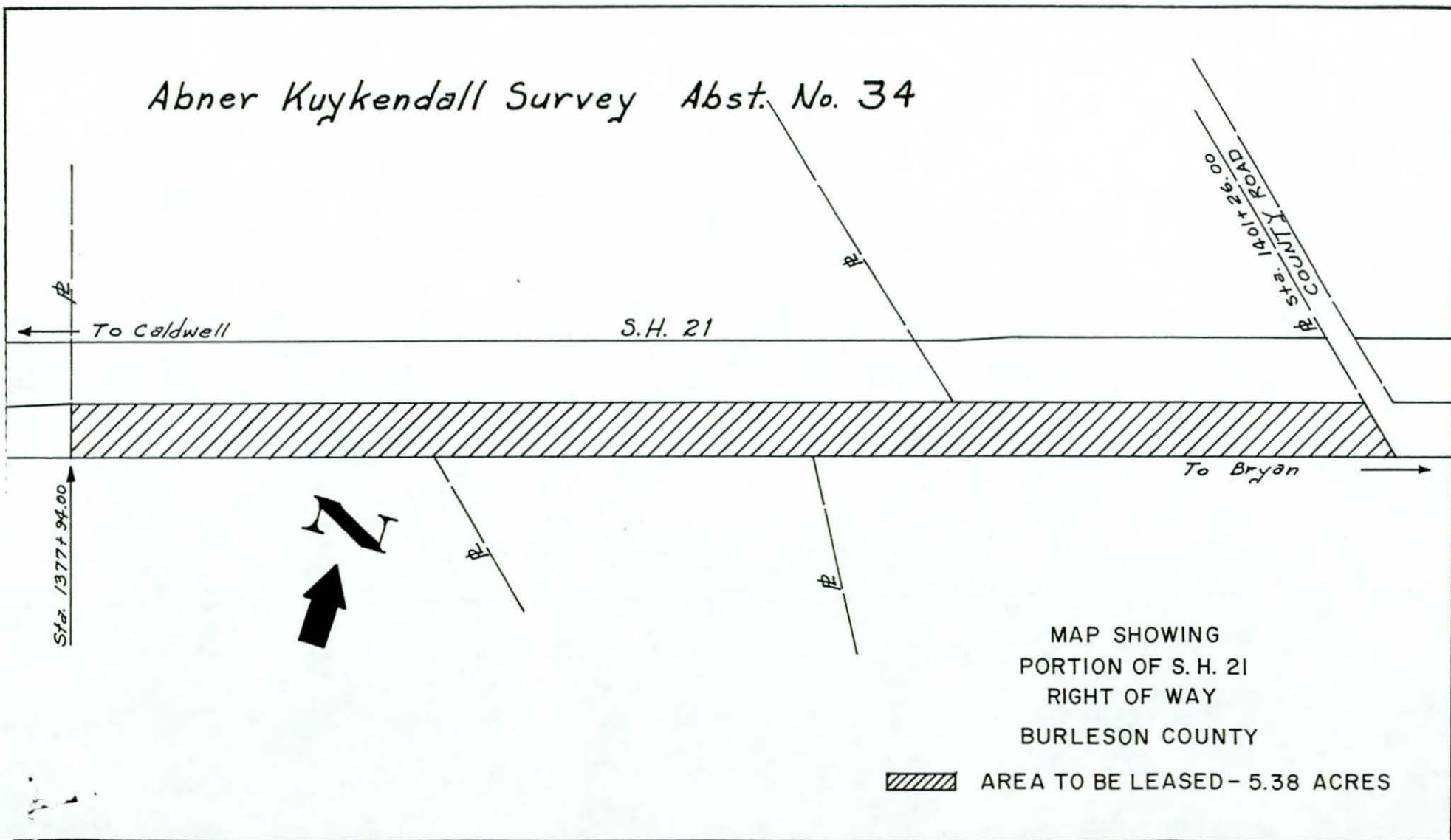
Thence S 46° 54' 00" E, departing from the north right of way line of S.H. 21, along the extended west line of the said County Road, crossing the centerline of S.H. 21 at Engineer's Centerline Station Number 1401+50.00, and continuing on to a point on the south right of way line of S.H. 21. Said point being 50.00 feet right of and parallel to said centerline.

Thence S 72° 43' 00" W, along the south right of way line of S.H. 21, a distance of 2,386.00 feet to a point on the west line of the Oliver property and being 50.00 feet right of and at right angles to Engineer's Centerline Station Number 1377+94.00;


Thence N 16° 53' 00" W, along the west line of the Oliver property, a distance of 50.00 feet to the Point of Beginning of the strip of land herein described containing 5.38 acres of land, more or less.

Being as indicated on the official right of way map which is on file with the Texas Department of Transportation and is identified under Control Number 116-3-27.

# Abner Kuykendall Survey Abst. No. 34



MAP SHOWING  
 PORTION OF S. H. 21  
 RIGHT OF WAY  
 BURLESON COUNTY

 AREA TO BE LEASED - 5.38 ACRES

MF 95173 2  
Item Memo  
To SCB  
From Cesse Adm.  
Date 1-8-93

M-95173

Highway Lease Applicant

Name of Lease Applicant: Exxon Corporation by Jack Womack

County & Tract Description:

Burleson Co. | 5.38 ac | St. Hwy 217 N. Kuykendall A-34

Date Sent to Highway Department:

Check List:

- Letter of Application and plat ✓
- Names and addresses of adjacent mineral owners ✓
- Affidavit of non-production within 2500 feet ✓
- \$100 processing fee ✓
- Written waiver of statutory notice ✓
- Certified copy/copies of adjacent lease/leases ✓
- Notarized affidavit of consideration paid ✓
- Title Opinion ✓
- Is the right-of-way on Relinquishment Act Land No ✓

Remarks:

Date Appeared Before SLB: 26.90  
 .40  
 Approved: ~~20.00~~  
 Disapproved: 21.52  
 Problems: total \$ 48.82

Bonus 5.00 —  
 Royalty 1/8 —  
 Rental ~~1.00~~ 1.00 —  
 Tax 5yr paid up 5yr  
 Shut-in 1.00

Date Lease Issued:

~~Review~~  
~~Copy~~  
~~Left message~~  
~~Copy~~  
 AK. to Jimmy

MF 95173  
Item Worksheet  
To \_\_\_\_\_  
From \_\_\_\_\_  
Date \_\_\_\_\_

Calculation of Bonus consideration:

5.38 acres x \$5/per acre bonus = \$26.90	\$26.90
5.38 acres x \$1/per acre rental x 4 years = \$21.52	\$21.52
\$26.90 bonus x 1.5% application fee = \$0.40	\$ 0.40
	=====
	\$48.82

COLLECT ONLY THROUGH BANK ONE, TEXAS, NA HOUSTON, TEXAS

00374

IDENTIFICATION NUMBER	PAYEE CODE	CR LC	18-20 834	26-27 002	28-31 36	32-36
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November 30, 19 92 FF

PAY TO THE ORDER OF General Land Office, State of Texas \$100.00

VALUE RECEIVED One Hundred and no/100-----DOLLARS

ADDRESS OF PAYEE Stephen F Austin Bldg, 1700 N Congress Ave, Austin TX 78701-1495

IN PAYMENT OF Filing Fee

TO: EXXON CORPORATION  
c/o EXXON COMPANY, U.S.A.  
16945 NORTHCHASE · HOUSTON, TEXAS

*Tim P. Boyle*  
Tim P. Boyle

EXXON CORPORATION

ACCEPTED BY

COLLECT ONLY THROUGH BANK ONE, TEXAS, NA HOUSTON, TEXAS

00375

IDENTIFICATION NUMBER	PAYEE CODE	CR LC	18-20 834	26-27 002	28-31 36	32-36
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November 30, 19 92 FF

PAY TO THE ORDER OF General Land Office, State of Texas \$48.82

VALUE RECEIVED Forty-Eight and 82/100-----DOLLARS

ADDRESS OF PAYEE Stephen F Austin Bldg, 1700 N Congress Ave, Austin TX 78701-1495

IN PAYMENT OF Lease Bonus and Paid-Up Rentals

TO: EXXON CORPORATION  
c/o EXXON COMPANY, U.S.A.  
16945 NORTHCHASE · HOUSTON, TEXAS

*Tim P. Boyle*  
Tim P. Boyle

EXXON CORPORATION

ACCEPTED BY

*170 audit*

*X 100.00*  
*X 48.82*

93018787

93018788

7

MF \_\_\_\_\_  
 Item 95173  
Receipt  
 To \_\_\_\_\_  
 From \_\_\_\_\_  
 Date \_\_\_\_\_

Product

Manufacturer

1/22/20

1/22/20

14 205

K. Kirk Krist & Associates, Inc.

Oil and Gas Interests

Five Post Oak Park, Suite 2260

Houston, Texas 77027-3416

Telephone: (713) 963-8847

December 1, 1992

Fax Line: (713) 963-0509

General Land Office  
Oil & Gas Section  
Stephen F. Austin Building  
1700 N. Congress Avenue, Room 640  
Austin, Texas 78701-1495

Attention: Drew Reid

RE: Highway Right-of-Way Lease  
Cooks Point Unit No.8  
5.38 acres  
A. Kuykendall Survey, A-34  
Burleson County, Texas

As per our telephone conversation, EXXON CORPORATION, P. O. Box 2305, Houston, Texas 77252, is applying to lease the above referenced tract as shown on the plat attached. Attached herewith is a check in the amount of \$100.00 as application fee for the leasing of the State's interest within the captioned tract. This tract is made up of several small tracts deeded to the State of Texas in fee along and under present State Highway 21. Copies of these Deeds are attached along with a title letter concerning the State's ownership.

Also attached are copies of the adjacent leases. Four of the Leases are owned by EXXON, one Lease is owned by Sage Energy Company. All of the leases are in currently producing units in the Cooks Point Field with well locations within the 2500 foot limitation. However, EXXON has proposed a horizontal well that will travel directly under the highway. Exxon and Sage, as owners of all of the adjacent leasehold, waive their statutory right to receive notice of the proposed lease, as per the enclosed letters.\*

Please note that the Right-of-Way is not on Relinquishment Act Land.

Also attached please find as Affidavit of Facts stating the Bonus consideration, Royalty, Primary term and Rentals paid to the adjacent land owners. Thus, the terms under the proposal are:

Bonus per acre:	\$5.00	Royalty:	1/8
Primary term	5 years (paid-up)	Rental:	\$1.00 per/ac

Finally, attached please find a check in the amount of \$48.82 as Bonus consideration for this lease. Please advise if you require further information on this matter.

With best regards

  
Jack W. Womack - Landman

MF 95173  
From LTR  
Glo  
From EXXON  
Date 12.1.92

51

**EXXON** COMPANY, U.S.A.

POST OFFICE BOX 4697 • HOUSTON, TEXAS 77210-4697

PRODUCTION DEPARTMENT  
CENTRAL DIVISION

November 30, 1992

Highway Right-of-Way Lease  
5.38 Acres  
A. Kuykendall Survey, A-34  
Burleson County, Texas

General Land Office  
Oil & Gas Section  
Stephen F. Austin Building  
1700 N. Congress Avenue, Room 640  
Austin, Texas 78701-1495

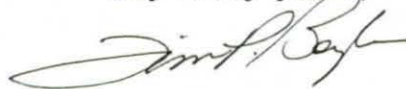
Attention: Mr. Drew Reid

Gentlemen:

This letter is submitted in conjunction with Exxon Corporation's application to the General Land Office for an Oil and Gas Lease covering the captioned Highway Right-of-Way.

Exxon Corporation as holder and owner of the leases covering all of the tracts of land adjacent to the applied for Highway Right-of-Way lease, hereby specifically waives its right to receive notice of the proposed leasing as required under all applicable state laws or regulations.

Very truly yours,



Tim P. Boyle

TPB:amb

MF 95173  
Item Waived  
To E10  
From Exxon  
Date 11-30-92

(6)



## Sage Energy Company

November 24, 1992

General Land Office  
Oil & Gas Section  
Stephen F. Austin Building  
1700 N. Congress Avenue, Room 640  
Austin, Texas 78701-1495

Attention: Mr. Drew Reid

RE: Highway Right-of-Way Lease  
9.48 acres  
A. Kuykendall Survey, A-34  
Burleson County, Texas

Gentlemen:

This letter is submitted in conjunction with Exxon Corporation's application to the General Land Office for an Oil and Gas Lease covering the captioned Highway Right-of-Way.

Exxon Corporation is the holder and owner of the leases covering all of the tracts of land adjacent to the applied for Highway Right-of-Way lease, with the exception of a lease from Frank F. Drgac et ux to William C. Haverlah dated April 23, 1976 and recorded in Volume 16, Page 123 of the Oil and Gas Lease Records of Burleson County, Texas. Sage Energy Company as holder and owner of said lease, hereby specifically waives its right to receive notice of the proposed leasing as required under all applicable state laws or regulations.

Sincerely,

SAGE ENERGY COMPANY

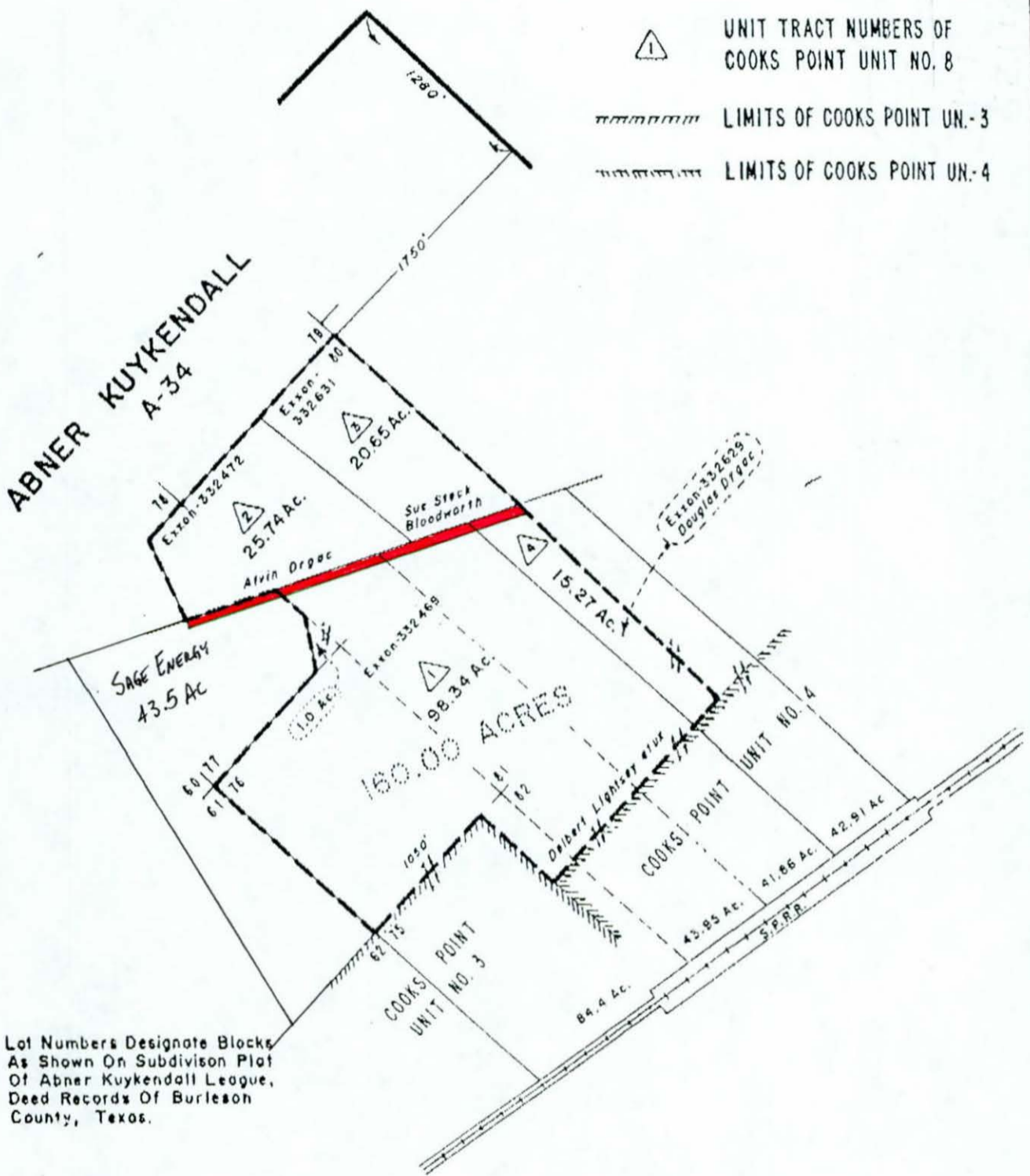
  
Ken Meiske  
Division Landman

KM:bg

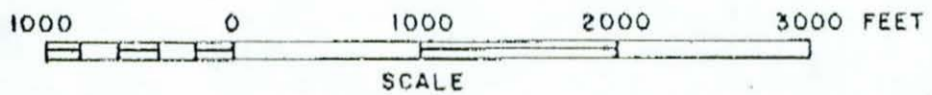
MF 95173 7  
Item Waiver  
To C/O  
From SAGE  
Date 11.24.92

**LEGEND**

- BOUNDARY OF COOKS POINT UNIT NO. 8
- △ UNIT TRACT NUMBERS OF COOKS POINT UNIT NO. 8
- ||||| LIMITS OF COOKS POINT UN.-3
- ||||| LIMITS OF COOKS POINT UN.-4



NOTE: Lot Numbers Designate Blocks As Shown On Subdivision Plat Of Abner Kuykendall League, Deed Records Of Burleson County, Texas.



**EXHIBIT "B"**  
 COOKS POINT UNIT NO. 8  
 160 ACRES  
 GIDDINGS FIELD  
 BURLESON COUNTY, TEXAS

MF 95173  
Item Plat  
To \_\_\_\_\_  
From \_\_\_\_\_  
Date \_\_\_\_\_

(X)

*[Faint red handwritten text, possibly a date or number]*

AFFIDAVIT OF FACTS

THE STATE OF TEXAS    )  
  )  
  )    KNOW ALL MEN BY THESE PRESENT:  
COUNTY OF BURLESON    )

BEFORE ME, the undersigned authority, on this day personally appeared Jack W. Womack, known to me to be a credible person above the age of twenty one years, who by me being duly sworn, deposes and says to-wit:

That his name is Jack W. Womack, that he is presently 36 years old, and that he is thoroughly familiar with the leasing history and terms of the following leases in Burleson County, Texas.

The first lease was dated March 6, 1976 from Douglas Drgac to Zack B. Brittain, Jr., as recorded in Volume 15, Page 944, of the Oil and Gas Lease Records of Burleson County, Texas. The Lease covered 42.91 acres and the terms of said lease were \$5.00 per acre bonus consideration, 1/8 royalty, for a five (5) year primary term, paying \$1.00 per acre annual delay rentals.

The second lease was dated February 18, 1976 from Delbert Lightsey to Zack B. Brittain, Jr., as recorded in Volume 15, Page 866, of the Oil and Gas Lease Records of Burleson County, Texas. The Lease covered 171.21 acres and the terms of said lease were \$5.00 per acre bonus consideration, 1/8 royalty, for a five (5) year primary term, paying \$1.00 per acre annual delay rentals.

The third lease was dated March 8, 1976 from Sue Steck Bloodworth to Zack B. Brittain, Jr., as recorded in Volume 15, Page 950, of the Oil and Gas Lease Records of Burleson County, Texas. The Lease covered 64.78 acres and the terms of said lease were \$5.00 per acre bonus consideration, 1/8 royalty, for a five (5) year primary term, paying \$1.00 per acre annual delay rentals.

The fourth lease was dated March 2, 1976 from Alvin Drgac to Zack B. Brittain, Jr., as recorded in Volume 15, Page 875, of the Oil and Gas Lease Records of Burleson County, Texas. The Lease covered 25.74 acres and the terms of said lease were \$5.00 per acre bonus consideration, 1/8 royalty, for a five (5) year primary term, paying \$1.00 per acre annual delay rentals.

The fifth lease was dated April 23, 1976 from Frank F. Drgac and wife, Lottie H. Drgac to William C. Haverlah, as recorded in Volume 16, Page 123, of the Oil and Gas Lease Records of Burleson County, Texas. The Lease covered 108.17 acres and the terms of said lease were \$5.00 per acre bonus consideration, 1/8 royalty, for a five (5) year primary term, paying \$1.00 per acre annual delay rentals.

Affiant states that by reviewing all of the terms on the leases listed above, the highest terms were \$5.00 per acre bonus consideration, 1/8 royalty, for a five (5) year primary term, paying \$1.00 per acre annual delay rentals.

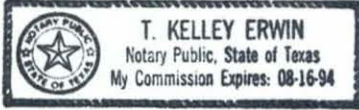
FURTHER AFFIANT SAYETH NOT.

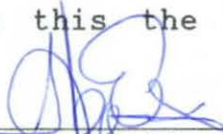
  
\_\_\_\_\_  
Jack W. Womack

THE STATE OF TEXAS )(

COUNTY OF HARRIS )(

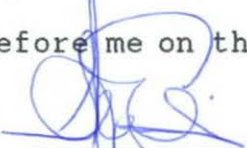
SUBSCRIBED AND SWORN before me on this the 9th day of November, 1992, by Jack W. Womack



  
\_\_\_\_\_  
Notary Public in and for  
the State of Texas

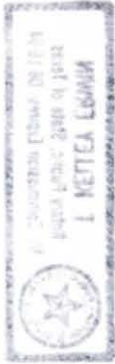
THIS INSTRUMENT was acknowledged before me on this the 9th day of November, 1992, by Jack W. Womack



  
\_\_\_\_\_  
Notary Public in and for  
the State of Texas

9

MF 95173  
 Item App. 1 Pack  
 To G19  
 From Exxon  
 Date 11.9.92



THE NATIONAL ARCHIVES  
 COLLETS DE LA BIBLIOTECA NACIONAL  
 DE LA CIUDAD DE LA HABANA  
 CUBA

1992-11-09

**EXXON** COMPANY, U.S.A.

POST OFFICE BOX 4697 • HOUSTON, TEXAS 77210-4697 • (713) 775-6717

CENTRAL PRODUCTION DIVISION

MARC C. JOHNSON  
ATTORNEY

February 27, 1992

Ownership Title Opinion  
Cook's Point Unit Numbers 8 and 9  
Cook's Point Area  
Burleson County, Texas

Mr. Tim Boyle

You have asked the Law Department to review title to the minerals underlying four tracts of land which are more particularly described in the four deeds attached to this title opinion as exhibits.

As a starting point into this examination, you have informed us that Land has verified that the Grantor in each of the four deeds owned fee simple title to the minerals underlying these four tracts at the time the deeds were executed in 1932. You have also informed us that Land has verified that the State of Texas has not conveyed the minerals underlying any of these four tracts following the grants to them in 1932. Based upon those two assumptions, and after reviewing the four deeds attached to this opinion, it is our conclusion that the State of Texas acquired fee simple title to the minerals underlying each of the four tracts effective the date of each of the four deeds. Given this ownership in the State of Texas, Land would be free to negotiate with the State under the State Highway Leasing Statute to try and obtain a lease or other rights from the State of Texas pursuant to that act.

If you have any questions, please contact me at your convenience.



MCJ:chh  
Attachments

MF 9573 ~~10~~  
Item title opinion  
To Glo  
From Exxon  
Date 2-27-92

RIGHT-OF-WAY DEED

Mrs. W.P. Bain to State of Texas.

STATE OF TEXAS.  
COUNTY OF \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS:

That Winnie P. Bain, of the County of Harris, State of Texas, for and in consideration of the sum of One Dollar to her in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is here by acknowledged and confessed, have GRANTED, SOLD and CONVEYED, and do by these presents GRANT, SELL and CONVEY unto the State of Texas, the following described tract or parcel of land situated in the county of Burleson State of Texas, being more particularly described as follows:

A tract of land out of the A. Kuykendall Survey which, in addition to the present highway shall be used for right of way purposes and more particularly described as follows:

Beginning at a point in the South fence of Highway 21 where said fence is 50 feet from the center of the proposed highway at station 1433 plus 80; said point being also the Northeast corner of the W.P. Bain property; Thence in a Southwest direction 50 feet from and parallel to the center of the proposed highway a distance of 640 feet to a point; Thence in a Northwest direction crossing the center of the proposed highway at station 1408 plus 40 and extending to a point in the South fence of the present Highway 21 a distance of 60 feet; said point being the the Northeast corner of the F.P. Tilson tract; Thence in a Southeast direction along the South fence of the present Highway 21 crossing the center of the proposed highway and extending for a distance of 680 feet to the place of beginning; Containing 0.53 Acre.

And it is further agreed that the said Winnie P. Bain in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its assigns;

And She hereby binds her heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand, this the 9th. day of May A.D. 1932.

Mrs. Winnie P. Bain

STATE OF TEXAS.  
COUNTY OF HARRIS.

Before me, the undersigned a notary public in and for said county and State, on this day personally appeared Winnie P. Bain, (proved to me on the oath of J.K. Carr) to bethe person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 9th. day of May A.D. 1932.

(L.S.)

Irving D. Furlong  
Notary Public Harris County, Texas.

Filed for Record Sept. 18, 1933 at 5 o'clock P.M.  
And Recorded September 25, 1933 at 11 o'clock A.M.

W.H. Hundley  
County Clerk

By Willie Norville Deputy.

RIGHT-OF-WAY DEED

Mary P. Carr to State of Texas.

STATE OF TEXAS.  
COUNTY OF BURLESON.

KNOW ALL MEN BY THESE PRESENTS:

That I, Mrs. Mary P. Carr a widow, of the County of Brazos State of Texas, for and in consideration of the sum of One Dollar to me in hand paid in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is here by acknowledged and confessed, have GRANTED, sold and CONVEYED, and do by these presents GRANT, SELL AND CONVEY unto the State of Texas the following described tract or parcel of land situated in the County of Burleson State of Texas, being more particularly described as follows:

A tract of land out of the A. Kuykendall survey to be used for right of way purposes and more particularly described as follows:

Beginning at a point on the dividing line between the M.P. Carr and the F.P. Tilson tracts said point being 20 feet from the South fence of the present Highway 21 and 50 feet from the center of the proposed highway; at station 1402 plus 20; Thence in a Southeast direction along said fence a distance of 115 feet to a point which is 50 feet from the center of the proposed highway; Thence S 72 degrees 46 minutes W along a line parallel to and 50 feet from the center of the proposed highway a distance of 685 feet to a point; Thence in a northwesterly direction along a line between the M.L. Parker and the M.P. Carr tracts a distance of 115 feet to a point which is 50 feet from the center of the proposed highway; said point being 17 feet from the present South fence of Highway 21; Thence N. 72 degrees 46 minutes E along a line parallel to and 50 feet from the center of the proposed highway a distance of 685 feet to the place of beginning. Containing 1.57 acres.

And it is further agreed that the said Mrs. Mary P. Carr in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its assigns;

And she hereby binds her heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand, this the 10th. day of May A.D. 1932.

Mrs. Mary P. Carr

STATE OF TEXAS.  
COUNTY OF BRAZOS.

Before me, J.B. Hickman a Notary Public in and for said County and State, on this day personally appeared Mrs. Mary P. Carr, a widow, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 10th. day of May A.D. 1932.

(L.S.)

J.B.Hickman  
Notary Public, Brazos County, Texas.

Filed for Record Sept. 18, 1933 at 5 o'clock P.M.  
And Recorded September 25, 1933 at 12, o'clock A.M.

W.H.Hundley  
County Clerk

By Willie Rosville Deputy.

\*\*\*\*\*  
RIGHT-OF-WAY DEED. Joe Hejl et ux to State of Texas.

STATE OF TEXAS.  
COUNTY OF BURLESON.

KNOW ALL MEN BY THESE PRESENTS:

That Joe Hejl & wife Mary Hejl, of the County of Burleson State of Texas, for and in consideration of the sum of One Hundred and No/100 to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is here by acknowledged and confessed, have GRANTED, SOLD and CONVEYED, and do by these presents GRANT, SELL and CONVEY unto the State of Texas the following described tract or parcel of land situated in the County of Burleson State of Texas, being more particularly described as follows:

A tract of land out of the A. Kuykendall survey to be used for right of way purposes and more particularly described as follows;

Beginning at a point in the South fence of the present Highway 21 said point being 44 feet from the center of the proposed highway at station 1382 plus 13 and being also the Northeast corner of the Joe Hejl property; Thence Southeast along said fence a distance of 109 feet to a point which is 50 feet from the center of the proposed highway; Thence S 72 degrees 46 minutes W along a line parallel to and 50 feet from the center of the proposed highway a distance of 2263 feet to a point in the South fence line of the present highway; Thence in a Northeasterly direction along the South fence of the present Highway 21 a distance of 2200 feet to the place of beginning. Containing 5.5 Acres.

And it is further agreed that the said Joe Hejl et ux in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its assigns;

And we hereby binds ourselves our heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness our hands, this the 27th. day of December A.D. 1932.

Joe Hejl  
Mary Hejl

STATE OF TEXAS.  
COUNTY OF BURLESON.

BEFORE ME, C.A. Bain a notary public in and for said County and State on this day personally appeared Joe Hejl, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 27th. day of December A.D. 1932.

(L.S.)

C.A. Bain  
Notary Public, Burleson County, Texas.

STATE OF TEXAS.  
COUNTY OF BURLESON.

Before me, C.A. Bain a Notary public in and for said County and State, on this day personally appeared Mrs. Mary Hejl wife of Joe Hejl, known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband and having the same fully explained to her, she the said Mrs. Mary Hejl acknowledges such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this the 27th. day of December A.D. 1932.

(L.S.)

C.A. Bain  
Notary Public Burleson County, Texas.

Filed for Record Sept. 18, 1933 at 5 o'clock P.M.  
And Recorded September 25, 1933 at 2 o'clock P.M.

W.H.Hundley  
County Clerk

By Willie Rosville Deputy.

\*\*\*\*\*  
RIGHT-OF-WAY DEED John K. Drgac, of the County of Burleson State

of Texas, for and in consideration of the sum of One and No/100 to me in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is here by acknowledged and confessed, have GRANTED, SOLD and CONVEYED, and do by these presents GRANT SELL AND CONVEY unto the State of Texas the following described tract or parcel of land situated in the County of Burleson State of Texas, being more particularly described as follows:

A tract of land out of the A. Kuykendall survey to be used for right of way purposes and described as follows: Beginning at a point in the North fence of the present Highway 21 said point being the Southwest corner of the J. Drgac property; Thence in a Northwesterly direction along said fence a distance of 70 feet to a point which is 50 feet from the center of the proposed highway; Thence N. 72 degrees 46 minutes E along a line parallel to and 50 feet from the center of the proposed highway a distance of 1150 feet to a point in the North fence line of the present highway; Thence in a Southwest direction along the North fence line of the present highway a distance of 1050 feet to the place of beginning. Containing 1.03 Acres.

And it is further agreed that the said J.K. Drgac in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and

unto the said John Kiel, Robert Kiel and Louis Kiel Jr., their heirs and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.  
WITNESS OUR HANDS THIS 21st. day of October, A.D. 1933.

Louis Kiel, Jr.  
Emma Kiel

THE STATE OF TEXAS  
COUNTY OF BURLESON.

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Louis Kiel Jr., and Emma Kiel, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said Emma Kiel, wife of the said Louis Kiel Jr. having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Emma Kiel acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 21st. day of October A.D. 1933.

(L.S.)

R.J. Alexander  
Notary Public, Burleson County, Texas.

Filed for Record Nov. 10, 1933 at 2 o'clock P.M.  
And Recorded November 18, 1933 at 3 o'clock P.M.

D.H. Hundley  
County Clerk.

By Willie Norville Deputy.

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RIGHT-OF-WAY DEED

Lucy Conner, et al to State of Texas.

STATE OF TEXAS.  
COUNTY OF BURLESON.

KNOW ALL MEN BY THESE PRESENTS:

THAT We, Lucy Conner, and Tommie Lee Bouldin of the County of Burleson in the State of Texas, for and in consideration of the sum of Fifty (\$50.00) DOLLARS, to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged, have this day sold, and do by these presents grant, bargain, sell and convey unto the State of Texas all that certain tract or parcel of land situated in the County of Burleson, State of Texas, and being part of a survey originally granted to by Patent No. \_\_\_\_, Vol. \_\_\_\_, Abstract No. \_\_\_\_, and being a part of a tract of \_\_\_\_ acres conveyed by \_\_\_\_ to \_\_\_\_ by deed dated the \_\_\_\_ day of \_\_\_\_ 19\_\_\_\_ and recorded in Volume No. \_\_\_\_ page No. \_\_\_\_, of the deed records of \_\_\_\_ County, Texas; said tract or parcel of land herein conveyed, being more particularly described as follows;

A tract of land out of Block No. 3 of the City of Caldwell, said Block No. 3 lying North of Alligator Street and between Shaw and Parker Streets.

Beginning at the most Southern corner of said Block No. 3, said corner being the intersection of Shaw Street and Alligator Street, and said corner being 5 feet from the center line of the proposed Highway at station 991/42,

Thence along the Southwest property line of said Block No. 3 in a Northeasterly direction for a distance of 75 feet, thence in a Northwesterly direction for a distance of 45 feet to a point which is 50 feet from the center line of the proposed Highway, thence S. 42-40 W. along a line parallel to and 50 feet from the center line of the proposed highway for a distance of 75 feet to the Northeast property line of Shaw Street, thence Southeast along the Northeast property line of Shaw Street, said line also being the Southwest property line of Block No. 3, for a distance of 45 feet to the place of beginning. Containing 0.075 Acres.

And it is further agreed that the said Lucy Conner and Tommie Lee Bouldin in consideration of the benefits above set out, will remove from the property above described such fences buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its assigns;

And we hereby bind ourselves, our heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness our hands, this the 11th. day of November, A.D. 1933.

Lucy Conner  
Tommie Lee Bouldin

STATE OF TEXAS.  
COUNTY OF BURLESON.

BEFORE ME, F.A. Ellis, Dist. Clerk, in and for said County and State, on this day personally appeared Lucy Conner & Tommie Lee Bouldin each known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 11th. day of November A.D. 1933.

(L.S.)

F.A. Ellis  
Clerk District Court Burleson County, Texas

Filed for Record Nov. 13, 1933 at 9 o'clock A.M.  
And Recorded November 18, 1933 at 4 o'clock P.M.

W.H. Hundley  
County Clerk.

By Willie Norville Deputy.

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RIGHT OF WAY DEED.

W.H. Oliver Jr. to State of Texas.

STATE OF TEXAS.  
COUNTY OF BURLESON.

KNOW ALL MEN BY THESE PRESENTS:

THAT W.H. Oliver Jr. of the County of Burleson in the State of Texas, for and in consideration of the sum of One / no/ 100 Dollars to him, in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged, have this day sold, and do by these presents grant, bargain, sell and convey unto the State of Texas all that certain tract or parcel of land situated in the County of Burleson, State of Texas,

76/503

and being part of a survey originally granted to A. Kuykendall, by Patent No. \_\_\_\_\_, Vol. \_\_\_\_\_ Abstract No. \_\_\_\_\_, and being a part of a tract inherited by W.H. Oliver Jr.

said tract or parcel of land herein conveyed, being more particularly described as follows: Beginning at a point on the dividing line of the W.H. Oliver and the M.L. Parker tracts, said point being 15 feet from the south fence of the present highway and 50 feet from the center line of the proposed highway at station 1388-90; thence in a southeast direction along said dividing fence a distance of 115 feet to a point which is 50 feet from the center line of the proposed highway; thence S. 72-46 W. along a line parallel to and 50 feet from the center line of the proposed highway for a distance of 654 to a point in the North fence of a lane; thence Northwestly along a fence a distance of 115 feet to a point in the South fence of present Highway No. 21; Thence N. 72-46 W. along line parallel to and 50 feet from the center line of the proposed highway for a distance of 654 feet to the place of beginning.) Containing.

And it is further agreed that the said County in consideration of the benefits above set out, will remove from the property above described such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its assigns;

AND W.H. OLIVER JR. hereby binds heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand, this the 10<sup>th</sup> day of November, A.D. 1933.

W.H. Oliver Jr.

STATE OF TEXAS.  
COUNTY OF BRAZOS.

BEFORE ME, J.W. Butts, a notary public in and for said County and State, on this day personally appeared W.H. Oliver Jr. known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 10<sup>th</sup> day of November A.D. 1933.

(L.S.)

J.W. Butts.  
Notary Public, Brazos County, Texas.

Filed for Record Nov. 14, 1933, at 4 o'clock P.M.  
And Recorded November 18, 1933, at 5 o'clock P.M.

W.H. Hundley  
County Clerk.

By Willie Norville Deputy.

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DEED. City of Caldwell to O.E. Karnes

THE STATE OF TEXAS.  
COUNTY OF BURLESON.

KNOW ALL MEN BY THESE PRESENTS:

THAT I, C.E. Cromartie, as Mayor of the City of Caldwell, Texas, duly authorized by an Ordinance of said City, approved on 21 day of Sept. 1933, a copy of which is hereto attached, of the County of Burleson, State of Texas for and in consideration of the sum of One Dollar to it paid, by O.E. Karnes, as follows.

The receipt of which is hereby acknowledged, and the further consideration of certain agreements relative to State Highway 21, passing through and over certain lands of said O.E. Karnes in City of Caldwell, Texas. have granted, sold and conveyed, and by these presents do Grant, Sell and Convey unto the said O.E. Karnes, of the County of Burleson, State of Texas, all that certain streets and alleys out of original Block 9 between Alligator St. and old San Antonio road, and between Moore and Harvey streets, all in City of Caldwell, in Burleson County, Texas, to wit:-

FIRST:-

Being a 30 foot alley between Moore and Harvey streets and between lots 11 and 12, and 13 and 14, which lots are all owned by O.E. Karnes as shown on map and plan of the Garrett and Barta Addition to the town of Caldwell, Texas.

SECOND:-

A 30 foot alley between Moore and Harvey streets, and between lots 15 and 16 of said Garrett and Barta Addition, and a 300 foot block conveyed to O.E. Karnes by C.J. Jancik by deed dated June 12th. 1923, recorded in Vol. 44, P. 565 deed records Burleson County, Texas. It being the intention of said City to convey to said O.E. Karnes all alleys and streets dedicated by Garrett and Barta, lying between Moore and Harvey streets and Alligator St. and old San Antonio road, out of said original blk. 9, which is now owned by said O.E. Karnes

TO HAVE AND TO HOLD the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging unto the said O.E. Karnes, his heirs and assigns forever;

WITNESS the hand \_\_\_\_\_ at Caldwell, Texas this 14 day of November A.D. 1933; signed by C.E. Cromartie, it's Mayor, thereunto authorized and attested by it's Secretary and its seal affixed.

Attest, B. Morgan City Secretary.  
(Seal).

The City of Caldwell, Texas.  
By C.E. Cromartie Mayor

THE STATE OF TEXAS.  
COUNTY OF BURLESON.

BEFORE ME, the undersigned authority, a Notary Public in and for Burleson County, Texas, on this day personally appeared C.E. Cromartie, Mayor of the City of Caldwell, Texas, and Eunice Morgan, a feme sole, and Secretary of the City of Caldwell, Texas, each, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that the \_\_\_\_\_ executed the same for the purposes and consideration therein expressed, and in the respective capacities therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 14 day of November A.D. 1933.

(L.S.)

Ella J. Jancik  
Notary Public in and for Burleson County, Tex.

THAT M.L. Parker, G.S. Parker Jr. Brazos County, Texas. Mary P. Scholarly, County, Ill. Dorcus P. Spalding, County, N.Y. of the County of Burleson in the State of Texas, for and in consideration of the sum of \_\_\_\_\_ Dollars, to \_\_\_\_\_ in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged, have this day sold, and do by these presents grant, bargain, sell and convey unto the State of Texas all that certain tract or parcel of land situated in the County of Burleson, State of Texas, and being part of a survey originally granted to \_\_\_\_\_ by Patent no. \_\_\_\_\_, Vol. \_\_\_\_\_, Abstract no. \_\_\_\_\_, and being a part of a tract of \_\_\_\_\_ acres conveyed by \_\_\_\_\_ to \_\_\_\_\_ by deed dated the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_ and recorded in Volume No. \_\_\_\_\_, page No. \_\_\_\_\_, of the deed records of \_\_\_\_\_ County, Texas; said tract or parcel of land he said conveyed, being more particularly described as follows;

A tract of land out of the A. Haykendale survey to be used for right-of-way purposes and described as follows:  
Beginning at a point which is on the line between the M.L. Parker et al and the V.P. Carr property said point being 17 feet from the South fence of the present highway and 50 feet x from the center line of the proposed highway at station 1395/35; Thence in a Southeast direction along the dividing fence between the Parker and the Carr property distance of 115 feet to a point which is 50 feet from the center of the proposed highway; Thence S. 72-46 W. along a line parallel to and 50 feet from the center line of the proposed highway for a distance of 625 feet to a point on the line between the J.H. Oliver and M.L. Parker et al property; Thence in a Northwesterly direction along said property line a distance of 115 feet to a point which is 50 feet from the center line of the proposed highway and 15 feet from the South fence of the present highway; Thence N. 72-46 W. along a line parallel to and 50 feet from the center line of the proposed road for a distance of 645 feet to the place of beginning. Containing 1.48 Acres.

And it is further agreed that the said \_\_\_\_\_ in consideration of the benefits above set out, will remove from the property above described such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereincumbrances thereunto in anywise belonging unto the said State of Texas and its assigns;

And \_\_\_\_\_ hereby binds \_\_\_\_\_ heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas against every person whatsoever lawfully claiming or to claim the same or any part thereof.

Witness our hands, this the 8th. day of November, A.D. 1933.

M. L. Parker  
G.S. Parker Jr.  
Mary P. Scholarly  
Dorcus P. Spalding

STATE OF TEXAS.  
COUNTY OF BRAZOS.

BEFORE ME, a Notary Public, in and for said County, and State, on this day personally appeared M.L. Parker and G.S. Parker Jr., known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 8th. day of November A.D. 1933.

(L.S.) Lonnie Walton  
Notary Public, Brazos County, Texas.

STATE OF ILLINOIS  
COUNTY OF ST. CLAIR

BEFORE ME, Jane V. Olson a Notary Public, in and for said County and State, on this day personally appeared Mary P. Scholarly, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 13th. day of November A.D. 1933.

(L.S.) Jane V. Olson-  
Notary Public, St. Clair County, Illinois.  
Comm. exp. Sept 25, 1935.

STATE OF NEW YORK.  
COUNTY OF ROCKLAND.

Before me, Beatrice G. Barnes a Notary Public, in and for said County and State, on this day personally appeared Dorcus P. Spalding, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 23rd. day of November A.D. 1933.

(L.S.) Beatrice G. Barnes.  
Notary Public, Rockland County, N.Y.

Filed for Record Dec. 15, 1933 at 10 o'clock A.M.  
and Recorded December 21, 1933 at 4 o'clock P.M.

A.H. Hundley  
County Clerk.

By Willie Norville Deputy.

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DEED. Carl Phillips et al to Bowers & Bowers.

THE STATE OF TEXAS.  
COUNTY OF BURLESON.

KNOW ALL MEN BY THESE PRESENTS: That, we Carl Phillips and wife Inez Philips, and Pearl Hubert joined by her husband Isiah Hubert, of the County of Burleson, State of Texas for and in consideration of the sum of Ten (\$10.00) DOLLARS, to us paid, by Bowers & Bowers, a firm composed of H.B. Bowers and Hays Bowers, the receipt of which is hereby acknowledged and confessed, have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey unto the said Bowers & Bowers, of the County of Burleson, State of Texas, all our right, title and interest, in and to the following described tract or parcel of land, to wit:-  
Out of the Allen Phillips survey of 160 acres, by Patent recorded in Vol. 3 page 79 deed records Burleson County Texas, described as follows, to wit:-



DO NOT DESTROY

GLO-36-10-84

-MEMO-

Operator Cyflon 4100037014Unit Name Cooks Point Unit #8County <sup>03</sup> BurlesonEffective Date ~~1-18-83~~Unitized for: Oil  Gas  Oil & Gas 1. M.F. No. 95173Area HROW Tr. \_\_\_\_\_Sec. \_\_\_\_\_ Blk. A-34 Survey A. Kuyendall

<u>4.06</u>	x	<u>1/8</u>	=	<u>.317100</u>	%
<u>160</u>		<u>.125</u>		<u>.003171</u>	
<u>.025375</u>					

2. M.F. No. \_\_\_\_\_

Area \_\_\_\_\_ Tr. \_\_\_\_\_

Sec. \_\_\_\_\_ Blk. \_\_\_\_\_ Survey \_\_\_\_\_

\_\_\_\_\_ x \_\_\_\_\_ = \_\_\_\_\_ %

3. M.F. No. \_\_\_\_\_

Area \_\_\_\_\_ Tr. \_\_\_\_\_

Sec. \_\_\_\_\_ Blk. \_\_\_\_\_ Survey \_\_\_\_\_

\_\_\_\_\_ x \_\_\_\_\_ = \_\_\_\_\_ %

4. M.F. No. \_\_\_\_\_

Area \_\_\_\_\_ Tr. \_\_\_\_\_

Sec. \_\_\_\_\_ Blk. \_\_\_\_\_ Survey \_\_\_\_\_

\_\_\_\_\_ x \_\_\_\_\_ = \_\_\_\_\_ %

REMARKS:

332472-001

# OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 2nd day of March 19 76, between  
Alvin Drgac,

Lessor (whether one or more), whose address is: Rte. 3, Caldwell, Texas 77836  
and Zack B. Brittain, Jr., Lessee, WITNESSETH:

1. Lessor in consideration of Ten and No/100 - - - - - Dollars

(\$ 10.00) in hand paid, of the royalties herein provided and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively to Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas, sulphur, fissionable materials and all other minerals (whether or not similar to those mentioned), conducting exploration, geologic and geophysical tests and surveys, injecting gas, water and other fluids and air into subsurface strata, laying pipelines, establishing and utilizing facilities for the disposition of salt water, dredging and maintaining canals, building roads, bridges, tanks, telephone lines, power stations and other structures thereon, and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto necessary to Lessee in operations to produce, save, take care of, treat, transport and own said minerals, the following described land in Burleson County, Texas, to-wit:

25.74 acres, a part of the A. Kuykendell Survey, A-34, and being a part of Blocks 77 and 80 of the subdivision of said Survey, and being the same lands described in deed from John F. Drgac, et al, to Alvin Drgac, dated August 20, 1951, recorded in Volume 109, Page 625, Deed Records of Burleson County, Texas.

This lease also covers and includes all land and interest in land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys. For the purpose of calculating rental payments hereunder, said land is estimated to contain 25.74 acres, whether it contains more or less. Five (5)

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of ~~ten (10)~~ years from the date hereof (called "primary term") and as long thereafter as oil, gas, sulphur, fissionable materials or other mineral is produced from said land or land pooled therewith.

3. The royalties to be paid by Lessee are: (a) on oil, one-eighth of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipeline to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase, and Lessee may sell any royalty oil in its possession and pay Lessor the price received by Lessee for such oil computed at the well; (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used, provided that on gas sold by Lessee the market value shall not exceed the amount received by Lessee for such gas computed at the mouth of the well, and on gas sold at the well the royalty shall be one-eighth of the amount realized by Lessee from such sale; and (c) on fissionable materials and all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur mined or marketed, the royalty shall be Two Dollars (\$2.00) per long ton. If the price of any mineral or substance upon which royalty is payable hereunder is regulated by any governmental agency, the market value or market price of such mineral or substance for the purpose of computing royalty hereunder shall not be in excess of the price which Lessee may receive and retain. Lessee shall have free from royalty or other payment the use of water, other than water from Lessor's wells or tanks, and of oil, gas and coal produced from said land in all operations which Lessee may conduct hereunder, including water injection and secondary recovery operations, and the royalty on oil, gas and coal shall be computed after deducting any so used. If Lessee drills a well on land covered by this lease or on land pooled therewith, which well is capable of producing oil or gas but such well is not being produced and this lease is not being maintained otherwise as provided herein, this lease shall not terminate, whether it be during or after the primary term, (unless released by Lessee) and it shall nevertheless be considered that oil or gas is being produced from the land covered by this lease. When the lease is continued in force in this manner, Lessee shall pay or tender as royalty to the parties who at the time of such payment would be entitled to receive royalty hereunder if the well were producing, or deposit to their credit in the depository bank as hereinafter provided a sum equal to 1/12 of the amount of the annual rental payable in lieu of drilling operations during the primary term on the number of acres subject to this lease at the time such payment is made for each calendar month, or portion thereof, thereafter during which said well is situated on said land, or on land pooled therewith, and this lease is not otherwise maintained, or this lease is not released by Lessee as to the land on which or the horizon, zone or formation in which the well is completed. The first payment of such sum shall be made on or before the first day of the calendar month after expiration of ninety (90) days from the date the lease is not otherwise maintained for all accruals to such date, and thereafter on or before the first day of each third calendar month for all accruals to each such date. Lessee's failure to pay or tender or to properly or timely pay or tender any such sum as royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease.

4. If operations for drilling are not commenced on said land or on land pooled therewith on or before one year from the date hereof, this lease shall terminate as to both parties, unless on or before such date Lessee shall pay or tender (or make a bona fide attempt to pay or tender) to Lessor or to the credit of Lessor in Caldwell National Bank at Caldwell, Texas

the sum of Twenty Five and 74/100 - - - - -

Dollars (\$ 25.74) (herein called "rental"), which shall cover the privilege of deferring commencement of drilling operations for a period of twelve (12) months. In like manner and upon like payment or tender annually, the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rental under this paragraph and of royalty under Paragraph 3 on any well which is not being produced, hereinafter referred to as "shut-in royalty", may be made by check or draft of Lessee mailed or delivered to the parties entitled thereto or to said bank on or before the date of payment. Such bank and its successors are Lessor's agent and shall continue as depository for all rental and shut-in royalty payable hereunder regardless of changes in ownership of said land, rental or shut-in royalty. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank or for any reason fail or refuse to accept rental or shut-in royalty, Lessee shall not be held in default for failure to make such payment or tender of rental or shut-in royalty until thirty (30) days after the party or parties entitled thereto shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payment or tender. If Lessee shall

make a bona fide attempt on or before any payment due to pay or deposit rental to a party or parties entitled thereto, according to Lessee's records, or to a party or parties who, prior to such attempted payment or deposit, have given Lessee notice in accordance with subsequent provisions of this lease of their right to receive rental, and if such payment or deposit shall be ineffective or erroneous in any regard, Lessee shall be unconditionally obligated to pay to such party or parties entitled thereto the rental properly payable for the rental period involved, and this lease shall not terminate but shall be maintained in the same manner as if such erroneous or ineffective rental payment or deposit had been properly made, provided that the erroneous or ineffective rental payment or deposit be corrected within thirty (30) days after receipt by Lessee of written notice by such party or parties of such error accompanied by such instruments as are necessary to enable Lessee to make proper payment. Failure to make proper payment or deposit of delay rental as to any interest in said land shall not affect this lease as to any interest therein as to which proper payment or deposit is made. The down cash payment is consideration for this lease according to its terms and shall not be allocated as rental for a period. Lessee may at any time, and from time to time, execute and deliver to Lessor, or to the depository bank, or file for record a release or releases of this lease as to any part or all of said land or of any mineral or subsurface interval or any depths thereunder and thereby be relieved of all obligations as to the released land, mineral, horizon, zone or formation. If this lease is released as to all minerals, horizons, zones and formations under a portion of said land, the delay rental, shut-in royalty and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the acreage released bears to the acreage which was covered by this lease immediately prior to such release.

5. Lessee, at its option, is hereby given the right and power during or after the primary term while this lease is in effect to pool or combine the land covered by this lease, or any portion thereof, as to oil, gas and other minerals, or any of them, with any other land covered by this lease, and/or any other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate the leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil, gas or other mineral in and under and that may be produced from the premises. Units pooled for oil in the interval between the surface and the top of the Glen Rose Formation shall not substantially exceed in area 40 acres each plus a tolerance of 10% thereof; units pooled for oil in formations situated below the top of the Glen Rose Formation shall not substantially exceed in area 160 acres plus a tolerance of 10% thereof; and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of 10% thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee may pool or combine land covered by this lease or any portion thereof, as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with units as to any other stratum or strata, and oil units need not conform as to area with gas units. Pooling in one or more instances shall not exhaust the rights of Lessee to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; the unit shall become effective as provided in said instrument, or if said instrument makes no such provision, it shall become effective upon the date it is filed for record. Each unit shall be effective as to all parties hereto, their heirs, successors and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty or other rights in land included in such unit. Lessee may at its election exercise its pooling option as to oil, gas and other minerals before or after commencing operations for or completing an oil or gas well or well or mine for other mineral on the leased premises, and the pooled unit may include, but is not required to include, land or leases upon which a well or mine capable of producing oil, gas or other mineral in paying quantities has theretofore been completed or upon which operations for drilling of a well or mine for oil, gas or other mineral have theretofore been commenced. Operations for drilling on, or production of oil, gas or other mineral from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this lease or the instrument designating the pooled unit, shall be considered as operations for drilling on or production of oil, gas or other mineral from land covered by this lease whether or not the well or wells or mine be located on land covered by this lease, and the entire acreage constituting such unit or units, as to oil, gas or other minerals, or any of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease; provided that if after creation of a pooled unit, a well or mine is drilled on the unit area, other than on the land covered hereby and included in the unit, which well is not classified as the type of well for which the unit was created (oil, gas or other mineral as the case may be), such well or mine shall be considered a dry hole for purposes of applying the additional drilling and reworking and resumption of delay rental provisions of Paragraph 6 hereof. If an oil well on an oil unit, which includes all or a portion of the leased premises, is reclassified as a gas well, or if a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, the date of such reclassification shall be considered as the date of cessation of production for purposes of applying the additional drilling and reworking and resumption of delay rental provisions of Paragraph 6 hereof as to all leases any part of which are included in the unit other than the leased premises on which the well is located. For the purpose of computing royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil, gas or other minerals from each pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil, gas or other minerals produced from the unit after deducting that used for operations on the unit. Such allocation shall be on an acreage basis — that is, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil, gas or other minerals produced from the unit which the number of surface acres covered by this lease (or in each separate tract) and included in the unit bears to the total number of surface acres included in the unit. As used in this paragraph, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises. Royalties hereunder shall be computed on the portion of such production, whether it be oil, gas or other minerals, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. Production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. Any pooled unit designated by Lessee in accordance with the terms hereof may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after completion of a dry hole or cessation of production on said unit.

6. If Lessee shall drill a dry hole or holes on said land, or on acreage pooled therewith, and this lease is not being maintained otherwise as provided herein, or if oil, gas or other mineral is discovered and not produced for any cause, or if the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within sixty (60) days thereafter and continues drilling or reworking operations on said well or any additional well with no cessation of more than sixty (60) consecutive days, or if it be within the primary term, commences or resumes the payment or tender of rental or commences operations for drilling or reworking on or before the rental paying date next ensuing after the expiration of sixty (60) days from the date of completion of dry hole, or discovery of oil, gas or other mineral, or cessation of production and continues drilling or reworking operations on said well or any additional well with no cessation of more than sixty (60) consecutive days. If at any time subsequent to sixty (60) days prior to the beginning of the last year of the primary term and prior to the discovery of oil, gas or other mineral on said land, or on acreage pooled therewith, Lessee should drill a dry hole thereon, no rental payment or operations are necessary in order to keep this lease in force during the remainder of the primary term. If at the expiration of the primary term, oil, gas or other mineral is not being produced on said land, or on acreage pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon or shall have completed a dry hole thereon within sixty (60) days prior to the end of the primary term, this lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than sixty (60) consecutive days, and if they result in the production of oil, gas or other mineral so long thereafter as oil, gas or other mineral is produced from said land or acreage pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in by Lessee or any other operator on adjacent land and within three hundred thirty (330) feet of and draining the leased premises, or acreage pooled therewith, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

7. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When necessary for utilization of the surface for some intended use by Lessor and upon request of Lessor or when deemed necessary by Lessee for protection of the pipeline, Lessee will bury pipelines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

8. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production; and no change or division in such ownership shall be binding on Lessee until forty-five (45) days after Lessee shall have been furnished by registered U. S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. In the event of the death of any person entitled to rentals hereunder, Lessee may pay or tender such rentals to the credit of the deceased or the estate of the deceased until such time as Lessee is furnished with proper evidence of the appointment and qualifications of an executor or administrator of the estate, or if there be none, until Lessee is furnished with evidence satisfactory to it as to the heirs or devisees of the deceased and that all debts of the estate have been paid. If at any time two or more persons be entitled to participate in rental payable hereunder, Lessee may pay or tender said rental jointly to such persons or to their joint credit in the depository bank; or, at Lessee's election, the proportionate part of rental to which each participant is entitled may be paid or tendered to him separately or to his separate credit in said depository; and payment or tender to any participant of his portion of the rental hereunder shall maintain this lease as to such participant. In event of assignment of this lease as to a segregated portion of said land, rental hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

9. Breach by Lessee of any obligation hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. After the discovery of oil, gas or other mineral in paying quantities on said premises, Lessee shall develop the acreage retained hereunder as a reasonably prudent oper-

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ator but in discharging this obligation it shall in no event be required to: (a) drill more than one well per 40 acres of the area retained hereunder and capable of producing oil in paying quantities from any formation, stratum or strata situated between the surface and the top of the Glen Rose Formation thereunder; (b) drill more than one well per 160 acres of the area retained hereunder and capable of producing oil in paying quantities from any formation, stratum or strata situated beneath the top of the Glen Rose Formation thereunder; and (c) drill more than one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres in the area retained hereunder and capable of producing gas or other mineral in paying quantities.

10. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and if Lessee does so, it shall be subrogated to such lien with right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. When required by state, federal or other law, Lessee may withhold taxes with respect to rental, royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for the credit of Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, if Lessor owns an interest in the oil, gas or other minerals on, in or under said land less than the entire fee simple estate, whether or not this lease purports to cover the whole or a fractional interest, the royalties, shut-in royalties and rentals to be paid Lessor shall be reduced in the proportion that his interest bears to the whole and undivided fee and in accordance with the nature of the estate of which Lessor is seized. Should any one or more of the parties named above as Lessor fail to execute this lease, it shall nevertheless be binding upon the party or parties executing same. Failure of Lessee to reduce rental paid hereunder shall not impair the right of Lessee to reduce royalties.

11. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or on land pooled therewith or from producing oil, gas or other mineral therefrom or from land pooled therewith by reason of scarcity or of inability to obtain or to use equipment or material, or by operation of force majeure, any federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil, gas or other mineral from the leased premises or land pooled therewith, and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

12. Each singular pronoun herein shall include the plural whenever applicable.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

\_\_\_\_\_  
\_\_\_\_\_  
LESSOR SOCIAL SECURITY NO. LESSOR SOCIAL SECURITY NO.  
*Alvin Drgeac*  
Alvin Drgeac  
[Redacted Signature]

THE STATE OF TEXAS  
COUNTY OF Burleson

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 2nd day of March, 19 76.



John J. Toupal  
County Clerk

*John J. Toupal*  
Notary Public in and for Burleson County, Texas

THE STATE OF TEXAS  
COUNTY OF

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

Notary Public in and for \_\_\_\_\_ County, Texas

THE STATE OF TEXAS  
COUNTY OF

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_ and \_\_\_\_\_, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

THE STATE OF TEXAS  
COUNTY OF BURLESON

I, JOHN J. TOUPAL, COUNTY CLERK OF SAID COUNTY, DO HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT OF WRITING WITH ITS CERTIFICATE OF AUTHENTICATION WAS FILED FOR RECORD IN MY OFFICE ON THE 26 DAY OF April, 19 76, AT 2:00 O'CLOCK P. M., AND DULY RECORDED ON 28 DAY OF April, 19 76, AT 4:00 O'CLOCK P. M., IN THE Oil & Gas Lease RECORD OF SAID COUNTY, IN VOL. 15, PAGE 875-877

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

By *Shirley Kornegay* DEPUTY

JOHN J. TOUPAL  
COUNTY CLERK, BURLESON COUNTY, TEXAS

Texas  
Texas  
Texas

332469-001

# OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 18th day of February 19 76, between

Delbert Lightsey and wife Edile Lightsey

Lessor (whether one or more), whose address is: Route 3, Caldwell, Texas 77836  
and Zack B. Brittain, Jr., Lessee, WITNESSETH:

1. Lessor in consideration of Ten and No/100 Dollars

(\$ 10.00) in hand paid, of the royalties herein provided and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively to Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas, sulphur, fissionable materials and all other minerals (whether or not similar to those mentioned), conducting exploration, geologic and geophysical tests and surveys, injecting gas, water and other fluids and air into subsurface strata, laying pipelines, establishing and utilizing facilities for the disposition of salt water, dredging and maintaining canals, building roads, bridges, tanks, telephone lines, power stations and other structures thereon, and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto necessary to Lessee in operations to produce, save, take care of, treat, transport and own said minerals, the following described land in Burleson County, Texas, to-wit:

FIRST TRACT: 84.4 acres, more or less, a part of the A. Kuykendall Survey, A-34, and being a portion of Lot 74, and all of Lots 75 and 76 of the Subdivision of the Kuykendall Survey.

SECOND TRACT: 43.95 acres, more or less, a part of the A. Kuykendall Survey, and being Lot No. One of the Partition of the J. L. Lightsey Estate.  
The above two tracts being the same lands described in deed from J. L. Lightsey and wife Lottie Lightsey to Delbert Lightsey, dated August 15, 1939, recorded in Volume 112, Page 215, Deed Records of Burleson County, Texas.

THIRD TRACT: One (1) acres, more or less, a part of the A. Kuykendall Survey, A-34, and being the same land described in deed from Frank F. Drgac, et al, to Delbert Lightsey, dated October 25, 1949, recorded in Volume 106, Page 129, Deed Records of Burleson County, Texas.

FOURTH TRACT: 41.86 acres, a part of the A. Kuykendall Survey, A-34, and being the same land described in deed from Lottie Lightsey, a widow, to Delbert Lightsey, dated December 17, 1973, recorded in Volume 217, Page 912, Deed Records of Burleson County, Texas.

This lease also covers and includes all land and interest in land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys. For the purpose of calculating rental payments hereunder, said land is estimated to contain 171.21 acres, whether it contains more or less. Five (5)

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of ~~ten (10)~~ <sup>XXXX</sup> years from the date hereof (called "primary term") and as long thereafter as oil, gas, sulphur, fissionable materials or other mineral is produced from said land or land pooled therewith.

3. The royalties to be paid by Lessee are: (a) on oil, one-eighth of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipeline to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase, and Lessee may sell any royalty oil in its possession and pay Lessor the price received by Lessee for such oil computed at the well; (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used, provided that on gas sold by Lessee the market value shall not exceed the amount received by Lessee for such gas computed at the mouth of the well, and on gas sold at the well the royalty shall be one-eighth of the amount realized by Lessee from such sale; and (c) on fissionable materials and all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur mined or marketed, the royalty shall be Two Dollars (\$2.00) per long ton. If the price of any mineral or substance upon which royalty is payable hereunder is regulated by any governmental agency, the market value or market price of such mineral or substance for the purpose of computing royalty hereunder shall not be in excess of the price which Lessee may receive and retain. Lessee shall have free from royalty or other payment the use of water, other than water from Lessor's wells or tanks, and of oil, gas and coal produced from said land in all operations which Lessee may conduct hereunder, including water injection and secondary recovery operations, and the royalty on oil, gas and coal shall be computed after deducting any so used. If Lessee drills a well on land covered by this lease or on land pooled therewith, which well is capable of producing oil or gas but such well is not being produced and this lease is not being maintained otherwise as provided herein, this lease shall not terminate, whether it be during or after the primary term, (unless released by Lessee) and it shall nevertheless be considered that oil or gas is being produced from the land covered by this lease. When the lease is continued in force in this manner, Lessee shall pay or tender as royalty to the parties who at the time of such payment would be entitled to receive royalty hereunder if the well were producing, or deposit to their credit in the depository bank as hereinafter provided a sum equal to 1/12 of the amount of the annual rental payable in lieu of drilling operations during the primary term on the number of acres subject to this lease at the time such payment is made for each calendar month, or portion thereof, thereafter during which said well is situated on said land, or on land pooled therewith, and this lease is not otherwise maintained, or this lease is not released by Lessee as to the land on which or the horizon, zone or formation in which the well is completed. The first payment of such sum shall be made on or before the first day of the calendar month after expiration of ninety (90) days from the date the lease is not otherwise maintained for all accruals to such date, and thereafter on or before the first day of each third calendar month for all accruals to each such date. Lessee's failure to pay or tender or to properly or timely pay or tender any such sum as royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease.

4. If operations for drilling are not commenced on said land or on land pooled therewith on or before one year from the date hereof, this lease shall terminate as to both parties, unless on or before such date Lessee shall pay or tender (or make a bona fide attempt to pay or tender) to Lessor or to the credit of Lessor in Caldwell National Bank at Caldwell, Texas

the sum of One Hundred Seventy One and 21/100 Dollars (\$ 171.21) (herein called "rental"), which shall cover the privilege of deferring commencement of drilling operations for a period of twelve (12) months. In like manner and upon like payment or tender annually, the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rental under this paragraph and of royalty under Paragraph 3 on any well which is not being produced, hereinafter referred to as "shut-in royalty", may be made by check or draft of Lessee mailed or delivered to the parties entitled thereto or to said bank on or before the date of payment. Such bank and its successors are Lessor's agent and shall continue as depository for all rental and shut-in royalty payable hereunder regardless of changes in ownership of said land, rental or shut-in royalty. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank or for any reason fail or refuse to accept rental or shut-in royalty, Lessee shall not be held in default for failure to make such payment or tender of rental or shut-in royalty until thirty (30) days after the party or parties entitled thereto shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payment or tender. If Lessee shall

make a bona fide attempt on or before any payment date to pay or deposit rental to a party or parties entitled thereto, according to Lessee's records, or to a party or parties who, prior to such attempt, payment or deposit, have given Lessee notice in accordance with subsequent provisions of this lease of their right to receive rental, and if such payment or deposit shall be ineffective or erroneous in any regard, Lessee shall be unconditionally obligated to pay to such party or parties entitled thereto the rental properly payable for the rental period involved, and this lease shall not terminate but shall be maintained in the same manner as if such erroneous or ineffective rental payment or deposit had been properly made, provided that the erroneous or ineffective rental payment or deposit be corrected within thirty (30) days after receipt by Lessee of written notice by such party or parties of such error accompanied by such instruments as are necessary to enable Lessee to make proper payment. Failure to make proper payment or deposit of delay rental as to any interest in said land shall not affect this lease as to any interest therein as to which proper payment or deposit is made. The down cash payment is consideration for this lease according to its terms and shall not be allocated as rental for a period. Lessee may at any time, and from time to time, execute and deliver to Lessor, or to the depository bank, or file for record a release or releases of this lease as to any part or all of said land or of any mineral or subsurface interval or any depths thereunder and thereby be relieved of all obligations as to the released land, mineral, horizon, zone or formation. If this lease is released as to all minerals, horizons, zones and formations under a portion of said land, the delay rental, shut-in royalty and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the acreage released bears to the acreage which was covered by this lease immediately prior to such release.

5. Lessee, at its option, is hereby given the right and power during or after the primary term while this lease is in effect to pool or combine the land covered by this lease, or any portion thereof, as to oil, gas and other minerals, or any of them, with any other land covered by this lease, and/or any other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate the leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil, gas or other mineral in and under and that may be produced from the premises. Units pooled for oil in the interval between the surface and the top of the Glen Rose Formation shall not substantially exceed in area 40 acres each plus a tolerance of 10% thereof; units pooled for oil in formations situated below the top of the Glen Rose Formation shall not substantially exceed in area 160 acres plus a tolerance of 10% thereof; and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of 10% thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee may pool or combine land covered by this lease or any portion thereof, as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with units as to any other stratum or strata, and oil units need not conform as to area with gas units. Pooling in one or more instances shall not exhaust the rights of Lessee to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; the unit shall become effective as provided in said instrument, or if said instrument makes no such provision, it shall become effective upon the date it is filed for record. Each unit shall be effective as to all parties hereto, their heirs, successors and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty or other rights in land included in such unit. Lessee may at its election exercise its pooling option as to oil, gas and other minerals before or after commencing operations for or completing an oil or gas well or well or mine for other mineral on the leased premises, and the pooled unit may include, but is not required to include, land or leases upon which a well or mine capable of producing oil, gas or other mineral in paying quantities has theretofore been completed or upon which operations for drilling of a well or mine for oil, gas or other mineral have theretofore been commenced. Operations for drilling on, or production of oil, gas or other mineral from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this lease or the instrument designating the pooled unit, shall be considered as operations for drilling on or production of oil, gas or other mineral from land covered by this lease whether or not the well or wells or mine be located on land covered by this lease, and the entire acreage constituting such unit or units, as to oil, gas or other minerals, or any of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease; provided that if after creation of a pooled unit, a well or mine is drilled on the unit area, other than on the land covered hereby and included in the unit, which well is not classified as the type of well for which the unit was created (oil, gas or other mineral as the case may be), such well or mine shall be considered a dry hole for purposes of applying the additional drilling and reworking and resumption of delay rental provisions of Paragraph 6 hereof. If an oil well on an oil unit, which includes all or a portion of the leased premises, is reclassified as a gas well, or if a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, the date of such reclassification shall be considered as the date of cessation of production for purposes of applying the additional drilling and reworking and resumption of delay rental provisions of Paragraph 6 hereof as to all leases any part of which are included in the unit other than the leased premises on which the well is located. For the purpose of computing royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil, gas or other minerals from each pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil, gas or other minerals produced from the unit after deducting that used for operations on the unit. Such allocation shall be on an acreage basis — that is, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil, gas or other minerals produced from the unit which the number of surface acres covered by this lease (or in each separate tract) and included in the unit bears to the total number of surface acres included in the unit. As used in this paragraph, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises. Royalties hereunder shall be computed on the portion of such production, whether it be oil, gas or other minerals, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. Production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. Any pooled unit designated by Lessee in accordance with the terms hereof may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after completion of a dry hole or cessation of production on said unit.

6. If Lessee shall drill a dry hole or holes on said land, or on acreage pooled therewith, and this lease is not being maintained otherwise as provided herein, or if oil, gas or other mineral is discovered and not produced for any cause, or if the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within sixty (60) days thereafter and continues drilling or reworking operations on said well or any additional well with no cessation of more than sixty (60) consecutive days, or if it be within the primary term, commences or resumes the payment or tender of rental or commences operations for drilling or reworking on or before the rental paying date next ensuing after the expiration of sixty (60) days from the date of completion of dry hole, or discovery of oil, gas or other mineral, or cessation of production and continues drilling or reworking operations on said well or any additional well with no cessation of more than sixty (60) consecutive days. If at any time subsequent to sixty (60) days prior to the beginning of the last year of the primary term and prior to the discovery of oil, gas or other mineral on said land, or on acreage pooled therewith, Lessee should drill a dry hole thereon, no rental payment or operations are necessary in order to keep this lease in force during the remainder of the primary term. If at the expiration of the primary term, oil, gas or other mineral is not being produced on said land, or on acreage pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon or shall have completed a dry hole thereon within sixty (60) days prior to the end of the primary term, this lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than sixty (60) consecutive days, and if they result in the production of oil, gas or other mineral so long thereafter as oil, gas or other mineral is produced from said land or acreage pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in by Lessee or any other operator on adjacent land and within three hundred thirty (330) feet of and draining the leased premises, or acreage pooled therewith, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

7. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When necessary for utilization of the surface for some intended use by Lessor and upon request of Lessor or when deemed necessary by Lessee for protection of the pipeline, Lessee will bury pipelines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

8. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production; and no change or division in such ownership shall be binding on Lessee until forty-five (45) days after Lessee shall have been furnished by registered U. S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. In the event of the death of any person entitled to rentals hereunder, Lessee may pay or tender such rentals to the credit of the deceased or the estate of the deceased until such time as Lessee is furnished with proper evidence of the appointment and qualifications of an executor or administrator of the estate, or if there be none, until Lessee is furnished with evidence satisfactory to it as to the heirs or devisees of the deceased and that all debts of the estate have been paid. If at any time two or more persons be entitled to participate in rental payable hereunder, Lessee may pay or tender said rental jointly to such persons or to their joint credit in the depository bank; or, at Lessee's election, the proportionate part of rental to which each participant is entitled may be paid or tendered to him separately or to his separate credit in said depository; and payment or tender to any participant of his portion of the rental hereunder shall maintain this lease as to such participant. In event of assignment of this lease as to a segregated portion of said land, rental hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

9. Breach by Lessee of any obligation hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. After the discovery of oil, gas or other mineral in paying quantities on said premises, Lessee shall develop the acreage retained hereunder as a reasonably prudent oper-

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ator but in discharging this obligation it shall in no event be required to: (a) drill more than one well per 40 acres of the area retained hereunder and capable of producing oil in paying quantities from any formation, stratum or strata situated between the surface and the top of the Glen Rose Formation thereunder; (b) drill more than one well per 160 acres of the area retained hereunder and capable of producing oil in paying quantities from any formation, stratum or strata situated beneath the top of the Glen Rose Formation thereunder; and (c) drill more than one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres in the area retained hereunder and capable of producing gas or other mineral in paying quantities.

10. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and if Lessee does so, it shall be subrogated to such lien with right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. When required by state, federal or other law, Lessee may withhold taxes with respect to rental, royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for the credit of Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, if Lessor owns an interest in the oil, gas or other minerals on, in or under said land less than the entire fee simple estate, whether or not this lease purports to cover the whole or a fractional interest, the royalties, shut-in royalties and rentals to be paid Lessor shall be reduced in the proportion that his interest bears to the whole and undivided fee and in accordance with the nature of the estate of which Lessor is seized. Should any one or more of the parties named above as Lessor fail to execute this lease, it shall nevertheless be binding upon the party or parties executing same. Failure of Lessee to reduce rental paid hereunder shall not impair the right of Lessee to reduce royalties.

11. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or on land pooled therewith or from producing oil, gas or other mineral therefrom or from land pooled therewith by reason of scarcity or of inability to obtain or to use equipment or material, or by operation of force majeure, any federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil, gas or other mineral from the leased premises or land pooled therewith, and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

12. Each singular pronoun herein shall include the plural whenever applicable.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

Delbert Lightsey  
Delbert Lightsey

Edile Lightsey  
Edile Lightsey

LESSOR SOCIAL SECURITY NO.

LESSOR [REDACTED] SOCIAL SECURITY NO.

THE STATE OF TEXAS  
COUNTY OF

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

Notary Public in and for \_\_\_\_\_ County, Texas

THE STATE OF TEXAS  
COUNTY OF

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

Notary Public in and for \_\_\_\_\_ County, Texas

THE STATE OF TEXAS  
COUNTY OF Burleson

BEFORE ME, the undersigned authority, on this day personally appeared Delbert Lightsey and Edile Lightsey, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

THE STATE OF TEXAS  
COUNTY OF BURLESON

I, JOHN J. TOUPAL, COUNTY CLERK OF SAID COUNTY, DO HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT OF WRITING WITH ITS CERTIFICATE OF AUTHENTICATION WAS FILED FOR RECORD IN MY OFFICE ON THE 26 DAY OF April, 1976, AT 2:00 O'CLOCK P. M., AND DULY RECORDED ON 28 DAY OF April, 1976, AT 4:00 O'CLOCK P. M., IN THE Oil & Gas Lease RECORD OF SAID COUNTY, IN VOL. 15, PAGE 866-868

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

BY Janelle Kornegay DEPUTY

JOHN J. TOUPAL  
COUNTY CLERK, BURLESON COUNTY, TEXAS

Texas

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# OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 8th day of March 19 76, between

Sue Steck Bloodworth, whose husband is Morris Bloodworth,

Lessor (whether one or more), whose address is: 3021 Gunnison Trail, Ft. Worth, Texas 76116,  
and Zack B. Brittain, Jr., Lessee, WITNESSETH:

1. Lessor in consideration of Ten and No/100 - - - - - Dollars  
(\$ 10.00) in hand paid, of the royalties herein provided and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively to Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas, sulphur, fissionable materials and all other minerals (whether or not similar to those mentioned), conducting exploration, geologic and geophysical tests and surveys, injecting gas, water and other fluids and air into subsurface strata, laying pipelines, establishing and utilizing facilities for the disposition of salt water, dredging and maintaining canals, building roads, bridges, tanks, telephone lines, power stations and other structures thereon, and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto necessary to Lessee in operations to produce, save, take care of, treat, transport and own said minerals, the following described land in Burleson County, Texas, to-wit:

FIRST TRACT: 44.13 acres of land, more or less, a part of the A. Kuykendall Survey, A-34, and being Lot 5 of a partition of the J. L. Lightsey lands, and being the same land described in deed from J. L. Lightsey andwife Lottie Lightsey, to Sue Steck Bloodworth, dated October 24, 1968, recorded in Volume 175, Page 449, Deed Records of Burleson County, Texas.

SECOND TRACT: 20.65 acres of land, a part of the A. Kuykendall Survey, A-34, and being the same land described in deed from Lottie Lightsey, a widow, to Sue Steck Bloodworth, dated January 15, 1974, recorded in Volume 218, Page 303, Deed Records of Burleson County, Texas.

This lease also covers and includes all land and interest in land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys. For the purpose of calculating rental payments hereunder, said land is estimated to contain 64.78 acres, whether it contains more or less. Five (5)

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of ~~ten (10)~~ years from the date hereof (called "primary term") and as long thereafter as oil, gas, sulphur, fissionable materials or other mineral is produced from said land or land pooled therewith.

3. The royalties to be paid by Lessee are: (a) on oil, one-eighth of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipeline to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase, and Lessee may sell any royalty oil in its possession and pay Lessor the price received by Lessee for such oil computed at the well; (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used, provided that on gas sold by Lessee the market value shall not exceed the amount received by Lessee for such gas computed at the mouth of the well, and on gas sold at the well the royalty shall be one-eighth of the amount realized by Lessee from such sale; and (c) on fissionable materials and all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur mined or marketed, the royalty shall be Two Dollars (\$2.00) per long ton. If the price of any mineral or substance upon which royalty is payable hereunder is regulated by any governmental agency, the market value or market price of such mineral or substance for the purpose of computing royalty hereunder shall not be in excess of the price which Lessee may receive and retain. Lessee shall have free from royalty or other payment the use of water, other than water from Lessor's wells or tanks, and of oil, gas and coal produced from said land in all operations which Lessee may conduct hereunder, including water injection and secondary recovery operations, and the royalty on oil, gas and coal shall be computed after deducting any so used. If Lessee drills a well on land covered by this lease or on land pooled therewith, which well is capable of producing oil or gas but such well is not being produced and this lease is not being maintained otherwise as provided herein, this lease shall not terminate, whether it be during or after the primary term, (unless released by Lessee) and it shall nevertheless be considered that oil or gas is being produced from the land covered by this lease. When the lease is continued in force in this manner, Lessee shall pay or tender as royalty to the parties who at the time of such payment would be entitled to receive royalty hereunder if the well were producing, or deposit to their credit in the depository bank as hereinafter provided a sum equal to 1/12 of the amount of the annual rental payable in lieu of drilling operations during the primary term on the number of acres subject to this lease at the time such payment is made for each calendar month, or portion thereof, thereafter during which said well is situated on said land, or on land pooled therewith, and this lease is not otherwise maintained, or this lease is not released by Lessee as to the land on which or the horizon, zone or formation in which the well is completed. The first payment of such sum shall be made on or before the first day of the calendar month after expiration of ninety (90) days from the date the lease is not otherwise maintained for all accruals to such date, and thereafter on or before the first day of each third calendar month for all accruals to each such date. Lessee's failure to pay or tender or to properly or timely pay or tender any such sum as royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease.

4. If operations for drilling are not commenced on said land or on land pooled therewith on or before one year from the date hereof, this lease shall terminate as to both parties, unless on or before such date Lessee shall pay or tender (or make a bona fide attempt to pay or tender) to Lessor or to the credit of Lessor in Bank of Commerce ~~Bank~~ at Ft. Worth, Texas

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Dollars (\$ 64.78) (herein called "rental"), which shall cover the privilege of deferring commencement of drilling operations for a period of twelve (12) months. In like manner and upon like payment or tender annually, the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rental under this paragraph and of royalty under Paragraph 3 on any well which is not being produced, hereinafter referred to as "shut-in royalty", may be made by check or draft of Lessee mailed or delivered to the parties entitled thereto or to said bank on or before the date of payment. Such bank and its successors are Lessor's agent and shall continue as depository for all rental and shut-in royalty payable hereunder regardless of changes in ownership of said land, rental or shut-in royalty. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank or for any reason fail or refuse to accept rental or shut-in royalty, Lessee shall not be held in default for failure to make such payment or tender of rental or shut-in royalty until thirty (30) days after the party or parties entitled thereto shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payment or tender. If Lessee shall

make a bona fide attempt on or before any payment date to pay or deposit rental to a party or parties entitled thereto, according to Lessee's records, or to a party or parties who, prior to such attempt, payment or deposit, have given Lessee notice in accordance with subsequent provisions of this lease of their right to receive rental, and if such payment or deposit shall be ineffective or erroneous in any respect, Lessee shall be unconditionally obligated to pay to such party or parties entitled thereto the rental properly payable for the rental period involved, and this lease shall not terminate but shall be maintained in the same manner as if such erroneous or ineffective rental payment or deposit had been properly made, provided that the erroneous or ineffective rental payment or deposit be corrected within thirty (30) days after receipt by Lessee of written notice by such party or parties of such error accompanied by such instruments as are necessary to enable Lessee to make proper payment. Failure to make proper payment or deposit of delay rental as to any interest in said land shall not affect this lease as to any interest therein as to which proper payment or deposit is made. The down cash payment is consideration for this lease according to its terms and shall not be allocated as rental for a period. Lessee may at any time, and from time to time, execute and deliver to Lessor, or to the depository bank, or file for record a release or releases of this lease as to any part or all of said land or of any mineral or subsurface interval or any depths thereunder and thereby be relieved of all obligations as to the released land, mineral, horizon, zone or formation. If this lease is released as to all minerals, horizons, zones and formations under a portion of said land, the delay rental, shut-in royalty and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the acreage released bears to the acreage which was covered by this lease immediately prior to such release.

5. Lessee, at its option, is hereby given the right and power during or after the primary term while this lease is in effect to pool or combine the land covered by this lease, or any portion thereof, as to oil, gas and other minerals, or any of them, with any other land covered by this lease, and/or any other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate the leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil, gas or other mineral in and under and that may be produced from the premises. Units pooled for oil in the interval between the surface and the top of the Glen Rose Formation shall not substantially exceed in area 40 acres each plus a tolerance of 10% thereof; units pooled for oil in formations situated below the top of the Glen Rose Formation shall not substantially exceed in area 160 acres plus a tolerance of 10% thereof; and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of 10% thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee may pool or combine land covered by this lease or any portion thereof, as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with units as to any other stratum or strata, and oil units need not conform as to area with gas units. Pooling in one or more instances shall not exhaust the rights of Lessee to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; the unit shall become effective as provided in said instrument, or if said instrument makes no such provision, it shall become effective upon the date it is filed for record. Each unit shall be effective as to all parties hereto, their heirs, successors and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty or other rights in land included in such unit. Lessee may at its election exercise its pooling option as to oil, gas and other minerals before or after commencing operations for or completing an oil or gas well or well or mine for other mineral on the leased premises, and the pooled unit may include, but is not required to include, land or leases upon which a well or mine capable of producing oil, gas or other mineral in paying quantities has theretofore been completed or upon which operations for drilling of a well or mine for oil, gas or other mineral have theretofore been commenced. Operations for drilling on, or production of oil, gas or other mineral from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this lease or the instrument designating the pooled unit, shall be considered as operations for drilling on or production of oil, gas or other mineral from land covered by this lease whether or not the well or wells or mine be located on land covered by this lease, and the entire acreage constituting such unit or units, as to oil, gas or other minerals, or any of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease; provided that if after creation of a pooled unit, a well or mine is drilled on the unit area, other than on the land covered hereby and included in the unit, which well is not classified as the type of well for which the unit was created (oil, gas or other mineral as the case may be), such well or mine shall be considered a dry hole for purposes of applying the additional drilling and reworking and resumption of delay rental provisions of Paragraph 6 hereof. If an oil well on an oil unit, which includes all or a portion of the leased premises, is reclassified as a gas well, or if a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, the date of such reclassification shall be considered as the date of cessation of production for purposes of applying the additional drilling and reworking and resumption of delay rental provisions of Paragraph 6 hereof as to all leases any part of which are included in the unit other than the leased premises on which the well is located. For the purpose of computing royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil, gas or other minerals from each pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil, gas or other minerals produced from the unit after deducting that used for operations on the unit. Such allocation shall be on an acreage basis — that is, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil, gas or other minerals produced from the unit which the number of surface acres covered by this lease (or in each separate tract) and included in the unit bears to the total number of surface acres included in the unit. As used in this paragraph, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises. Royalties hereunder shall be computed on the portion of such production, whether it be oil, gas or other minerals, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. Production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. Any pooled unit designated by Lessee in accordance with the terms hereof may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after completion of a dry hole or cessation of production on said unit.

6. If Lessee shall drill a dry hole or holes on said land, or on acreage pooled therewith, and this lease is not being maintained otherwise as provided herein, or if oil, gas or other mineral is discovered and not produced for any cause, or if the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within sixty (60) days thereafter and continues drilling or reworking operations on said well or any additional well with no cessation of more than sixty (60) consecutive days, or if it be within the primary term, commences or resumes the payment or tender of rental or commences operations for drilling or reworking on or before the rental paying date next ensuing after the expiration of sixty (60) days from the date of completion of dry hole, or discovery of oil, gas or other mineral, or cessation of production and continues drilling or reworking operations on said well or any additional well with no cessation of more than sixty (60) consecutive days. If at any time subsequent to sixty (60) days prior to the beginning of the last year of the primary term and prior to the discovery of oil, gas or other mineral on said land, or on acreage pooled therewith, Lessee should drill a dry hole thereon, no rental payment or operations are necessary in order to keep this lease in force during the remainder of the primary term. If at the expiration of the primary term, oil, gas or other mineral is not being produced on said land, or on acreage pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon or shall have completed a dry hole thereon within sixty (60) days prior to the end of the primary term, this lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than sixty (60) consecutive days, and if they result in the production of oil, gas or other mineral so long thereafter as oil, gas or other mineral is produced from said land or acreage pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in by Lessee or any other operator on adjacent land and within three hundred thirty (330) feet of and draining the leased premises, or acreage pooled therewith, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

7. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When necessary for utilization of the surface for some intended use by Lessor and upon request of Lessor or when deemed necessary by Lessee for protection of the pipeline, Lessee will bury pipelines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

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8. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production; and no change or division in such ownership shall be binding on Lessee until forty-five (45) days after Lessee shall have been furnished by registered U. S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. In the event of the death of any person entitled to rentals hereunder, Lessee may pay or tender such rentals to the credit of the deceased or the estate of the deceased until such time as Lessee is furnished with proper evidence of the appointment and qualifications of an executor or administrator of the estate, or if there be none, until Lessee is furnished with evidence satisfactory to it as to the heirs or devisees of the deceased and that all debts of the estate have been paid. If at any time two or more persons be entitled to participate in rental payable hereunder, Lessee may pay or tender said rental jointly to such persons or to their joint credit in the depository bank; or, at Lessee's election, the proportionate part of rental to which each participant is entitled may be paid or tendered to him separately or to his separate credit in said depository; and payment or tender to any participant of his portion of the rental hereunder shall maintain this lease as to such participant. In event of assignment of this lease as to a segregated portion of said land, rental hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

9. Breach by Lessee of any obligation hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. After the discovery of oil, gas or other mineral in paying quantities on said premises, Lessee shall develop the acreage retained hereunder as a reasonably prudent oper-

ator but in discharging this obligation it shall in no event be required to: (a) drill more than one well per 40 acres of the area retained hereunder and capable of producing oil in paying quantities from any formation, stratum or strata situated between the surface and the top of the Glen Rose Formation thereunder; (b) drill more than one well per 160 acres of the area retained hereunder and capable of producing oil in paying quantities from any formation, stratum or strata situated beneath the top of the Glen Rose Formation thereunder; and (c) drill more than one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres in the area retained hereunder and capable of producing gas or other mineral in paying quantities.

10. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and if Lessee does so, it shall be subrogated to such lien with right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. When required by state, federal or other law, Lessee may withhold taxes with respect to rental, royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for the credit of Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, if Lessor owns an interest in the oil, gas or other minerals on, in or under said land less than the entire fee simple estate, whether or not this lease purports to cover the whole or a fractional interest, the royalties, shut-in royalties and rentals to be paid Lessor shall be reduced in the proportion that his interest bears to the whole and undivided fee and in accordance with the nature of the estate of which Lessor is seized. Should any one or more of the parties named above as Lessor fail to execute this lease, it shall nevertheless be binding upon the party or parties executing same. Failure of Lessee to reduce rental paid hereunder shall not impair the right of Lessee to reduce royalties.

11. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or on land pooled therewith or from producing oil, gas or other mineral therefrom or from land pooled therewith by reason of scarcity or of inability to obtain or to use equipment or material, or by operation of force majeure, any federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil, gas or other mineral from the leased premises or land pooled therewith, and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

12. Each singular pronoun herein shall include the plural whenever applicable.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

Sue Steck Bloodworth  
Sue Steck Bloodworth

LESSOR SOCIAL SECURITY NO. LESSOR SOCIAL SECURITY NO.

THE STATE OF ~~TEXAS~~ VIRGINIA  
COUNTY OF

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 12 day of March, 19 76



Michael O. Martin  
Notary Public in and for City of Hampton County, ~~Texas~~ Virginia  
Comm. Exp. Apr. 79

THE STATE OF TEXAS  
COUNTY OF

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_

Notary Public in and for \_\_\_\_\_ County, Texas

THE STATE OF TEXAS  
COUNTY OF

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_ and \_\_\_\_\_, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

THE STATE OF TEXAS  
COUNTY OF BURLESON

I, JOHN J. TOUPAL, COUNTY CLERK OF SAID COUNTY, DO HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT OF WRITING WITH ITS CERTIFICATE OF AUTHENTICATION WAS FILED FOR RECORD IN MY OFFICE ON THE 26 DAY OF April, 19 76, AT 2:00 O'CLOCK P. M., AND DULY RECORDED ON 28 DAY OF April, 19 76, AT 4:00 O'CLOCK P. M., IN THE Oil & Gas Lease RECORD OF SAID COUNTY, IN VOL. 15, PAGE 950-952

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

By Lazelle Kornegay DEPUTY  
JOHN J. TOUPAL  
COUNTY CLERK, BURLESON COUNTY, TEXAS

332629-0

# OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 6th day of March 19 76, between

Douglas Drgac, a single man,

Lessor (whether one or more), whose address is: 2211 Metcalfe, Austin, Texas 78741

and Zack B. Brittain, Jr., Lessee, WITNESSETH:

1. Lessor in consideration of Ten and No/100 Dollars

(\$ 10.00) in hand paid, of the royalties herein provided and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively to Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas, sulphur, fissionable materials and all other minerals (whether or not similar to those mentioned), conducting exploration, geologic and geophysical tests and surveys, injecting gas, water and other fluids and air into subsurface strata, laying pipelines, establishing and utilizing facilities for the disposition of salt water, dredging and maintaining canals, building roads, bridges, tanks, telephone lines, power stations and other structures thereon, and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto necessary to Lessee in operations to produce, save, take care of, treat, transport and own said minerals, the following described land in Burleson County, Texas, to-wit:

42.91 acres, more or less, a part of the A. Kuykendall Survey, A-34, and being Block No. 3 of a division of the Lightsey lands, and being the same land described in deed from J. L. Lightsey and wife Lottie Lightsey to Douglas Drgac, dated October 24, 1966, recorded in Volume 174, Page 354, Deed Records of Burleson County, Texas.

This lease also covers and includes all land and interest in land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys. For the purpose of calculating rental payments hereunder, said land is estimated to contain 42.91 acres, whether it contains more or less. Five (5)

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of Ten (10) years from the date hereof (called "primary term") and as long thereafter as oil, gas, sulphur, fissionable materials or other mineral is produced from said land or land pooled therewith.

3. The royalties to be paid by Lessee are: (a) on oil, one-eighth of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipeline to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase, and Lessee may sell any royalty oil in its possession and pay Lessor the price received by Lessee for such oil computed at the well; (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used, provided that on gas sold by Lessee the market value shall not exceed the amount received by Lessee for such gas computed at the mouth of the well, and on gas sold at the well the royalty shall be one-eighth of the amount realized by Lessee from such sale; and (c) on fissionable materials and all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur mined or marketed, the royalty shall be Two Dollars (\$2.00) per long ton. If the price of any mineral or substance upon which royalty is payable hereunder is regulated by any governmental agency, the market value or market price of such mineral or substance for the purpose of computing royalty hereunder shall not be in excess of the price which Lessee may receive and retain. Lessee shall have free from royalty or other payment the use of water, other than water from Lessor's wells or tanks, and of oil, gas and coal produced from said land in all operations which Lessee may conduct hereunder, including water injection and secondary recovery operations, and the royalty on oil, gas and coal shall be computed after deducting any so used. If Lessee drills a well on land covered by this lease or on land pooled therewith, which well is capable of producing oil or gas but such well is not being produced and this lease is not being maintained otherwise as provided herein, this lease shall not terminate, whether it be during or after the primary term, (unless released by Lessee) and it shall nevertheless be considered that oil or gas is being produced from the land covered by this lease. When the lease is continued in force in this manner, Lessee shall pay or tender as royalty to the parties who at the time of such payment would be entitled to receive royalty hereunder if the well were producing, or deposit to their credit in the depository bank as hereinafter provided a sum equal to 1/12 of the amount of the annual rental payable in lieu of drilling operations during the primary term on the number of acres subject to this lease at the time such payment is made for each calendar month, or portion thereof, thereafter during which said well is situated on said land, or on land pooled therewith, and this lease is not otherwise maintained, or this lease is not released by Lessee as to the land on which or the horizon, zone or formation in which the well is completed. The first payment of such sum shall be made on or before the first day of the calendar month after expiration of ninety (90) days from the date the lease is not otherwise maintained for all accruals to such date, and thereafter on or before the first day of each third calendar month for all accruals to each such date. Lessee's failure to pay or tender or to properly or timely pay or tender any such sum as royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease.

4. If operations for drilling are not commenced on said land or on land pooled therewith on or before one year from the date hereof, this lease shall terminate as to both parties, unless on or before such date Lessee shall pay or tender (or make a bona fide attempt to pay or tender) to Lessor or to the credit of Lessor in Bank of Austin at Austin Texas the sum of Forty Two and 91/100

Dollars (\$ 42.91) (herein called "rental"), which shall cover the privilege of deferring commencement of drilling operations for a period of twelve (12) months. In like manner and upon like payment or tender annually, the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rental under this paragraph and of royalty under Paragraph 3 on any well which is not being produced, hereinafter referred to as "shut-in royalty", may be made by check or draft of Lessee mailed or delivered to the parties entitled thereto or to said bank on or before the date of payment. Such bank and its successors are Lessor's agent and shall continue as depository for all rental and shut-in royalty payable hereunder regardless of changes in ownership of said land, rental or shut-in royalty. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank or for any reason fail or refuse to accept rental or shut-in royalty, Lessee shall not be held in default for failure to make such payment or tender of rental or shut-in royalty until thirty (30) days after the party or parties entitled thereto shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payment or tender. If Lessee shall

make a bona fide attempt on or before any payment date to pay or deposit rental to a party or parties entitled thereto, according to Lessee's records, or to a party or parties who, prior to such attempted payment or deposit, have given Lessee notice in accordance with subsequent provisions of this lease of their right to receive rental, and if such payment or deposit shall be ineffective or erroneous in any regard, Lessee shall be unconditionally obligated to pay to such party or parties entitled thereto the rental properly payable for the rental period involved, and this lease shall not terminate but shall be maintained in the same manner as if such erroneous or ineffective rental payment or deposit had been properly made, provided that the erroneous or ineffective rental payment or deposit be corrected within thirty (30) days after receipt by Lessee of written notice by such party or parties of such error accompanied by such instruments as are necessary to enable Lessee to make proper payment. Failure to make proper payment or deposit of delay rental as to any interest in said land shall not affect this lease as to any interest therein as to which proper payment or deposit is made. The down cash payment is consideration for this lease according to its terms and shall not be allocated as rental for a period. Lessee may at any time, and from time to time, execute and deliver to Lessor, or to the depository bank, or file for record a release or releases of this lease as to any part or all of said land or of any mineral or subsurface interval or any depths thereunder and thereby be relieved of all obligations as to the released land, mineral, horizon, zone or formation. If this lease is released as to all minerals, horizons, zones and formations under a portion of said land, the delay rental, shut-in royalty and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the acreage released bears to the acreage which was covered by this lease immediately prior to such release.

5. Lessee, at its option, is hereby given the right and power during or after the primary term while this lease is in effect to pool or combine the land covered by this lease, or any portion thereof, as to oil, gas and other minerals, or any of them, with any other land covered by this lease, and/or any other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate the leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil, gas or other mineral in and under and that may be produced from the premises. Units pooled for oil in the interval between the surface and the top of the Glen Rose Formation shall not substantially exceed in area 40 acres each plus a tolerance of 10% thereof; units pooled for oil in formations situated below the top of the Glen Rose Formation shall not substantially exceed in area 160 acres plus a tolerance of 10% thereof; and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of 10% thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee may pool or combine land covered by this lease or any portion thereof, as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with units as to any other stratum or strata, and oil units need not conform as to area with gas units. Pooling in one or more instances shall not exhaust the rights of Lessee to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; the unit shall become effective as provided in said instrument, or if said instrument makes no such provision, it shall become effective upon the date it is filed for record. Each unit shall be effective as to all parties hereto, their heirs, successors and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty or other rights in land included in such unit. Lessee may at its election exercise its pooling option as to oil, gas and other minerals before or after commencing operations for or completing an oil or gas well or well or mine for other mineral on the leased premises, and the pooled unit may include, but is not required to include, land or leases upon which a well or mine capable of producing oil, gas or other mineral in paying quantities has theretofore been completed or upon which operations for drilling of a well or mine for oil, gas or other mineral have theretofore been commenced. Operations for drilling on, or production of oil, gas or other mineral from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this lease or the instrument designating the pooled unit, shall be considered as operations for drilling on or production of oil, gas or other mineral from land covered by this lease whether or not the well or wells or mine be located on land covered by this lease, and the entire acreage constituting such unit or units, as to oil, gas or other minerals, or any of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease; provided that if after creation of a pooled unit, a well or mine is drilled on the unit area, other than on the land covered hereby and included in the unit, which well is not classified as the type of well for which the unit was created (oil, gas or other mineral as the case may be), such well or mine shall be considered a dry hole for purposes of applying the additional drilling and reworking and resumption of delay rental provisions of Paragraph 6 hereof. If an oil well on an oil unit, which includes all or a portion of the leased premises, is reclassified as a gas well, or if a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, the date of such reclassification shall be considered as the date of cessation of production for purposes of applying the additional drilling and reworking and resumption of delay rental provisions of Paragraph 6 hereof as to all leases any part of which are included in the unit other than the leased premises on which the well is located. For the purpose of computing royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil, gas or other minerals from each pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil, gas or other minerals produced from the unit after deducting that used for operations on the unit. Such allocation shall be on an acreage basis — that is, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil, gas or other minerals produced from the unit which the number of surface acres covered by this lease (or in each separate tract) and included in the unit bears to the total number of surface acres included in the unit. As used in this paragraph, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises. Royalties hereunder shall be computed on the portion of such production, whether it be oil, gas or other minerals, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. Production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. Any pooled unit designated by Lessee in accordance with the terms hereof may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after completion of a dry hole or cessation of production on said unit.

6. If Lessee shall drill a dry hole or holes on said land, or on acreage pooled therewith, and this lease is not being maintained otherwise as provided herein, or if oil, gas or other mineral is discovered and not produced for any cause, or if the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within sixty (60) days thereafter and continues drilling or reworking operations on said well or any additional well with no cessation of more than sixty (60) consecutive days, or if it be within the primary term, commences or resumes the payment or tender of rental or commences operations for drilling or reworking on or before the rental paying date next ensuing after the expiration of sixty (60) days from the date of completion of dry hole, or discovery of oil, gas or other mineral, or cessation of production and continues drilling or reworking operations on said well or any additional well with no cessation of more than sixty (60) consecutive days. If at any time subsequent to sixty (60) days prior to the beginning of the last year of the primary term and prior to the discovery of oil, gas or other mineral on said land, or on acreage pooled therewith, Lessee should drill a dry hole thereon, no rental payment or operations are necessary in order to keep this lease in force during the remainder of the primary term. If at the expiration of the primary term, oil, gas or other mineral is not being produced on said land, or on acreage pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon or shall have completed a dry hole thereon within sixty (60) days prior to the end of the primary term, this lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than sixty (60) consecutive days, and if they result in the production of oil, gas or other mineral so long thereafter as oil, gas or other mineral is produced from said land or acreage pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in by Lessee or any other operator on adjacent land and within three hundred thirty (330) feet of and draining the leased premises, or acreage pooled therewith, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

7. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When necessary for utilization of the surface for some intended use by Lessor and upon request of Lessor or when deemed necessary by Lessee for protection of the pipeline, Lessee will bury pipelines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

8. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production; and no change or division in such ownership shall be binding on Lessee until forty-five (45) days after Lessee shall have been furnished by registered U. S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. In the event of the death of any person entitled to rentals hereunder, Lessee may pay or tender such rentals to the credit of the deceased or the estate of the deceased until such time as Lessee is furnished with proper evidence of the appointment and qualifications of an executor or administrator of the estate, or if there be none, until Lessee is furnished with evidence satisfactory to it as to the heirs or devisees of the deceased and that all debts of the estate have been paid. If at any time two or more persons be entitled to participate in rental payable hereunder, Lessee may pay or tender said rental jointly to such persons or to their joint credit in the depository bank; or, at Lessee's election, the proportionate part of rental to which each participant is entitled may be paid or tendered to him separately or to his separate credit in said depository; and payment or tender to any participant of his portion of the rental hereunder shall maintain this lease as to such participant. In event of assignment of this lease as to a segregated portion of said land, rental hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

9. Breach by Lessee of any obligation hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. After the discovery of oil, gas or other mineral in paying quantities on said premises, Lessee shall develop the acreage retained hereunder as a reasonably prudent oper-

ator but in discharging this obligation it shall in no event be required to: (a) drill more than one well per 40 acres of the area retained hereunder and capable of producing oil in paying quantities from any formation, stratum or strata situated between the surface and the top of the Glen Rose Formation thereunder; (b) drill more than one well per 160 acres of the area retained hereunder and capable of producing oil in paying quantities from any formation, stratum or strata situated beneath the top of the Glen Rose Formation thereunder; and (c) drill more than one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres in the area retained hereunder and capable of producing gas or other mineral in paying quantities.

10. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and if Lessee does so, it shall be subrogated to such lien with right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. When required by state, federal or other law, Lessee may withhold taxes with respect to rental, royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for the credit of Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, if Lessor owns an interest in the oil, gas or other minerals on, in or under said land less than the entire fee simple estate, whether or not this lease purports to cover the whole or a fractional interest, the royalties, shut-in royalties and rentals to be paid Lessor shall be reduced in the proportion that his interest bears to the whole and undivided fee and in accordance with the nature of the estate of which Lessor is seized. Should any one or more of the parties named above as Lessor fail to execute this lease, it shall nevertheless be binding upon the party or parties executing same. Failure of Lessee to reduce rental paid hereunder shall not impair the right of Lessee to reduce royalties.

11. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or on land pooled therewith or from producing oil, gas or other mineral therefrom or from land pooled therewith by reason of scarcity or of inability to obtain or to use equipment or material, or by operation of force majeure, any federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil, gas or other mineral from the leased premises or land pooled therewith, and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

12. Each singular pronoun herein shall include the plural whenever applicable.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

\_\_\_\_\_  
\_\_\_\_\_  
LESSOR SOCIAL SECURITY NO. LESSOR SOCIAL SECURITY NO.

*Douglas Dregac*  
Douglas Dregac

THE STATE OF TEXAS  
COUNTY OF Travis

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 11<sup>TH</sup> day of March, 1976.



15  
946

*Kay Shaw*  
Notary Public in and for Travis County, Texas

THE STATE OF TEXAS  
COUNTY OF

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

Notary Public in and for \_\_\_\_\_ County, Texas

THE STATE OF TEXAS  
COUNTY OF

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_ and \_\_\_\_\_, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

THE STATE OF TEXAS  
COUNTY OF BURLESON

I, JOHN J. TOUPAL, COUNTY CLERK OF SAID COUNTY, DO HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT OF WRITING WITH ITS CERTIFICATE OF AUTHENTICATION WAS FILED FOR RECORD IN MY OFFICE ON THE 26 DAY OF April, 1976, AT 2:00 O'CLOCK P.M., AND DULY RECORDED ON 28 DAY OF April, 1976, AT 4:00 O'CLOCK P.M., IN THE Oil & Gas Lease RECORD OF SAID COUNTY, IN VOL. 15, PAGE 944-946

THIS COPIED and the

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

BY *Opelle Komegay* DEPUTY

JOHN J. TOUPAL  
COUNTY CLERK, BURLESON COUNTY, TEXAS

Texas

id to

exas

# OIL, GAS AND MINERAL LEASE

CC00065

THIS AGREEMENT made this 23rd day of April 1976, between  
Frank F. Drgac and wife, Lottie H. Drgac,

lessor (whether one or more), whose address is: Route 3, Caldwell, Texas 77836  
and William C. Haverlah, Route 3, Box 112, Floresville, Texas 78114, lessee, WITNESSETH:

1. Lessor, in consideration of Ten and No/100 ----- (\$10.00) ----- Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby,

herein called "said land", is located in the County of Burleson, State of Texas, and is described as follows:

Two tracts of land out of the Abner Kuykendall League, Abstract #34, in Burleson County, Texas, as follows:

FIRST TRACT: 43.5 acres of land, more or less; and being the same tract of land partitioned to Frank F. Drgac and Mrs. Lottie Drgac in Deed dated January 24, 1958 and recorded in Volume 131, Page 492, of the Deed Records of Burleson County, Texas;

SECOND TRACT: 64.67 acres of land, more or less; and being the same tract of land partitioned to Lottie Drgac in Partition Deed between Albina Helen Hovorak, et al, dated July 11, 1969, and recorded in Volume 179, Page 148 of the Deed Records of Burleson County, Texas, said 64.67 acres tract being described by metes and bounds in said Deed.

REFERENCE is here made to each of the above deeds for all purposes.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus, delay rental or other payment hereunder, said land shall be deemed to contain 108.17 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus and agrees to accept the delay rental as lump sum considerations for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of ten (10) years from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipe line to which lessee may connect its wells, the equal one-eighth part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one-eighth part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one-eighth of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor on gas and casinghead gas produced from said land (1) when sold by lessee, one-eighth of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one-eighth of such gas and casinghead gas; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to the amount of annual delay rental provided for in this lease. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in a depository bank provided for below. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any delay rental and shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of lessee to release as provided in paragraph 5 hereof, except that lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. If operations are not conducted on said land on or before the first anniversary date hereof, this lease shall terminate as to both parties, unless lessee on or before said date shall, subject to the further provisions hereof, pay or tender to lessor or to lessor's credit in the

Caldwell National Bank at Caldwell, Texas 77836, or its successors, which shall continue as the depository, regardless of changes in ownership of delay rental, royalties, or other moneys, the sum of

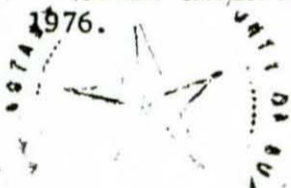
\$ 108.17, which shall operate as delay rental and cover the privilege of deferring operations for one year from said date. In like manner and upon like payments or tenders, operations may be further deferred for like periods of one year each during the primary term. If at any time that lessee pays or tenders delay rental, royalties, or other moneys, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender such rental, royalties, or other moneys, in the manner herein specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to lessor or to a depository bank on or before the last date for payment. Said delay rental shall be apportionable as to said land on an acreage basis, and a failure to make proper payment or tender of delay rental as to any portion of said land or as to any interest therein shall not affect this lease as to any portion of said land or as to any interest therein as to which proper payment or tender is made. Any payment or tender which is made in an attempt to make proper payment, but which is erroneous in whole or in part as to parties, amounts, or depository shall nevertheless be sufficient to prevent termination of this lease and to extend the time within which operations may be conducted in the same manner as though a proper payment had been made; provided, however, lessee shall correct such error within thirty (30) days after lessee has received written notice thereof from lessor. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest. If this lease is so released as to all minerals and horizons under a portion of said land, the delay rental and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the acreage released bears to the acreage which was covered by this lease immediately prior to such release.

THE STATE OF TEXAS  
COUNTY OF BURLESON

I  
I  
I

BEFORE ME, the undersigned authority, on this day personally appeared D. L. Alford, Jr., deceased, Individually and as Independent Executor of the Estate of Mrs. Annie Alford, known to me to be the person whose name is ~~(are)~~ subscribed to the foregoing instrument, and acknowledged to me that he executed the same as free act and deed for the purposes and consideration therein expressed, and in the capacities therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 29 day of April, 1976.



16  
122

Murray J. Anderson  
Notary Public in and for Burleson  
County, Texas

THE STATE OF TEXAS

THE STATE OF TEXAS  
COUNTY OF BURLESON

I, JOHN J. TOUPAL, COUNTY CLERK OF SAID COUNTY, DO HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT OF WRITING WITH ITS CERTIFICATE OF AUTHENTICATION WAS FILED FOR RECORD IN MY OFFICE ON THE 21 DAY OF May, 19 76, AT 10:00 O'CLOCK A.M., AND DULY RECORDED ON 24 DAY OF May, 19 76, AT 4:00 O'CLOCK P.M., IN THE Oil & Gas Lease RECORD OF SAID COUNTY, IN VOL. 16, PAGE 118-122

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

BY Lynelle Komegay DEPUTY

JOHN J. TOUPAL  
COUNTY CLERK, BURLESON COUNTY, TEXAS



MF 95173 12  
Item Adjunct classes(S)  
To \_\_\_\_\_  
From \_\_\_\_\_  
Date \_\_\_\_\_

DESIGNATION OF UNIT  
NOWAK-COOKS POINT UNIT NO. 1

SAGE ENERGY COMPANY, 10101 Reunion Place, Suite 800, San Antonio, Texas 78216, UNION PACIFIC RESOURCES COMPANY, P.O. Box 7, Ft. Worth, Texas 76101-0007, COLUMBIA GAS DEVELOPMENT, P.O. Box 1350, Houston, Texas 75251-1350, C.W. ALCORN, P.O. Box 2879, Victoria, Texas 77902, FRED ALCORN, 5005 Riverway, Suite 430, Houston, Texas 77056, EUGENE TALBERT, 121 S. Broadway, 512 Fair Foundation Building, Tyler, Texas 75702, and EXXON CORPORATION, P.O. Box 4697, Houston, Texas 77210-4697, (hereinafter called the "Undersigned"), pursuant to the powers, rights, privileges and options granted in the Oil, Gas and Mineral Leases listed on Exhibit "A" (hereinafter called "Leases"), attached hereto and made a part hereof, and any amendments to the Leases does hereby pool, consolidate, combine and unitize the Leases, the leasehold rights, overriding royalty and royalty interests therein and thereunder for the purpose of drilling for, developing, and producing oil, gas and associated hydrocarbons from the Austin Chalk Formation only and insofar as the Leases are included within the boundary of the 398.2633 acre Nowak-Cooks Point Unit No. 1 (hereinafter called "Unit") described on Exhibit "B", which is attached hereto and made a part hereof.

All production of oil, gas and associated hydrocarbons produced from the Austin Chalk Formation from any well drilled within the unit shall be covered by this Designation of Unit. Production from the Unit and any royalties paid under the Leases shall be allocated proportionately among all of the tracts within the unit in the proportion that the number of surface acres in each such tract bears to the total number of surface acres in the unit.

The undersigned shall continue to have the right and power to pool the Leases and lands included in the unit with other leases and lands as to any other mineral horizon or strata so long as such right and power is granted in the Leases and complies with applicable rules and regulations from any governmental regulating body or agency having jurisdiction. The undersigned reserves the right to amend, correct, enlarge, extend, decrease or in any way change or alter this Unit Designation from time to time and at any time or to include any newly acquired interest within the unit boundaries so long as such amendment does not violate the lease or applicable rules and regulations of any governmental regulatory body or agency having jurisdiction.

Any lease or interest within the unit that is not properly pooled or is not otherwise committed to the unit shall not terminate, impair or invalidate this Unit Designation as to any lease or interest properly pooled.

The unit shall be effective as of the date of first production from the unit and shall remain in force and effect as long as operations, production or payments are made under the terms and provisions of the Leases or until the unit is dissolved by written instrument duly executed and filed of record in Burleson County, Texas.

This instrument may be executed as one document signed by all parties, or parties named herein may join herein by execution of a counterpart or ratification, with the same effect as if all parties executed this instrument. The failure of any one or more persons owning an interest in the Unit to execute this instrument or a counterpart or ratification thereof shall not in any manner affect the validity of same as to the parties who do execute this instrument. This Unit may not be ratified or joined in by any party who is not named hereinbelow without the consent of the parties hereto.

IN WITNESS WHEREOF, the Designation of Unit is executed on the 28<sup>th</sup> day of January, 1993, but effective the date of first production from the Unit.

UNION PACIFIC RESOURCES COMPANY

SAGE ENERGY COMPANY

BY: \_\_\_\_\_  
Title: \_\_\_\_\_

BY: Rex Amini  
Rex Amini, Executive Vice President

COLUMBIA GAS DEVELOPMENT

BY: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
C.W. Alcorn

\_\_\_\_\_  
Fred Alcorn

\_\_\_\_\_  
Eugene Talbert

EXXON CORPORATION

BY: James McGraw

STATE OF TEXAS

COUNTY OF BEXAR

This instrument was acknowledged before me on January 28, 1993, by Rex Amini, Executive Vice President of Sage Energy Company a Delaware corporation, on behalf of said corporation.

Barbara Ann Gutierrez  
Notary Public

STATE OF

COUNTY OF

This instrument was acknowledged before me on \_\_\_\_\_, 1993, by \_\_\_\_\_, \_\_\_\_\_ of Union Pacific Resources Company a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public

STATE OF

COUNTY OF

This instrument was acknowledged before me on \_\_\_\_\_, 1993, by \_\_\_\_\_, \_\_\_\_\_ of Columbia Gas Development a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public

STATE OF

COUNTY OF

This instrument was acknowledged before me on \_\_\_\_\_,  
1993, by C.W. Alcorn.

\_\_\_\_\_  
Notary Public

STATE OF

COUNTY OF

This instrument was acknowledged before me on \_\_\_\_\_,  
1993, by Fred Alcorn.

\_\_\_\_\_  
Notary Public

STATE OF

COUNTY OF

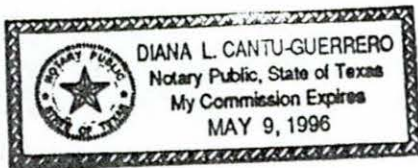
This instrument was acknowledged before me on \_\_\_\_\_,  
1993, by Eugene Talbert.

\_\_\_\_\_  
Notary Public

STATE OF

COUNTY OF HARRIS

This instrument was acknowledged before me on January 29,  
1993, by James McGrory, Attorney-in-Fact of Exxon  
Corporation a New Jersey corporation on behalf of said  
corporation.



*Diana L. Cantu Guerrero*  
\_\_\_\_\_  
Notary Public

EXHIBIT "A"

Attached to and made a part of the Designation of Unit for the  
Nowak-Cooks Point Unit No. 1.

Lessor: Frank F. Drgac et vir, Lottie H. Drgac  
Lessee: William C. Haverlah  
Date: April 23, 1976  
Recorded: Volume 16, Page 123 of the O.L. Records  
of Burleson County, Texas

Lessor: Ben F. Trcalek et vir, Martha Trcalek  
Lessee: William C. Haverlah  
Date: April 23, 1976  
Recorded: Volume 16, Page 365 of the O.L. Records  
of Burleson County, Texas

Lessor: Annie Laurie Drgac and Lydia A. Drgac  
Lessee: Fred Prickett  
Date: April 21, 1976  
Recorded: Volume 18, Page 441 of the O.L. Records  
of Burleson County, Texas

Lessor: Mildred Crnkovia et vir, William Crnkovia  
Lessee: Fred Prickett  
Date: April 21, 1976  
Recorded: Volume 18, Page 439 of the O.L. Records  
of Burleson County, Texas

Lessor: W.F. Nowak et ux Milady Nowak  
Lessee: Fred Prickett  
Date: May 5, 1976  
Recorded: Volume 18, Page 547 of the O.L. Records  
of Burleson County, Texas

Lessor: State of Texas, Lease No. M-95054  
Lessee: Sage Energy Company, Union Pacific  
Resources Company, et al  
Date: August 18, 1992  
Recorded:

Lessor: State of Texas, Lease No. M-95053  
Lessee: Sage Energy Company  
Date: August 18, 1992  
Recorded:

Lessor: State of Texas, Lease No. M-95173  
Lessee: Exxon Corporation  
Date: January 19, 1993  
Recorded:

Unit: Exxon Corporation-Cooks Point Unit No. 8  
Operator: Exxon Corporation  
Date: February 4, 1981  
Recorded: Volume 54, Page 900 of the Oil and Gas  
Lease Records of Burleson County, Texas

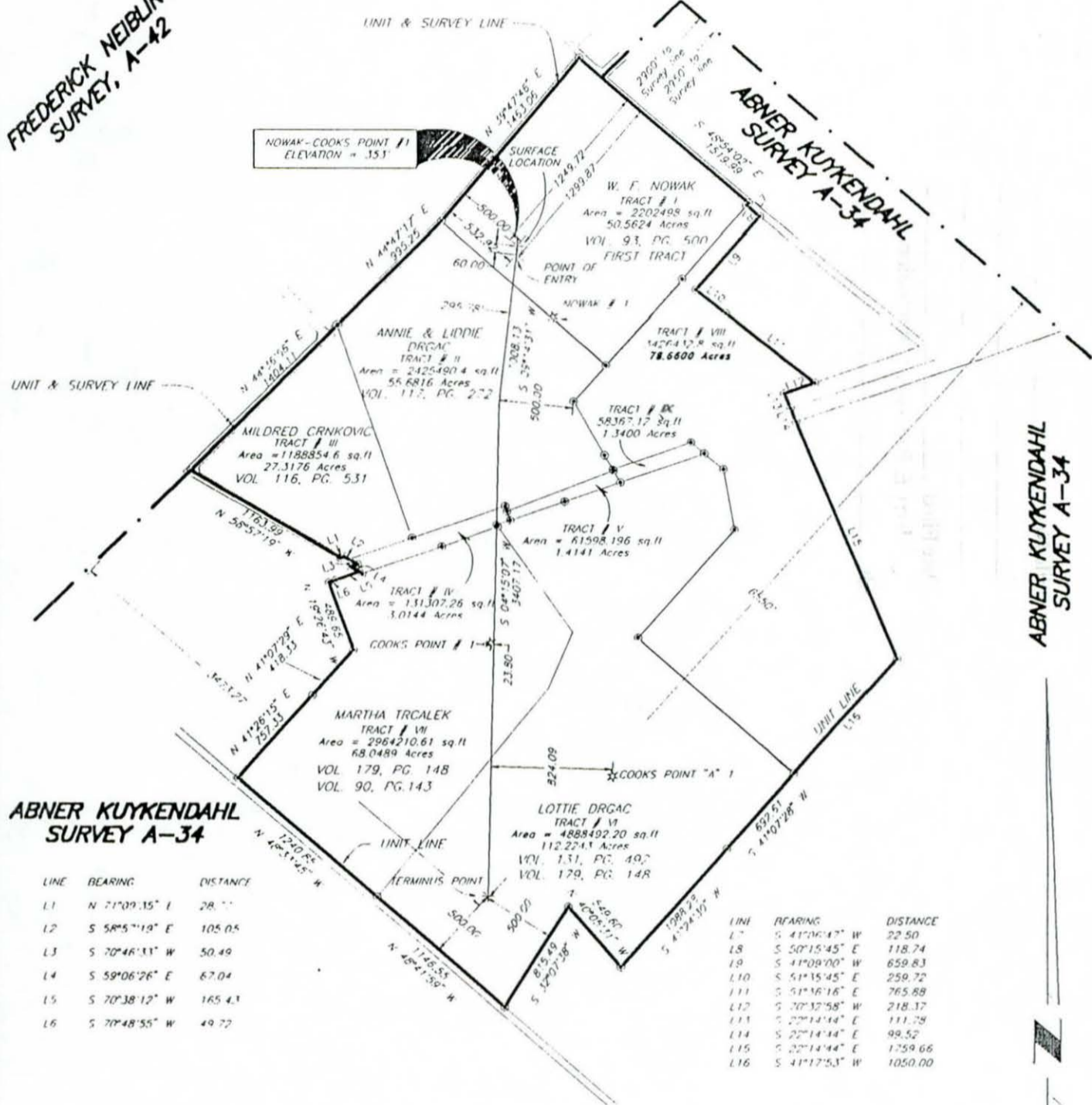
# EXHIBIT B

## BURLESON COUNTY, TEXAS

**FREDERICK NEUBLING  
SURVEY, A-42**

**ABNER KUYKENDAHL  
SURVEY A-34**

**ABNER KUYKENDAHL  
SURVEY A-34**



**ABNER KUYKENDAHL  
SURVEY A-34**

LINE	BEARING	DISTANCE
L1	N 71°09'35" E	28.00
L2	S 58°57'19" E	105.05
L3	S 70°46'33" W	50.49
L4	S 59°06'26" E	67.04
L5	S 70°38'12" W	165.43
L6	S 70°48'55" W	49.72

LINE	BEARING	DISTANCE
L7	S 41°06'47" W	22.50
L8	S 50°15'45" E	118.74
L9	S 41°09'00" W	659.83
L10	S 51°15'45" E	259.72
L11	S 51°16'16" E	765.88
L12	S 70°32'58" W	218.37
L13	S 22°14'44" E	111.78
L14	S 22°14'44" E	99.52
L15	S 22°14'44" E	1759.66
L16	S 41°17'53" W	1050.00

I, DANIE CARLOMAGNO, A REGISTERED PROFESSIONAL SURVEYOR, DO HEREBY CERTIFY THE ABOVE AND ACCOMPANYING PLAN, SHOWING THE LOCATION OF THE SAGE ENERGY COMPANY, NOWAK-COOKS POINT # 1 ON A 398.2633 ACRES UNIT, IN THE ABNER KUYKENDAHL SURVEY, A-34, IN BURLESON COUNTY IS TRUE AND CORRECT.

*[Signature]*  
DANIE CARLOMAGNO  
REGISTERED PROFESSIONAL  
SURVEYOR, NUMBER 1562



1000 1000 2000 3000 Feet

	<p>SAGE ENERGY COMPANY NOWAK-COOKS POINT UNIT WELL # 1 398.2633 ACRES UNIT</p>
<p>REV. 01-27-93 REV. 09-14-92 REV. 09-09-92</p>	<p><b>CARLOMAGNO Surveying Inc.</b> 2714 Finfeather Road, Bryan, Texas 77801</p>
	<p><b>DRAWING NO. 9239.DWG</b> <b>SHEET OF</b></p>

13

Designation of  
Pooled Unit  
Cook-Nowak #1  
M-95173

9-14-93

File No. MP-95173

Designation of pooled  
Unit Cook-Nowak #1

Date Filed: 9/14/93

Jerry E. Patterson, Commissioner

By \_\_\_\_\_



1885

SUPPLEMENTAL UNIT DESIGNATION  
COOKS POINT UNIT NO. 8  
GIDDINGS FIELD



STATE OF TEXAS                    }}  
  }}     KNOW BY ALL MEN BY THESE PRESENT:  
COUNTY OF BURLESON            }}

WHEREAS, by Unit Designation dated February 4, 1981, and recorded in Volume 54, Page 900, of the Oil and Gas Records, Burleson County, Texas (hereinafter referred to as "Said Designation"), EXXON CORPORATION, a New Jersey corporation whose address is P. O. Box 2305, Houston, Texas 77252 (hereinafter referred to as "EXXON") created the Cooks Point Unit No. 8 (hereinafter referred to as "Said Unit") covering 160 acres in the Abner Kuykendall Survey, A-34, Burleson County, Texas; and

WHEREAS, Said Designation, contains an Exhibit "A" listing the numerous Oil and Gas Leases owned by EXXON that are included in Said Unit.

WHEREAS, Exhibits "A" and "B" to Said Designation, previously indicated that Tract 1 of Said Unit contained 98.34 acres; and

WHEREAS, Tract 1 of Said Unit now contains 95.28 acres; and

WHEREAS, Exhibits "A" and "B" to Said Designation, previously indicated that Tract 4 of Said Unit contained 15.27 acres; and

WHEREAS, Tract 4 of Said Unit now contains 14.27 acres; and

WHEREAS, EXXON is the present owner of that certain Oil, Gas and Mineral Lease from The General Land Office, State of Texas to Exxon Corporation, dated January 19, 1993, as recorded in Volume 210, Page 728 of the Oil and Gas Records, Burleson County, Texas (hereinafter referred to as "Said State Lease"; and

WHEREAS, Said State Lease covers 4.06 acres of State Highway No. 21 which is within the boundaries of Said Unit.

NOW, THEREFORE, EXXON, acting under and by virtue of the power and authority conferred and granted by the provisions of the oil, gas and mineral leases described in the EXHIBIT "A" attached to Said Designation, and by virtue of the authority granted in Said State Lease, pools, combines and designates Said State Lease, together with the land and interest covered thereby, insofar as Said State Lease covers land included within the area of Said Unit, with the other lands and leases described in Said Designation for the purpose of developing and operating the pooled acreage for the production, storage, processing and marketing of oil from the unitized area, in accordance with, and subject to the terms and provisions of Said Designation as supplemented hereby.

It is further provided that the attached Amended Exhibit "A" and Amended Exhibit "B" are hereby substituted for the Exhibit "A" and Exhibit "B" which were attached to Said Designation.

For the purposes of the payment of royalty on the oil which is produced from Said Unit, this Supplemental Designation shall be effective as of the 1st day of February, 1993.

Nothing herein contained shall be construed as altering, amending or affecting Said Designation or any of the terms and provisions thereof except as Said Designation is expressly supplemented hereby, and Exxon hereby adopts, ratifies and confirms Said Designation as supplemented hereby and declares that Said Designation is in full force and effect in accordance with the terms and provisions contained therein as supplemented hereby.

Executed this 28<sup>th</sup> day of April, A.D., 1993.

EXXON CORPORATION

By: *James McGrory*  
James McGrory, Attorney-in-Fact

STATE OF TEXAS            }}  
                                  }}  
COUNTY OF HARRIS       }}

THIS INSTRUMENT was acknowledged before me on this the 28<sup>th</sup> day of April, A.D., 1993, by James McGrory, Attorney-In-Fact for EXXON CORPORATION, a New Jersey Corporation, on behalf of said corporation.

*Diana L. Cantu-Guerrero*  
Notary Public, State of Texas  
Notary's Printed Name:  
My Commission Expires:

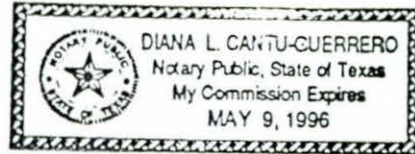


EXHIBIT "A"  
COOKS POINT UNIT NO. 8  
(ALVIN DRGAC)

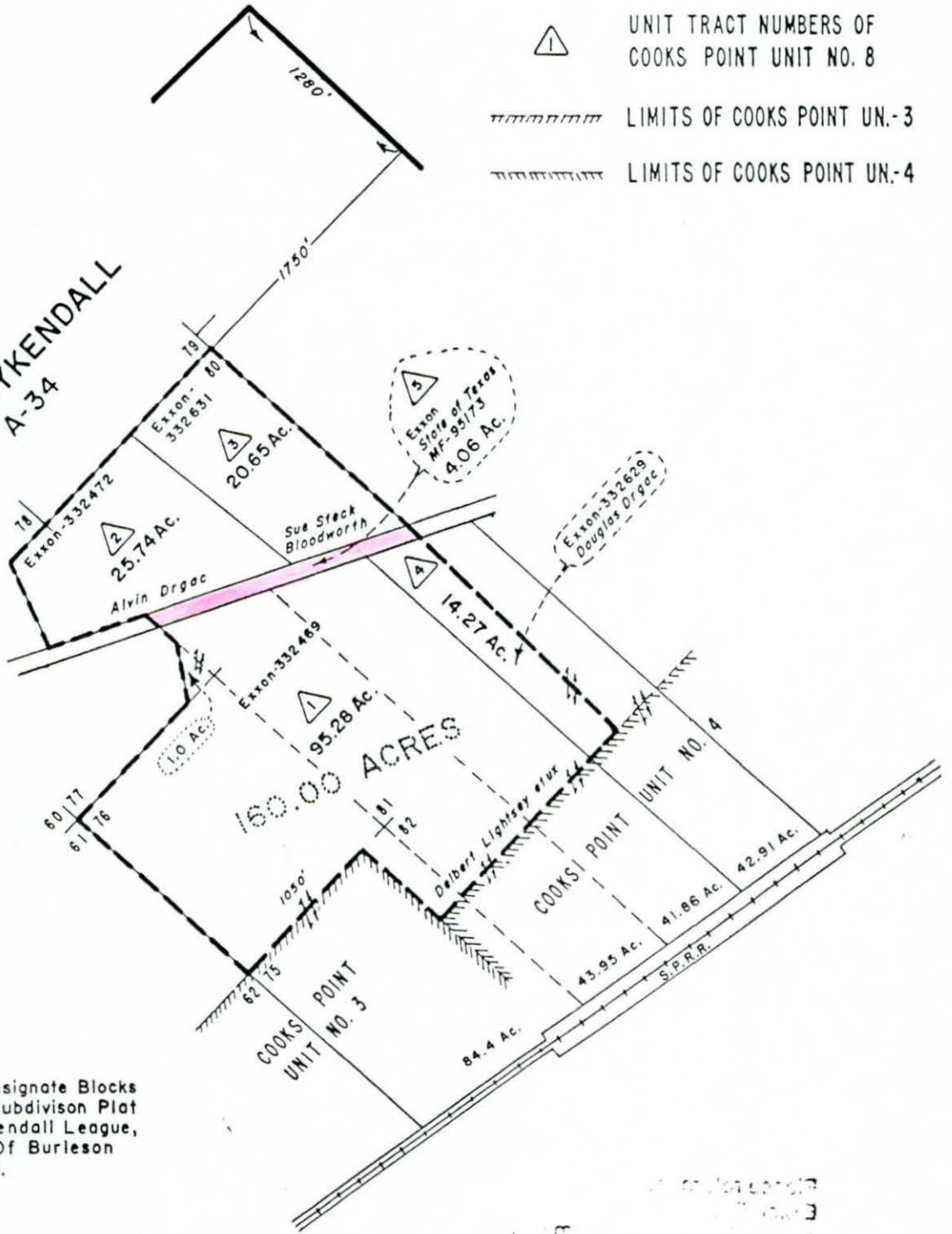
<u>Tract No.</u>	<u>Tract Name and Description</u>	<u>Surface Acres In Unit</u>
1	Delbert Lightsey et ux  Oil, Gas and Mineral Lease dated February 18, 1976 from Delbert Lightsey, et ux, as lessors, to Zack B. Brittain, Jr., as lessee, recorded in Volume 15, Page 866 and covering 171.21 acres, more or less, out of the Abner Kuykendall Survey, A-34, Burleson County, Texas. (Exxon Lease No. 332469-001)	95.28
2	Alvin Drgac  Oil, Gas and Mineral Lease dated March 2, 1976 from Alvin Drgac, as lessors, to Zack B. Brittain, Jr., as lessee, recorded in Volume 15, Page 875 and covering 25.74 acres, more or less, out of the Abner Kuykendall Survey, A-34, Burleson County, Texas. (Exxon Lease No. 332472-001)	25.74
3	Sue Steck Bloodworth  Oil, Gas and Mineral Lease dated March 8, 1976 from Sue Steck Bloodworth, as lessors, to Zack B. Brittain, Jr., as lessee, recorded in Volume 15, Page 950 and covering 64.78 acres, more or less, out of the Abner Kuykendall Survey, A-34, Burleson County, Texas. (Exxon Lease No. 332631-001)	20.65
4	Douglas Drgac  Oil, Gas and Mineral Lease dated March 6, 1976 from Douglas Drgac, as lessors, to Zack B. Brittain, Jr., as lessee, recorded in Volume 15, Page 944 and covering 42.91 acres, more or less, out of the Abner Kuykendall Survey, A-34, Burleson County, Texas. (Exxon Lease No. 332629-001)	14.27
INSOFAR AND ONLY INSOFAR AS SAID LEASE COVERS:		
The sufficient quantity of land out of the south westerly portion of the called 42.91 acre tract cut off by a straight line running northwesterly from the northwest line of Cooks Point Unit No. 4, and being a sufficient distance northeast of the southwest line of the said 42.91 acre tract to the PLACE OF BEGINNING which when taken together with the quantity of land in Tracts 1, 2, 3 and 5, hereinabove described, will comprise exactly 160 acres. Tract 4 is estimated to contain 14.27 acres.		
5	State of Texas Lease #MF-95173  Oil, Gas and Mineral Lease dated January 19, 1993, from The General Land Office, State of Texas, as Lessor, to Exxon Corporation, Lessee, recorded in Volume 210, Pages 728, and covering 5.38 acres of land, more or less, out of the Abner Kuykendall Survey, A-34, Burleson County, Texas. (Exxon Lease No. 1007301-001)	4.06
		=====
		160.00

All recording references are in the Oil and Gas Lease Records of Burleson County, Texas. Each Lease covers additional land not included in the unit.

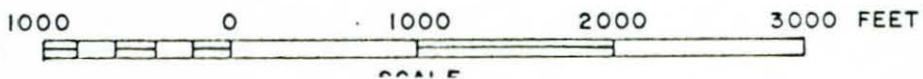
**LEGEND**

- BOUNDARY OF COOKS POINT UNIT NO. 8
- △ UNIT TRACT NUMBERS OF COOKS POINT UNIT NO. 8
- ||||| LIMITS OF COOKS POINT UN.-3
- ||||| LIMITS OF COOKS POINT UN.-4

**ABNER KUYKENDALL  
A-34**



NOTE: Lot Numbers Designate Blocks As Shown On Subdivision Plat Of Abner Kuykendall League, Deed Records Of Burleson County, Texas.



THE STATE OF TEXAS  
COUNTY OF BURLESON

I, EVELYN M. HENRY, CLERK OF THE COUNTY COURT OF SAID COUNTY, DO HEREBY CERTIFY THE FOREGOING INSTRUMENT OF WRITING WITH ITS CERTIFICATE OF AUTHENTICATION WAS FILED FOR RECORD IN MY OFFICE ON THE 3 DAY OF May, 1993, AT 9:00 O'CLOCK A. M., AND DULY RECORDED May 10, 1993 IN THE Oil & Gas Lease RECORD OF SAID COUNTY, IN VOL. 214, PAGE 677-680.

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

*Evelyn M. Henry*  
EVELYN M. HENRY

By \_\_\_\_\_, DEPUTY COUNTY CLERK, BURLESON COUNTY, TEXAS

Rev. 2-15-93  
1-22-81

STB-4813

FILED  
MAY 10 1993  
Evelyn M. Henry  
COUNTY CLERK

VOL 21



(14)

File No. MF-95173

Supplemental Unit

Designation cooks point unit #8

Date Filed: 9/14/93

Jerry E. Patterson, Commissioner

By \_\_\_\_\_

Supplemental Unit  
Designation

Cooks Point  
Unit # 8

M-95173

9-14-93

AMENDED  
SUPPLEMENTAL UNIT DESIGNATION  
COOKS POINT UNIT NO. 8  
GIDDINGS FIELD

STATE OF TEXAS                    } {  
   } {     KNOW BY ALL MEN BY THESE PRESENT:  
 COUNTY OF BURLESON            } {

**WHEREAS**, by Unit Designation dated February 4, 1981, and recorded in Volume 54, Page 900, of the Oil and Gas Records, Burleson County, Texas (hereinafter referred to as "Said Designation"), EXXON CORPORATION, a New Jersey corporation whose address is P. O. Box 2305, Houston, Texas 77252 (hereinafter referred to as "EXXON") created the Cooks Point Unit No. 8 (hereinafter referred to as "Said Unit") covering 160 acres in the Abner Kuykendall Survey, A-34, Burleson County, Texas; and

...  
 ...  
 ...  
 ...  
 ...  
**WHEREAS**, Said Designation, contains an Exhibit "A" listing the numerous Oil and Gas Leases owned by EXXON that are included in Said Unit.

...  
 ...  
**WHEREAS**, Exhibits "A" and "B" to Said Designation, previously indicated that Tract 1 of Said Unit contained 98.34 acres; and

**WHEREAS**, Tract 1 of Said Unit now contains 95.28 acres; and

...  
 ...  
**WHEREAS**, Exhibits "A" and "B" to Said Designation, previously indicated that Tract 4 of Said Unit contained 15.27 acres; and

**WHEREAS**, Tract 4 of Said Unit now contains 14.27 acres; and

**WHEREAS**, EXXON is the present owner of that certain Oil, Gas and Mineral Lease from The General Land Office, State of Texas to Exxon Corporation, dated January 19, 1993, as recorded in Volume 210, Page 725 of the Oil and Gas Records, Burleson County, Texas (hereinafter referred to as "Said State Lease"; and

**WHEREAS**, Said State Lease covers 4.06 acres of State Highway No. 21 which is within the boundaries of Said Unit.

**NOW, THEREFORE**, EXXON, acting under and by virtue of the power and authority conferred and granted by the provisions of the oil, gas and mineral leases described in the EXHIBIT "A" attached to Said Designation, and by virtue of the authority granted in Said State Lease, pools, combines and designates Said State Lease, together with the land and interest covered thereby, insofar as Said State Lease covers land included within the area of Said Unit, with the other lands and leases described in Said Designation for the purpose of developing and operating the pooled acreage for the production, storage, processing and marketing of oil from the unitized area, in accordance with, and subject to the terms and provisions of Said Designation as supplemented hereby.

It is further provided that the attached Amended Exhibit "A" and Amended Exhibit "B" are hereby substituted for the Exhibit "A" and Exhibit "B" which were attached to Said Designation.

For the purposes of the payment of royalty on the oil which is produced from Said Unit, this Supplemental Designation shall be effective as of the 1st day of February, 1993.

Nothing herein contained shall be construed as altering, amending or affecting Said Designation or any of the terms and provisions thereof except as Said Designation is expressly supplemented hereby, and Exxon hereby adopts, ratifies and confirms Said Designation as supplemented hereby and declares that Said Designation is in full force and effect in accordance with the terms and provisions contained therein as supplemented hereby.

Executed this 5<sup>th</sup> day of August, A.D., 1993.

EXXON CORPORATION

By: James McGrory  
James McGrory, Attorney-in-Fact

STATE OF TEXAS            } {  
                                  } {  
COUNTY OF HARRIS       } {

THIS INSTRUMENT was acknowledged before me on this the 5<sup>th</sup> day of August, A.D., 1993, by James McGrory, Attorney-In-Fact for EXXON CORPORATION, a New Jersey Corporation, on behalf of said corporation.

Jack Womack

Notary Public, State of Texas  
Notary's Printed Name:  
My Commission Expires:

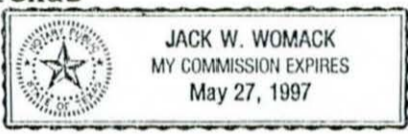


EXHIBIT "A"  
COOKS POINT UNIT NO. 8  
(ALVIN DRGAC)

Tract No.	Tract Name and Description	Surface Acres In Unit
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1	Delbert Lightsey et ux	95.28
---	------------------------	-------

Oil, Gas and Mineral Lease dated February 18, 1976 from Delbert Lightsey, et ux, as lessors, to Zack B. Brittain, Jr., as lessee, recorded in Volume 15, Page 866 and covering 171.21 acres, more or less, out of the Abner Kuykendall Survey, A-34, Burleson County, Texas.  
(Exxon Lease No. 332469-001)

2	Alvin Drgac	25.74
---	-------------	-------

Oil, Gas and Mineral Lease dated March 2, 1976 from Alvin Drgac, as lessors, to Zack B. Brittain, Jr., as lessee, recorded in Volume 15, Page 875 and covering 25.74 acres, more or less, out of the Abner Kuykendall Survey, A-34, Burleson County, Texas.  
(Exxon Lease No. 332472-001)

3	Sue Steck Bloodworth	20.65
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Oil, Gas and Mineral Lease dated March 8, 1976 from Sue Steck Bloodworth, as lessors, to Zack B. Brittain, Jr., as lessee, recorded in Volume 15, Page 950 and covering 64.78 acres, more or less, out of the Abner Kuykendall Survey, A-34, Burleson County, Texas.  
(Exxon Lease No. 332631-001)

4	Douglas Drgac	14.27
---	---------------	-------

Oil, Gas and Mineral Lease dated March 6, 1976 from Douglas Drgac, as lessors, to Zack B. Brittain, Jr., as lessee, recorded in Volume 15, Page 944 and covering 42.91 acres, more or less, out of the Abner Kuykendall Survey, A-34, Burleson County, Texas.  
(Exxon Lease No. 332629-001)

INSOFAR AND ONLY INSOFAR AS SAID LEASE COVERS:

The sufficient quantity of land out of the south westerly portion of the called 42.91 acre tract cut off by a straight line running northwesterly from the northwest line of Cooks Point Unit No. 4, and being a sufficient distance northeast of the southwest line of the said 42.91 acre tract to the PLACE OF BEGINNING which when taken together with the quantity of land in Tracts 1, 2, 3 and 5, hereinabove described, will comprise exactly 160 acres. Tract 4 is estimated to contain 14.27 acres.

5	State of Texas Lease #MF-95173	4.06
---	--------------------------------	------

Oil, Gas and Mineral Lease dated January 19, 1993, from The General Land Office, State of Texas, as Lessor, to Exxon Corporation, Lessee, recorded in Volume 210, Pages 725, and covering 5.38 acres of land, more or less, out of the Abner Kuykendall Survey, A-34, Burleson County, Texas.

(Exxon Lease No. 1007301-001)

THE STATE OF TEXAS  
COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 10 day of August, 19 93, at 2:30 o'clock P. M. and duly recorded on 16 day of August, 19 93, in the Oil and Gas Lease Record of said County, in Vol. 219 Page 173-176.

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

*Evelyn M. Henry*  
Evelyn M. Henry

By \_\_\_\_\_ Deputy

County Clerk, Burleson County, Texas

VOL 219 PAGE 175

EXHIBIT "A"  
COOKS POINT UNIT NO. 8  
(ALVIN DRGAC)

<u>Tract No.</u>	<u>Tract Name and Description</u>	<u>Surface Acres In Unit</u>
1	Delbert Lightsey et ux  Oil, Gas and Mineral Lease dated February 18, 1976 from Delbert Lightsey, et ux, as lessors, to Zack B. Brittain, Jr., as lessee, recorded in Volume 15, Page 866 and covering 171.21 acres, more or less, out of the Abner Kuykendall Survey, A-34, Burleson County, Texas. (Exxon Lease No. 332469-001)	95.28
2	Alvin Drgac  Oil, Gas and Mineral Lease dated March 2, 1976 from Alvin Drgac, as lessors, to Zack B. Brittain, Jr., as lessee, recorded in Volume 15, Page 875 and covering 25.74 acres, more or less, out of the Abner Kuykendall Survey, A-34, Burleson County, Texas. (Exxon Lease No. 332472-001)	25.74
3	Sue Steck Bloodworth  Oil, Gas and Mineral Lease dated March 8, 1976 from Sue Steck Bloodworth, as lessors, to Zack B. Brittain, Jr., as lessee, recorded in Volume 15, Page 950 and covering 64.78 acres, more or less, out of the Abner Kuykendall Survey, A-34, Burleson County, Texas. (Exxon Lease No. 332631-001)	20.65
4	Douglas Drgac  Oil, Gas and Mineral Lease dated March 6, 1976 from Douglas Drgac, as lessors, to Zack B. Brittain, Jr., as lessee, recorded in Volume 15, Page 944 and covering 42.91 acres, more or less, out of the Abner Kuykendall Survey, A-34, Burleson County, Texas. (Exxon Lease No. 332629-001)	14.27
INSOFAR AND ONLY INSOFAR AS SAID LEASE COVERS:		
The sufficient quantity of land out of the south westerly portion of the called 42.91 acre tract cut off by a straight line running northwesterly from the northwest line of Cooks Point Unit No. 4, and being a sufficient distance northeast of the southwest line of the said 42.91 acre tract to the PLACE OF BEGINNING which when taken together with the quantity of land in Tracts 1, 2, 3 and 5, hereinabove described, will comprise exactly 160 acres. Tract 4 is estimated to contain 14.27 acres.		
5	State of Texas Lease #MF-95173  Oil, Gas and Mineral Lease dated January 19, 1993, from The General Land Office, State of Texas, as Lessor, to Exxon Corporation, Lessee, recorded in Volume 210, Pages 725, and covering 5.38 acres of land, more or less, out of the Abner Kuykendall Survey, A-34, Burleson County, Texas. (Exxon Lease No. 1007301-001)	4.06
		=====
		160.00

All recording references are in the Oil and Gas Lease Records of Burleson County, Texas. Each Lease covers additional land not included in the unit.

This document is in lieu of that certain document recorded in Volume 214, Page 677 of the above Records.

FILED FOR RECORD at... 2:30 o'clock ... P. .... M.
AUG 10 1993 EVELYN M. HENRY COUNTY CLERK, BURLESON CO., TEX.

3895

FILED FOR RECORD  
 at 2:30 o'clock P.M.  
 AUG 10 1993  
 EVELYN M. HENRY  
 COUNTY CLERK, BURLESON CO., TEX.  
 BY *Gale Rhodes* Deputy

**CREW LAND RESEARCH**

OIL AND GAS LEASING • TITLE • CURATIVE

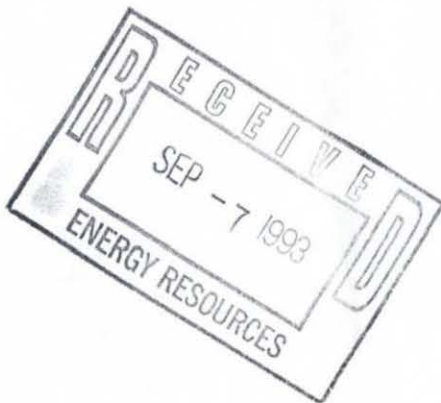
*RETURN TO:*

JACK W. WOMACK

2640 FOUNTAINVIEW, SUITE 227  
HOUSTON, TEXAS 77057

OFFICE: (713) 784-5263  
HOME: (713) 789-5070  
FAX: (713) 784-1711

*\$11.00 pd*



File No. MF-95173

~~Amended Supplemental Unit~~  
~~Designation~~ cooks point unit #8

Date Filed: 9/14/93

Jerry E. Patterson, Commissioner

By \_\_\_\_\_

(15)  
Amended  
Supplemental Unit Designation  
Cooks Point Unit #8  
M-95173

9-14-93

