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US OIL & GAS INC

UNIT #2231 - 17.86 AC.

~~2546~~ - 17.86 UNIT ACRES

↖ (INACTIVE)

HIGHWAY RIGHT-OF- WAY M95201 paid-up

COUNTY (CODE) : BRAZOS (21)
SURVEY : WILLIAMS MATHIS ABST. 37
BLOCK : _____
TOWNSHIP : _____
SECTION : _____
PART : STATE HIGHWAY 21
ACRES : 17.86
DEPTH LIMITS : _____
BASE FILE (S) : 56-03170-0
CONTROL NO. (S) : _____

LESSEE : G.S.I. OIL AND GAS, INC.
DATE : JUNE 1 1993
PRIMARY TERM : 3 YR.
BONUS : \$100.00
ROYALTY : 1/5
RENTALS : paid-up

Pass To:

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

1. R.O.W. Lease 6-1-93
 2. Memo 1-8-93
 3. Letter (2) 6-10-93
 4. Appl / Internal —
 5. Letter 12-14-92
 6. Plat —
 7. Deed —
 8. Bnd Drft 4-16-84
 9. Title Opinion (2) 7-30-84
 10. Partial Assign —
 11. Lease (3) 6-12-83
 12. Plat \ Unit (CARRABBA BROTHERS) (DESIGNATION)
 13. Division Order 4-25-97
- See Letter Dated 10/2/97 in M 94873
- See Letter Dated 10/29/97 in M 94873
- See Assignment Dated 10/5/97 in M 94873

14. UNIT DESIGNATION 4/25/97

Scanned lw 3-3-2016

(See MF094873 #21, Assign #9751)

From Apache To Marlin

scanned PJ 9-19-16

The State of Texas



Austin, Texas

PAID-UP

OIL AND GAS LEASE NO. M-95201
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 GSI Oil & Gas, Inc., whose address is 4104 Highway 21 East, P.O. Box 663, Bryan, Texas 77806, hereinafter called "Lessee". 41001118888

1. Lessor, in consideration of One Thousand Seven Hundred Eighty Six and 00/100 Dollars (\$1,786.00), 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 Brazos, State of Texas, and is described as follows:

17.86 acres of land, more or less, situated in said Brazos 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 17.86 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 three (3) years from June 1, 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 fifth (1\5) 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 fifth (1\5) 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 fifth (1\5) 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 fifth (1\5) 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 \$17.86. 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 \$35.72, 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

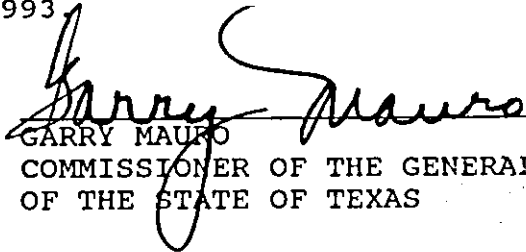
production; and

(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 June 1, 1993.


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

Approved:
Energy: RH
Legal (Form): AM
Executive:

Brazos County
CSJ 116-4-2, 4 and 5
CSJ 116-5
S.H. 21
No. 382

Exhibit "A"

Being 17.86 acres of land, more or less, situated in the William Mathis Survey, Abstract Number 37, of Brazos County, Texas. Said 17.86 acres being all of and the same land conveyed to the State of Texas by A. H. Moseley in a deed recorded in Volume 80, Page 349, which is more particular described as follows, to wit;

Beginning at a point on the southwest line of the Moseley property. Said point being 880.00 feet from the southwest corner of the said Moseley property and is also 155.00 feet right of and at right angles to the centerline of S.H. 21;

Thence in a northwesterly direction, along the said south line of the Moseley property, a distance of 162.50 feet crossing the centerline of said S.H. 21 at Engineer's Centerline Station Number 121+15.00 and continuing on for a total distance of 325.00 feet to a point on the north right of way line of S.H. 21. Said point also being on a $03^{\circ} 00' 00''$ curve to the right;

Thence in a northeasterly direction, around said curve, a distance of 16.20 feet to a point, being the P.T. of said curve, 155.00 feet left of and at right angles to Engineer's Centerline Station Number 120+87.20;

Thence N $62^{\circ} 46' 00''$ E, along the said north right of way line of S.H. 2, a distance of 1,390.10 feet to a point 155.0 feet left of and at right angles to Engineer's Centerline Station Number 134+77.30. Said point being the P. C. of a $02^{\circ} 00' 00''$ curve to the right;

Thence around said curve, along the north right of way line in a northeasterly direction, a distance of 885.00 feet to the P. T. of said curve being 155.00 feet left of and at right angles to Engineer's Centerline Station Number 143+29.00;

Thence N $79^{\circ} 48' 00''$ E, along the said north right of way line of S.H. 21, a distance of 220.00 feet a point on the south line of a county Road;

Thence in a southeasterly direction along said south line of said County Road, a distance of 162.50 feet crossing the centerline of S.H. 21 at Engineer's Centerline Station Number 146+24.00 and continuing on for a total distance of 312.50 feet to a point;

Thence southwesterly direction, a distance of 15.00 feet to a point on the south right of way line of S.H. 21. Said point being 155.00 feet right of and at right angles to Engineer's Centerline Station Number 146+79.00;

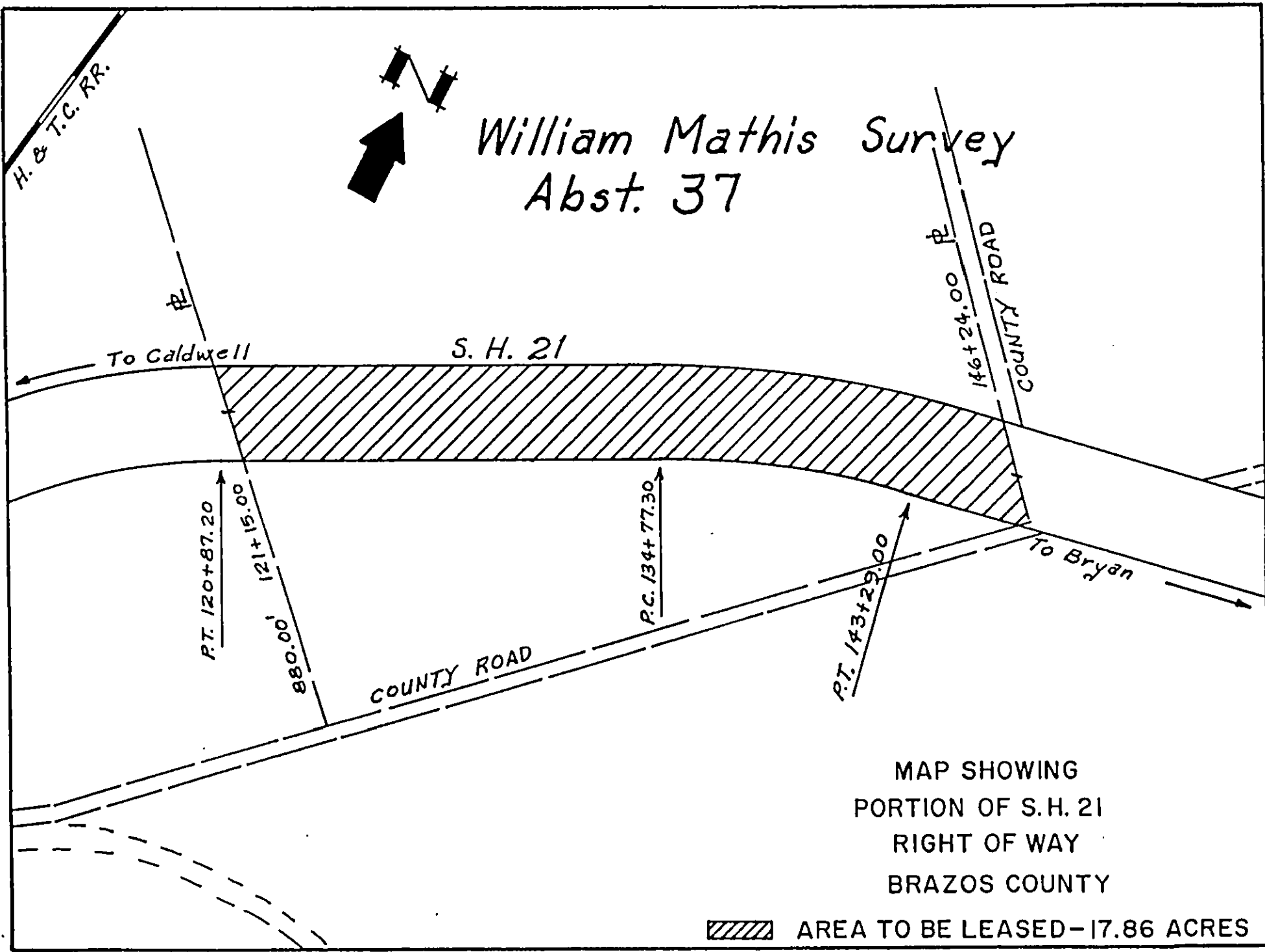
Brazos County
CSJ 116-4-2, 4 and 5
CSJ 116-5
S.H. 21
No. 382

Thence S 79° 48' 00" W, along the said south right of way line of S.H. 21, a distance of 350.00 feet to the P. T. of a 02° 00' 00" curve to the left, being 155.00 feet right of and right angles to Engineer's Centerline Station Number 143+29.00;

Thence around said curve, in a southwesterly direction, a distance of 800.00 feet to the P.C. of said curve being 155.00 feet left of and at right angles to Engineer's Centerline Station Number 134+77.30;

Thence S 62° 46' 00: W, along the said south right of way line of S.H. 21, a distance of 1,320.00 feet to a point on the southwest line of the Moseley property being the point of beginning of the tract herein described.

The above described tract contains 17.86 acres of land, more or less, and 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 Numbers 116-4-2, 4 and 5 and 116-5.



MF M-95201
Item Lease
To _____
From _____
Date 6.1.93

GENERAL LAND OFFICE

GARRY MAURO
COMMISSIONER

MEMORANDUM

M. 95201

1.15.93

DATE: January 8, 1993

TO: School Land Board

FROM: Robert Hatter / Lease Administration

SUBJECT: Application To Lease Right-of-Way

APPLICANT: G. S. I. Oil & Gas, Inc.

REFERENCE: Being 17.86 acres, more or less, of State Highway 21, situated in the William Mathis Svy., A-37, in Brazos County, Texas

The following terms were provide for in the adjacent leases:

	<u>High</u>	<u>Low</u>
Bonus/Acre:	\$100.00	\$50.00
Royalty:	1/5	1/8
Delay Rental:	None	None
Primary Term:	3 year	3 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:	\$100.00 per acre
Royalty:	1/5 royalty
Delay Rental:	None
Primary Term:	3 year

G. S. I. Oil & Gas, Inc. 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 17.86 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

Brazos County
CSJ 116-4-2, 4 and 5
CSJ 116-5
S.H. 21
No. 382

Exhibit "A"

Being 17.86 acres of land, more or less, situated in the William Mathis Survey, Abstract Number 37, of Brazos County, Texas. Said 17.86 acres being all of and the same land conveyed to the State of Texas by A. H. Moseley in a deed recorded in Volume 80, Page 349, which is more particular described as follows, to wit;

Beginning at a point on the southwest line of the Moseley property. Said point being 880.00 feet from the southwest corner of the said Moseley property and is also 155.00 feet right of and at right angles to the centerline of S.H. 21;

Thence in a northwesterly direction, along the said south line of the Moseley property, a distance of 162.50 feet crossing the centerline of said S.H. 21 at Engineer's Centerline Station Number 121+15.00 and continuing on for a total distance of 325.00 feet to a point on the north right of way line of S.H. 21. Said point also being on a 03° 00' 00" curve to the right;

Thence in a northeasterly direction, around said curve, a distance of 16.20 feet to a point, being the P.T. of said curve, 155.00 feet left of and at right angles to Engineer's Centerline Station Number 120+87.20;

Thence N 62° 46' 00" E, along the said north right of way line of S.H. 2, a distance of 1,390.10 feet to a point 155.0 feet left of and at right angles to Engineer's Centerline Station Number 134+77.30. Said point being the P. C. of a 02° 00' 00" curve to the right;

Thence around said curve, along the north right of way line in a northeasterly direction, a distance of 885.00 feet to the P. T. of said curve being 155.00 feet left of and at right angles to Engineer's Centerline Station Number 143+29.00;

Thence N 79° 48' 00" E, along the said north right of way line of S.H. 21, a distance of 220.00 feet a point on the south line of a county Road;

Thence in a southeasterly direction along said south line of said County Road, a distance of 162.50 feet crossing the centerline of S.H. 21 at Engineer's Centerline Station Number 146+24.00 and continuing on for a total distance of 312.50 feet to a point;

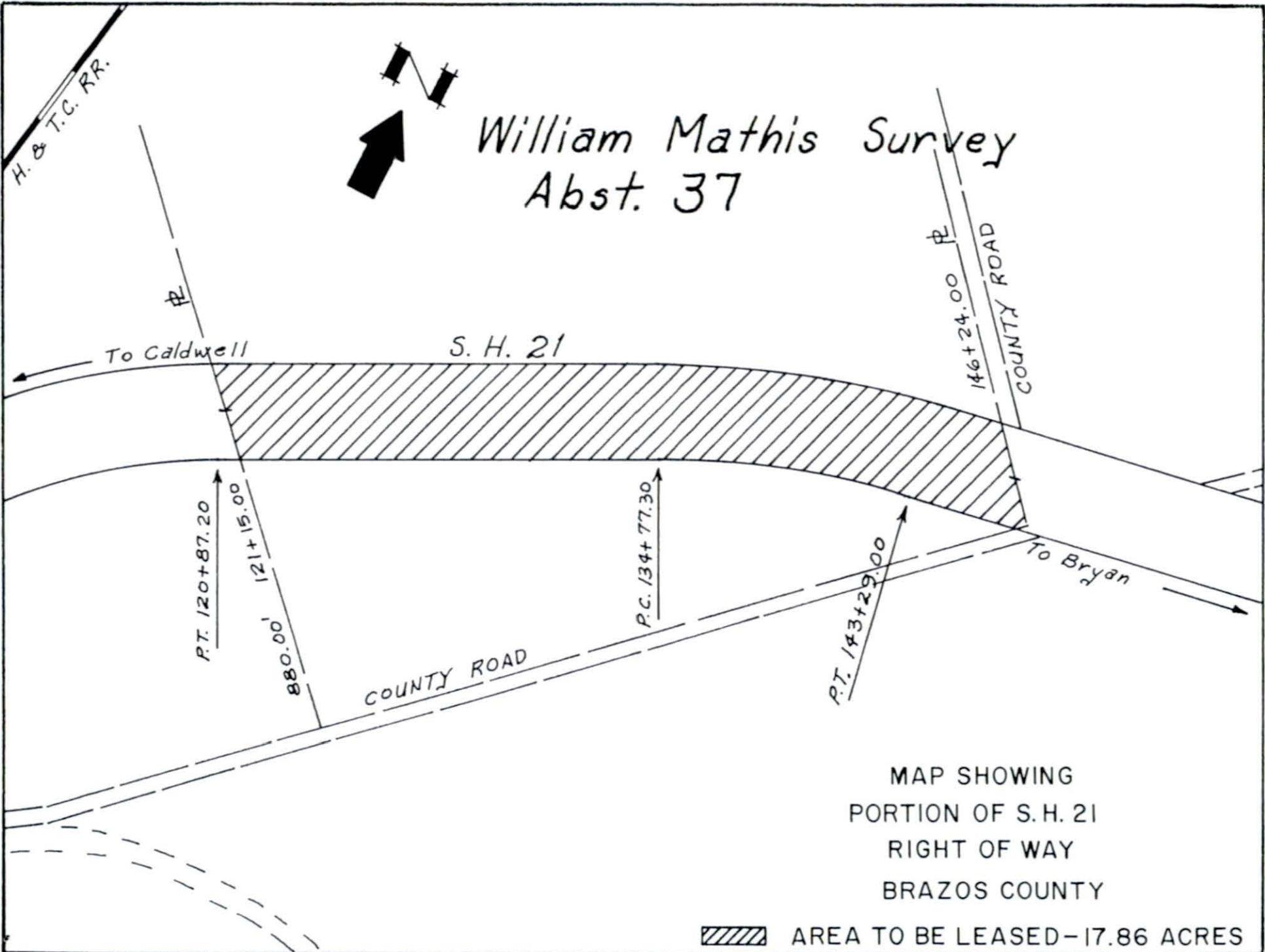
Thence southwesterly direction, a distance of 15.00 feet to a point on the south right of way line of S.H. 21. Said point being 155.00 feet right of and at right angles to Engineer's Centerline Station Number 146+79.00;

Thence S 79° 48' 00" W, along the said south right of way line of S.H. 21, a distance of 350.00 feet to the P. T. of a 02° 00' 00" curve to the left, being 155.00 feet right of and right angles to Engineer's Centerline Station Number 143+29.00;

Thence around said curve, in a southwesterly direction, a distance of 800.00 feet to the P.C. of said curve being 155.00 feet left of and at right angles to Engineer's Centerline Station Number 134+77.30;

Thence S 62° 46' 00: W, along the said south right of way line of S.H. 21, a distance of 1,320.00 feet to a point on the southwest line of the Moseley property being the point of beginning of the tract herein described.

The above described tract contains 17.86 acres of land, more or less, and 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 Numbers 116-4-2, 4 and 5 and 116-5.



MF M-95201
Item Memo
To _____
From _____
Date 1-8-93



GSI OIL & GAS, INC.

4104 Highway 21 East, Box 663, Bryan, TX 77806 • (409) 778-8850 • Fax: (409) 778-8802

June 10, 1993

Mr. Drew Reid
Landman
State Of Texas
Energy Resources
1700 North Congress Ave., Rm 640
Austin, TX 78701-1495

Dear Mr. Reid:

X 1812.⁷⁹

93061093

I have enclosed our check #5974, dated June 8, 1993 in the amount of \$1,812.79 representing the bonus (including the 1.5% fee) amount to be paid for the Oil & Gas lease dated June 1, 1993, covering 17.86 acres, more or less, out of the William Mathis Survey, A-37, Brazos County, Texas.

Thank you for your attention and patience with the processing of this lease.

Very truly yours,

James D. Lampley, Jr.
Operations Manager

JDL/cw

Enclosure

170

•••
•••
•••
•••
•••
•••

R E C E I V E **D**
JUN 1 1993
ENERGY RESOURCES



GSI OIL & GAS, INC.

4104 Highway 21 East, Box 663, Bryan, TX 77806 • (409) 778-8850 • Fax: (409) 778-8802

June 10, 1993

Mr. Drew Reid
Landman
State Of Texas
Energy Resources
1700 North Congress Ave., Rm 640
Austin, TX 78701-1495

Dear Mr. Reid:

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Thank you for your attention and patience with the processing of this lease.

Very truly yours,

James D. Lampley, Jr.
Operations Manager

JDL/cw

Enclosure

GSI OIL & GAS, INC.
 P.O. BOX 663 - 4104 EAST HWY. 21
 BRYAN, TEXAS 77806

DATE	INVOICE	AMOUNT

5974

THE SUM I 812 DOLS 79 CTS

PAY

DOLLARS

Time Wkd.	DATE	TO THE ORDER OF	GROSS AMOUNT	F.I.C.A.	WH TAX							NET AMOUNT
	6-8-93	State of Texas General Land Office										1812 79

David Canella

Auth. Sig

FIRST NATIONAL BANK OF BRYAN
 BRYAN, TEXAS

⑈005974⑈



REF M-95201
Item Ltr (2)
To _____
From James Sampson
date 6-10-93

Highway Lease Applicant

Name of Lease Applicant: GSI oil + Gas Inc.

County & Tract Description:

Brazos Co. \ 17.86 ac. \ St. Hwy 21 \ William Mathis Sec 4-37

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 ✓

Remarks:

Date Appeared Before SLB:

\$ 1,786.00 →
26.79 1/2 fee

Bonus \$100.00 5000

Approved:

Disapproved:

Problems:

Canceled 1-19 Money coming

\$ 1,812.79 total

Royalty - 1/5 1/8

Team - 3yr Road-off

Road - 1000

Shut-in - 1.00

Date Lease Issued:

~~Revised~~
~~copy~~ - left message 12/16
~~copy~~
~~copy~~
~~copy~~

M-95-201
work sheet

(4)

2





GSI OIL & GAS, INC.

4104 Highway 21 East, Box 663, Bryan, TX 77806 • (409) 778-8850 • Fax: (409) 778-8802

December 14, 1992

Mr. Drew Reid
Landman
Texas General Land Office
Energy Resources
Stephen F. Austin Building
1700 North Congress Ave., Room 640
Austin, TX 78701-1495

RE: Request for Oil & Gas Lease
State of Texas Highway Property
Brazos County, Texas

Dear Mr. Reid:

X 100.00 ✓ 93021204

GSI Oil & Gas, Inc. respectfully requests an oil and gas Lease covering the rights to explore for and produce oil and/or gas from the property described in a deed dated June 13, 1931 from Addie H. Moseley, a feme sole to the State of Texas, acting through the State Highway Commission, as recorded in Volume 80, Page 349 of the Deed Records of Brazos County, Texas and being approximately 17.86 acres, more or less, out of the William Mathis Survey, A-37, Brazos County, Texas.

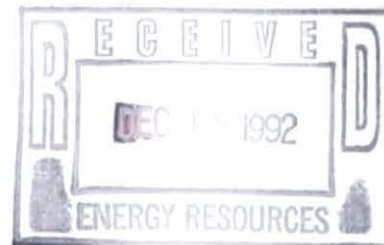
The 17.86 acres, more or less, described in the deed, known as State Highway 21 and intersects the GSI Oil & Gas, Inc.- Carrabba Brothers No. 1 Unit through the center of the unit. As part owners and operator of the oil and gas leases adjacent to this strip of land on both sides, which comprises the Carrabba Brothers Unit, it is our understanding that we should have the right to lease the tract.

170
8

I have enclosed copies of certified copies of the oil, gas and mineral leases covering the tracts of land adjoining the State Highway tract and a copy of the Partial Assignment of Oil, Gas, and Mineral Leases transferring two of the leases into our predecessor company GSI, Inc. I have also enclosed copies of the pertinent pages out of the Title Opinions regarding the 17.86 acre tract owned by the State of Texas. Additionally enclosed are survey plats obtained from the Highway Department District Office located in Bryan showing the location of State Highway 21.

✓ Please note (by enclosed copies of the drafts) one-half of the mineral interest for the Carrabba 67.3950 acre tract, more or less, was acquired at a bonus rate of one hundred and no/100 dollars (\$100.00) per net mineral acre. All other leases acquired were purchased at less than one hundred and no/100 dollars (\$100.00) per net mineral acre.

GSI Oil & Gas, Inc. proposes to utilize this tract within a horizontal drilling unit.



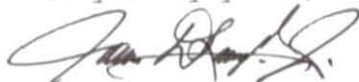
✓ By this letter GSI Oil & Gas, Inc. does hereby waive the statutory right to notice as provided for in the statutes of the State of Texas.

It is our desire to Lease the State of Texas Highway tract described herein and I hope that we have provided all of the information and documentation you may need to process this request. A check in the amount of \$100.00 has been enclosed for the processing fee.

Please call me if you will need any additional information. I would also greatly appreciate your opinion as to the potential we have to acquire this lease by phone or letter as soon as you feel comfortable making such an opinion.

Thank you for your consideration of our request.

Very truly yours,



James D. Lampley, Jr.
Operations Manager

JDL/cw

Enclosures

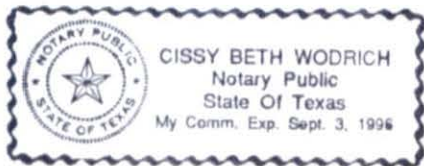
The above information is true and correct to the best of my knowledge.



James D. Lampley, Jr.
Operations Manager

STATE OF TEXAS
COUNTY OF BRAZOS

This instrument was acknowledged before me on this 14th day of December, 1992 by James D. Lampley, Jr.



Cissy Beth Wodrich
Notary Public

MF M-95201
Item Lot
To _____
From _____
Date 12-14-92

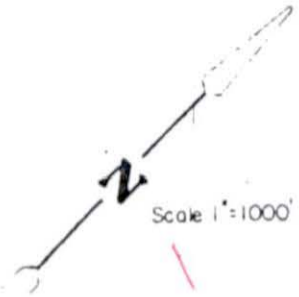
15.12.05

BRAZOS COUNTY, TEXAS

GSI, INC.

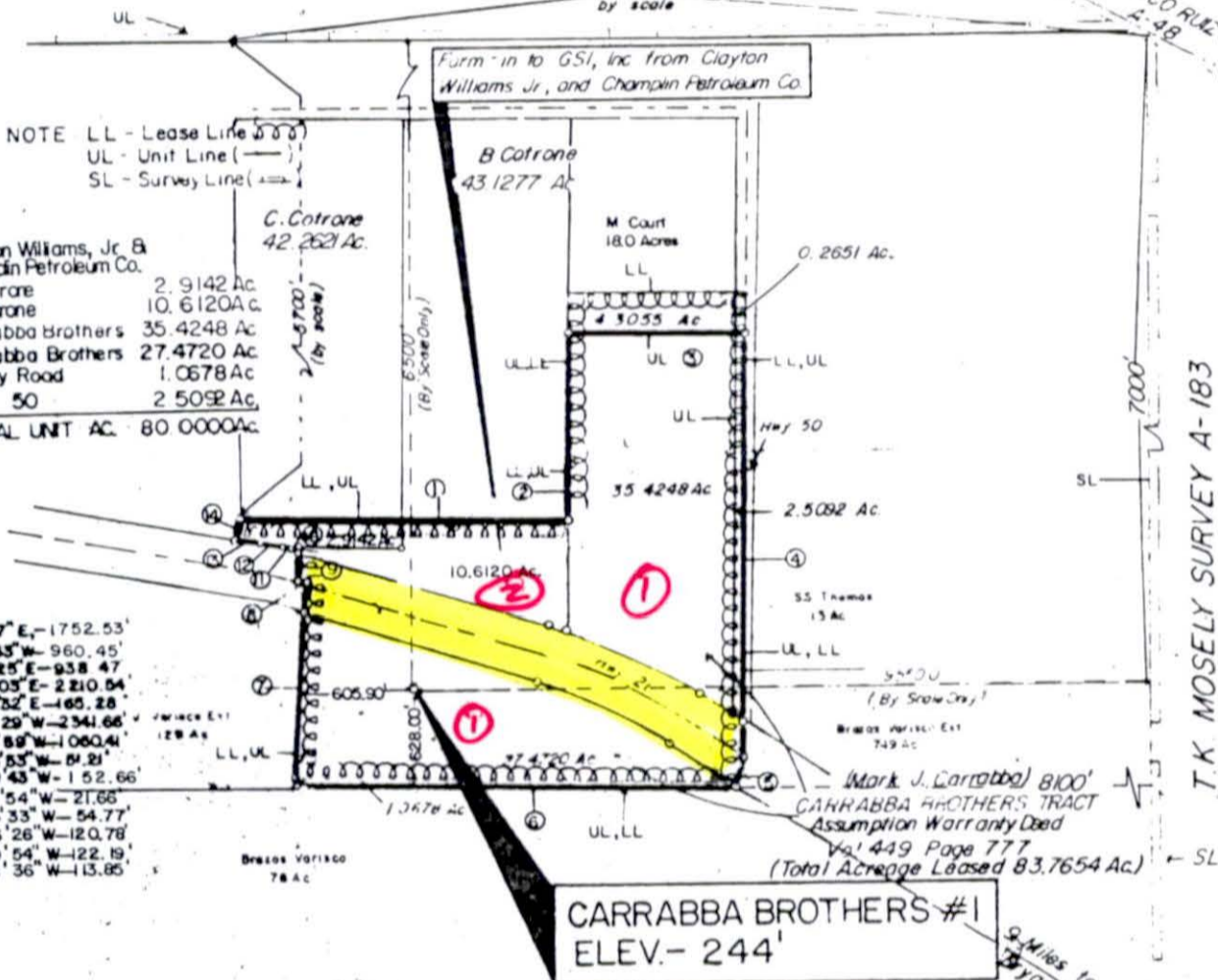
WELL LOCATION

CARRABBA BROTHERS #1



ALEX DE LAGARZA SURVEY A-18

FRANCISCO RUEZ SURVEY A-48



NOTE LL - Lease Line
UL - Unit Line
SL - Survey Line

Clayton Williams, Jr. & Champion Petroleum Co.	
C. Cotrone	2.9142 Ac.
B. Cotrone	10.6120 Ac.
Carrabba Brothers	35.4248 Ac.
Carrabba Brothers	27.4720 Ac.
County Road	1.0678 Ac.
Hwy. 50	2.5092 Ac.
TOTAL UNIT AC.	80.0000 Ac.

- 1-N 46°09'17" E-1752.53'
- 2-N 44°50'43" W-960.45'
- 3-N 45°00'25" E-938.47'
- 4-S 45°01'03" E-2210.54'
- 5-S 32°35'32" E-165.28'
- 6-S 45°13'29" W-2341.66'
- 7-N 42°34'59" W-1060.41'
- 8-S 61°08'53" W-84.21'
- 9-N 44°50'43" W-152.66'
- 10-S 60°09'54" W-21.66'
- 11-S 58°43'33" W-54.77'
- 12-S 55°36'26" W-120.78'
- 13-S 55°09'54" W-122.19'
- 14-N 44°58'36" W-113.85'

CARRABBA BROTHERS #1
ELEV.- 244'

W MATHIS SURVEY A-37

THE STATE OF TEXAS
COUNTY OF BRAZOS

I, DANTE CARLOMAGNO, a Registered Public Surveyor, do hereby certify the above and foregoing plat, showing the location of the Carrabba Brothers No. 1 Unit, on a 80.0000, out of a 175.7654 Acres of land in the W. Mathis Survey, A-37, in Brazos County, Texas, to be true and correct as staked by me and under my direct and personal supervision.

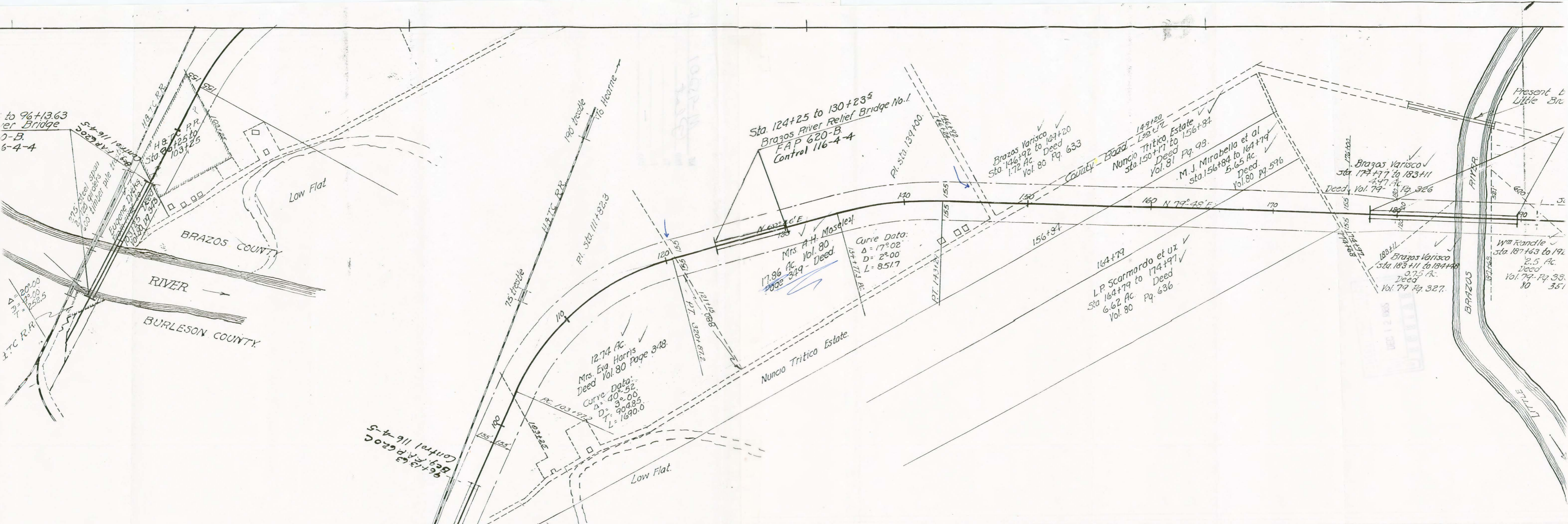
June 26, 1984

DANTE CARLOMAGNO
Registered Public Surveyor,



CARLOMAGNO Surveying, Inc.

SOMERVILLE 12-23-83 TEXAS 77879
JR Revised 12-30-83 LS
Revised 7-18-84 TLM



to 96+13.63
er Bridge
0-B.
6-4-4

H&TC R.R.
to 20+00
to 17+00
to 22+25

96+13.63
Brazos River
Control 116-4-5

BRAZOS COUNTY

RIVER

BURLESON COUNTY

Low Flat

75' trestle

H&TC R.R.
Pl. Sta. 111+82.3

190' trestle
To Hearne

12.74 Ac.
Mrs. Eva Harris
Deed Vol. 80 Page 348
Curve Data:
Δ = 40° 52'
D = 3° 00'
T = 904.85
L = 1690.0

Low Flat

Sta. 124+25 to 130+23.5
Brazos River Relief Bridge No. 1
FAP 620-B
Control 116-4-4

N 60° 26' E
17.86 Ac.
Mrs. A.H. Moseley
Vol. 80
Deed Page 349

Curve Data:
Δ = 17° 02'
D = 2° 00'
L = 851.7

Nuncio Tritico Estate

Pl. Sta. 139+00

Brazos Varisco
Sta. 146+92 to 149+20
1.72 Ac.
Vol. 80 Pg. 633

164+79
L.P. Scarmardo et ux
Sta. 164+79 to 174+97
6.62 Ac.
Vol. 80 Pg. 636

Nuncio Tritico Estate
Sta. 150+17 to 156+84
Deed Vol. 81 Pg. 98

M.J. Mirabella et al
Sta. 156+84 to 164+79
5.65 Ac.
Deed Vol. 80 Pg. 596

Brazos Varisco
Sta. 177+77 to 183+11
4.47 Ac.
Deed Vol. 79 Pg. 326

183+11
Brazos Varisco
Sta. 183+11 to 184+48
3.75 Ac.
Deed Vol. 79 Pg. 327

Wm Randle
Sta. 187+63 to 191+
2.5 Ac.
Deed Vol. 79 Pg. 338
80 351

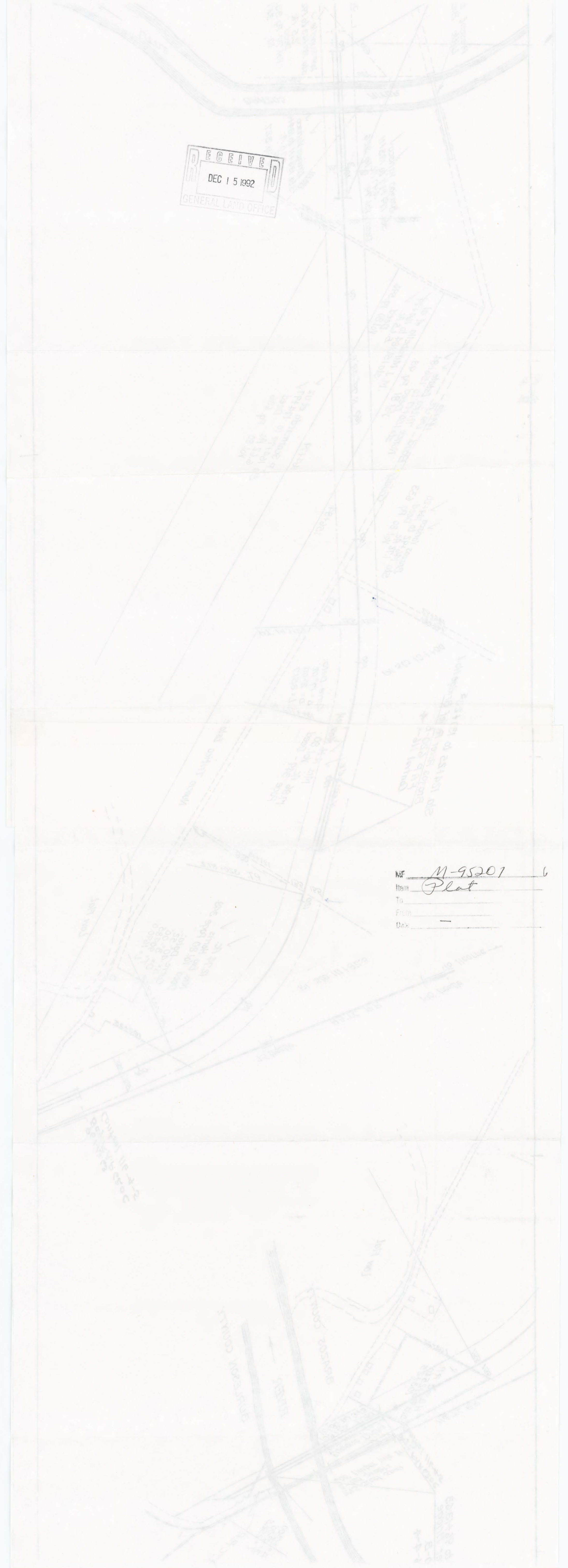
BRAZOS RIVER

LITTLE RIVER

Present Little Br

RECEIVED
DEC 15 1992
GENERAL LAND OFFICE

NF M-95201 6
Item Plat
To _____
From _____
Date _____



she the said Mrs. Eva Moseley Harris 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 13th day of June, A.D. 1931.

W. C. Minkert, Notary Public Brazos County,
Texas.

(SEAL)

The foregoing is a true copy of the original instrument which was filed for record on the 17th day of Sept A.D. 1931 at 4 o'clock p.m. and duly recorded on the 18th day of Sept. A.D. 1931 at 11 o'clock a.m. to which I certify

Jess B. McGee, C. C. P. I. C.

Wm L Newton Deputy

THE STATE OF TEXAS]

COUNTY OF BRAZOS] KNOW ALL MEN BY THESE PRESENTS: That I, ^{20/307 Km} Addie H. Moseley a Female Sole, of the County of Brazos State of Texas, for and in consideration of the sum of (\$10.00) and other valuable considerations, 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 Brazos State of Texas, being more particularly described as follows:

A tract of land out of the Wm. Matthis Survey to be used for right of way purposes and described as follows: Beginning at a point on the Southwest line of the Moseley tract said point being on a fence line between the Moseley and Harris Tracts and 880 feet from the Southwest corner of the Moseley tract and 155 feet from the center of the proposed highway;

Thence Northwest along said fence line a distance of 310 feet to a point which is 155 feet from the center of the proposed highway; Thence N. 62- 46 W. a distance of 1362 feet;

Thence following a 2 degree curve to the right a distance of 852 feet;

Thence N 79 - 48 E. along a line parallel to and 155 feet from the center of the proposed highway a distance of 220 feet to a fence line on a public road;

Thence South along said fence line a distance of 310 feet to a corner;

Thence West along a fence a distance of 15 feet to a point which is 155 feet from the center of the proposed highway; Thence S. 62 - 46 W. along a line parallel to and 155 feet from the center of the proposed highway a distance of 350 feet;

Thence following a 2 degree curve to the left a distance of 852 feet

Thence S. 62 - 46 W. along a line parallel to and 155 feet from the center of the proposed highway a distance of 1362 feet to the place of beginning.

Containing 17.86 acres.

And it is further agreed that the said Brazos County will Build fences and 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 promises, 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, 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.

80/349

Witness my hand this the 13 day of June A.D. 1931.

her
Addie X Moseley
mark

Witnesses to signature:

W. C. Davis

J. G. Minkert

THE STATE OF TEXAS]

COUNTY OF BRAZOS] BEFORE ME, J. G. Minkert a Notary Public in and for said county and State on this day personally appeared Miss Addie H. Moseley a feme sole, 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 12th day of June, A.D. 1931.

J. G. Minkert, Notary Public, Brazos
County, Texas

(SEAL)

The foregoing is a true copy of the original instrument which was filed for record on the 17th day of Sept. A.D. 1931 at 4 o'clock p.m. and duly recorded on the 18th day of Sept. A.D. 1931 at 11:20 o'clock a.m. to which I certify

Jess B. McGee, C. C. C. B. C.
Jess B. McGee Deputy

THE STATE OF TEXAS]

COUNTY OF BRAZOS] KNOW ALL MEN BY THESE PRESENTS: That Lillie Smith, joined herein by my husband, Jim Smith of the County of _____ State of Oklahoma for and in consideration of the sum of \$16.76 to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby 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 Brazos State of Texas, being more particularly described as follows:

BEGINNING at a point on the West fence line of the Bradley tract said point being 25 feet from the extreme West corner of the Sam Bradley tract and 50 feet from the center of the proposed highway:

Thence N. 79 - 48 E. along a line parallel to and 50 feet from the center of the proposed highway a distance of 2191 feet to a fence line; Thence approximately S. 45 degrees N. along said fence a distance of 160 feet; to a point which is 50 feet from the center of the proposed highway: Thence S. 79 - 48 W. along a line parallel to and 50 feet from the center of the proposed highway a distance of 2191 feet to a fence line marking the southwest boundary of the Sam Bradley tract; Thence N. 45 degrees W. along said fence a distance of 160 feet to the place of beginning containing 5.03 acres.

And it is further agreed that the said Brazos County will build fences 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 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 ___ day of March A.D. 1931.

Lillie Smith
Jim Smith

7

Ref M-95201
To Deed
From _____
Date —

75-72-35

On approval of lease or mineral deed described hereon, and on approval of title to same by drawee not later than 15 days after arrival of this draft at collecting bank.

No. 4589

April 16

19 84

PAY TO THE ORDER OF Mark J. Carrabba

\$ 1,684.87

One Thousand Six Hundred Eighty Four and 87/100 DOLLARS


This draft is drawn to pay for Oil and Gas Lease, Mineral Deed dated December 1, 1983 and covering 67.3950 acres, William Mathis League, A-37, Brazos County, Texas

The drawer, payee and endorsers hereof, and the grantors of the lease or mineral deed described hereon, do hereby constitute and appoint the collecting bank escrow agent to hold this draft for the time above specified subject alone to acceptance of payment hereof by the drawee, within said time, and without any right of the drawer, payee or endorsers hereof, or said grantors, to recall or demand return of this draft prior to the expiration of the above specified time, and there shall be no liability whatsoever on the collecting bank for refusal to return the same prior to such expiration.

In the event this draft is not paid within said time, the collecting bank shall return the same to forwarding bank and no liability for payment or otherwise shall be attached to any of the parties hereto.

TO G S I, Inc. DRAWEE

AT: Republic Bank A & M - ATTN: Mike Patranella
College Station, Texas 77840
Collecting Bank

Copy to Ramee 5-14-84

Brian M. Sirgo
Drawer

Form No. 525 Pound Printing & Stationery Co.,
2325 Fannie Street • Houston, Texas 77002 (713) 659-3159

Standard Form

On approval of lease or mineral deed described hereon, and on approval of title to same by drawee not later than 15 days after arrival of this draft at collecting bank.

No. 4622

April 16,

1984

PAY TO THE ORDER OF David S. Carrabba

\$ 1,684.88

One Thousand Six Hundred Eighty Four and 88/100 DOLLARS

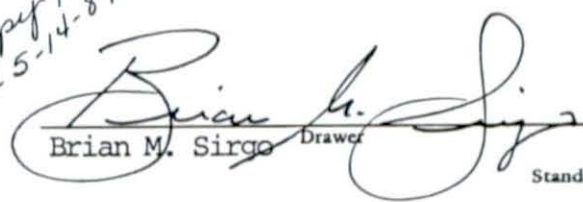
This draft is drawn to pay for Oil and Gas Lease, Mineral Deed dated December 1, 1983 and covering 67.3950 acres, William Mathis League, A-37, Brazos County, Texas

The drawer, payee and endorsers hereof, and the grantors of the lease or mineral deed described hereon, do hereby constitute and appoint the collecting bank escrow agent to hold this draft for the time above specified subject alone to acceptance of payment hereof by the drawee, within said time, and without any right of the drawer, payee or endorsers hereof, or said grantors, to recall or demand return of this draft prior to the expiration of the above specified time, and there shall be no liability whatsoever on the collecting bank for refusal to return the same prior to such expiration.

In the event this draft is not paid within said time, the collecting bank shall return the same to forwarding bank and no liability for payment or otherwise shall be attached to any of the parties hereto.

TO G S I, Inc. DRAWEE

AT: Republic Bank A & M - ATTN: Mike Patranella
College Station, Texas 77840
Collecting Bank

Copy to Ramee 5-14-84

Brian M. Sirgo
Drawer

Form No. 525 Pound Printing & Stationery Co.,
2325 Fannie Street • Houston, Texas 77002 (713) 659-3159

Standard Form

$\frac{1}{2}$ mineral interest

$$= \$ 3,369 \frac{74}{100} / (\frac{1}{2}) 67.3950 \text{ acres}$$

$$= \$ 100 \text{ net min. acre}$$

REF M-95201
Type Bank Draft
To _____
From _____
Date 4-16-84

75.72.05

STAN C. THORNE
ATTORNEY AT LAW
505 UNIVERSITY DRIVE / SUITE 501
COLLEGE STATION, TEXAS 77840
(409) 260-9889

Tract
①

POST OFFICE BOX 4843
BRYAN, TEXAS 77805

OF COUNSEL
SKIPPER LAY
AUSTIN, TEXAS

June 12, 1984

ORIGINAL AND
DRILL SITE TITLE OPINION

GSI, Inc.
4104 Highway 21 East
Post Office Box 664
Bryan, Texas 77805

(409) 779-8850

Attention: James D. Lampley, Jr.
Operations Superintendent

Re: David S. Carrabba and Mark J. Carrabba
Lease to GSI, Inc. covering 67.395
acres, more or less, within the William
Mathis League, Abstract No. 37, Brazos
County, Texas

Gentlemen:

As requested, I have examined title to the land described herein and find ownership of same as set forth below.

LAND DESCRIPTION

Two tracts totalling 67.395 acres of land, more or less, within the William Mathis League, Abstract 37, Brazos County, Texas, more particularly described as follows:

TRACT ONE, being a 27.472 acre tract of land described as "Tract One" in a Correction Deed from Peter Court and wife, Corrine Court, dated March 27, 1980, recorded in Volume 449, Page 777, Deed Records, Brazos County, Texas and

TRACT TWO, being a 39.923 acre tract of land described as "Tract Two" in a Correction Deed from Peter Court and wife, Corrine Court, dated March 27, 1980, recorded in Volume 449, Page 777, Deed Records, Brazos County, Texas

The two tracts of the land under examination are more fully described by the metes and bounds description of each tract which appears on the following page. Such page is a photocopy of the metes and bounds description which actually appeared in the abovementioned Correction Deed at Volume 449, Page 781, Deed Records, Brazos County, Texas.

The abovementioned TRACT ONE is comprised of two component tracts which, for convenience and clarity, may be hereinafter referred to as TRACT ONE-A and TRACT ONE-B.

TRACT ONE-A is 2.95 acres of land, more or less, described as "Second Tract" in a Deed from Bennie Louise Scardino and husband, Sam A. Scardino, and Louis A. Marino to John Marino, dated September 15, 1966, recorded in Volume 258, Page 71, Deed Records, Brazos County, Texas.

TRACT ONE-B is 24.522 acres of land, more or less, described in a Deed from John Marino and Louis Marino to Bennie Louise Scardino, recorded in Volume 258, Page 117, Deed Records, Brazos County, Texas.

Tract One:

GSI, Inc.
June 12, 1984

A tract of parcel of land lying and being situated in the WILLIAM MATHIS LEAGUE, Brazos County, Texas and being part of the 49.47 acre tract of land described in the deed recorded in Volume 90, Page 78 of the Deed Records of Brazos County, Texas, and being more particularly described as follows:

BEGINNING at the iron rod set at the intersection of the southwest line of the beforementioned 49.47 acre tract with the southeast right-of-way line of Texas State Highway No. 21;

THENCE along the beforementioned southeast right-of-way line of State Highway No. 21 as follows:

N 61° 05' 09" E for a distance of 1,318.58 feet to an iron rod set for the beginning of a curve to the right having a radius of 2,709.90 feet;

Along the said curve for an arc distance of 805.60 feet to an iron rod set for the end of said curve, the chord bears N 69° 36' 16" E a distance of 802.64 feet;

N 78° 07' 20" E for a distance of 363.27 feet to an iron rod set for corner in the northwest right-of-way line of a country road;

THENCE along the beforementioned northwest right-of-way line of the country road as follows:

S 45° 35' 30" W for a distance of 1,687.04 feet to an iron rod set for angle point;

S 44° 51' 48" W for a distance of 619.25 feet to an iron rod set for corner;

THENCE N 44° 39' 35" W along the beforementioned southwest line of the 49.47 acre tract for a distance of 882.10 feet to the PLACE OF BEGINNING containing 27.472 acres of land more or less.

Tract Two:

A tract or parcel of land lying and being situated in the WILLIAM MATHIS LEAGUE, Brazos County, Texas, and being part of the 48 acre tract described in Volume 33, Page 315, and Volume 40, Page 362 and part of the 49.47 acre tract described in Volume 90, Page 78 of the Deed Records of Brazos County, Texas, and being more particularly described as follows:

BEGINNING at the iron rod set at the intersection of the northwest right-of-way line of Texas State Highway No. 21 with the southwest right-of-way line of Farm to Market Road No. 50;

THENCE along the beforementioned northwest right-of-way line of Texas State Highway No. 21 as follows:

S 78° 07' 21" W for a distance of 171.22 feet to an iron rod set for the beginning of a curve to the left having a radius of 3,019.90 feet;

Along the said curve for an arc distance of 833.26 feet to an iron rod set for corner, the chord bears S 70° 12' 58" W a distance of 830.62 feet;

THENCE N 44° 48' 35" W for a distance of 1,754.06 feet to an iron rod set for corner;

THENCE N 45° 00' 00" E for a distance of 889.04 feet to an iron rod set for corner in the beforementioned southwest right-of-way line of Farm to Market Road No. 50;

THENCE S 45° 00' 00" E along the beforementioned southwest right-of-way line of Farm to Market Road No. 50 for a distance of 2,201.48 feet to the PLACE OF BEGINNING containing 35.923 acres of land, more or less.

Paragraphs 31 through 35 shall address title to the 70 acre parent tract of TRACTS ONE-A and ONE-B under examination herein.

31.

Having acquired 70 acres in her own right as stated at paragraph 12, Addie Moseley sold 17.86 acres of same to the State of Texas by Deed dated June 13, 1931, recorded in Volume 80, Page 349.

COMMENT: Such acreage was utilized in building State Highway No. 21 which now divides TRACTS ONE-A and ONE-B from TRACT TWO.

32.

Addie H. Moseley died on April 18, 1935 leaving a Will dated July 15, 1909, recorded in Volume V, Page 533, Probate Minutes, which was admitted to probate by an Order dated May 6, 1935, recorded in Volume V, Page 535, Probate Minutes.

33.

Under the terms of the Will of Addie H. Moseley, her entire estate was left to her sister, Carrie Moseley, for life with the remainder to pass to the other sisters or their respective heirs or assigns, share and share alike, upon the death of Carrie Moseley.

34.

Carrie C. Moseley died one week after her sister, Addie, on April 25, 1935, leaving a Will dated July 15, 1909, recorded in Volume V, Page 548, which was admitted to probate by an Order dated May 13, 1935, recorded in Volume V, Page 550, Probate Minutes.

MATTERS NOT COVERED

58.

This opinion does not cover the question of boundaries, conflicts with adjacent surveys, nor matters of area or rights of persons in possession.

PERIOD COVERED BY EXAMINATION

59.

This opinion covers the period of time from Sovereignty of the Soil to May 25, 1984, at 5:00 P.M.

Very truly yours,



Stan C. Thorne

SCT:bms

Tract
2

LAY & THORNE
ATTORNEYS AT LAW
505 UNIVERSITY DRIVE EAST
SUITE 501
P. O. BOX ER
COLLEGE STATION, TEXAS 77841
(409) 260-9889

SKIPPER LAY
STAN C. THORNE
JEFFRY R. HILL

914 BROWN BUILDING
708 COLORADO
P. O. BOX 295
AUSTIN, TEXAS 78767-0295
(512) 474-6556

July 30, 1984

ORIGINAL TITLE OPINION

GSI, Inc.
4104 Highway 21 East
Post Office Box 664
Bryan, Texas 77806

(409) 779-8850

Attention: Mr. James D. Lampley, Jr.
Operations Manager

Re: Barney C. Cotrone and wife, Pauline T. Cotrone, Lease to William C. Haverlah covering 49.85 acres of land, more or less, out of the William Mathis League, Abstract No. 37, Brazos County, Texas

(subject to Farmout Agreement dated June 29, 1984, by and between Champlin Petroleum Company and Clayton W. Williams, Jr. as Farmers and GSI, Inc. as Farmee)

Gentlemen:

As requested, I have examined title to the land described herein and find ownership of same as set forth below.

LAND DESCRIPTION

49.85 acres of land, more or less, out of the William Mathis League, A-37, Brazos County, Texas, described in a Deed from Frank Cotrone, et al to Barney C. Cotrone and wife, Pauline T. Cotrone, dated April 18, 1967, recorded in Volume 261, Page 542, Deed Records, Brazos County, Texas



The land under examination is more particularly described by the following metes and bounds description. The description appearing below is a photocopy of the field notes which appear in the abovementioned Deed at Volume 261, Pages 542 and 543, Deed Records, Brazos County, Texas.

TRACT 1

A part of that land conveyed by Mrs. Lucy Cotrone to M. H. Gossett and recorded in Vol. 1, pg. 405 of the Deed Records of Brazos County, Texas; BEGINNING at the NE corner at the intersection of the South right-of-way line of a county road and the NE line of that tract of land, at an iron stake set for corner;

THENCE S 9 W 453 ft. to an iron stake set for corner;

THENCE N 45 1/2 W 288 ft. to an iron stake set for corner in the South right-of-way line of the above mentioned county road;

THENCE S 49 W 499 ft. along the South right-of-way line of the county road to an iron stake set for corner;

THENCE S 45 E 738 ft. to an iron stake set for corner in the West right-of-way line of the Southern Pacific Railroad;

THENCE N 8 1/2 E 1090 ft. along the West right-of-way line of the Southern Pacific Railroad to an iron stake set for corner;

THENCE N 45 W 28 ft. to the Place of Beginning and containing 6.51 acres.

TRACT 2

A part of that land conveyed by Mrs. Lucy Cotrone to M. H. Gossett and recorded in Vol. 1, pg. 405, Deed Records of Brazos County, Texas, and that land conveyed by Jack Demottier to Mrs. Lucy Cotrone and recorded in Vol. 114, pg. 406, Deed Records of Brazos County, Texas;

BEGINNING at the NE corner at the intersection of the East right-of-way line of the Southern Pacific Railroad and the NE line of this tract of land at an iron stake set for corner;

THENCE S 8 W 1093 ft. along the East right-of-way line of the Southern Pacific Railroad to an iron stake set for corner;

THENCE S 45 E 1416 ft. to an iron stake set for corner;

THENCE S 45 W 565 ft. to an iron stake set for corner;

THENCE S 45 E 49 ft. to an iron stake set for corner in the North right-of-way line of Texas State Highway 21;

THENCE N 60 3/4 E 1495 ft. along the North right-of-way line of Texas State Highway 21 to an iron stake set for corner;

THENCE N 45 W 2530 feet to the place of beginning and containing 43.34 acres of land according to survey prepared by Henry P. O'Neal, Registered Public Engineer, State of Texas, No. 12324 on April 1, 1967.

The total acreage in tracts 1 and 2 is 49.85 acres. This acreage does not include any area within public road or railroad rights-of-way.

13.

Under the terms of the partition instrument referred to in paragraph 12, Addie H. Moseley acquired in her own right a certain 70 acre tract, and Jurlean O. (Moseley) Lipscomb acquired in her own right a certain 44-1/2 acre tract.

COMMENT: The tracts thus acquired by Jurlean O. (Moseley) Lipscomb and Addie H. Moseley together comprised the parent tracts of the land under examination. Paragraphs 14 through 16 shall address title to the 70 acre tract acquired by Addie H. Moseley.

14.

Having acquired 70 acres of land as stated in paragraph 13, Addie H. Moseley died April 18, 1935, leaving a Will dated July 15, 1909, recorded in Volume V, Page 533, Probate Minutes, which was admitted to probate by an Order dated May 6, 1935, recorded in Volume V, Page 535, Probate Minutes.

15.

By Deed dated October 29, 1935, recorded in Volume 90, Page 78, W. R. Thomas, Administrator C.T.A. of the Estate of Addie H. Moseley, conveyed 49.47 acres of land out of the abovementioned 70 acre tract to Jack Demottier.

COMMENT: Such Deed conveyed the abovementioned 70 acre tract SAVE and EXCEPT that portion included in State Highway No. 21. Said Deed was executed pursuant to an Order dated October 29, 1935, recorded in Volume W, Pages 18 and 19, Probate Minutes.

MATTERS NOT COVERED

38.

This opinion does not cover the question of boundaries, conflicts with adjacent surveys, nor matters of area or rights of persons in possession.

PERIOD COVERED BY EXAMINATION

39.

This opinion covers the period of time from Sovereignty of the Soil to July 5, 1984, at 5:00 P.M.

Very truly yours,



Stan C. Thorne

SCT:bms

REF M-95201
Item Little Opinion
To _____
From _____
Date 7-30-84

75-72-03

FILED

316350

1984 DEC 18 PM 4: 11

TX-8812
TX-8804
A-62310-84

Frank Benoit COUNTY CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS

BY *Jusan Hemann* DEPUTY
PARTIAL ASSIGNMENT OF OIL, GAS AND MINERAL LEASES

STATE OF TEXAS |
COUNTY OF BRAZOS |

KNOW ALL MEN BY THESE PRESENTS:

That, CHAMPLIN PETROLEUM COMPANY, and CLAYTON W. WILLIAMS, JR., hereinafter sometimes referred to as Assignors, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, do hereby sell, assign, transfer and convey unto G S I, INC., 4104 Highway 21, East, Bryan, Texas 77806, hereinafter called Assignee, all of their right, title and interest (subject to the conditions, reservations and exceptions hereinafter set out) in and to those certain oil, gas and mineral leases as described in Exhibit "A" attached hereto and made a part hereof, and INSOFAR AND ONLY INSOFAR as said leases are included in the G S I, Inc. Carrabba Brothers #1, as described in Exhibit "B" attached hereto and made a part hereof.

Assignors except and reserve unto themselves, their successors and assigns an overriding royalty which at Assignors' option may be taken in kind, equal to the difference between the presently existing burdens and thirty percent (30%) of all the oil and gas produced from the assigned land.

The overriding royalty herein reserved is based upon the described leases and Assignors' interest therein covering the full and undivided leasehold and mineral estate, and in the event said leases and/or Assignors' interest therein cover less than the full and undivided leasehold and mineral estate in tract, or tracts, of land covered thereby, the overriding royalty herein reserved with respect to such tract, or tracts, shall be reduced proportionately.

This Assignment is executed and delivered by Assignors to Assignee in accordance with the terms and provisions of that certain Farmout Agreement dated June 29, 1984, as the same may

Carrabba Brothers #1

have been subsequently amended, which provided for, among other things, the drilling of a commercially productive test well as a condition to Assignee earning this conveyance.

Champlin Petroleum Company shall at all times and from time to time have preferential right to purchase its share of the oil and gas production by giving thirty (30) days written notice of such election in accordance with the express terms of the aforementioned Farmout Agreement dated June 29, 1984.

Clayton W. Williams, Jr. shall at all times and from time to time have preferential right to purchase its share of the oil and gas production by giving thirty (30) days written notice of such election in accordance with the express terms of the aforementioned Farmout Agreement dated June 29, 1984.

It is understood and agreed that all delay rentals and shut-in payments that may become due on lease acreage covered hereby shall be paid by Assignors as of the date of this conveyance, and Assignors shall immediately invoice Assignee for one hundred percent (100%) of the costs thereof which Assignee agrees to pay within fifteen (15) days from receipt of invoice.

In the event Assignors are obligated under the provisions hereof to make any rental or shut-in payment required or authorized under the terms of any lease subject hereto, then Assignors agree to use reasonable care and diligence in attempting to make any such payment(s). However, Assignors shall incur no liability to Assignee for any failure to make any such payment(s), or any failure to make same properly, timely, in the correct amounts, to the proper party or parties otherwise, for whatever reason such failure may occur, including, but not limited to, inadvertent oversight or clerical error.

Assignee shall not release, surrender, abandon, or allow to expire any of its interests in and to said leases without giving Assignors at least sixty (60) days written notice prior to any such contemplated action, and if Assignors do desire, Assignee shall reassign the affected interest to Assignors.

All reservations and exceptions retained by Assignors hereunder shall be subject to any renewals, extensions, or new leases covering any mineral interests previously covered by the leases assigned herein as if said leases were originally included on the Exhibit "A" of the Farmout Agreement dated June 29, 1984.

This Assignment shall be subject to the terms of said leases, intermediate assignments thereof, and further subject to all overriding royalties, production payments out of or with respect to production, existing against the described leases as of June 29, 1984.

This Assignment is expressly limited in depth as to rights from the surface of the earth down to the base of the Georgetown Formation, and Assignors reserve unto themselves, their successors and assigns, all rights below the Georgetown Formation, including the right of ingress and egress, and the use of as much of the surface of said land as may be necessary for exploring the same for production of oil, gas and other minerals.

Assignee agrees to indemnify, and hold Assignors harmless from and against all claims, demands, causes of action, or liability of any kind and character, for any breach of the covenants, express or implied, or of any other terms and conditions of said leases which arise subsequent to the date of this Assignment and arise out of the interests assigned hereunder.

The terms hereof shall extend to and be binding upon the Assignee, its successors and assigns.

This Assignment is made without warranty of title of any kind, either express or implied.

Executed this 15th day of October, 1984, BUT EFFECTIVE AS OF INITIAL PRODUCTION.

APPROVED	
LEGAL	GM
LAND	GM
SHR & TITLES	AK
LEASE RECORDS	MD
CONTRACTS	MD

CHAMPLIN PETROLEUM COMPANY

By: G. C. Bartgis, Attorney in Fact

CLAYTON W. WILLIAMS, JR.

By: [Signature]

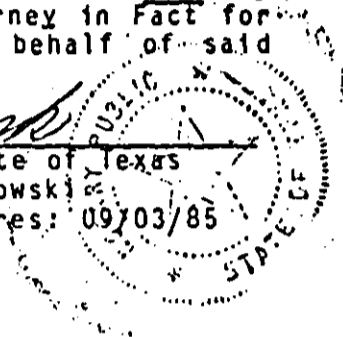
G S I , INC.

John Ben Carrabba
By: John Ben Carrabba, President

STATE OF TEXAS |
COUNTY OF HARRIS |

THIS INSTRUMENT was acknowledged before me on this 15th day of October, A.D., 1984, by G. C. Bartgis, Attorney in Fact for CHAMPLIN PETROLEUM COMPANY, a corporation, on behalf of said corporation.

Karen Paradowski
Notary Public, State of Texas
Karen Paradowski
My Commission Expires: 09/03/85

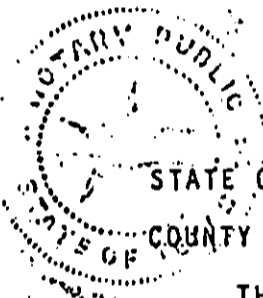


STATE OF TEXAS |
COUNTY OF Bexar |

THIS INSTRUMENT was acknowledged before me on this 24th day of October, A.D., 1984, by T.M. Shepherd, Attorney in Fact for Clayton W. Williams, Jr.

Linda D. Hunter
Notary Public

LINDA D. HUNTER
My Commission expires 4-2-85
500 North Loop 1904 East
San Antonio, Texas 78232

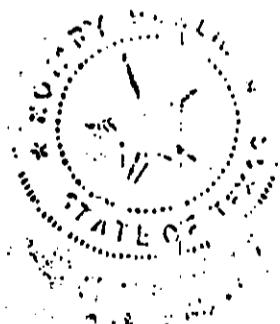


STATE OF Texas |
COUNTY OF Bezos |

THIS INSTRUMENT was acknowledged before me on this 26th day of October, A.D., 1984, by John Ben Carrabba as President of G S I , INC., a corporation, on behalf of said corporation.

Don E. Todd
Notary Public

Don E. Todd
Notary Public for the State of Texas
My Commission Expires 7/14/1987



Attached hereto and made a part hereof that certain
Partial Assignment dated October 15, 1984 between
CHAMPLIN PETROLEUM COMPANY and CLAYTON W. WILLIAMS, JR.,
as Assignors and G S I , INC., as Assignee

EXHIBIT "A"

- TX-8804 Oil, Gas and Mineral Lease dated June 24, 1976
between Bessie Orlando Cotrone, a widow,
Lessor, and William C. Haverlah, Lessee,
recorded in Volume 23, Page 234 et seq. of the
Oil and Gas Records of Brazos County, Texas
- TX-8812 Oil, Gas and Mineral Lease dated June 24, 1976
between Barney C. Cotrone and wife Pauline T.
Cotrone, Lessor, and William C. Haverlah,
Lessee, recorded in Volume 23, Page 176 et seq.
of the Oil and Gas Records of Brazos County,
Texas.

INSUFAR AND ONLY INSUFAR as leases are included in G S I , Inc.
Carrabba Brothers #1, as described in Exhibit "B" attached
hereto and made a part hereof.

AF 20023A

BRAZOS COUNTY, TEXAS

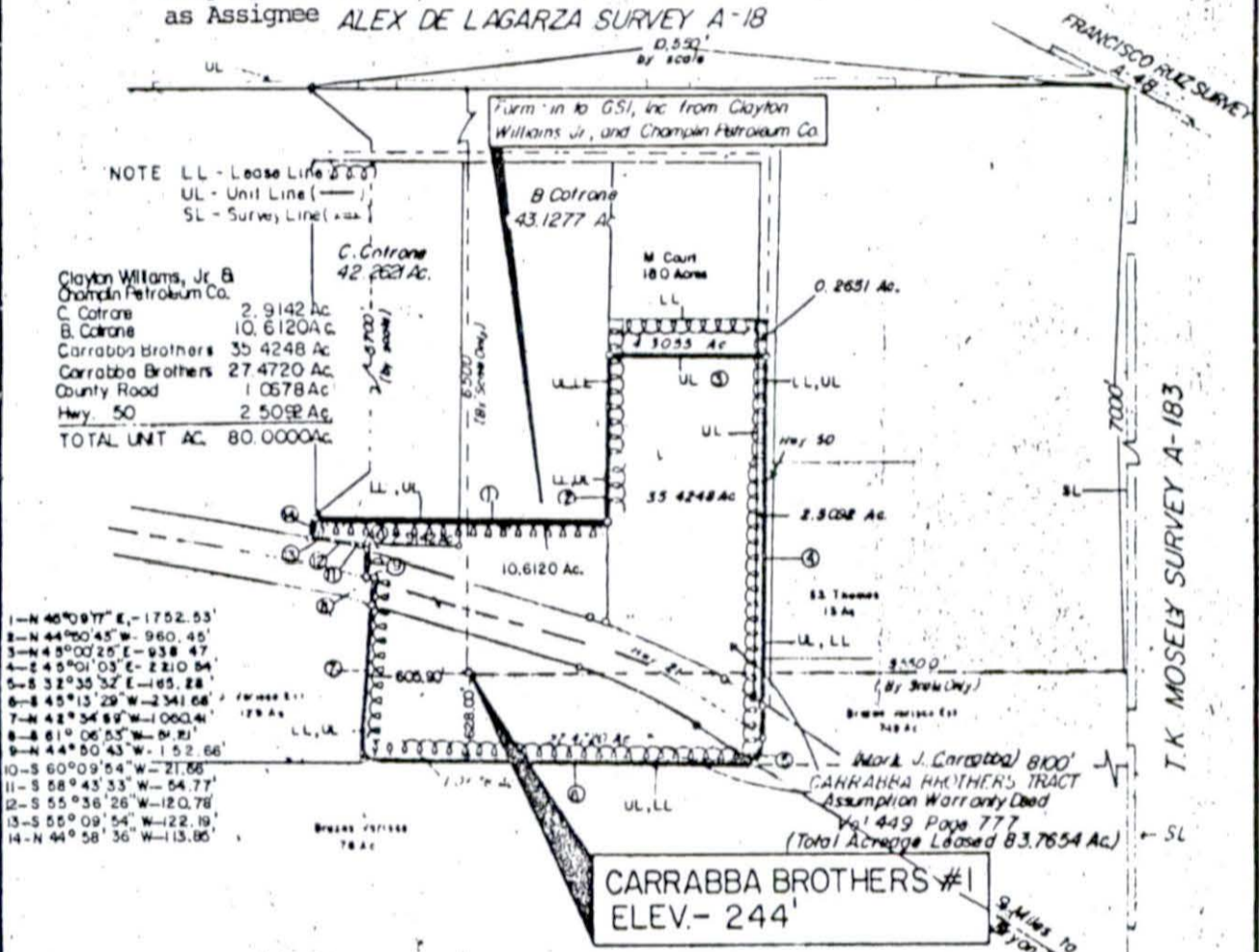
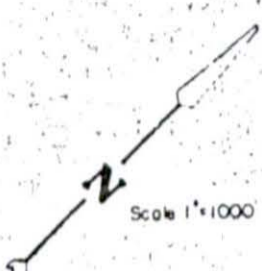
GSI, INC.

WELL LOCATION

CARRABBA BROTHERS #1

EXHIBIT "B"

Attached hereto and made a part hereof that certain partial Assignment dated October 15, 1984 between Champlin Petroleum Company and Clayton W. Williams, Jr., as Assignors and G S I, Inc. as Assignee **ALEX DE LAGARZA SURVEY A-18**



NOTE LL - Lease Line
 UL - Unit Line
 SL - Survey Line

Clayton Williams, Jr. & Champlin Petroleum Co. 2.9142 Ac.
 C. Cotrone 10.6120 Ac.
 Carrabba brothers 35.4248 Ac.
 Carrabba Brothers 27.4720 Ac.
 County Road 1.0578 Ac.
 Hwy. 50 2.5028 Ac.
TOTAL UNIT AC. 80.0000 Ac.

- 1-N 46°09'17" E - 1702.53'
- 2-N 44°00'45" W - 960.45'
- 3-N 48°00'25" E - 938.47'
- 4-2 45°01'03" E - 2310.94'
- 5-S 32°35'32" E - 145.28'
- 6-S 45°15'29" W - 2341.68'
- 7-N 42°54'59" W - 1000.4'
- 8-S 61°06'55" W - 11.21'
- 9-N 44°50'43" W - 152.66'
- 10-S 60°09'54" W - 21.66'
- 11-S 58°43'33" W - 54.77'
- 12-S 55°36'26" W - 120.78'
- 13-S 55°09'54" W - 22.19'
- 14-N 44°58'36" W - 13.80'

W MATHIS SURVEY A-37

THE STATE OF TEXAS
 COUNTY OF BRAZOS

I, DANTE CARLOMAGNO, a Registered Public Surveyor, do hereby certify the above and foregoing plat, showing the location of the Carrabba Brothers No. 1 Unit, on a 80.0000, out of a 175.7654 Acres of land in the W. Mathis Survey, A-37, in Brazos County, Texas, to be true and correct as staked by me and under my direct and personal supervision.

June 26, 1994

Dante Carlomagno
 DANTE CARLOMAGNO
 Registered Public Surveyor,
 No. 1562



CARLOMAGNO Surveying, Inc.
 SOMERVILLE 12-23-83 TEXAS 77879
 Revised 12-30-83 LS
 Revised 7-18-84 TLM

MF 4-95201
 Item Partial Assign
 To _____
 From _____
 Date _____

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THE STATE OF TEXAS)
 COUNTY OF BRAZOS)

I, Mary Ann Ward, County Clerk of Brazos County, Texas
 do hereby certify that the foregoing is a true and
 correct copy of the original as the same appears of record
 in Vol. 750, Page 228 in Official Records of said
 County on file in my office.

ATTEST 11-4-90
 Mary Ann Ward, County Clerk
 Brazos County, Texas
 by Catherine Engmer, Deputy

(3 lease's)

GSI 118 4589 ✓
4590 ✓
4622

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 6th day of December, 1983, between

Tract
①

Lessor (whether one or more), whose address is: David S. Carrabba and Mark J. Carrabba
P. O. Box 664
Bryan, Texas Zip Code 77806

Lessee, (whether one or more), whose address is: G S I, Inc.
P. O. Box 664
Bryan, Texas Zip Code 77806

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 unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

BEING: 67.3950 acres, more or less, within the William Mathis League, A-37, Brazos County, Texas, and being all of these certain tracts conveyed to David S. Carrabba, by Mark J. Carrabba, by deed dated July 17th, 1981, as shown of record in Volume 493, Page 511, Deed Records of Brazos County, Texas, and being more particularly described in Exhibit "A" attached hereto and made a part hereof for all purposes,-

It is understood and agreed that this is a Paid Up Lease and will not require the payment of delay rentals to maintain said lease in force,-

295620
At 9:45 O'clock AM
APR 10 1984
FRANK BORISKIE
County Clerk, Brazos County, Bryan, Texas
[Signature]

This lease also covers and includes all 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, although not included within the boundaries of the land particularly described above. For all purposes of this lease, said land is estimated to comprise 67.3950 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall be for a term of Three (3) years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. The royalties to be paid by Lessee are:

(a) On oil, ~~25%~~ of that produced and saved from said land, the same to be delivered at the well. If Lessor elects not to take delivery of the royalty oil, Lessee may from time to time sell the royalty oil in its possession, paying to Lessor therefor the net proceeds derived by Lessee from the sale of such royalty oil. Lessor's royalty interest in oil shall bear its proportionate part of the cost of treating the oil to render it marketable oil and, if there is no available pipeline, its proportionate part of the cost of all trucking charges.

(b) On gas, including all gases, liquid hydrocarbons and their respective constituent elements, 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 of the well or reservoir of the gas so sold or used, provided that on gas sold at the well the royalty shall be ~~25%~~ of the net proceeds derived from such sale. Lessor's royalty interest in gas, including all gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substance, shall bear its proportionate part of the cost of all compressing, treating, dehydrating and transporting incurred in marketing the gas so sold at the wells. -208

(c) On 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 and marketed the royalty shall be fifty cents (\$.50) per long ton.

(d) While there is a gas well on said land or on lands pooled therewith and if gas is not being sold or used off the premises for a period in excess of three full consecutive calendar months, and this lease is not then being maintained in force and effect under the other provisions hereof, Lessee shall tender or pay to Lessor annually at any time during the lease anniversary month of each year immediately succeeding any lease year in which a shut-in period occurred one-twelfth (1/12) of the sum of \$1.00 per acre for the acreage then covered by this lease as shut-in royalty for each full calendar month in the preceding lease year that this lease was continued in force solely and exclusively by reason of the provisions of this paragraph. If such payment of shut-in royalty is so made or tendered by Lessee to Lessor, it shall be considered that this lease is producing gas in paying quantities and this lease shall not terminate, but remain in force and effect. The term "lease anniversary month" means that calendar month in which this lease is dated. The term "Lease year" means the calendar month in which the lease is dated, plus the eleven succeeding calendar months.

(e) If the price of any oil, gas, or other minerals produced hereunder is regulated by any governmental authority, the value of same for the purpose of computing the royalties hereunder shall not be in excess of the price permitted by such regulation. Should it ever be determined by any governmental authority, or any court of final jurisdiction, or otherwise, that the Lessee is required to make any refund on oil, gas, or other

minerals produced or sold by Lessee hereunder, then the Lessor shall bear his proportionate part of the cost of any such refund to the extent that royalties paid to Lessor have exceeded the permitted price, plus any interest thereon ordered by the regulatory authority or court, or agreed to by Lessee. If Lessee advances funds to satisfy Lessor's proportionate part of such refund, Lessee shall be subrogated to the refund order or refund claim, with the right to enforce same for Lessor's proportionate contribution, and with the right to apply rentals and royalties accruing hereunder toward satisfying Lessor's refund obligations.

(f) Lessee shall have free use of oil, gas, coal, water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil, gas and coal shall be computed after deducting any so used.

4. Notwithstanding anything herein to the contrary, it is a condition of this lease that it shall not terminate upon any failure of the Lessee, for whatever reason, to make payments of any required shut-in royalty or rentals, either or both, herein provided for on or before the due dates thereof unless and until: (1) Lessor notifies Lessee in writing by registered mail or certified mail, return receipt requested, of non-payment of the shut-in royalty or rentals; and (2) Thereafter Lessee fails to make payment of the shut-in royalty or rentals to Lessor within fifteen (15) days following Lessee's actual receipt of such written notice. Payment of shut-in royalty or rentals by Lessee to Lessor within fifteen (15) days following Lessee's actual receipt of said written notice from Lessor shall be deemed timely and sufficient to maintain this lease in force and effect. The provisions of this paragraph are a part of the consideration for this lease, are contractual, and constitute a warranty from Lessor to Lessee. It is the desire and agreement of Lessor and Lessee to avoid forfeiture of this lease should Lessee fail to make payment of any required shut-in royalty or rentals on or before the scheduled due dates thereof, and to afford Lessee an opportunity to make such payments within fifteen (15) days following actual receipt of written notice of non-payment from Lessor, thereby maintaining this lease in force. Such written notice from Lessor to Lessee shall state the full particulars concerning non-payment of shut-in royalty or rentals, identify the lease and land involved, the due date and amount claimed by Lessor, and Lessor's full name, current address and telephone number.

5. (a) Lessee, at its option, is hereby given the right and power to pool, unitize or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said 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 and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed ~~320~~ ³²⁰ acres each in area, plus a tolerance of ten percent (10%) thereof, and units pooled for gas hereunder shall not substantially exceed in area ~~320~~ ³²⁰ acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, 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, units thereafter created may conform substantially in size with those prescribed or permitted by government regulations. 160

(b) Lessee under the provisions hereof may pool or combine acreage 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. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Upon execution by Lessee of an instrument describing and designating the pooled acreage as a pooled unit, said 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. Within a reasonable time following the execution of said instrument so designating the pooled unit, Lessee shall file said instrument for record in the appropriate records of the county in which the leased premises are situated. Any unit so formed may be re-formed, increased, decreased, or changed in configuration, at the election of Lessee, at any time and from time to time after the original forming thereof, and Lessee may vacate any unit formed by it hereunder by instrument in writing filed for record in said county at any time when there is no unitized substance being produced from such unit.

(c) Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas 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 instrument or the instrument designating the pooled unit such operations shall be considered as operations for drilling on or production of oil and gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 6 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either 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.

(d) For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the 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 and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis - that is to say, 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 and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit 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.

(e) The formation of any unit hereunder shall not have the effect of changing the ownership of any delay rental or shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest 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 as provided above with consequent allocation of production as above provided. As used in this paragraph 5, 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.

6. (a) If operations for drilling are not commenced on said land or on acreage pooled therewith as above provided on or before one year from this date, the lease shall then terminate as to both parties, unless on or before such anniversary date Lessee shall pay or tender (or shall make a bona fide attempt to pay or tender, as hereinafter stated) to Lessor or to the credit of Lessor in N/A Bank at N/A, Texas, (which bank and its successors are Lessor's agent and shall continue as the depository for all rentals payable hereunder regardless of change in ownership of said land or the rentals) the sum of -0- Dollars

(\$ -0-), (herein called rentals), which shall cover the privilege of deferring commencement of drilling operations for a period of twelve (12) months. In like manner and upon like payments or tenders 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 gas well from which gas is not being sold or used may be made by the check or draft of Lessee mailed or delivered to the parties entitled thereto or to said bank on or before the date of payment. 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, Lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders. If Lessee shall, on or before any anniversary date, make a bona fide attempt to pay or deposit rental to a Lessor entitled thereto according to Lessee's records or to a Lessor, who, prior to such attempted payment or deposit, has given Lessee notice, in accordance with subsequent provisions of this lease, of his 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 Lessor 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 30 days after receipt by Lessee of written notice from such Lessor of such error accompanied by such instruments as are necessary to enable Lessee to make proper payment. The down cash payment is consideration for this lease according to its terms and shall not be allocated as a mere rental for a period. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record a release or releases of this lease as to all or any part of the above-described premises, or of any mineral or horizon under all or any part thereof, and thereby be relieved of all obligations as to the released land or interest. If this lease is released as to all minerals and horizon under a portion of the land covered by this lease, the rentals and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the number of surface acres within such released portion bears to the total number of surface acres which was covered by this lease immediately prior to such release.

(b) Lessor hereby designates Republic Bank A & M Bank at College Station Texas, and its successors as Lessor's agent to serve as the depository for any payment due with respect to any shut-in gas well. Payment of shut-in gas royalty may be made in the manner provided in paragraph 6(a) hereof for the payment or tender of rentals, including all terms with respect to the deposit of same in the designated depository bank, notwithstanding paragraph 6(a) being otherwise stricken or inoperative due to this lease having a primary term not exceeding one year, if such be the case.

7. If prior to discovery and production of oil, gas or other mineral on said land or on acreage pooled therewith, Lessee should drill a dry hole or holes thereon, or if after discovery and production of oil, gas or other mineral, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within ninety (90) days thereafter or if it be within the primary term, commences or resumes the payment or tender of rentals or commences operations for drilling or reworking on or before the rental paying date next ensuing after the expiration of ninety (90) days from date of completion of dry hole or cessation of production. If at any time subsequent to ninety (90) 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 the 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 ninety (90) days prior to the end of the primary term, the lease shall remain in force so long as operation on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than ninety (90) consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other

EXHIBIT "A"

Attached hereto that certain Oil, Gas and Mineral Lease dated December 6, 1983 between David S. Carrabba, Lessor, and GSI, Inc., Lessee, and made a part hereof for all purposes.

Tract One:

A tract or parcel of land lying and being situated in the WILLIAM MATHIS LEAGUE, Brazos County, Texas and being part of the 49.47 acre tract of land described in the deed recorded in Volume 90, Page 78 of the Deed Records of Brazos County, Texas, and being more particularly described as follows:

BEGINNING at the iron rod set at the intersection of the southwest line of the beforementioned 49.47 acre tract with the southeast right-of-way line of Texas State Highway No. 21;

THENCE along the beforementioned southeast right-of-way line of State Highway No. 21 as follows:

N 61° 05' 09" E for a distance of 1,318.58 feet to an iron rod set for the beginning of a curve to the right having a radius of 2,709.90 feet;

Along the said curve for an arc distance of 805.60 feet to an iron rod set for the end of said curve, the chord bears N 69° 36' 16" E a distance of 802.64 feet;

N 78° 07' 20" E for a distance of 363.27 feet to an iron rod set for corner in the northwest right-of-way line of a country road;

THENCE along the beforementioned northwest right-of-way line of the country road as follows:

S 45° 35' 30" W for a distance of 1,687.04 feet to an iron rod set for angle point;

S 44° 51' 48" W for a distance of 619.25 feet to an iron rod set for corner;

THENCE N 44° 39' 35" W along the beforementioned southwest line of the 49.47 acre tract for a distance of 882.10 feet to the PLACE OF BEGINNING containing 27.472 acres of land more or less.

Tract Two:

A tract or parcel of land lying and being situated in the WILLIAM MATHIS LEAGUE, Brazos County, Texas, and being part of the 48 acre tract described in Volume 33, Page 315, and Volume 40, Page 362 and part of the 49.47 acre tract described in Volume 90, Page 78 of the Deed Records of Brazos County, Texas, and being more particularly described as follows:

BEGINNING at the iron rod set at the intersection of the northwest right-of-way line of Texas State Highway No. 21 with the southwest right-of-way line of Farm to Market Road No. 50;

THENCE along the beforementioned northwest right-of-way line of Texas State Highway No. 21 as follows:

S 78° 07' 21" W for a distance of 171.22 feet to an iron rod set for the beginning of a curve to the left having a radius of 3,019.90 feet;

Along the said curve for an arc distance of 833.26 feet to an iron rod set for corner, the chord bears S 70° 12' 58" W a distance of 830.62 feet;

THENCE N 44° 48' 35" W for a distance of 1,754.06 feet to an iron rod set for corner;

THENCE N 45° 00' 00" E for a distance of 889.04 feet to an iron rod set for corner in the beforementioned southwest right-of-way line of Farm to Market Road No. 50;

THENCE S 45° 00' 00" E along the beforementioned southwest right-of-way line of Farm to Market Road No. 50 for a distance of 2,201.48 feet to the PLACE OF BEGINNING containing 39.923 acres of land, more or less.

SIGNED FOR IDENTIFICATION

David S. Carrabba
David S. Carrabba

Mark J. Carrabba
Mark J. Carrabba

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 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.

8. 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 required by Lessor, Lessee will bury all pipe lines 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.

9. 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; and no change or division in such ownership shall be binding on Lessee until thirty (30) 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, shut-in royalty or royalty hereunder, Lessee may pay or tender such rentals, shut-in royalty or royalty 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 qualification of an executor or administrator of the estate, or if there be none, then 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 the rental payable hereunder, Lessee may pay or tender said rental jointly to such persons or to their joint credit in the depository named herein, or, at Lessee's election, the proportionate part of said rentals 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 rentals hereunder shall maintain this lease as to such participant. In event of assignment of this lease as to a segregated portion of said land, the rentals payable 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 payments for all.

10. (a) The breach by Lessee of any obligation arising 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. The provisions of this paragraph 10(a) shall be applicable to the payment by Lessee of shut-in gas royalty and rentals except that the time for the Lessee to cure any non-payment thereof is otherwise stated in paragraph 4 hereof.

160 - (b) 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 operator, but in discharging this obligation it shall in no event be required to drill more than one well per 100000 acres, plus an acreage tolerance not to exceed 10% of 100000 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 320 acres plus an acreage tolerance not to exceed 10% of 320 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities.~~

11. 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 in event 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. Should Lessee become involved in any dispute or litigation arising out of any claim adverse to the title of Lessor to said land, Lessee may recover from Lessor its reasonable and necessary expenses and attorneys fees incurred in such dispute or litigation, with the right to apply royalties accruing hereunder toward satisfying said expenses and attorneys fees. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, delay rental, 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. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same. Failure of Lessee to reduce rental paid hereunder shall not impair the right of Lessee to reduce royalties.

12. When drilling, production or other operations on said land or land pooled with such land, or any part thereof are prevented, delayed or interrupted by lack of water, labor or materials, or by fire, storm, flood, war, rebellion, insurrection, sabotage, riot, strike, difference with workers, or failure of carriers to transport or furnish facilities for transportation, or as a result of some law, order, rule, regulation or necessity of governmental authority, either State or Federal, or as a result of the filing of a suit in which Lessee's title may be affected, or as a result of any cause whatsoever beyond the reasonable control of Lessee, the lease shall nevertheless continue in full force and effect. If any such prevention, delay or interruption should commence during the primary term hereof, the time of such prevention, delay or interruption shall not be counted against Lessee and the running of the primary term shall be suspended during such time; if any such prevention, delay or interruption should commence after the primary term hereof Lessee shall have a period of ninety (90) days after the termination of such period of prevention, delay or interruption within which to commence or resume drilling, production or other operations hereunder, and this lease shall remain in force during such ninety (90) day period and thereafter in accordance with the other provisions of this lease. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

13. This lease states the entire contract between the parties, and no representation or promise, verbal or written, on behalf of either party shall be binding unless contained herein; and this lease shall be binding upon each party executing the same, regardless of whether or not executed by all owners of the above described land or by all persons above named as "Lessor", and, notwithstanding the inclusion above of other names as "Lessor", this term as used in this lease shall mean and refer only to such parties as execute this lease and their successors in interest.

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

David S. Carrabba
David S. Carrabba Lessor
S.S. or Tax I.D. No. _____

Mark J. Carrabba
Mark J. Carrabba Lessor
S.S. or Tax I.D. No. _____

Lessor
S.S. or Tax I.D. No. _____

Lessor
S.S. or Tax I.D. No. _____

Lessor
S.S. or Tax I.D. No. _____

Lessor
S.S. or Tax I.D. No. _____

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF BRAZOS

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared

David S. Carrabba

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 19th day of December A.D. 1983

My commission expires
9-07-84



Brian W. Sirad
Notary Public in and for the State of Texas
Notary's Printed Name: Brian W. Sirad

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared

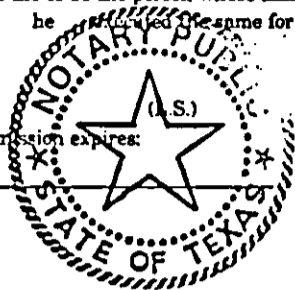
Mark J. Carrabba

known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he is executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE,

this the 19th day of December A.D. 1983

My commission expires:



Brian M. Sirgo
Notary Public in and for the State of Texas
Notary's Printed Name: _____

Brian M. Sirgo
Notary Public for the State of Texas
My Commission Expires Sept. 7 1986

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared

known to me to be the person whose name _____ 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 _____ A.D. 19 _____

(L.S.)

My commission expires: _____

Notary Public in and for the State of Texas

Notary's Printed Name: _____

Producers 88 (12/79) Revised
With 320 Acres Pooling Provision

No. _____
Oil, Gas and Mineral Lease

FROM
David S. Carrabba & Mark J. Carrabba
P. O. Box 664
Bryan, Texas 77806
TO
GSI, Inc.

Dated December 6, 1983

No. Acres 67.3950

Brazos County, Texas

Term Three (3) yrs.

This instrument was filed for record on the _____

day of _____, 19____, at _____

o'clock _____ M., and duly recorded in

Volume _____, Page _____

of the _____ Records of this office.

By _____, Deputy

County Clerk

When recorded return to & bill to:

GSI, Inc.
P. O. Box 664
Bryan, Texas 77806

POUND PRINTING & STATIONERY COMPANY
2325 FANNIN STREET HOUSTON, TEXAS 77002
PHONE 859-1159

CORPORATION ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____

_____ known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said

a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

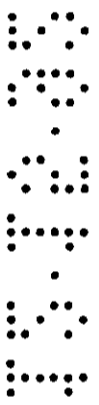
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____ A.D. 19 _____

(L.S.)

My commission expires: _____

Notary Public in and for the State of Texas

Notary's Printed Name: _____



E STATE OF TEXAS)
COUNTY OF BRAZOS)

I, Mary Ann Ward, County Clerk of Brazos County, Texas do hereby certify that the foregoing is a true and correct copy of the original as the same appears of record in Vol. 670, Page 550 in Official Records of said County on file in my office.

ATTEST 11-4-98
Mary Ann Ward, County Clerk
Brazos County, Texas
Catherine Engeman, Deputy

CC 00 779 Tract
②

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 24th day of JUNE 19 76, between
Barney C. Cotrone and wife, Pauline T. Cotrone

lessor (whether one or more), whose address is: Route 1, Box 265, Bryan, Texas 77801
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 Brazos, State of Texas, and is described as follows:

49.85 acres of land, more or less, out of the William Matthis (or Mathis) League, Abstract No. 37, in Brazos County, Texas, and being the same land described in a deed from Frank Cotrone et al to Barney C. Cotrone and wife, Pauline T. Cotrone, said deed dated April 18, 1967, and recorded in Volume 261, Page 542 of the Deed Records of Brazos County, to which reference is here made for all purposes.

FILED

At 10:25 O'clock P.M.

112823

JUL 30 1976

Date Recorded 8-3-76

FRANK BORISKE

County Clerk, Brazos County, Bryan, Texas
By Richard G. Robertson Deputy

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 49.85 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

The City National Bank at P. O. Box 913, Bryan, Texas 77801, or its successors, which shall continue as the depository, regardless of changes in ownership of delay rental, royalties, or other moneys, the sum of

49.85

\$ 49.85, 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.

6. 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 on its anniversary date next following the ninetieth day after such discontinuance unless on or before such anniversary date lessee either (1) conducts operations or (2) commences or resumes the payment or tender of delay rental; provided, however, if such anniversary date is at the end of the primary term, or if there is no further anniversary date of the primary term, this lease shall terminate at the end of such 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 11 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 reworking of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than from lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, delay rental, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, delay rental, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by lessor or lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, lessee may, nevertheless pay or tender such royalties, delay rental, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above. In the event of assignment of this lease as to any part (whether divided or undivided) of said land, the delay rental payable hereunder shall be apportionable as between the several leasehold owners, ratably according to the surface area or undivided interests of each, and default in delay rental payment by one shall not affect the right of other leasehold owners hereunder.

9. 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 cancelled for any cause, it shall nevertheless remain in force and effect as to 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. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but lessor agrees that lessee shall have the right at any time to pay or reduce same for lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not), or no interest therein, then the royalties, delay rental, and other moneys 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. All royalty interest covered by this lease (whether or not owned by lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as lessor.

11. 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 and the delay rental provisions hereof 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.

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

11A: Notwithstanding any other clause or provision herein to the contrary, it is understood and agreed by and between Lessor and Lessee that, with reference to the payment of annual delay rentals, as provided in Paragraph No. 5 above, the total annual delay rental to extend the term of this lease that will be due on or before the 24th day of June, 1981, shall be \$ 498.50 and Lessee shall pay or tender to Lessor or to the credit of Lessor in the depository bank named above said sum., Except for such annual delay rental payment to be made on or before June 24, 1981, the provisions as to payments of annual delay rentals, as provided in Paragraph No. 5 above, shall remain in full force and effect for the entire term of this lease. B.C.C.

12. It is understood and agreed that this lease covers oil, gas and sulphur only (including, with oil and gas, all the constituent elements thereof and all other liquid or liquefiable hydrocarbons and products of every kind or character derived therefrom and produced therewith). Excepted herefrom and reserved to Lessor are coal, lignite, uranium and all other hard or rock minerals, together with any and all minerals that require strip mining or open-pit mining as their means of excavation.

13. Lessee agrees and by acceptance of this lease binds and obligates himself, his heirs and assigns, to backfill all slush pits as soon as practicable after each drilling operation and to restore the premises to the condition same were prior to operations thereon as nearly as is practicable so to do. Lessee shall pay for all damages to growing crops, roads, and fences on said land caused by the operations of Lessee conducted hereunder.

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

Barney Cotrone

BARNEY C. COTRONE

Pauline T. Cotrone

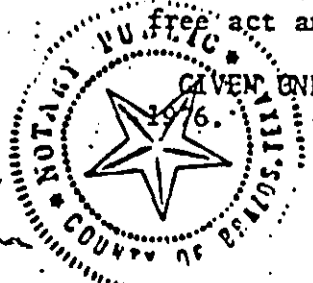
PAULINE T. COTRONE

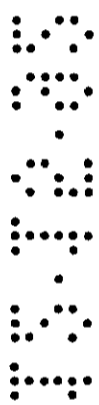
THE STATE OF TEXAS I
COUNTY OF BRAZOS I

BEFORE ME, the undersigned authority, on this day personally appeared BARNEY C. COTRONE and wife, PAULINE T. COTRONE, known to me to be the persons whose names ~~is~~(are) subscribed to the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 24th day of June

Notary Public
Notary Public, in and for ~~Brazos~~ County, Texas.





THE STATE OF TEXAS)
COUNTY OF BRAZOS)

I, Mary Ann Ward, County Clerk of Brazos County, Texas do hereby certify that the foregoing is a true and correct copy of the original as the same appears of record in Vol. 23 Page 176 in Oil Gas Records of said County on file in my office.

ATTEST 11-4-98
Mary Ann Ward, County Clerk
Brazos County, Texas
By Catherine Indemore, Deputy

420

CC00767

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 24th day of June

Bessie Orlando Cotrone, a widow

FILED FOR RECORD
DATE 7-30-76

DATE RECORDED 8-3-76 112846

AT 10:15 O'CLOCK
FRANK BORISKE
BRAZOS COUNTY CLERK
By Marilyn Nicuply

lessor (whether one or more), whose address is: Route 1, Box 265, Bryan, Texas 77801
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 Brazos, State of Texas, and is described as follows: TWO tracts of land out of the William Matthis (or Mathis) League, Abstract No. 37, in Brazos County, Texas, as follows:

FIRST TRACT: 45.74 acres of land, more or less, and being the same land described in a deed from John Willis Evans, et al, to Charles Cotrone, said deed dated December 11, 1950, and recorded in Volume 146, Page 603, of the Deed Records of Brazos County, Texas.
SECOND TRACT: 1.27 acres of land, more or less, and being the same tract of land described in a deed from Lucy Cotrone to Bessie Orlando Cotrone, said deed dated September 19, 1962, and recorded in Volume 222, Page 128 of the Deed Records of Brazos County, Texas.

REFERENCE is here made to the above referred to 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 47.01 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 \$40 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

The City National Bank at P. O. Box 913, Bryan, Texas 77801, or its successors, which shall continue as the depository, regardless of changes in ownership of delay rental, royalties, or other moneys, the sum of

47.01

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.

6. 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 on its anniversary date next following the ninetieth day after such discontinuance unless on or before such anniversary date lessee either (1) conducts operations or (2) commences or resumes the payment or tender of delay rental; provided, however, if such anniversary date is at the end of the primary term, or if there is no further anniversary date of the primary term, this lease shall terminate at the end of such 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 11 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, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than from lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, delay rental, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, delay rental, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by lessor or lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, lessee may, nevertheless pay or tender such royalties, delay rental, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above. In the event of assignment of this lease as to any part (whether divided or undivided) of said land, the delay rental payable hereunder shall be apportionable as between the several leasehold owners, ratably according to the surface area or undivided interests of each, and default in delay rental payment by one shall not affect the right of other leasehold owners hereunder.

9. 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 cancelled 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. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but lessor agrees that lessee shall have the right at any time to pay or reduce same for lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not), or no interest therein, then the royalties, delay rental, and other moneys 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. All royalty interest covered by this lease (whether or not owned by lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as lessor.

11. 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 and the delay rental provisions hereof 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.

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

11A. Notwithstanding any other clause or provision herein to the contrary, it is understood and agreed by and between Lessor and Lessee that, with reference to the payment of annual delay rentals, as provided in Paragraph No. 5 above, the total annual delay rental to extend the term of this lease that will be due on or before the 24th day of June, 1981, shall be \$ 470.10 and Lessee shall pay or tender to Lessor or to the credit of Lessor in the depository bank named above said sum. Except for such annual delay rental payment to be made on or before June 24, 1981, the provisions as to payments of annual delay rentals, as provided in Paragraph No. 5 above, shall remain in full force and effect for the entire term of this lease.

60

12. It is understood and agreed that this lease covers oil, gas and sulphur only (including, with oil and gas, all the constituent elements thereof and all other liquid or liquefiable hydrocarbons and products of every kind or character derived therefrom and produced therewith). Excepted herefrom and reserved to Lessor are coal, lignite, uranium and all other hard or rock minerals, together with any and all minerals that require strip mining or open-pit mining as their means of excavation.

13. Lessee agrees and by acceptance of this lease binds and obligates himself, his heirs and assigns, to backfill all slush pits as soon as practicable after each drilling operation and to restore the premises to the condition same were prior to operations thereon as nearly as is practicable so to do. Lessee shall pay for all damages to growing crops, roads, and fences on said land caused by the operations of Lessee conducted hereunder.

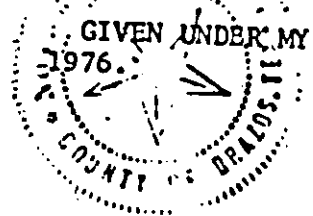
IN WITNESS WHEREOF, this instrument is executed on the date first above written.

BESSIE ORLANDO COTRONE

Bessie Orlando Cotrone

THE STATE OF TEXAS
BREWSTER
COUNTY OF BRAWLEY

BEFORE ME, the undersigned authority, on this day personally appeared BESSIE ORLANDO COTRONE to me to be the person whose name is (BESSIE) subscribed to the foregoing instrument, and acknowledged to me that she executed the same as her free act and deed for the purposes and consideration therein expressed.



GIVEN UNDER MY HAND AND SEAL OF OFFICE this 24th day of June, 1976.
Joe D. [Signature]
Notary Public, in and for Brewster County, Texas.

MF M-95201
 Item Deases (3)
 To _____
 From _____
 Date 6-12-83

5
2
8
3

STATE OF TEXAS)
 COUNTY OF BRAZOS)
 I, Mary Ann Ward, County Clerk of Brazos County, Texas
 do hereby certify that the foregoing is a true and
 correct copy of the original as the same appears of record
 in Vol. 23, Page 234 in Old Set Records of said
 County on file in my office
 ATTEST 11-4-90
 Mary Ann Ward, County Clerk
 Brazos County, Texas
Catherine Cudeman, Deputy

492

#2231

DO NOT DESTROY

GLO-36-10-84

-MEMO-

Operator DYNAMIC PROD., INC.

Unit Name CARRABBA BROTHERS UNIT # 1-H

County BRAZOS

Effective Date 8/93

Unitized for: Oil Gas Oil & Gas

1. M.F. No. 95201

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

Treat Part

17.86					
$\frac{17.86}{.100416}$	\times	$\frac{20.91}{20.5}$		2.008322	$\%$
				$-.02008322$	

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:

531448
AMENDED UNIT DESIGNAT

ORIGINAL FILED FOR RECORD
DATE 9-2-93
AT 11:30 O'CLOCK A
MARY ANN WARD
BRAZOS COUNTY CLERK
By _____

DYNAMIC PRODUCTION, INC.--CARRABBA BROTHERS UNIT NO. 1

THE STATE OF TEXAS §
COUNTY OF BRAZOS §

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, by unit designation dated April 18, 1985, a counterpart of which is recorded at Vol. 795, page 395, Official Records of Brazos County, Texas, GSI, Inc., et al, formed the GSI, Inc.-Cotrone Unit No. 1 covering eighty (80) acres of land described on Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, by Unit Designation dated September 26, 1984, a counterpart of which is recorded at Vol. 737, page 5, Official Records of Brazos County, Texas, GSI, Inc., et al, formed the GSI, Inc.-Carrabba Brothers Unit No. 1 covering eighty (80) acres of land described on Exhibit "A-1" attached hereto and made a part hereof; and

WHEREAS, by amended unit designation dated December 19, 1984, Vol. 817, page 322, Official Records of Brazos County, Texas, GSI, Inc., amended the depths unitized in the GSI, Inc.-Carrabba Brothers Unit No. 1; and

WHEREAS, by oil, gas and mineral lease dated June 1, 1993, Vol. 1833, page 8, Official Public Records of Brazos County, Texas, The State of Texas leased to GSI Oil & Gas, Inc., 17.86 acres of land described on Exhibit "A-2" attached hereto and made a part hereof; and

WHEREAS, Dynamic Production, Inc.; Ward N. Adkins, Jr.; Ward N. Adkins, Sr.; Richard Broussard; Carrabba Brothers, Inc.; Executive Energy Corporation; GSI Oil & Gas, Inc.; Highland Interests, Inc.; King Enterprises; Donald Lampo; Petro-Drive, Inc.; Ben L. Royce; Joe Alan Scamardo; A. R. Webb; Welding Supply House; Howard B. Young; Irving Fishman; Threshold Exploration, Inc.; John Ben Carrabba; Betty Lee Carrabba; James D. Lampley, Jr.; and Carl P. Autrey (hereinafter collectively called "Lessee") are the owners of the oil, gas and mineral leases (hereinafter collectively called "Leases"), described on Exhibit "B" attached hereto and made apart hereof insofar as the Leases cover the land described on Exhibit "A", "A-1" and "A-2", attached hereto; and

Vol. 1897 Page 17

WHEREAS, pursuant to the rights and powers granted in said Leases, Lessee desires to amend the aforesaid units and establish one pooled unit for the production of oil, and all associated or related hydrocarbons, consisting of said Leases insofar as said Leases cover 177.86 acres of land consisting of eighty (80) acres of land described on Exhibit "A", eighty (80) acres of land described on Exhibit "A-1" and 17.86 acres of land described on Exhibit "A-2" and insofar as said Leases cover the Austin Chalk Formation, Stone City (Austin Chalk) Field, encountered at an approximate depth between seven thousand one hundred seventy-four (7,174) feet and seven thousand three hundred twenty-two (7,322) feet below the surface of the earth, as encountered on the electrical log survey of the borehole of the GSI, Inc.--Carrabba Brothers Unit No. 1, Well No. 1, located in the William Mathis League, Abstract No. 37, Brazos County, Texas.

NOW, THEREFORE, pursuant to the terms and provisions of said Leases, Lessee does hereby designate a pooled unit for the production of oil and all associated or related hydrocarbons consisting of the Leases described on Exhibit "B" insofar as said Leases cover 177.86 acres of land consisting of eighty (80) acres of land described on Exhibit "A", eighty (80) acres of land described on Exhibit "A-1" and 17.86 acres of land described on Exhibit "A-2" and insofar and only insofar as said Leases cover the Austin Chalk Formation, Stone City (Austin Chalk) Field encountered at an approximate depth between seven thousand one hundred seventy-four (7,174) feet and seven thousand three hundred twenty-two (7,322) feet below the surface of the earth, as encountered on the electrical log survey of the borehole of the GSI, Inc.--Carrabba Brothers Unit No. 1, Well No. 1, located in the William Mathis League, Abstract No. 37, Brazos County, Texas.

The Leases and all royalty interests, overriding royalty interests and other interests in production thereunder insofar as they respectively cover or apply to the land described on Exhibit "A", "A-1" and "A-2" hereof and depths described above are hereby pooled and combined to form a unit consisting of 177.86 acres of land to be known and referred to as the "Dynamic Production, Inc.--Carrabba Brothers


The pooled unit hereby designated is effective as of the date of first production from the Dynamic Production, Inc.--Carrabba Brothers No. 1-H Well and shall remain in effect for a term on ninety (90) days and for as long thereafter as oil, or associated hydrocarbons are produced from said Unit or as long as drilling or reworking operations are conducted on any well located thereon, or any additional well, with no cessation of more than ninety (90) consecutive days, and if any such operations result in the production of oil, gas or associated or related hydrocarbons, for so long thereafter as oil, gas or associated and related hydrocarbons are produced, or drilling or reworking operations for the restoration of production are again commenced within ninety (90) days from the cessation of production in accordance with the provisions of the oil, gas and mineral leases pooled hereby and the terms hereof.

Lessee reserves the continuing right to amend, correct or alter this instrument and the Unit hereby created, including the right to amend Exhibit "B" to add additional leases covering land including within the land described on Exhibit "A", "A-1" and "A-2" hereof to the extent permitted by the authority granted in the Leases covering the pooled or unitized area. Any such amendment shall be in writing, executed by Lessee, or its successors in interest or title, and filed for record in the Office of the County Clerk of Brazos County, Texas.

This Unit Designation may be executed in multiple counterparts, each of which shall be deemed an original, and the execution by any party of a counterpart of the execution page, separated from the Unit Designation itself, shall be deemed to constitute execution of the Unit Designation with exactly the same effect as if that page had been attached to the Unit Designation when executed. James D. Lampley, Jr., has authority to combine any one or more counterparts of the Unit Designation into a single instrument by attaching the several signature pages from separate counterparts to a single instrument.

Executed this 4th day of June, 1993, but effective as of date of first production from the Dynamic Production, Inc.--Carrabba Brothers No. 1-H Well.

DYNAMIC PRODUCTION, INC.


By: 
Name: John P. Harvison
Title: Vice President

WARD N. ADKINS, JR.

WARD N. ADKINS, SR.

RICHARD BROUSSARD


CARRABBA BROTHERS, INC.

By: 
Name: David Carrabba
Title: President


EXECUTIVE ENERGY CORPORATION

By: _____
Name: _____
Title: _____

GSI OIL & GAS, INC.

By: 
Name: David Carrabba
Title: President

HIGHLAND INTERESTS, INC.

By: 
Name: David Carrabba
Title: President

KING ENTERPRISES

By: _____
Name: _____
Title: _____

DYNAMIC PRODUCTION, INC.

By: _____

Name: _____

Title: _____

WARD N. ADKINS, JR.

WARD N. ADKINS, SR.

RICHARD BROUSSARD

CARRABEA BROTHERS, INC.

By: David Carrabba
Name: DAVID Carrabba
Title: President

EXECUTIVE ENERGY CORPORATION

By: Executive Energy Corp
Name: F. T. S. D.
Title: President

GSI OIL & GAS, INC.

By: David Carrabba
Name: David Carrabba
Title: President

HIGHLAND INTERESTS, INC.

By: David Carrabba
Name: David Carrabba
Title: President

KING ENTERPRISES

By: _____

Name: _____

Title: _____

DYNAMIC PRODUCTION, INC.

By: _____

Name: _____

Title: _____

WARD N. ADKINS, JR.

WARD N. ADKINS, SR.

RICHARD BROUSSARD

CARRABBA BROTHERS, INC.

By: David Carrabba

Name: David Carrabba

Title: President

EXECUTIVE ENERGY CORPORATION

By: _____

Name: _____

Title: _____

GSI OIL & GAS, INC.

By: David Carrabba

Name: David Carrabba

Title: President

HIGHLAND INTERESTS, INC.

By: David Carrabba

Name: David Carrabba

Title: President

KING ENTERPRISES

By: T.K. Tomlinson, Jr.

Name: T.K. Tomlinson, Jr.

Title: OWNER

DYNAMIC PRODUCTION, INC.

By: _____

Name: _____

Title: _____


WARD N. ADKINS, JR.


WARD N. ADKINS, SR.

RICHARD BROUSSARD

CARRABBA BROTHERS, INC.

By: _____

Name: _____

Title: _____

EXECUTIVE ENERGY CORPORATION

By: _____

Name: _____

Title: _____

GSI OIL & GAS, INC.

By: _____

Name: _____

Title: _____

HIGHLAND INTERESTS, INC.

By: _____

Name: _____

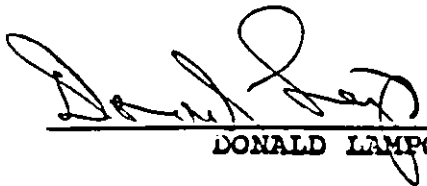
Title: _____

KING ENTERPRISES

By: _____

Name: _____

Title: _____


DONALD LAMPO

PETRO-DRIVE, INC.

By: _____
Name: _____
Title: _____

BEN L. ROYCE


JOE ALAN SCAMARDO


A. R. WEBB

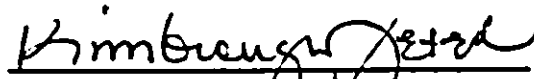
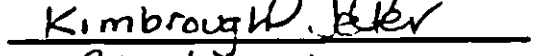
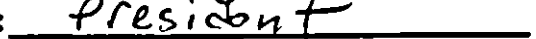
WELDING SUPPLY HOUSE

By: _____
Name: _____
Title: _____

HOWARD B. YOUNG

IRVING FISHMAN

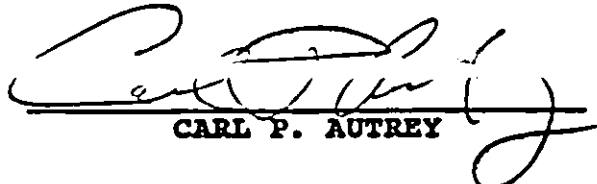
THRESHOLD EXPLORATION, INC.

By: 
Name: 
Title: 


JOHN BEN CARRABBA


BETTY LEE CARRABBA


JAMES D. LAMPLEY, JR.


CARL P. AUTREY

DONALD LAMPO

PETRO-DRIVE, INC.

By: _____

Name: _____

Title: _____

Charles R. Milan

CHARLES R. MILAN

PRES.

BEN L. ROYCE

JOE ALAN SCAMARDO

A. R. WEBB

WELDING SUPPLY HOUSE

By: _____

Name: _____

Title: _____

HOWARD B. YOUNG

IRVING FISHMAN

THRESHOLD EXPLORATION, INC.

By: _____

Name: _____

Title: _____

John Ben Carrabba
JOHN BEN CARRABBA

Betty Lee Carrabba
BETTY LEE CARRABBA

James D. Lampley, Jr.
JAMES D. LAMPLEY, JR.

CARL P. AUTREY

DONALD LAMPO

PETRO-DRIVE, INC.

By: _____
Name: _____
Title: _____

BEN L. ROYCE

JOE ALAN SCARDO

A. R. WEBB

WELDING SUPPLY HOUSE

By: *Willard J. Delcambre*
Name: Willard J. Delcambre SR.
Title: President

HOWARD B. YOUNG

IRVING FISHMAN

THRESHOLD EXPLORATION, INC.

By: _____
Name: _____
Title: _____

John Ben Carrabba
JOHN BEN CARRABBA

Betty Lee Carrabba
BETTY LEE CARRABBA

James D. Lampley, Jr.
JAMES D. LAMPLEY, JR.

CARL P. AUTREY

DONALD LAMPO

PETRO-DRIVE, INC.

By: _____
Name: _____
Title: _____

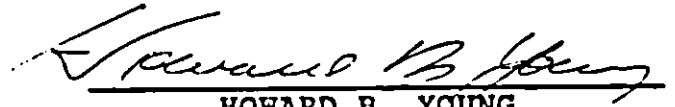
BEN L. ROYCE

JOE ALAN SCAMARDO

A. R. WEBB

WELDING SUPPLY HOUSE

By: _____
Name: _____
Title: _____



HOWARD B. YOUNG

IRVING FISHMAN

THRESHOLD EXPLORATION, INC.

By: _____
Name: _____
Title: _____

JOHN BEN CARRABBA

BETTY LEE CARRABBA

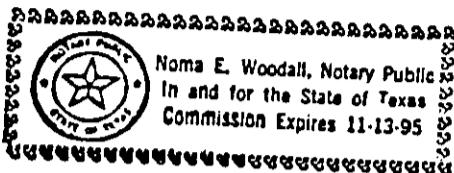
JAMES D. LAMPLEY, JR.

CARL P. AUTREY

STATE OF TEXAS §

COUNTY OF Tarrant §

This instrument was acknowledged before me on this 24th day of August, 1993, by John A. Harrison Vice, President of Dynamic Production, Inc., a Texas corporation, on behalf of said corporation.



Noma E. Woodall
Notary Public in and for
the State of Texas

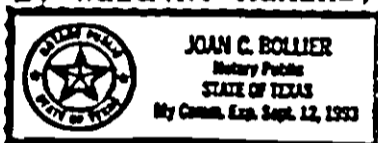
Noma E. Woodall
Typed or Printed Name of Notary

11/13/95
My Commission Expires

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on this 3rd day of June, 1993, by Ward N. Adkins, Jr.



Joan C. Bollier
Notary Public in and for
the State of Texas

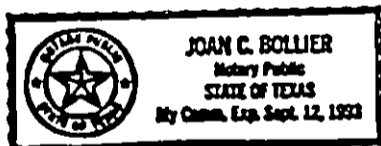
Joan C. Bollier
Typed or Printed Name of Notary

9/12/93
My Commission Expires

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on this 3rd day of June, 1993, by Ward N. Adkins, Sr.



Joan C. Bollier
Notary Public in and for
the State of Texas

Joan C. Bollier
Typed or Printed Name of Notary

9/12/93
My Commission Expires

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by Richard Broussard.

Notary Public in and for
the State of Texas

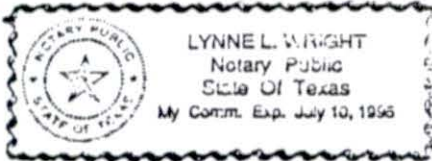
My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF BRAZOS §

This instrument was acknowledged before me on this 4th day of June, 1993, by David Carrabba, President of Carrabba Brothers, Inc., a Texas corporation, on behalf of said corporation



Lynne L. Wright
Notary Public in and for
the State of Texas

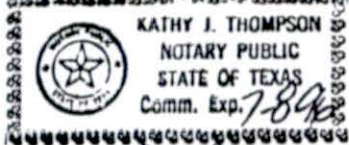
Lynne L. Wright
Typed or Printed Name of Notary

7-10-95
My Commission Expires

STATE OF TEXAS §

COUNTY OF Parker §

This instrument was acknowledged before me on this 15 day of July, 1993, by F.T. JETER, PRESIDENT of Executive Energy Corporation on behalf of said corporation.



Kathy J. Thompson
Notary Public in and for
the State of Texas

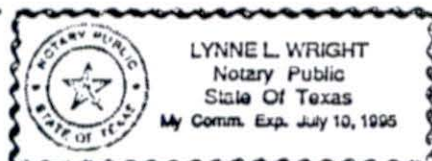
KATHY J. THOMPSON
Typed or Printed Name of Notary

7-8-96
My Commission Expires

STATE OF TEXAS §

COUNTY OF BRAZOS §

This instrument was acknowledged before me on this 4th day of June, 1993, by David Carrabba, President of GSI Oil & Gas, Inc., a Texas corporation, on behalf of said corporation.



Lynne L. Wright
Notary Public in and for
the State of Texas

Lynne L. Wright
Typed or Printed Name of Notary

7-10-95
My Commission Expires

STATE OF TEXAS §

COUNTY OF Brazos §

This instrument was acknowledged before me on this 4th day of June, 1993, by David Carrabba, President of Highland Interests, Inc., a Texas corporation, on behalf of said corporation.



Lynne L. Wright
Notary Public in and for
the State of Texas

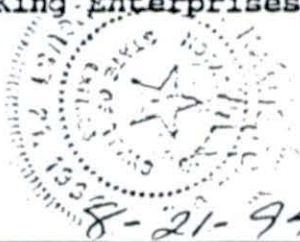
Lynne L. Wright
Typed or Printed Name of Notary

7-10-95
My Commission Expires

STATE OF TEXAS §

COUNTY OF BRAZOS §

This instrument was acknowledged before me on this 16th day of JUNE, 1993, by T. K. Tomlinson Jr., owner of King Enterprises on behalf of said corporation.



My Commission Expires

[Signature]

Notary Public in and for the State of Texas

RW HAMILTON, JR.

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by Donald Lampo.

Notary Public in and for the State of Texas

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by _____ of Petro-Drive, Inc., a _____ corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by Ben L. Royce.

Notary Public in and for the State of Texas

Typed or Printed Name of Notary

My Commission Expires

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by _____ of King Enterprises on behalf of said corporation.

Notary Public in and for
the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF Brazos §

This instrument was acknowledged before me on this 24th day of June, 1993, by Donald Lampo.



Paul Hamilton

Notary Public in and for
the State of Texas

8-21-1994
My Commission Expires

Paul Hamilton

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by _____ of Petro-Drive, Inc., a _____ corporation, on behalf of said corporation.

Notary Public in and for
the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by Ben L. Royce.

Notary Public in and for
the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by _____, _____ of King Enterprises on behalf of said corporation.

Notary Public in and for
the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by Donald Lampo.

Notary Public in and for
the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF Louisiana ~~TEXAS~~ §

COUNTY OF Lafayette §

This instrument was acknowledged before me on this 15 day of June, 1993, by Charles R. Milam, President of Petro-Drive, Inc., a LOUISIANA corporation, on behalf of said corporation.

Bank of Lafayette

(318) 268-4600

April 1994

Leslie Ann Bertrand
Notary Public in and for
the State of Texas

Leslie Ann Bertrand
Typed or Printed Name of Notary

My Commission Expires

STATE OF TEXAS §

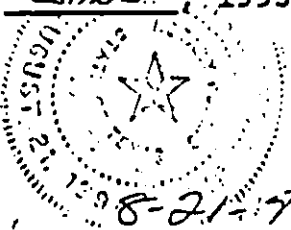
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by Ben L. Royce.

STATE OF TEXAS §

COUNTY OF Brewster §

This instrument was acknowledged before me on this 11th day of June, 1993, by Joe Alan Scamardo.



R.W. Hamilton, Jr.

Notary Public in and for the State of Texas

R.W. HAMILTON, JR.

Typed or Printed Name of Notary

My Commission Expires

STATE OF TEXAS §

COUNTY OF Brewster §

This instrument was acknowledged before me on this 22nd day of June, 1993, by A. R. Webb.



R.W. Hamilton, Jr.

Notary Public in and for the State of Texas

R.W. HAMILTON, JR.

Typed or Printed Name of Notary

My Commission Expires

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by _____ of Welding Supply House on behalf of said corporation.

Notary Public in and for the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by Howard B. Young.

Notary Public in and for the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by Joe Alan Scamardo.

Notary Public in and for
the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by A. R. Webb.

Notary Public in and for
the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS LA §

COUNTY OF Lafayette §

This instrument was acknowledged before me on this 15th day of June, 1993, by Willard J. Delcamp, President of Welding Supply House on behalf of said corporation.

Madine Landry

Notary Public in and for
the State of Texas LA

Madine LANDRY

Typed or Printed Name of Notary

at my death

My Commission Expires

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by Howard B. Young.

Notary Public in and for
the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by Joe Alan Scamardo.

Notary Public in and for
the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by A. R. Webb.

Notary Public in and for
the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by _____ of Welding Supply House on behalf of said corporation.

Notary Public in and for
the State of Texas

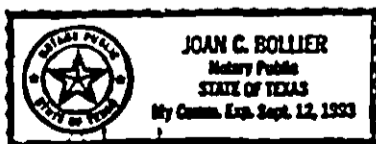
My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on this 8th day of June, 1993, by Howard B. Young.



9/12/93

My Commission Expires

Joan C. Bollier
Notary Public in and for
the State of Texas

Joan C. Bollier

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by Irving Fishman.

Notary Public in and for
the State of Texas

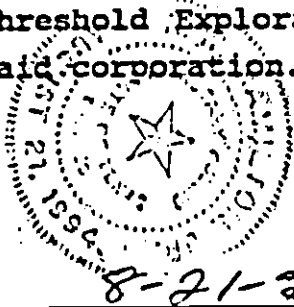
My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF Brazos §

This instrument was acknowledged before me on this 29th day of JUNE, 1993, by KIM ADRIEN JETTEL, PRESIDENT of Threshold Exploration, Inc., a TEXAS corporation, on behalf of said corporation.



My Commission Expires

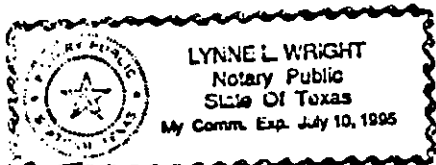
Rob Hamilton, Jr.
Notary Public in and for
the State of Texas

Rob Hamilton, Jr.
Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF Brazos §

This instrument was acknowledged before me on this 4th day of June, 1993, by John Ben Carrabba.



My Commission Expires

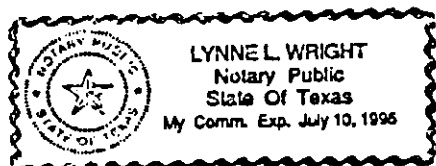
Lynne L. Wright
Notary Public in and for
the State of Texas

Lynne L. Wright
Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF Brazos §

This instrument was acknowledged before me on this 4th day of June, 1993, by Betty Lee Carrabba.



My Commission Expires

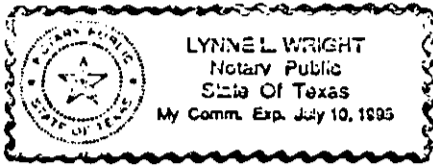
Lynne L. Wright
Notary Public in and for
the State of Texas

Lynne L. Wright
Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF Brazos §

This instrument was acknowledged before me on this 4th day of June, 1993, by James D. Lampley, Jr.



Lynne L. Wright
Notary Public in and for
the State of Texas

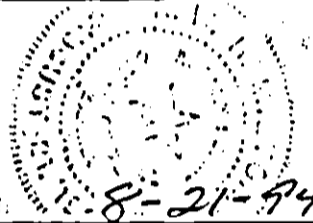
7-10-85
My Commission Expires

Lynne L. Wright
Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF Roberson §

This instrument was acknowledged before me on this 11th day of JUNE, 1993, by Carl P. Autrey.



Carl P. Autrey
Notary Public in and for
the State of Texas

8-21-94
My Commission Expires

R W HAMILTON, JR.
Typed or Printed Name of Notary

REVISED
4-85

THE STATE OF TEXAS I
COUNTY OF BRAZOS I

EXHIBIT A

U.S.I., INC.
COTRONE NO. 1
80.0000 AC.

All that certain tract or parcel of land, lying and being situated in Brazos County, Texas, out of the W. Mathis Survey, A-37, and being a part of a 39.923 Acre tract described in a deed from Peter B. Court, et ux to Mark J. Carrabba recorded in Volume 449, Page 777; a part of a 45.74 Acre tract described in a deed from John Willis Evans, et ux to Charles Cotrone recorded in Volume 146, Page 603; part of a 49.85 Acre tract described in a deed from Frank Cotrone, et al to Barney C. Cotrone, et ux recorded in Volume 261, Page 542 of the Brazos County Deed Records, and being more particularly described as follows:

COMMENCING at the North corner of the W. Mathis Survey, A-37, also being the East corner of the Alex De LaGarza Survey, A-18, for a point of reference.

THENCE S 45° W, a distance of 10,550 feet; THENCE S 45° E, a distance of 3600 feet by protractor and scale to the POINT OF BEGINNING;

BEGINNING in the Centerline of a County Road, 20.0 feet Northwest from the North corner of a 129.0 Acre tract now or formerly owned by the Varisco Estate and the West corner of a 45.1763 Acre tract now owned by C. Cotrone for the West corner of this Unit;

THENCE N 45°44'06" E, a distance of 559.49 feet along the Centerline of said County Road to a point for angle;

THENCE N 44°16'13" E, a distance of 376.39 feet along the Centerline of said County Road to a point for angle;

THENCE N 43°43'35" E, a distance of 117.91 feet along the Centerline of said County Road to a point for the most westerly exterior North corner of this Unit;

THENCE S 44°58'36" E, a distance of 169.00 feet, running through beforementioned 53.7397 Acre tract for an angle point;

THENCE N 87°38'18" E, a distance of 443.29 feet, running through said 53.7397 Acre tract to a point for the North exterior corner of this Unit;

THENCE S 44°55'49" E, a distance of 500.00 feet, running through 49.85 Acre tract for an angle point;

THENCE N 45°00'25" E, a distance of 375.72 feet to a 1/2" Iron rod found at the South corner of said 18.0 Acre tract and the West corner of a 39.7303 Acre tract now owned by Mark J. Carrabba for a point;

THENCE N 45°00'25" E, a distance of 937.83 feet along the Interior Northwest line of this unit and also being the Northwest line of said 39.7303 Acre tract and the Southeast line of said 18.0 Acre tract to a point at the Centerline of F.H. 50 for the most Easterly exterior North corner of this Unit;

THENCE S 45°01'03" E, a distance of 212.22 feet along the exterior Northeast line of this unit and also being the Centerline of said F.H. 50 to a point for the most Northerly exterior East corner of this Unit;

THENCE S 45°00'25" W, a distance of 938.47 feet along the Interior Southeast line of this unit running through the said 39.7303 Acre tract to a point on the Southwest line of said 39.7303 Acre tract and the Northeast line of said 53.7397 Acre tract to a point for the Interior East corner of this Unit;

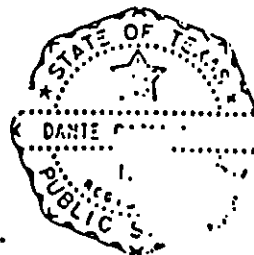
THENCE S 44°50'43" E, a distance of 960.45 feet along the Interior Northeast line of this unit and also being the Southwest line of said 39.7303 Acre tract and the Northeast line of said 53.7397 Acre tract to a point for the most Southerly exterior East corner of this Unit;

THENCE S 45°00'25" W, a distance of 1752.53 feet along the exterior Southeast line of this unit running through the said 53.7397 Acre tract and the beforementioned 45.1763 Acre tract to a point on the Southwest line of said 45.1763 Acre tract for the South corner of this Unit;

THENCE N 44°58'36" W, a distance of 2141.53 feet to the POINT OF BEGINNING
and containing 80.0000 Acres of land as surveyed on the ground under my super-
vision.

February 4, 1985


DANTE CAROMAGNO
Registered Public Surveyor, #1562



VOL 805 PAGE 684

All that certain tract or parcel of land, lying and being situated in Brazos County, Texas, out of the W. Mathis Survey, A-37, and being a part of a 39.7303 Acre tract and a 27.4720 Acre tract described in a deed to Mark E. Carrabba dated March 27, 1980 recorded in Vol. 449, Page 777; a part of two 46.0 Acre tracts owned by C. Cotrone and B. Cotrone same tracts recorded in Vol. 90, Page 78 of the Brazos County Deed Records and being more particularly described as follows:

COMMENCING at the North corner of the W. Mathis Survey, A-37, also being the East corner of the Alex De Largarza Survey, A-18 for a point of reference.

THENCE S 45° W, a distance of 10,550 feet; THENCE S 45° E, a distance of 5,700 feet by protractor and scale to the POINT OF BEGINNING;

BEGINNING in the Southwest line of a 46.0 Acre tract, now or formerly owed by C. Cotrone at a point being the most Southerly exterior West corner of this unit;

THENCE N 45°09'17" E, a distance of 1752.53 feet along the interior Northwest line of this unit running through a 46.0 Acre tract owned by C. Cotrone and a 46.0 Acre tract owned by B. Cotrone to a point on the Southwest line of a 39.7303 Acre tract owned by Mark E. Carrabba for the interior West corner of this unit;

THENCE N 44°50'43" W, a distance of 960.45 feet along the interior Southwest line of this unit and also being the Southwest line of said 39.7303 Acre tract to a point for the most Northern exterior West corner of this unit;

THENCE N 45°00'25" E, a distance of 938.47 feet along the exterior Northwest line of this unit, running through the said 39.7303 Acre tract to a point in the Centerline of F.M. 50 Right-of-Way for the North corner of this unit;

THENCE S 45°01'03" E, a distance of 2210.54 feet along the Northeast line of this unit and also being the Centerline of F.M. 50 to a point at the Centerline of State Highway 21 Right-of-Way for an angle point;

THENCE S 32°35'32" E, a distance of 165.28 feet along the Northeast line of this unit and also being the Right-of-Way of said Highway 21 to a point on the Southeast Right-of-Way line of said Highway 21 and the North corner of a 78.0 Acre tract, now or formerly owned by Brazos Varisco for the East corner of this unit;

THENCE S 45°13'29" W, a distance of 2341.66 feet along the exterior Southeast line of this unit and also being the Northwest line of said 78.0 Acre tract to a point at the East corner of a 129.0 Acre tract, now or formerly owned by J. Varisco Estate for the South corner of this tract;

THENCE N 42°34'59" W, a distance of 1060.41 feet along the interior Southwest line of this unit and also being the North line of said 129.0 Acre tract to a point at the Centerline of beforementioned State Highway 21 Right-of-Way for an interior corner of this unit;

THENCE S 61°06'53" W, a distance of 51.21 feet along an interior Southeast line of this unit to a point in said Highway 21 Right-of-Way for an exterior corner of this unit;

THENCE N 44°50'43" W, a distance of 152.66 feet along an interior Southwest line of this unit running through the said Highway 21 Right-of-Way to a point on the Northwest Right-of-Way line of said Highway 21 and the Southeast line of the beforementioned C. Cotrone 46.0 Acre tract for an interior corner of this unit;

THENCE with the following metes and bounds along the Northwest line of said Highway 21 Right-of-Way and the Southeast line of said C. Cotrone 46.0 Acre tract for an interior Southeast line of this unit:
S 60°09'54" W, a distance of 21.66 feet to an angle point;
S 58°43'33" W, a distance of 54.77 feet to an angle point;
S 55°36'26" W, a distance of 120.78 feet to an angle point;
S 55°09'54" W, a distance of 122.19 feet along said interior Southeast line of this unit and the Southeast line of said C. Cotrone 46.0 Acre tract to a point at the South corner of said C. Cotrone tract for an exterior South corner of this unit;

THENCE N 44°58'36" W, a distance of 113.85 feet to the POINT OF BEGINNING and containing 97.9506 Acres of land, SAVE AND EXCEPT 17.9506 Acres of land within State Highway 21 Right-of-Way, leaving 80.0000 Acres of land as surveyed on the ground under my supervision.

July 31, 1984



Dante Carlomagno
DANTE CARLOMAGNO
Registered Public Surveyor, #1562

EXHIBIT A-2

Brazos County
CSJ 116-4-2, 4 and 5
CSJ 116-5
S.H. 21
No. 382

Being 17.86 acres of land, more or less, situated in the William Mathis Survey, Abstract Number 37, of Brazos County, Texas. Said 17.86 acres being all of and the same land conveyed to the State of Texas by A. H. Moseley in a deed recorded in Volume 80, Page 349, which is more particular described as follows, to wit;

Beginning at a point on the southwest line of the Moseley property. Said point being 880.00 feet from the southwest corner of the said Moseley property and is also 155.00 feet right of and at right angles to the centerline of S.H. 21;

Thence in a northwesterly direction, along the said south line of the Moseley property, a distance of 162.50 feet crossing the centerline of said S.H. 21 at Engineer's Centerline Station Number 121+15.00 and continuing on for a total distance of 325.00 feet to a point on the north right of way line of S.H. 21. Said point also being on a 03° 00' 00" curve to the right;

Thence in a northeasterly direction, around said curve, a distance of 16.20 feet to a point, being the P.T. of said curve, 155.00 feet left of and at right angles to Engineer's Centerline Station Number 120+87.20;

Thence N 62° 46' 00" E, along the said north right of way line of S.H. 2, a distance of 1,390.10 feet to a point 155.0 feet left of and at right angles to Engineer's Centerline Station Number 134+77.30. Said point being the P. C. of a 02° 00' 00" curve to the right;

Thence around said curve, along the north right of way line in a northeasterly direction, a distance of 885.00 feet to the P. T. of said curve being 155.00 feet left of and at right angles to Engineer's Centerline Station Number 143+29.00;

Thence N 79° 48' 00" E, along the said north right of way line of S.H. 21, a distance of 220.00 feet a point on the south line of a county Road;

Thence in a southeasterly direction along said south line of said County Road, a distance of 162.50 feet crossing the centerline of S.H. 21 at Engineer's Centerline Station Number 146+24.00 and continuing on for a total distance of 312.50 feet to a point;

Thence southwesterly direction, a distance of 15.00 feet to a point on the south right of way line of S.H. 21. Said point being 155.00 feet right of and at right angles to Engineer's Centerline Station Number 146+79.00;

Brazos County
CSJ 116-4-2, 4 and 5
CSJ 116-5
S.H. 21
No. 382

Thence S 79° 48' 00" W, along the said south right of way line of S.H. 21, a distance of 350.00 feet to the P. T. of a 02° 00' 00" curve to the left, being 155.00 feet right of and right angles to Engineer's Centerline Station Number 143+29.00;

Thence around said curve, in a southwesterly direction, a distance of 800.00 feet to the P.C. of said curve being 155.00 feet left of and at right angles to Engineer's Centerline Station Number 134+77.30;

Thence S 62° 46' 00" W, along the said south right of way line of S.H. 21, a distance of 1,320.00 feet to a point on the southwest line of the Moseley property being the point of beginning of the tract herein described.

The above described tract contains 17.86 acres of land, more or less, and 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 Numbers 116-4-2, 4 and 5 and 116-5.

EXHIBIT B

1. Oil, Gas and Mineral Lease dated June 24, 1976, Vol. 23, page 176, Oil and Gas Lease Records of Brazos County, Texas, from Barney C. Cotrone, et ux, to William C. Haverlah.
2. Oil, Gas and Mineral Lease dated June 24, 1976, Vol. 23, page 234, Oil and Gas Lease Records of Brazos County, Texas, from Bessie Orlando Cotrone, et ux, to William C. Haverlah.
3. Oil, Gas and Mineral Lease dated December 6, 1983, Vol. 670, page 556, Official Records of Brazos County, Texas, from David S. Carrabba, et al, to GSI, Inc.
4. Oil, Gas and Mineral Lease dated June 1, 1993, Vol. 1833, page 8, Official Public Records of Brazos County, Texas, from the State of Texas to GSI Oil & Gas, Inc., covering 17.86 acres of land described on Exhibit A-2 herein.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form P - 12
(1/16/74)

CERTIFICATE OF POOLING AUTHORITY

I, Gerald H. Graham, being of lawful age, being familiar with the matter, and having full knowledge of the facts set out, do state:

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

NAME OF OPERATOR: Dynamic Production, Inc.

NAME OF POOLED UNIT: Carrabba Brothers WELL NO. 1-H

FIELD: Stone City, Brazos COUNTY, TEXAS, contains 177.860 acres; that with respect to such pooled unit, as it is hereafter

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

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

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

RECEIVED
R.R.C. - O&G
JUL 27 1993
AUSTIN, TEXAS

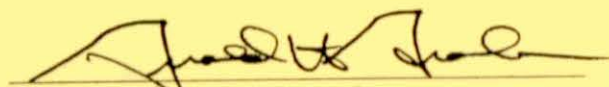
(OVER)

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

TRACTS	NAME OF HOLDER OF LEASE	LEASE NAME	NO. OF ACRES	MARGIN
A & C	Dynamic Production, Inc.	C. Cotrone	45.5755 ✓	
B & D	" "	B. Cotrone	43.3801 ✓	
F	" "	State of Texas	17.8600 ✓	
, G, H & I	" "	Carrabba Bros.	71.0444 ✓	
Total			177.8600	

CERTIFICATE:

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



 Representative of Operator

Land Manager _____ July 26, 1993
 Title _____ Date
 Telephone 817 _____ 838-1800
 A / C _____ Number

INSTRUCTIONS

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

REC
 LOCATION
 463-7288
 JR.

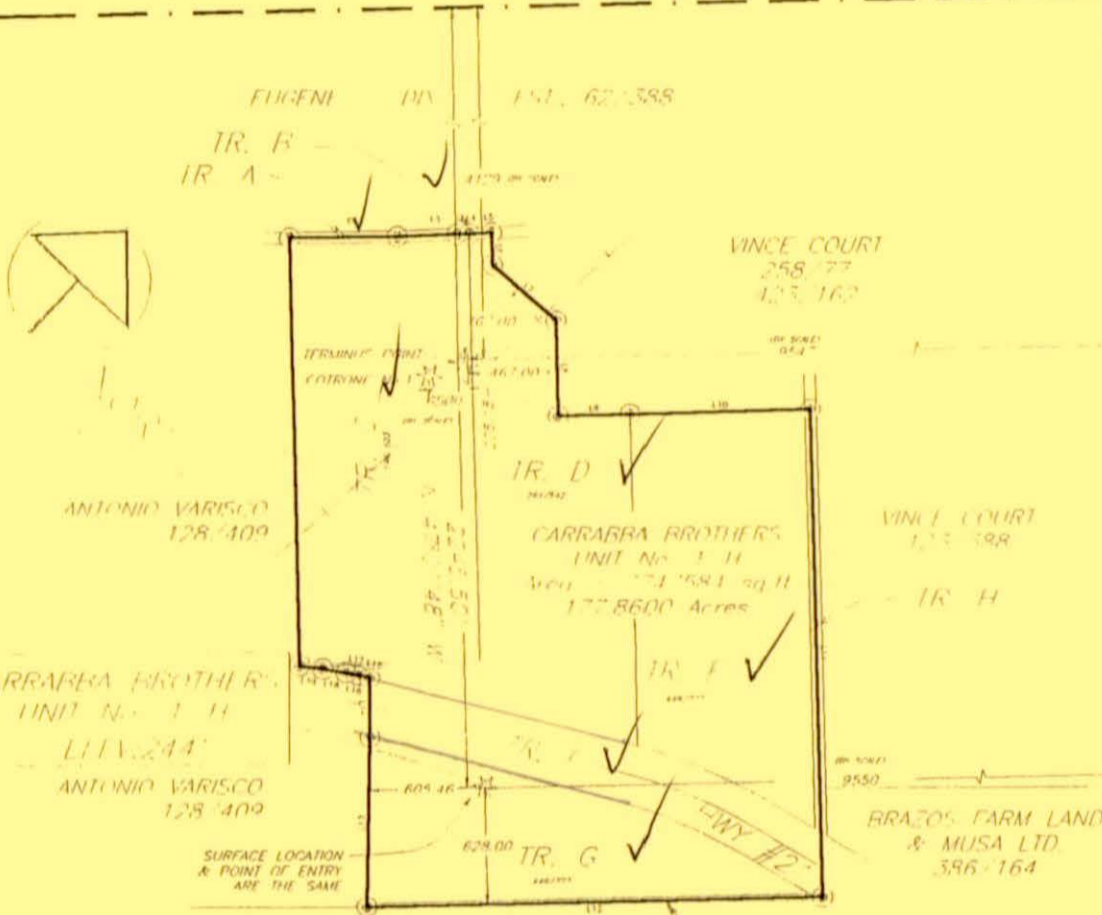
BRAZOS COUNTY, TEXAS
 DYNAMIC PRODUCTION INC.
 WELL LOCATION
 CARRABBA BROTHERS UNIT No. 1-H

ALEX DE LA GARZA SURVEY, A-18

FRANCISCO RUIZ, A-48

W. MATHIS SURVEY, A-37

T. K. MOSELY SURVEY, A-183



UNIT FORMATION

TR. A. C. COTRONE ROAD	0.3992 ACRES
TR. B. B. COTRONE ROAD	0.0846 ACRES
TR. C. C. COTRONE TRACT	45.1763 ACRES
TR. D. B. COTRONE TRACT	45.2955 ACRES
TR. E. CARRABBA BROS. TR.	39.7203 ACRES
TR. F. HWY #2	17.8600 ACRES
TR. G. CARRABBA BROS. TR.	27.4720 ACRES
TR. H. CARRABBA BROS. CO. RD.	1.0678 ACRES

LEON CASH
 101,389
 244,359

AUSTIN, TEXAS

JUL 27 1993

RECEIVED
 R.R.C. - O&G

LINE BEARING	DISTANCE
L1 N 46°04'05" W	2255.30
L2 N 44°38'17" E	559.49
L3 N 43°10'44" E	310.01
L4 N 43°10'44" E	68.38
L5 N 43°30'36" E	117.91
L6 S 46°04'05" E	160.00
L7 N 46°32'40" E	443.29
L8 S 40°31'14" E	940.00
L9 N 43°54'56" E	378.70
L10 N 43°54'56" E	917.83
L11 S 46°04'05" E	2584.37
L12 S 44°08'00" W	737.22
L13 N 43°10'28" W	900.87
L14 N 43°02'56" W	112.87
L15 S 59°41'26" W	49.61
L16 S 59°04'24" W	21.66
L17 S 57°58'04" W	54.77
L18 S 54°30'57" W	120.78
L19 S 54°04'25" W	122.19

NOTE: BEARINGS BASED ON SOLAR OBSERVATION
 NOTE: * DENOTES A CORNER WHIPSE DEFINITION
 FOR LACK OF SPACE HERE WILL BE SHOWN
 ON THE ACCOMPANYING FIELD NOTE DESCRIPTION.

I, Dante Carlomagno, Registered Professional Surveyor No. 1562, do hereby certify that the above survey is a true and accurate representation of an actual on-the-ground survey made under my supervision and that there are no encroachments or overlaps unless otherwise shown.

Dante Carlomagno
 Dante Carlomagno
 Professional Registered
 Surveyor, Number 1562



1000 2000 3000 Feet

CARRABBA BROTHERS UNIT No. 1-H 177.86 ACRES	
07-12-93	CARLOMAGNO Surveying Inc. 2714 Finfeather Road, Bryan, Texas 77801
DRAWING NO. 9255.DWG SHEET 1 OF 1	

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

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form W-1
Rev. 9/1/91

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

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

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

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

Purpose of filling (mark appropriate boxes): <input type="checkbox"/> Drill <input type="checkbox"/> Deepen (below casing) <input type="checkbox"/> Deepen (within casing) <input type="checkbox"/> Plug Back <input type="checkbox"/> Re-Enter <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Directional Well <input checked="" type="checkbox"/> Sidetrack <input type="checkbox"/> Amended Permit (enter permit no. at right & explain fully in Remarks)					Enter here, if assigned: API No. 42-041-31081 Permit No. 414305 Rule 37 Case No.	
1. Operator's Name (exactly as shown on Form P-5, Organization Report) Dynamic Production, Inc.		3. RRC Operator No. 237926	4. RRC District No. 3	5. County of Well Site Brazos		
2. Address (including city and zip code) 2801 Glenda Avenue Fort Worth, Texas 76117		6. Lease Name (32 spaces maximum) Carrabba Brothers Unit		7. RRC Lease/ID No.	8. Well No. 1-H	
9. Total Depth 7350						
10. Location Section _____ Block _____ Survey SL TL W. Mathis Abstract No. A-37 This well is to be located 8 miles in a West direction from Bryan, Texas which is the nearest town in the county of the well site.						
11. Distance from proposed location to nearest lease or unit line 467 ft.			12. Number of contiguous acres in lease, pooled unit, or unitized tract 177.86 (OUTLINE ON PLAT.)			
13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line.						
Stone City (Austin Chalk)		Completion depth 7350	Spacing pattern (ft.) 467/1200	Density pattern (acres) 80/168	18. Number of acres in drilling unit for this well. OUTLINE ON PLAT. 177.86	
86303500		Code A1200		Code C		
Code H. Cotrone #1		Code H. Cotrone #1		Code H. Cotrone #1		
22. Permit location surface location from two nearest designated lines: • Lease/Unit 605' FSWL & 628' FSEL • Survey/Section 6500' FNWL & 9550' FNEL		If a directional well, show also projected bottom-hole location: • Lease/Unit 467' FNL & 467' FNEL • Survey/Section 4129' FNWL & 9547' FNEL		19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir. (ft.) 200'		
23. Is this a pooled unit? Yes <input checked="" type="checkbox"/> (Attach Form P-12 and certified plat.) No <input type="checkbox"/>		24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes <input type="checkbox"/> (Attach Form W-1A) No <input checked="" type="checkbox"/>		AUSTIN, TEXAS		
25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		If subject to Rule 36, is Form H-9 filed? Yes <input type="checkbox"/> No <input type="checkbox"/>		If not filed, explain in Remarks.		
26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37. Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		I certify that information stated in this application is true and complete, to the best of my knowledge. Signature: [Signature] Name and title of operator's representative: Jonathon G. Weiss, Eng. Mgr. Date: July 26, 1993 Tel: (817) 838-1800 Date: mo. day yr. Tel: Area Code Number				
Remarks: Permit to sidetrack existing Carrabba Brothers No. 1 well, API #42-041-31081, RRC Lease #18255, previously operated by GSI Oil & Gas, Inc. Sidetrack at 6900' TVD & drill horizontally to 7300' TVD, 9,700' MD. The Cotrone #1 will never be produced concurrently with the Carrabba Brothers in the same reservoir.						

RECEIVED R.R.C. - O&G JUL 27 1993
 APPING - 414305
 041-31081-18255

• RRC Use Only •
 Fee 11358 217728 JUL 27 1993 414305

#(12)

PLAT & UNIT

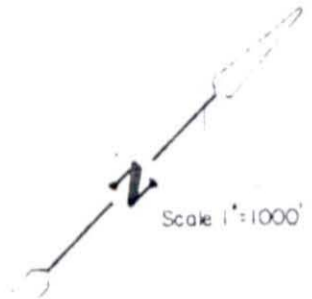
3-28-94

BRAZOS COUNTY, TEXAS

GSI, INC.

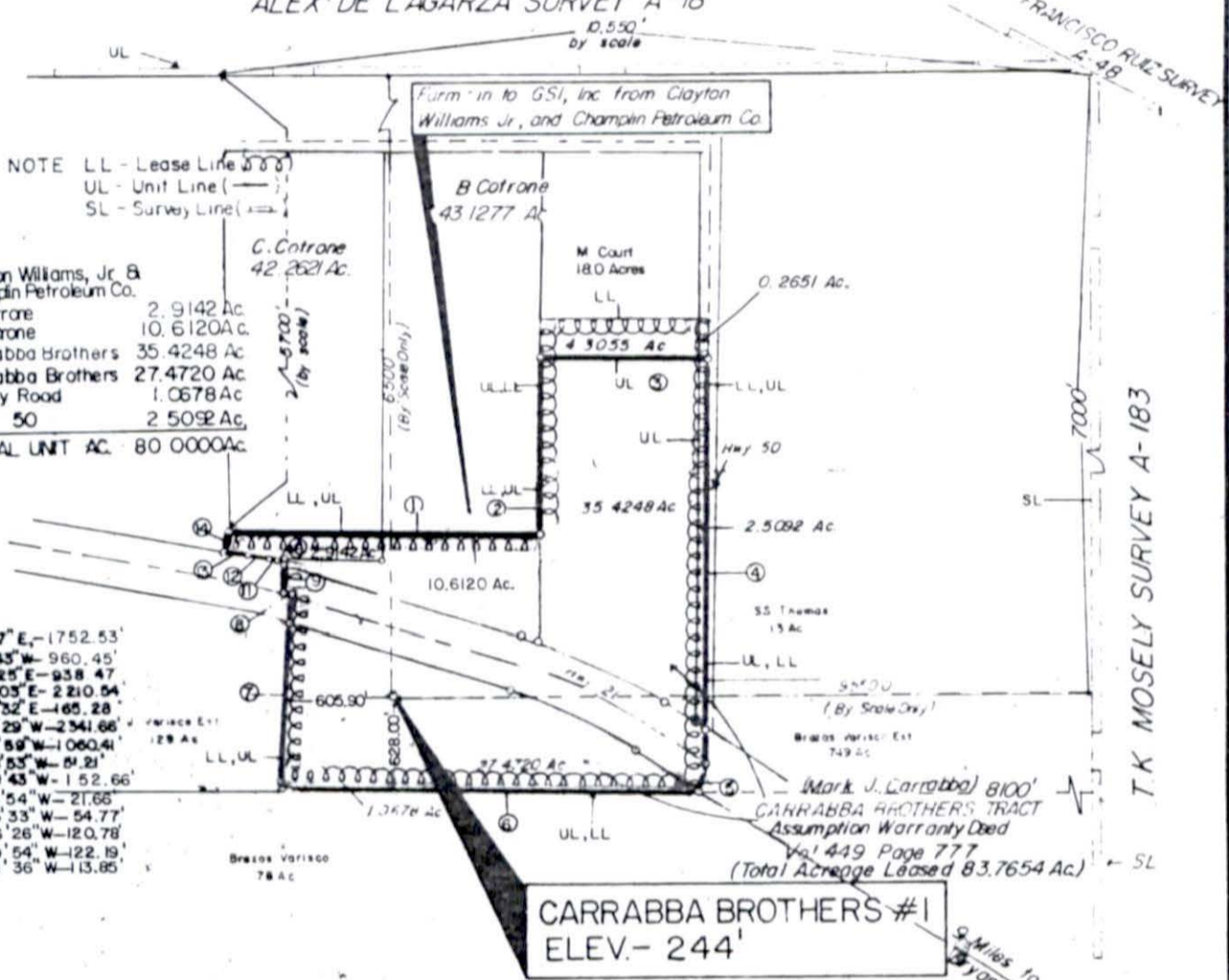
WELL LOCATION

CARRABBA BROTHERS #1



ALEX DE LAGARZA SURVEY A-18

FRANCISCO RUE SURVEY A-48



W MATHIS SURVEY A-37

THE STATE OF TEXAS

COUNTY OF BRAZOS

I, DANTE CARLOMAGNO, a Registered Public Surveyor, do hereby certify the above and foregoing plat, showing the location of the Carrabba Brothers No. 1 Unit, on a 80.0000, out of a 175.7654 Acres of land in the W. Mathis Survey, A-37, in Brazos County, Texas, to be true and correct as staked by me and under my direct and personal supervision.

June 26, 1984

DANTE CARLOMAGNO
Registered Public Surveyor,



CARLOMAGNO Surveying, Inc.
SOMERVILLE 12-23-83 TEXAS 77879
JR
Revised 12-30-83 LS
Revised 7-18-84 TLM

THE STATE OF TEXAS |
COUNTY OF BRAZOS |

GSI, INC.
CARRABBA BROTHERS #1
80.0000 ACRE UNIT

All that certain tract or parcel of land, lying and being situated in Brazos County, Texas, out of the W. Mathis Survey, A-37, and being a part of a 39.7303 Acre tract and a 27.4720 Acre tract described in a deed to Mark E. Carrabba dated March 27, 1980 recorded in Vol. 449, Page 777; a part of two 46.0 Acre tracts owned by C. Cotrone and B. Cotrone same tracts recorded in Vol. 90, Page 78 of the Brazos County Deed Records and being more particularly described as follows:

COMMENCING at the North corner of the W. Mathis Survey, A-37, also being the East corner of the Alex De Largarza Survey, A-18 for a point of reference.

THENCE S 45° W, a distance of 10,550 feet; THENCE S 45° E, a distance of 5,700 feet by protractor and scale to the POINT OF BEGINNING;

BEGINNING in the Southwest line of a 46.0 Acre tract, now or formerly owned by C. Cotrone at a point being the most Southerly exterior West corner of this unit;

THENCE N 45°09'17" E, a distance of 1752.53 feet along the interior Northwest line of this unit running through a 46.0 Acre tract owned by C. Cotrone and a 46.0 Acre tract owned by B. Cotrone to a point on the Southwest line of a 39.7303 Acre tract owned by Mark E. Carrabba for the interior West corner of this unit;

THENCE N 44°50'43" W, a distance of 960.45 feet along the interior Southwest line of this unit and also being the Southwest line of said 39.7303 Acre tract to a point for the most Northern exterior West corner of this unit;

THENCE N 45°00'25" E, a distance of 938.47 feet along the exterior Northwest line of this unit, running through the said 39.7303 Acre tract to a point in the Centerline of F.M. 50 Right-of-Way for the North corner of this unit;

THENCE S 45°01'03" E, a distance of 2210.54 feet along the Northeast line of this unit and also being the Centerline of F.M. 50 to a point at the Centerline of State Highway 21 Right-of-Way for an angle point;

THENCE S 32°35'32" E, a distance of 165.28 feet along the Northeast line of this unit and also being the Right-of-Way of said Highway 21 to a point on the Southeast Right-of-Way line of said Highway 21 and the North corner of a 78.0 Acre tract, now or formerly owned by Brazos Varisco for the East corner of this unit;

THENCE S 45°13'29" W, a distance of 2341.66 feet along the exterior Southeast line of this unit and also being the Northwest line of said 78.0 Acre tract to a point at the East corner of a 129.0 Acre tract, now or formerly owned by J. Varisco Estate for the South corner of this tract;

THENCE N 42°34'59" W, a distance of 1060.41 feet along the interior Southwest line of this unit: and also being the North line of said 129.0 Acre tract to a point at the Centerline of beforementioned State Highway 21 Right-of-Way for an interior corner of this unit;

THENCE S 61°06'53" W, a distance of 51.21 feet along an interior Southeast line of this unit to a point in said Highway 21 Right-of-Way for an exterior corner of this unit;

THENCE N 44°50'43" W, a distance of 152.66 feet along an interior Southwest line of this unit running through the said Highway 21 Right-of-Way to a point on the Northwest Right-of-Way line of said Highway 21 and the Southeast line of the beforementioned C. Cotrone 46.0 Acre tract for an interior corner of this unit;

THENCE with the following metes and bounds along the Northwest line of said Highway 21 Right-of-Way and the Southeast line of said C. Cotrone 46.0 Acre tract for an interior Southeast line of this unit:

S 60°09'54" W, a distance of 21.66 feet to an angle point;

S 58°43'33" W, a distance of 54.77 feet to an angle point;

S 55°36'26" W, a distance of 120.78 feet to an angle point;

S 55°09'54" W, a distance of 122.19 feet along said interior

Southeast line of this unit and the Southeast line of said C. Cotrone 46.0 Acre tract to a point at the South corner of said C. Cotrone tract for an exterior South corner of this unit;

THENCE N 44°58'36" W, a distance of 113.85 feet to the POINT OF BEGINNING and containing 97.9506 Acres of land, SAVE AND EXCEPT 17.9506 Acres of land within State Highway 21 Right-of-Way, leaving 80.0000 Acres of land as surveyed on the ground under my supervision.

July 31, 1984



Dante Carlomagno
DANTE CARLOMAGNO
Registered Public Surveyor, #1562



MF M-95209
Item Plant
To _____
From _____
Date _____

12

15-10-85

4



Texas General Land Office
Garry Mauro, Commissioner

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

April 25, 1997

Northridge Energy Marketing Corp.
Attn: Division Order
Four Greenspoint Plaza, Suite 1200
16945 Northchase Drive
Houston, TX 77060-6006

Re: Mineral File No. M-95201
TXGS3627 Cotrone
Brazos County, Texas

Dear Sirs:

We have received the division order submitted by your company for the above referenced lease and filed same in our files. Please be sure to reference this mineral file number in all future royalty payments, reports and correspondence concerning the lease.

The payment of royalties to the State of Texas is set by statute. As the execution of the division order may, in some cases, effect the payments of such royalties, it is not the policy of this office to execute them. Insofar as allowed by law, the Texas General Land Office acquiesces in the sale of oil and gas under the terms and conditions set out in the lease.

If you should have any questions, please feel free to call me at (512)475-1507.

Sincerely,

Ping Ku
Accounts Examiner
Royalty Management/Energy Resources

mpk

NORTHRIDGE

NORTHRIDGE ENERGY MARKETING CORP.

Four Greenspoint Plaza, Suite 1200
16945 Northchase Drive
Houston, Texas 77060 - 6006

Telephone: (281) 539-4500
Fax: (281) 539-4550


TransCanada

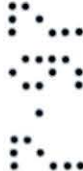
4/29/97

April 4, 1997

TO ALL INTEREST OWNERS

Re: TXGS3627 COTRONE
BRAZOS COUNTY, TEXAS

Pete



Dear Interest Owner:


Northridge Energy Marketing has recently arranged to purchase production from the above referenced lease(s).

In view of the above, we have enclosed our Division Order, in duplicate, covering the above lease(s), effective as of April 1, 1997, which if you find satisfactory should be executed by you. Each individual signature must be witnessed by two persons, while execution on behalf of corporations must be attested. In the spaces provided, insert your mailing address and social security / tax identification number, whichever is applicable. When complete, return the original to us and keep the extra copy for your files. Upon receipt, we will place your interest in line for payment.

Please be advised by executing the Division Order, you certify and warrant there are no liens or mortgages filed against your interest and that you still own the interest of record. If there are liens or mortgages filed against your interest, a certified copy of same must be furnished to us. If you no longer claim the interest credited to you, please furnish us with the name and address of the party presently claiming the interest.

Should you have any questions, feel free to call me direct at (713) 539-4576.

Very truly yours,



Sharon L. Fowler
Division Order Analyst

/slf
Enclosures

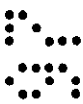
RECEIVED
97 APR -8 AM 10:31
ENERGY RESOURCES

OIL DIVISION ORDER

4/4/97

NORTHRIDGE ENERGY MARKETING CORP.
16945 NORTHCHASE, SUITE 1200
HOUSTON, TX 77060
Attention: Division Order Department

LSE NO.: TXGS3627
LSE NAME: COTRONE 14-95201
OPERATOR: GSI OIL & GAS, INC.



Each of the parties to this Division Order ("Division Order Party" or collectively "Division Order Parties") represents and warrants that he is an owner of oil produced from the land ("Land") described as follows:



KURTEN FIELD
BRAZOS COUNTY, TEXAS

Commencing at 7:00 a.m. on APRIL 1, 1997, and effective until further notice, Northridge Energy Marketing Corp. ("Purchaser") is authorized to receive all oil production from the land, for its own purchase, or for resale, to receive payment therefor, and to credit the proceeds therefrom and pay therefor as follows:

INTEREST OWNER & ADDRESS DIVISION OF INTEREST

SEE EXHIBIT "A"

All of the provisions appearing on the reverse side hereof are incorporated in this Division Order by reference and each Division Order Party agrees that each such provision constitutes an essential part of this Division Order in like manner and with the same force and effect as if printed above his signature.

WITNESS / ATTEST: OWNER(S): SOCIAL SECURITY or TAX IDENTIFICATION #
X _____ X _____ X _____
X _____ Date: _____

WITNESS / ATTEST: OWNER(S): SOCIAL SECURITY or TAX IDENTIFICATION #
X _____ X _____ X _____
X _____ Date: _____

PAYMENT ADDRESS: _____

Owner # 32

The following provisions are part of the Division Order on the reverse side hereof, and such provisions shall become valid and binding upon each and every Division Order Party shown on the reverse side hereof upon execution of said Division Order by such Party, and upon his successors, legal representatives and assigns, without regard to whether or not any other Division Order Party or Parties have so executed.

1. Oil received and purchased under this Division Order shall become the property of Purchaser at the time of receipt by Purchaser or a designated agent or carrier of Purchaser. The term "oil", as used in this Division Order, shall include all marketable liquid hydrocarbons.
2. Settlement and payment by Purchaser for oil received under this Division Order shall be at the price posted or paid by Purchaser for said oil on the date the oil is received by Purchaser, less any taxes required by law to be deducted and paid by Purchaser. If oil received by Purchaser under this Division Order is sold to another purchaser, settlement and payment shall be on the basis of the net proceeds realized by Purchaser from the sale after deduction of any costs for transportation and treatment of the oil prior to the sale and any taxes required by law to be deducted and paid by Purchaser.
3. Settlement and payment shall be made on a monthly basis by check mailed on or prior to the 20th day of the month following the month for which payment is being made.
4. The quantity and quality of the oil produced under this Division Order shall be determined in accordance with the customs and prevailing practice at the time and place of delivery and subject to rules and regulations prescribed by any governmental authority having jurisdiction in the premises. Purchaser shall not be required to purchase any oil under this Division Order that is not of merchantable quality. For purposes of this Division Order, merchantable quality means oil that is not contaminated by any substances not normally associated with oil and that is suitable for ordinary refinery processing.
5. Satisfactory abstracts or other evidence of title shall be furnished to Purchaser at any time and on demand by Purchaser. Upon failure to furnish such evidence of title, in the event of any claim that, in the reasonable opinion of Purchaser, adversely affects the title of any interest credited under this Division Order, Purchaser shall be entitled to withhold payment for all oil received that pertains to the disputed interest until the claim is settled to the satisfaction of the Purchaser. In the event that any suit is filed with respect to title to any interest subject to this Division Order or the right to receive the proceeds from the sale or disposition of production subject to this Division Order, the affected Division Order Party shall indemnify and hold Purchaser harmless from any and all liability for loss, costs, damages, attorney's fees and any other expenses resulting from the receipt or disposition of the affected Division Order Party's interest or the proceeds attributable to that interest. In the event that Purchaser withholds payment to any Division Order Party pursuant to the provisions of the Division Order, the affected Division Order Party shall indemnify and hold Purchaser harmless from any and all liability for production, severance, gathering excise, sales and any other taxes, including interest and penalties, attributable to the interest of that party.
6. Each owner of a working interest covered by this Division Order warrants that all oil has been produced in accordance with all applicable laws, rules and regulations.
7. Each Division Order Party shall notify Purchaser, in writing, of any change in the ownership interest of that party. A change in the ownership interest of a Division Order Party shall not be effective as to Purchaser until Purchaser has been furnished with satisfactory evidence of the change of ownership and an executed transfer order in a form acceptable to Purchaser in the reasonable exercise of Purchaser's judgment. A transfer of interest shall not be effective as to Purchaser until the first day of the month following the month in which notice of the transfer is received by Purchaser. Purchaser will not be responsible for determining when any of the interest covered by this Division Order reverts to other parties or for any overpayment made prior to the receipt of notice of a reversion of the interest of any Division Order Party.
8. This Division Order shall remain in full force and effect until further notice. A Division Order Party may cancel this Division Order as to the interest of the party by providing 30 days' written notice to Purchaser. In the event that a Division Order Party provides notice to Purchaser of the termination of the Division Order, this Division Order shall terminate as to that Division Order Party on the first day of the first full month following the expiration of the 30 day period. Termination by any Division Order Party or Parties shall not be effective as to the interest of any other Division Order Party.
9. This Division Order may be executed in counterparts, each of which shall be deemed an original for all purposes. This Division Order is binding on each of the Division Order Parties and their heirs, personal representatives, successors and assigns, and is effective as to each executing party without the necessity of execution by all of the parties named above.
10. Wherever the context shall so require, all words in this Division Order in the male gender shall be deemed to include the female or neuter gender.

Owner Id	Owner Name	Int. Type	Eff. Date	Owner Interest
1	102716 BETTY LEE CARRABBA	O	04/01/97	0.0200952700
2	102742 JOHN BEN CARRABBA	O	04/01/97	0.0200952700
3	103838 BERNARD G. SCOTT	O	04/01/97	0.0001500400
4	103840 JOHN R. BROSE	O	04/01/97	0.0000694700
5	103861 CLAYTON WILLIAMS PART LTD.	O	04/01/97	0.0288644300
6	103863 THOMAS H. MOORE	O	04/01/97	0.0000694700
7	103864 T. MILTON SHEPHERD	O	04/01/97	0.0000694700
8	103865 CAROL CARPENTER WINKEL	O	04/01/97	0.0000937800
9	104005 PAUL A. OLSON	O	04/01/97	0.0001500400
10	104008 WILLIAM C. HAVERLAH	O	04/01/97	0.0050014400
11	104009 A C ATKINS	O	04/01/97	0.0012503600
12	104010 WYMONA M. RIGGS	O	04/01/97	0.0012503600
13	104013 CHARLES F. DOUGHERTY	O	04/01/97	0.0000694700
14	104014 SANDRA G. JONES	O	04/01/97	0.0000937800
15	104015 L E MALONE	O	04/01/97	0.0002195000
16	104016 SAM L. PFIESTER	O	04/01/97	0.0001500400
17	104017 TEXAS AM UNIVERSITY	O	04/01/97	0.0066425400
18	104018 CHIHUAHUAN DESERT RESEARCH	O	04/01/97	0.0003907400
19	104019 FORT STOCKTON HISTORICAL	O	04/01/97	0.0003907400
20	104020 TRINITY SCHOOL OF MIDLAND	O	04/01/97	0.0003907400
21	104021 ROBERT J. PERVINSEK	O	04/01/97	0.0001500400
22	104023 LA OTRA CATTLE COMPANY	O	04/01/97	0.0008335700
23	104024 SUSAN KIMBERLY SCOTT	O	04/01/97	0.0000231500
24	104025 KRISTY LYNN SCOTT	O	04/01/97	0.0000231500
25	104026 DAVID STEPHEN SCOTT	O	04/01/97	0.0000231500
26	105525 JAMES D LAMPLEY, JR	O	04/01/97	0.0046197500
27	105526 UNION PACIFIC RESOURCES COMPAN	O	04/01/97	0.0276723900
28	105527 JOHN B WESTMORELAND	O	04/01/97	0.0005020800
29	105528 JAMES L MINAHAN, JR	O	04/01/97	0.0025007200
30	105540 CARL P AUTREY	O	04/01/97	0.0041176700
31	105541 W WAYNE ROYE	O	04/01/97	0.0025007200
Type Total				0.1284733400
32	102264 STATE OF TEXAS	R	04/01/97	0.0200832100
33	104033 JERRY COTRONE	R	04/01/97	0.0152437700
34	104034 CHARLES COTRONE	R	04/01/97	0.0152437700
35	105531 IRS FAO PETER B & CORRINE COURT	R	04/01/97	0.0399440000
36	105532 DAVID S CARRABBA	R	04/01/97	0.0199720000
37	105533 MARK J CARRABBA	R	04/01/97	0.0199720000
38	105534 BESSIE ORLANDO COTRONE	R	04/01/97	0.0320304600
Type Total				0.1624892100
39	102716 BETTY LEE CARRABBA	W	04/01/97	0.1380531500
40	102742 JOHN BEN CARRABBA	W	04/01/97	0.1183432700
41	103210 THRESHOLD ENERGY, INC.	W	04/01/97	0.0018891300
42	103224 WARD ADKINS, JR.	W	04/01/97	0.0027987100
43	105523 HIGHLAND INTERESTS, INC.	W	04/01/97	0.0724165100
44	105524 CARRABBA BROTHERS, INC.	W	04/01/97	0.0629708800
45	105525 JAMES D LAMPLEY, JR	W	04/01/97	0.0031485400
46	105529 HOWARD YOUNG	W	04/01/97	0.0027987000
47	105530 JOE ALAN SCAMARDO	W	04/01/97	0.0062970900
48	105535 PETRO-DRIVE, INC	W	04/01/97	0.0157427200
49	105536 DONALD LAMPO	W	04/01/97	0.0062970900
50	105537 WELDING SUPPLY HOUSE	W	04/01/97	0.0031485400
51	105538 A R WEBB	W	04/01/97	0.0031485400
52	105539 EXECUTIVE ENERGY CORPORATION	W	04/01/97	0.0088159200
53	105540 CARL P AUTREY	W	04/01/97	0.0020990300
54	105542 THOMAS K TOMLINSON, INC	W	04/01/97	0.0031485400
55	GSI OG GSI OIL & GAS, INC.	W	04/01/97	0.2579210900
Type Total				0.7090374500
Grand Total				1.0000000000

m-95201 (13)
Division Order
4-25-97

4 505

UNIT # 2946

DO NOT DESTROY

INACTIVE TA

GLO-36-10-84

-MEMO-

Operator GSI Oil & Gas Inc.

Unit Name Cotrone No 1-L unit

County Brazos County

Effective Date _____

Unitized for: Oil Gas _____ Oil & Gas _____

1. M.F. No. 95201

Area _____ Tr. 1

Sec. _____ Blk. _____ Survey _____

<u>17.86</u>		<u>1</u>		
<u>177.86</u>	x	<u>5</u>		<u>2.00832</u> %
<u>100416</u>	x	<u>2</u>		<u>.0200832</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:

MS 9-6-00



GSI OIL & GAS, INC.

4104 Highway 21 East, Box 663, Bryan, TX 77806 • (409) 778-8850 • Fax: (409) 778-8802

RECEIVED

91 APR 25 PM 2:20

April 24, 1997

ENERGY RESOURCES

Ping Ku
State of Texas
General Land Office
1700 Congress Ave.
Suite 600
Austin, Texas 78701-1495

RE: Cotrone #1-L
Unit Designation-Plat
Brazos County, Texas

Dear Ms Ku,

I have enclosed a copy of the Unit Designation and Plat covering the Cotrone #1-L well for your files.

If you should need any additional information or have any questions, please do not hesitate to call me at (409)778-8850.

Sincerely,

James D. Lampley, Jr.
Operations Manager

JDL/h

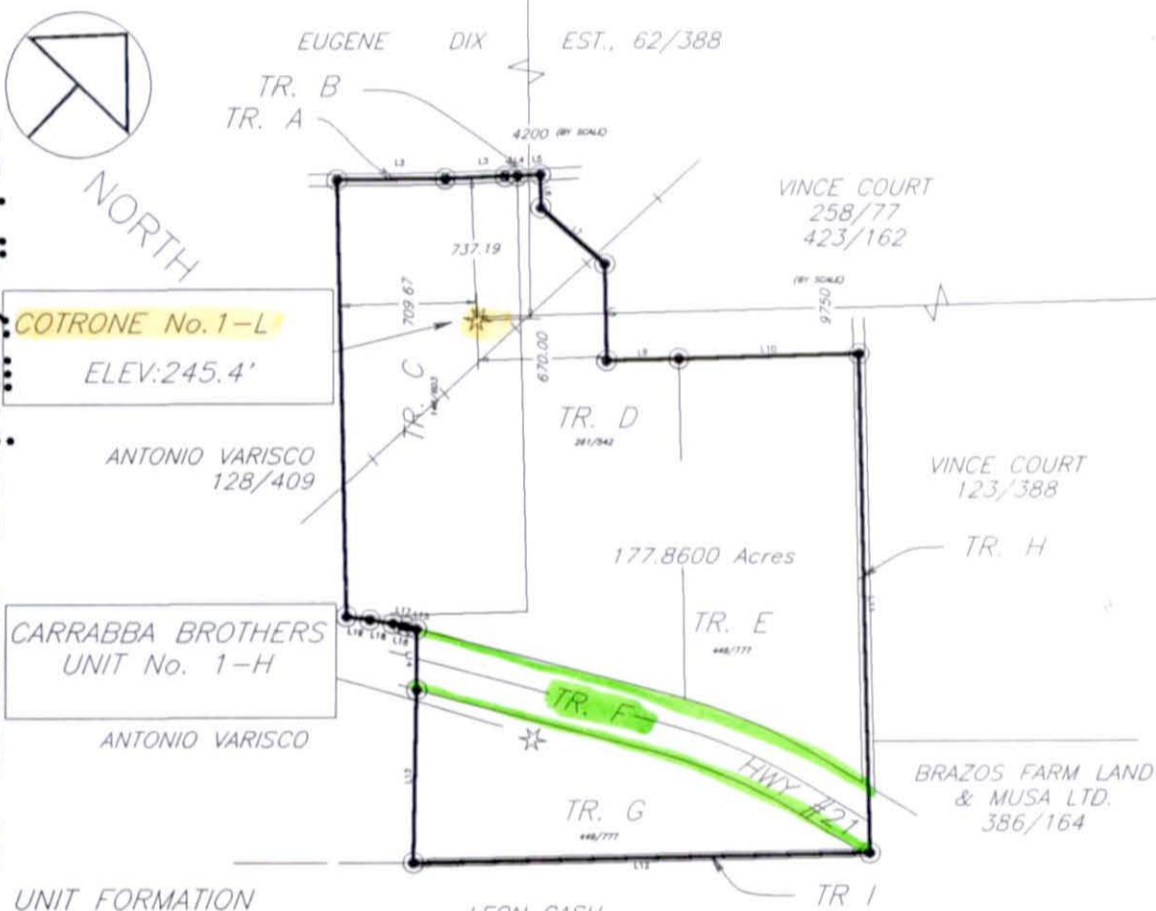
BRAZOS COUNTY, TEXAS
 GSI OIL & GAS, INC.
 WELL LOCATION
 COTRONE No. 1-L UNIT

ALEX DE LA GARZA SURVEY, A-18

FRANCISCO RUIZ, A-48

W. MATHIS SURVEY, A-37

T. K. MOSELY SURVEY, A-183



UNIT FORMATION

TR. A: C. COTRONE ROAD	0.3992 ACRES
TR. B: B. COTRONE ROAD	0.0846 ACRES
TR. C: C. COTRONE TRACT	45.1763 ACRES
TR. D: B. COTRONE TRACT	43.2955 ACRES
TR. E: CARRABBA BROS. TR.	39.7303 ACRES
TR. F: HWY #21	17.8600 ACRES
TR. G: CARRABBA BROS. TR.	27.4720 ACRES
TR. H: CARRABBA BROS. HWY 50	2.7743 ACRES
TR. I: CARRABBA BROS. CO. RD.	1.0678 ACRES

LEON CASH
 101/389
 244/259

LINE BEARING	DISTANCE
L1 N 46°04'05" W	2255.39
L2 N 44°38'37" E	559.49
L3 N 43°10'44" E	310.01
L4 N 43°10'44" E	66.38
L5 N 42°38'06" E	117.91
L6 S 46°04'05" E	169.00
L7 N 86°32'49" E	443.29
L8 S 46°01'18" E	500.00
L9 N 43°54'56" E	375.72
L10 N 43°54'56" E	937.83
L11 S 46°06'32" E	2584.32
L12 S 44°08'00" W	2377.22
L13 N 43°40'28" W	900.87
L14 N 45°02'59" W	312.83
L15 S 59°41'26" W	49.67
L16 S 59°04'24" W	21.66
L17 S 57°38'04" W	54.77
L18 S 54°30'57" W	120.78
L19 S 54°04'25" W	122.19

NOTE: BEARINGS BASED ON SOLAR OBSERVATION
 NOTE: DISTANCES ARE GIVEN WHOSE DEFINITION
 FOR LACK OF SPACE THIS WILL BE SHOWN
 ON THE ORIGINAL SURVEY DESCRIPTION.

I, Dante Carlomagno, Registered Professional Surveyor No. 1562, do hereby certify that the above survey is true and accurate representation of an actual survey conducted under my supervision and that there are no errors or omissions otherwise shown. Based on the survey conducted on or after 1984.



1000 0 1000 2000 3000 Feet

COTRONE No 1-L UNIT	
177.86 ACRES	
CARLOMAGNO Surveying Inc.	
2714 Finfeather Road, Bryan, Texas 77801	
10-08-93	DRAWING NO. 93133.DWG SHEET 1 OF 1

540086

FILED

55 DEC 10 PM 2:31

UNIT DESIGNATION

GSI OIL & GAS, INC.--COTRONE NO. 1-L UNIT

CLERK
BRAZOS COUNTY COURT HOUSE
MAYAN, TEXAS
BY: *Chris Downing*

THE STATE OF TEXAS §
COUNTY OF BRAZOS §

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, GSI Oil & Gas, Inc.; Ward N. Adkins, Jr.; Ward N. Adkins, Sr.; Carrabba Brothers, Inc.; Executive Energy Corporation; Highland Interests, Inc.; King Enterprises; Donald Lampo; Petro-Drive, Inc.; Joe Alan Scamardo; A. R. Webb; Welding Supply House; Howard Baker Young; Threshold Energy, Inc.; John Ben Carrabba; Betty Lee Carrabba; James D. Lampley, Jr.; and Carl P. Autrey (hereinafter collectively called "Lessee") are the owners of the oil, gas and mineral leases (hereinafter collectively called "Leases"), described on Exhibit "B" attached hereto and made apart hereof insofar as the Leases cover the Georgetown Formation, Kurten (Buda) Field and cover the land described on Exhibit "A", "A-1" and "A-2", attached hereto; and

WHEREAS, pursuant to the rights and powers granted in said Leases, Lessee desires to establish a pooled unit for the production of oil, and all associated or related hydrocarbons, consisting of said Leases insofar as said Leases cover 177.86 acres of land consisting of eighty (80) acres of land described on Exhibit "A", eighty (80) acres of land described on Exhibit "A-1" and 17.86 acres of land described on Exhibit "A-2" and insofar as said Leases cover the Georgetown Formation, Kurten (Buda) Field, encountered at an approximate depth between seven thousand seven hundred ninety-one (7,791) feet and seven thousand nine hundred ninety (7,990) feet below the surface of the earth, as encountered on the electrical log survey of the borehole of the GSI, Inc.--Carrabba Brothers Unit No. 1, Well No. 1, located in the William Mathis League, Abstract No. 37, Brazos County, Texas.

NOW, THEREFORE, pursuant to the terms and provisions of said Leases, Lessee does hereby designate a pooled unit for the production of oil and all associated or related hydrocarbons consisting of the Leases described on Exhibit "B" insofar as said Leases cover 177.86 acres of land consisting of eighty (80) acres of land described on Exhibit "A", eighty (80) acres of land described on Exhibit "A-1" and

17.86 acres of land described on Exhibit "A-2" and insofar and only insofar as said Leases cover the Georgetown Formation, Kurten (Buda) Field encountered at an approximate depth between seven thousand seven hundred ninety-one (7,791) feet and seven thousand nine hundred ninety (7,990) feet below the surface of the earth, as encountered on the electrical log survey of the borehole of the GSI, Inc.--Carrabba Brothers Unit No. 1, Well No. 1, located in the William Mathis League, Abstract No. 37, Brazos County, Texas.

The Leases and all royalty interests, overriding royalty interests and other interests in production thereunder insofar as they respectively cover or apply to the land described on Exhibit "A", "A-1" and "A-2" hereof and depths described above are hereby pooled and combined to form a unit consisting of 177.86 acres of land to be known and referred to as the "GSI Oil & Gas, Inc.--Cotrone No. 1-L Unit."

The pooled unit hereby designated is effective as of the date of first production from the Georgetown Formation from the GSI Oil & Gas, Inc.--Cotrone No. 1-L Well and shall remain in effect for a term on ninety (90) days and for as long thereafter as oil, or associated hydrocarbons are produced from said Unit or as long as drilling or reworking operations are conducted on any well located thereon, or any additional well, with no cessation of more than ninety (90) consecutive days, and if any such operations result in the production of oil, gas or associated or related hydrocarbons, for so long thereafter as oil, gas or associated and related hydrocarbons are produced, or drilling or reworking operations for the restoration of production are again commenced within ninety (90) days from the cessation of production in accordance with the provisions of the oil, gas and mineral leases pooled hereby and the terms hereof.

Lessee reserves the continuing right to amend, correct or alter this instrument and the Unit hereby created, including the right to amend Exhibit "B" to add additional leases covering land including within the land described on Exhibit "A", "A-1" and "A-2" hereof to the extent permitted by the authority granted in the Leases covering the pooled or unitized area. Any such amendment shall be in writing, executed by Lessee, or its successors in interest or title, and filed for record in the Office of the County Clerk of Brazos County, Texas.

This Unit Designation may be executed in multiple counterparts, each of which shall be deemed an original, and the execution by any party of a counterpart of the execution page, separated from the Unit Designation itself, shall be deemed to constitute execution of the Unit Designation with exactly the same effect as if that page had been attached to the Unit Designation when executed. James D. Lampley, Jr., has authority to combine any one or more counterparts of the Unit Designation into a single instrument by attaching the several signature pages from separate counterparts to a single instrument.

Executed this 1st day of November, 1993, but effective as of date of first production from the Georgetown Formation from the GSI Oil & Gas, Inc.--Cotrone No. 1-L Well.

GSI OIL & GAS, INC.

By: David Carrabba
Name: David Carrabba
Title: President

WARD N. ADKINS, JR.

WARD N. ADKINS, SR.

CARRABBA BROTHERS, INC.

By: David Carrabba
Name: David Carrabba
Title: President

EXECUTIVE ENERGY CORPORATION

By: _____
Name: _____
Title: _____

This Unit Designation may be executed in multiple counterparts, each of which shall be deemed an original, and the execution by any party of a counterpart of the execution page, separated from the Unit Designation itself, shall be deemed to constitute execution of the Unit Designation with exactly the same effect as if that page had been attached to the Unit Designation when executed. James D. Lampley, Jr., has authority to combine any one or more counterparts of the Unit Designation into a single instrument by attaching the several signature pages from separate counterparts to a single instrument.

Executed this 1st day of November, 1993, but effective as of date of first production from the Georgetown Formation from the GSI Oil & Gas, Inc.--Cotrone No. 1-L Well.

GSI OIL & GAS, INC.

By: David Carrabba
Name: David Carrabba
Title: President

Ward N. Adkins, Jr.
WARD N. ADKINS, JR.

WARD N. ADKINS, SR.

CARRABBA BROTHERS, INC.

By: David Carrabba
Name: David Carrabba
Title: President

EXECUTIVE ENERGY CORPORATION

By: _____
Name: _____
Title: _____

This Unit Designation may be executed in multiple counterparts, each of which shall be deemed an original, and the execution by any party of a counterpart of the execution page, separated from the Unit Designation itself, shall be deemed to constitute execution of the Unit Designation with exactly the same effect as if that page had been attached to the Unit Designation when executed. James D. Lampley, Jr., has authority to combine any one or more counterparts of the Unit Designation into a single instrument by attaching the several signature pages from separate counterparts to a single instrument.

Executed this 1st day of November, 1993, but effective as of date of first production from the Georgetown Formation from the GSI Oil & Gas, Inc.--Cotrone No. 1-L Well.

GSI OIL & GAS, INC.

By: David Carrabba
Name: David Carrabba
Title: President

WARD N. ADKINS, JR.

WARD N. ADKINS, SR.

CARRABBA BROTHERS, INC.

By: David Carrabba
Name: David Carrabba
Title: President

EXECUTIVE ENERGY CORPORATION

By: F. T. Zeter
Name: _____
Title: President

HIGHLAND INTERESTS, INC.

By: David Carrabba
Name: David Carrabba
Title: President

KING ENTERPRISES

By: _____
Name: _____
Title: _____

DONALD LAMPO

PETRO-DRIVE, INC.

By: _____
Name: _____
Title: _____

JOE ALAN SCAMARDO

A. R. Webb
A. R. WEBB

WELDING SUPPLY HOUSE

By: _____
Name: _____
Title: _____

HOWARD BAKER YOUNG

THRESHOLD ENERGY, INC.

By: _____
Name: _____
Title: _____

John Ben Carrabba
JOHN BEN CARRABBA

HIGHLAND INTERESTS, INC.

By: David Carrabba
Name: David Carrabba
Title: President

KING ENTERPRISES

By: _____
Name: _____
Title: _____

DONALD LAMPO

PETRO-DRIVE, INC.

By: Charles R. Milam
Name: CHARLES R. MILAM
Title: PRES.

JOE ALAN SCAMARDO

A. R. WEBB

WELDING SUPPLY HOUSE

By: _____
Name: _____
Title: _____

HOWARD BAKER YOUNG

THRESHOLD ENERGY, INC.

By: _____
Name: _____
Title: _____

John Ben Carrabba
JOHN BEN CARRABBA

HIGHLAND INTERESTS, INC.

By: David Carrabba
Name: David Carrabba
Title: President

KING ENTERPRISES

By: _____
Name: _____
Title: _____

Donald Lambo
DONALD LAMPO

PETRO-DRIVE, INC.

By: _____
Name: _____
Title: _____

JOE ALAN SCAMARDO

A. R. WEBB

WELDING SUPPLY HOUSE

By: _____
Name: _____
Title: _____

HOWARD BAKER YOUNG

THRESHOLD ENERGY, INC.

By: _____
Name: _____
Title: _____

John Ben Carrabba
JOHN BEN CARRABBA

HIGHLAND INTERESTS, INC.

By: David Carrabba
Name: David Carrabba
Title: President

KING ENTERPRISES

By: _____
Name: _____
Title: _____

DONALD LAMPO

PETRO-DRIVE, INC.

By: _____
Name: _____
Title: _____

JOE ALAN SCAMARDO

A. R. WEBB

WELDING SUPPLY HOUSE

By: Willard J. Delcambre, Sr.
Name: Willard J. Delcambre, Sr.
Title: President

HOWARD BAKER YOUNG

THRESHOLD ENERGY, INC.

By: _____
Name: _____
Title: _____

John Ben Carrabba
JOHN BEN CARRABBA

HIGHLAND INTERESTS, INC.

By: David Carrabba
Name: David Carrabba
Title: President

KING ENTERPRISES

By: _____
Name: _____
Title: _____

DONALD LAMPO

PETRO-DRIVE, INC.

By: _____
Name: _____
Title: _____

Joe Alan Scamardo
JOE ALAN SCAMARDO

A. R. WEBB

WELDING SUPPLY HOUSE

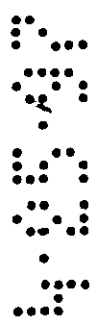
By: _____
Name: _____
Title: _____

HOWARD BAKER YOUNG

THRESHOLD ENERGY, INC.

By: _____
Name: _____
Title: _____

John Ben Carrabba
JOHN BEN CARRABBA



HIGHLAND INTERESTS, INC.

By: David Carrabba
Name: David Carrabba
Title: President

KING ENTERPRISES

By: _____
Name: _____
Title: _____

DONALD LAMPO

PETRO-DRIVE, INC.

By: _____
Name: _____
Title: _____

JOE ALAN SCAMARDO

A. R. WEBB

WELDING SUPPLY HOUSE

By: _____
Name: _____
Title: _____

Howard Baker Young
HOWARD BAKER YOUNG

THRESHOLD ENERGY, INC.

By: _____
Name: _____
Title: _____

John Ben Carrabba
JOHN BEN CARRABBA

HIGHLAND INTERESTS, INC.

By: David Carrabba
Name: David Carrabba
Title: President

KING ENTERPRISES

By: T.K. Tomlinson, Jr.
Name: T.K. Tomlinson, Jr.
Title: OWNER

DONALD LAMPO

PETRO-DRIVE, INC.

By: _____
Name: _____
Title: _____

JOE ALAN SCAMARDO

A. R. WEBB

WELDING SUPPLY HOUSE

By: _____
Name: _____
Title: _____

HOWARD BAKER YOUNG

THRESHOLD ENERGY, INC.

By: _____
Name: _____
Title: _____

John Ben Carrabba
JOHN BEN CARRABBA

Betty Lee Carrabba
BETTY LEE CARRABBA

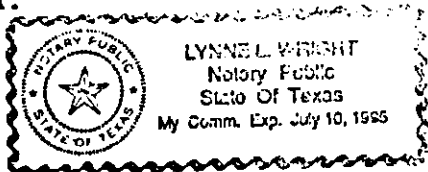
James D. Lampley, Jr.
JAMES D. LAMPLEY, JR.

CARL P. AUTREY

STATE OF TEXAS §

COUNTY OF BRAZOS §

This instrument was acknowledged before me on this 1st day of November, 1993, by David Carrabba, President of GSI Oil & Gas, Inc., a Texas corporation, on behalf of said corporation.



Lynnel L. Wright
Notary Public in and for
the State of Texas

7-10-95
My Commission Expires

Lynne L. Wright
Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on this _____ day of _____, 1993, by Ward N. Adkins, Jr.

Notary Public in and for
the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on this _____ day of _____, 1993, by Ward N. Adkins, Sr.

Notary Public in and for
the State of Texas

My Commission Expires

Typed or Printed Name of Notary

BETTY LEE CARRABBA

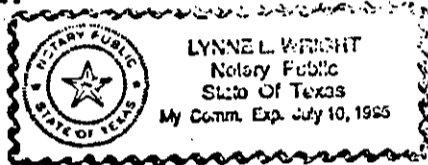
James D. Lampley, Jr.
JAMES D. LAMPLEY, JR.

CARL P. AUTREY

STATE OF TEXAS §

COUNTY OF BRAZOS §

This instrument was acknowledged before me on this 1st day of November, 1993, by David Carrabba, President of GSI Oil & Gas, Inc., a Texas corporation, on behalf of said corporation.



7-10-95

My Commission Expires

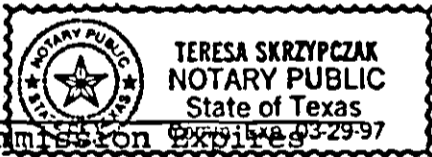
Lynne L. Wright
Notary Public in and for
the State of Texas

Lynne L. Wright
Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on this 22 day of November 1993, by Ward N. Adkins, Jr.



3/29/97

My Commission Expires

Teresa Skrzypczak
Notary Public in and for
the State of Texas

Teresa Skrzypczak
Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on this _____ day of _____, 1993, by Ward N. Adkins, Sr.

Notary Public in and for
the State of Texas

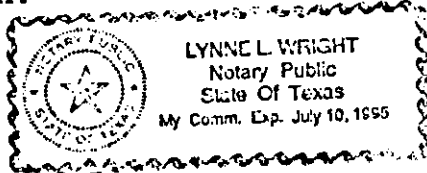
My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF BRAZOS §

This instrument was acknowledged before me on this 1st day of November, 1993, by David Carrabba, President of Carrabba Brothers, Inc., a Texas corporation, on behalf of said corporation.



7-10-95
My Commission Expires

Lynne L. Wright
Notary Public in and for
the State of Texas

Lynne L. Wright
Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by _____ of Executive Energy Corporation on behalf of said corporation.

Notary Public in and for
the State of Texas

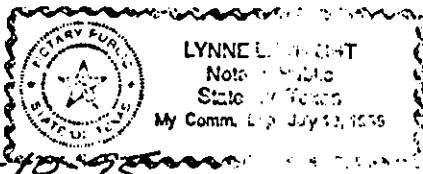
My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF BRAZOS §

This instrument was acknowledged before me on this 1st day of November, 1993, by David Carrabba, President of Highland Interests, Inc., a Texas corporation, on behalf of said corporation.



7-10-95
My Commission Expires

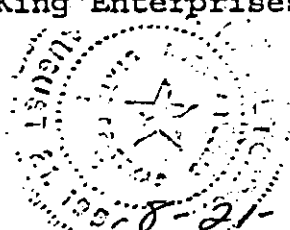
Lynne L. Wright
Notary Public in and for
the State of Texas

Lynne L. Wright
Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF BRAZOS §

This instrument was acknowledged before me on this 20th day of NOVEMBER, 1993, by T.K. Tomlinson, OWNER of King Enterprises on behalf of said corporation.



8-21-94
My Commission Expires

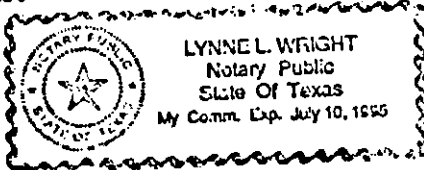
RW Hamilton, Jr.
Notary Public in and for
the State of Texas

RW HAMILTON, JR.
Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF BRAZOS §

This instrument was acknowledged before me on this 12th day of November, 1993, by David Carrabba, President of Carrabba Brothers, Inc., a Texas corporation, on behalf of said corporation.



7-10-95

My Commission Expires

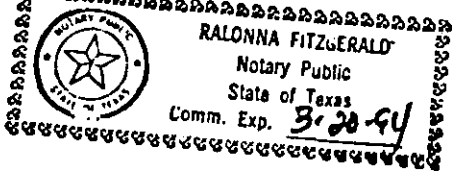
Lynne L. Wright
Notary Public in and for
the State of Texas

Lynne L. Wright
Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF PARKER §

This instrument was acknowledged before me on this 16th day of NOV., 1993, by F. T. JETER, PRESIDENT of Executive Energy Corporation on behalf of said corporation.



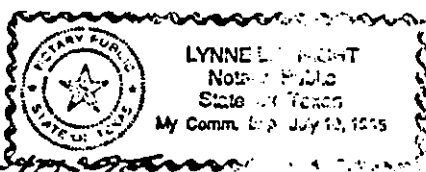
R. Fitzgerald
Notary Public in and for
the State of Texas

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF BRAZOS §

This instrument was acknowledged before me on this 12th day of November, 1993, by David Carrabba, President of Highland Interests, Inc., a Texas corporation, on behalf of said corporation.



7-10-95

My Commission Expires

Lynne L. Wright
Notary Public in and for
the State of Texas

Lynne L. Wright
Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by _____ of King Enterprises on behalf of said corporation.

Notary Public in and for
the State of Texas

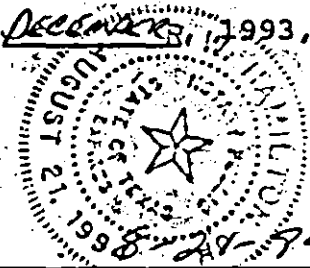
My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF Beltz §

This instrument was acknowledged before me on this 8th day of December, 1993, by Donald Lampo.



My Commission Expires

R.W. Hamilton, Jr.

Notary Public in and for the State of Texas

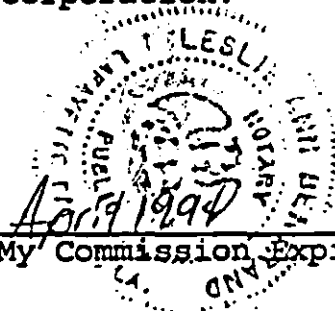
R.W. HAMILTON, JR.

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this 24th day of NOVEMBER, 1993, by CHARLES R MILAM, PRESIDENT of Petro-Drive, Inc., a LOUISIANA corporation, on behalf of said corporation.



My Commission Expires

Leslie Ann Bertrand

Notary Public in and for the State of ~~Texas~~ LOUISIANA

Leslie Ann Bertrand

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by Joe Alan Scamardo.

Notary Public in and for the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF Beltz §

This instrument was acknowledged before me on this 8th day of December, 1993, by A. R. Webb.



My Commission Expires

R.W. Hamilton, Jr.

Notary Public in and for the State of Texas

R.W. HAMILTON, JR.

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by Donald Lampo.

Notary Public in and for
the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by _____ of Petro-Drive, Inc., a _____ corporation, on behalf of said corporation.

Notary Public in and for
the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF Brewster §

This instrument was acknowledged before me on this 15 day of December, 1993, by Joe Alan Scamardo.



Michele S Ramirez

Notary Public in and for
the State of Texas

My Commission Expires

michele S Ramirez

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by A. R. Webb.

Notary Public in and for
the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by _____ of Welding Supply House on behalf of said corporation.

Notary Public in and for
the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on this _____ day of _____, 1993, by Howard Baker Young.

Notary Public in and for
the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF BRAZOS §

This instrument was acknowledged before me on this _____ day of _____, 1993, by _____ of Threshold Energy, Inc., a _____ corporation, on behalf of said corporation.

Notary Public in and for
the State of Texas

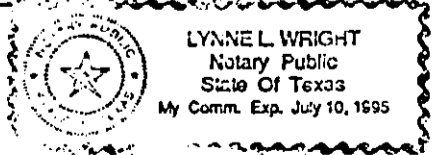
My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF Brazos §

This instrument was acknowledged before me on this 15th day of November, 1993, by John Ben Carrabba.



Lynne L. Wright
Notary Public in and for
the State of Texas

7-10-95
My Commission Expires

Lynne L. Wright
Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by _____ of Welding Supply House on behalf of said corporation.

Notary Public in and for
the State of Texas

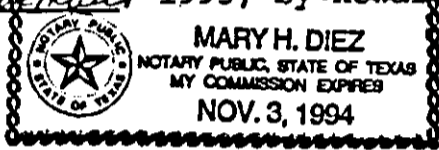
My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on this 15th day of November, 1993, by Howard Baker Young.



Mary H. Diez

Notary Public in and for
the State of Texas

11-3-94

My Commission Expires

MARY H. DIEZ

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF BRAZOS §

This instrument was acknowledged before me on this _____ day of _____, 1993, by _____ of Threshold Energy, Inc., a _____ corporation, on behalf of said corporation.

Notary Public in and for
the State of Texas

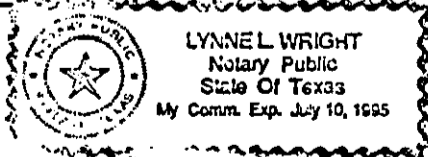
My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF Brazos §

This instrument was acknowledged before me on this 1st day of November, 1993, by John Ben Carrabba.



Lynne L. Wright

Notary Public in and for
the State of Texas

7-10-95

My Commission Expires

Lynne L. Wright

Typed or Printed Name of Notary

STATE OF ~~TEXAS~~ ^{LOUISIANA} §
PARISH
COUNTY OF LAFAYETTE

This instrument was acknowledged before me on this 6th day of December, 1993, by Willard J. Dekambre, Jr., President of Welding Supply House on behalf of said corporation.

John C. McCarthy
Notary Public in and for
the State of ~~Texas~~ Louisiana

At Death
My Commission Expires

John C. McCarthy
Typed or Printed Name of Notary

STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this _____ day of _____, 1993, by Howard Baker Young.

Notary Public in and for
the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §
COUNTY OF BRAZOS §

This instrument was acknowledged before me on this _____ day of _____, 1993, by _____, _____ of Threshold Energy, Inc., a _____ corporation, on behalf of said corporation.

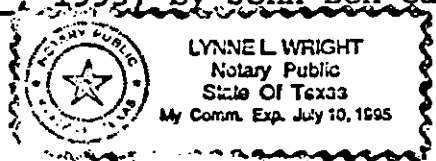
Notary Public in and for
the State of Texas

My Commission Expires

Typed or Printed Name of Notary

STATE OF TEXAS §
COUNTY OF Brazos §

This instrument was acknowledged before me on this 1st day of November, 1993, by John Ben Carrabba.



Lynnel L. Wright
Notary Public in and for
the State of Texas

7-10-95
My Commission Expires

Lynne L. Wright
Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF BRAZOS §

This instrument was acknowledged before me on this 1st day of DECEMBER, 1993, by Betty Lee Carrabba.



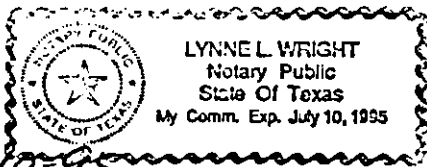
R. W. Hamilton, Jr.
Notary Public in and for
the State of Texas

R. W. Hamilton, Jr.
Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF BRAZOS §

This instrument was acknowledged before me on this 1st day of November, 1993, by James D. Lampley, Jr.



Lynne L. Wright
Notary Public in and for
the State of Texas

7-10-95
My Commission Expires

Lynne L. Wright
Typed or Printed Name of Notary

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 1993, by Carl P. Autrey.

Notary Public in and for
the State of Texas

My Commission Expires

Typed or Printed Name of Notary

After recording, please return to:

GSI Oil & Gas, Inc.
P.O. Box 663
Bryan, Texas 77806

All that certain tract or parcel of land, lying and being situated in Brazos County, Texas, out of the W. Mathis Survey, A-37, and being a part of a 39.923 Acre tract described in a deed from Peter B. Court, et ux to Mark J. Carrabba recorded in Volume 449, Page 777; a part of a 45.74 Acre tract described in a deed from John Willis Evans, et ux to Charles Cotrone recorded in Volume 146, Page 603; part of a 49.85 Acre tract described in a deed from Frank Cotrone, et al to Barney C. Cotrone, et ux recorded in Volume 261, Page 542 of the Brazos County Deed Records, and being more particularly described as follows:

COMMENCING at the North corner of the W. Mathis Survey, A-37, also being the East corner of the Alex De LaGarza Survey, A-18, for a point of reference.

THENCE S 45° W, a distance of 10,550 feet; THENCE S 45° E, a distance of 3600 feet by protractor and scale to the POINT OF BEGINNING;

BEGINNING in the Centerline of a County Road, 20.0 feet Northwest from the North corner of a 129.0 Acre tract now or formerly owned by the Varisco Estate and the West corner of a 45.1763 Acre tract now owned by C. Cotrone for the West corner of this Unit;

THENCE N 45°44'06" E, a distance of 559.49 feet along the Centerline of said County Road to a point for angle;

THENCE N 44°16'13" E, a distance of 376.39 feet along the Centerline of said County Road to a point for angle;

THENCE N 43°43'35" E, a distance of 117.91 feet along the Centerline of said County Road to a point for the most westerly exterior North corner of this Unit;

THENCE S 44°58'36" E, a distance of 169.00 feet, running through beforementioned 53.7397 Acre tract for an angle point;

THENCE N 87°38'18" E, a distance of 443.29 feet, running through said 53.7397 Acre tract to a point for the North exterior corner of this Unit;

THENCE S 44°55'49" E, a distance of 500.00 feet, running through 49.85 Acre tract for an angle point;

THENCE N 45°00'25" E, a distance of 375.72 feet to a 1/2" Iron rod found at the South corner of said 18.0 Acre tract and the West corner of a 39.7303 Acre tract now owned by Mark J. Carrabba for a point;

THENCE N 45°00'25" E, a distance of 937.83 feet along the interior Northwest line of this unit and also being the Northwest line of said 39.7303 Acre tract and the Southeast line of said 18.0 Acre tract to a point at the Centerline of F.M. 50 for the most Easterly exterior North corner of this Unit;

THENCE S 45°01'03" E, a distance of 212.22 feet along the exterior Northeast line of this unit and also being the Centerline of said F.M. 50 to a point for the most Northerly exterior East corner of this Unit;

THENCE S 45°00'25" W, a distance of 938.47 feet along the interior Southeast line of this unit running through the said 39.7303 Acre tract to a point on the Southwest line of said 39.7303 Acre tract and the Northeast line of said 53.7397 Acre tract to a point for the interior East corner of this Unit;

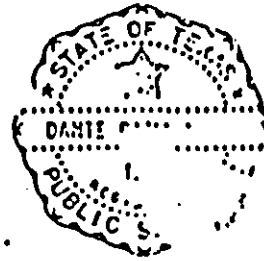
THENCE S 44°50'43" E, a distance of 960.45 feet along the interior Northeast line of this unit and also being the Southwest line of said 39.7303 Acre tract and the Northeast line of said 53.7397 Acre tract to a point for the most Southerly exterior East corner of this Unit;

THENCE S 45°00'25" W, a distance of 1752.53 feet along the exterior Southeast line of this unit running through the said 53.7397 Acre tract and the beforementioned 45.1763 Acre tract to a point on the Southwest line of said 45.1763 Acre tract for the South corner of this Unit;

THENCE N 44°58'36" W, a distance of 2141.53 feet to the POINT OF BEGINNING
and containing 80.0000 Acres of land as surveyed on the ground under my super-
vision.

February 4, 1985

Dante Carlohagno
DANTE CARLOHAGNO
Registered Public Surveyor, #1562



VOL 805 PAGE 684

VOL 1985 PAGE 302

All that certain tract or parcel of land, lying and being situated in Brazos County, Texas, out of the W. Mathis Survey, A-37, and being a part of a 39.7303 Acre tract and a 27.4720 Acre tract described in a deed to Mark E. Carrabba dated March 27, 1980 recorded in Vol. 449, Page 777; a part of two 46.0 Acre tracts owned by C. Cotrone and B. Cotrone same tracts recorded in Vol. 90, Page 78 of the Brazos County Deed Records and being more particularly described as follows:

COMMENCING at the North corner of the W. Mathis Survey, A-37, also being the East corner of the Alex De Largarza Survey, A-18 for a point of reference.

THENCE S 45° W, a distance of 10,550 feet; THENCE S 45° E, a distance of 5,700 feet by protractor and scale to the POINT OF BEGINNING;

BEGINNING in the Southwest line of a 46.0 Acre tract, now or formerly owned by C. Cotrone at a point being the most Southerly exterior West corner of this unit;

THENCE N 45°09'17" E, a distance of 1752.53 feet along the interior Northwest line of this unit running through a 46.0 Acre tract owned by C. Cotrone and a 46.0 Acre tract owned by B. Cotrone to a point on the Southwest line of a 39.7303 Acre tract owned by Mark E. Carrabba for the interior West corner of this unit;

THENCE N 44°50'43" W, a distance of 960.45 feet along the interior Southwest line of this unit and also being the Southwest line of said 39.7303 Acre tract to a point for the most Northern exterior West corner of this unit;

THENCE N 45°00'25" E, a distance of 938.47 feet along the exterior Northwest line of this unit, running through the said 39.7303 Acre tract to a point in the Centerline of F.H. 50 Right-of-Way for the North corner of this unit;

THENCE S 45°01'03" E, a distance of 2210.54 feet along the Northeast line of this unit and also being the Centerline of F.H. 50 to a point at the Centerline of State Highway 21 Right-of-Way for an angle point;

THENCE S 32°35'32" E, a distance of 165.28 feet along the Northeast line of this unit and also being the Right-of-Way of said Highway 21 to a point on the Southeast Right-of-Way line of said Highway 21 and the North corner of a 78.0 Acre tract, now or formerly owned by Brazos Varisco for the East corner of this unit;

THENCE S 45°13'29" W, a distance of 2341.66 feet along the exterior Southeast line of this unit and also being the Northwest line of said 78.0 Acre tract to a point at the East corner of a 129.0 Acre tract, now or formerly owned by J. Varisco Estate for the South corner of this tract;

THENCE N 42°34'59" W, a distance of 1060.41 feet along the interior Southwest line of this unit, and also being the North line of said 129.0 Acre tract to a point at the Centerline of beforementioned State Highway 21 Right-of-Way for an interior corner of this unit;

THENCE S 61°06'53" W, a distance of 51.21 feet along an interior Southeast line of this unit to a point in said Highway 21 Right-of-Way for an exterior corner of this unit;

THENCE N 44°50'43" W, a distance of 152.66 feet along an interior Southwest line of this unit running through the said Highway 21 Right-of-Way to a point on the Northwest Right-of-Way line of said Highway 21 and the Southeast line of the beforementioned C. Cotrone 46.0 Acre tract for an interior corner of this unit;

THENCE with the following metes and bounds along the Northwest line of said Highway 21 Right-of-Way and the Southeast line of said C. Cotrone 46.0 Acre tract for an interior Southeast line of this unit:
S 60°09'54" W, a distance of 21.66 feet to an angle point;
S 58°43'33" W, a distance of 54.77 feet to an angle point;
S 55°36'26" W, a distance of 120.78 feet to an angle point;
S 55°09'54" W, a distance of 122.19 feet along said interior Southeast line of this unit and the Southeast line of said C. Cotrone 46.0 Acre tract to a point at the South corner of said C. Cotrone tract for an exterior South corner of this unit;

THENCE N 44°58'36" W, a distance of 113.85 feet to the POINT OF BEGINNING and containing 97.9506 Acres of land, SAVE AND EXCEPT 17.9506 Acres of land within State Highway 21 Right-of-Way, leaving 80.0000 Acres of land as surveyed on the ground under my supervision;

July 31, 1984



Dante Carloniagno
DANTE CARLONIAGNO
Registered Public Surveyor, #1562

EXHIBIT A-2

Brazos County
CSJ 116-4-2, 4 and 5
CSJ 116-5
S.H. 21
No. 382

Being 17.86 acres of land, more or less, situated in the William Mathis Survey, Abstract Number 37, of Brazos County, Texas. Said 17.86 acres being all of and the same land conveyed to the State of Texas by A. H. Moseley in a deed recorded in Volume 80, Page 349, which is more particular described as follows, to wit;

Beginning at a point on the southwest line of the Moseley property. Said point being 880.00 feet from the southwest corner of the said Moseley property and is also 155.00 feet right of and at right angles to the centerline of S.H. 21;

Thence in a northwesterly direction, along the said south line of the Moseley property, a distance of 162.50 feet crossing the centerline of said S.H. 21 at Engineer's Centerline Station Number 121+15.00 and continuing on for a total distance of 325.00 feet to a point on the north right of way line of S.H. 21. Said point also being on a 03° 00' 00" curve to the right;

Thence in a northeasterly direction, around said curve, a distance of 16.20 feet to a point, being the P.T. of said curve, 155.00 feet left of and at right angles to Engineer's Centerline Station Number 120+87.20;

Thence N 62° 46' 00" E, along the said north right of way line of S.H. 2, a distance of 1,390.10 feet to a point 155.0 feet left of and at right angles to Engineer's Centerline Station Number 134+77.30. Said point being the P. C. of a 02° 00' 00" curve to the right;

Thence around said curve, along the north right of way line in a northeasterly direction, a distance of 885.00 feet to the P. T. of said curve being 155.00 feet left of and at right angles to Engineer's Centerline Station Number 143+29.00;

Thence N 79° 48' 00" E, along the said north right of way line of S.H. 21, a distance of 220.00 feet a point on the south line of a county Road;

Thence in a southeasterly direction along said south line of said County Road, a distance of 162.50 feet crossing the centerline of S.H. 21 at Engineer's Centerline Station Number 146+24.00 and continuing on for a total distance of 312.50 feet to a point;

Thence southwesterly direction, a distance of 15.00 feet to a point on the south right of way line of S.H. 21. Said point being 155.00 feet right of and at right angles to Engineer's Centerline Station Number 146+79.00;

Brazos County
CSJ 116-4-2, 4 and 5
CSJ 116-5
S.H. 21
No. 382

Thence S 79° 48' 00" W, along the said south right of way line of S.H. 21, a distance of 350.00 feet to the P. T. of a 02° 00' 00" curve to the left, being 155.00 feet right of and right angles to Engineer's Centerline Station Number 143+29.00;

Thence around said curve, in a southwesterly direction, a distance of 800.00 feet to the P.C. of said curve being 155.00 feet left of and at right angles to Engineer's Centerline Station Number 134+77.30;

Thence S 62° 46' 00" W, along the said south right of way line of S.H. 21, a distance of 1,320.00 feet to a point on the southwest line of the Moseley property being the point of beginning of the tract herein described.

The above described tract contains 17.86 acres of land, more or less, and 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 Numbers 116-4-2, 4 and 5 and 116-5.

EXHIBIT B

1. Oil, Gas and Mineral Lease dated June 24, 1976, Vol. 23, page 176, Oil and Gas Lease Records of Brazos County, Texas, from Barney C. Cotrone, et ux, to William C. Haverlah.
2. Oil, Gas and Mineral Lease dated June 24, 1976, Vol. 23, page 234, Oil and Gas Lease Records of Brazos County, Texas, from Bessie Orlando Cotrone, et ux, to William C. Haverlah.
3. Oil, Gas and Mineral Lease dated December 6, 1983, Vol. 670, page 556, Official Records of Brazos County, Texas, from David S. Carrabba, et al, to GSI, Inc.
4. Oil, Gas and Mineral Lease dated June 1, 1993, Vol. 1833, page 16, Official Public Records of Brazos County, Texas, from the State of Texas to GSI Oil & Gas, Inc.

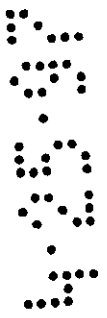
18171

Oil and Gas Lease Records of Brazos County, Texas, from
Army C. Corone, et ux, to William C. Haverlah.

Oil and Gas Lease Records of Brazos County, Texas, from
Francis Orlando Corone, et ux, to William C. Haverlah.
GRANTOR: GSI OIL & GAS, INC. ET AL

Oil and Gas Lease Records of Brazos County, Texas, from
Official Records of Brazos County, Texas, from David B.
Grants, et ux, to THE PUBLIC COMPANY, INC.

Oil and Gas Lease Records of Brazos County, Texas, from the
Official Public Records of Brazos County, Texas, from the
State of Texas to GSI Oil & Gas, Inc.



STATE OF TEXAS
COUNTY OF BRAZOS

DEC 1 1993

[Signature]
County Clerk, Brazos County, Texas

PLEASE RETURN TO:
GSI OIL & GAS, INC.
P.O. Box 663
BRYAN, TX 77804

708 7801

M-95201 (14)

UNIT DESIGNATION

4/25/97 7A

M-95201

14