

MF095203

~~#2425~~

~~#2919~~

TERMINATION
DATE 3/1/2021
LEASING MB
MAPS PC
GIS MC

Leasing: MB

Maps: J

GIS: MC

Scanlab: _____

Lease Type	Control	Basefile	County
HROW 56 [State	56-029973		BRAZOS
	Survey	Highways & Public Transportati...	
	Block		
	Block Name		
	Township		
	Section/Tract		
	Land Part	SH OSR	
	Acres	Net: 1.810000	Gross: 1.810000
	Depth Below	Depth Above	Depth Other
			Allow All Depths
	Name	GENERAL LAND OFFICE	
	Lease Date	2/2/1993	
	Primary Term	5 years	
	Bonus	\$10.00	
	Lease Royalty	0.12500000	
	Paid Up	NA	



CAUTION

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

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

Thank you for your assistance.

Archives and Records Staff



✓ UNIT # 2425
2919

1.81 UNIT ACRES
0 NON-UNIT ACRES

HIGHWAY RIGHT-OF-WAY M-95203

paid-up

COUNTY (CODE) : BRAZOS (21)
SURVEY : D. HARVEY A-125
BLOCK : _____
TOWNSHIP : _____
SECTION : _____
PART : O.S.R.
ACRES : 1.81
DEPTH LIMITS : _____
BASE FILE (S) : 56-03170-0
CONTROL NO. (S) : _____

LESSEE : OMNI PETROLEUM CORPORATION
DATE : FEB. 2, 1993
PRIMARY TERM : 5yr.
BONUS : \$10.00
ROYALTY : 1/8
RENTALS : paid-up

Pass To: Legal MS
Rental _____
Min. A/c DR
Min. Map GA
26

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Scanned lw	3-3-2016
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Scanned sm	12/04/2023

The State of Texas



Austin, Texas

PAID-UP

OIL AND GAS LEASE NO. M-95203
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 Omni Petroleum Corporation, whose address is 110 Wild Basin Road, Suite 250, Austin, Texas 78746, hereinafter called "Lessee". 4/100033732

1. Lessor, in consideration of Eighteen and 10/100 Dollars (\$18.10), 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:

1.81 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 1.81 acres, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

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

3. ROYALTIES: As royalty Lessee covenants and agrees:

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

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

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

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

(e) If at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check of lessee, as royalty, the sum of \$1.81. 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 \$3.62, 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 February 2, 1993.


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

Approved:
Energy: RH
Legal (Form): Am
Executive: _____

Brazos County
CSJ 475-1-1
O.S.R.
No. 387

Exhibit "A"

Being 1.81 acres of land, more or less, situated in the D. Harvey Survey, of Brazos County, Texas. Said 1.81 acres being a portion of the same land conveyed to the State by deed from Joe Penicka as recorded in Volume 114, Page 554, of the Deed Records of Brazos County, Texas. Said 1.81 acres being a strip of land of variable width and is more particularly described as follows, to wit;

Beginning at a point in the line between the Joe Penicka and Joe Banjo properties. Said point being N 57° 43' 00" W, a distance of 130.00 feet from the southwest corner of the said Penicka property. Said point also being 60.00 feet from the centerline of the O.S.R., measured at right angles there from. Said centerline being on a 02° curve with a central angle is 32° 36';

Thence around said curve, along the west right of way line of said O.S.R., a distance of 460.00 feet to a point being the P.T. of said curve. Said point also being 60.00 feet from and at right angles to Engineer's Centerline Station Number 624+68.40;

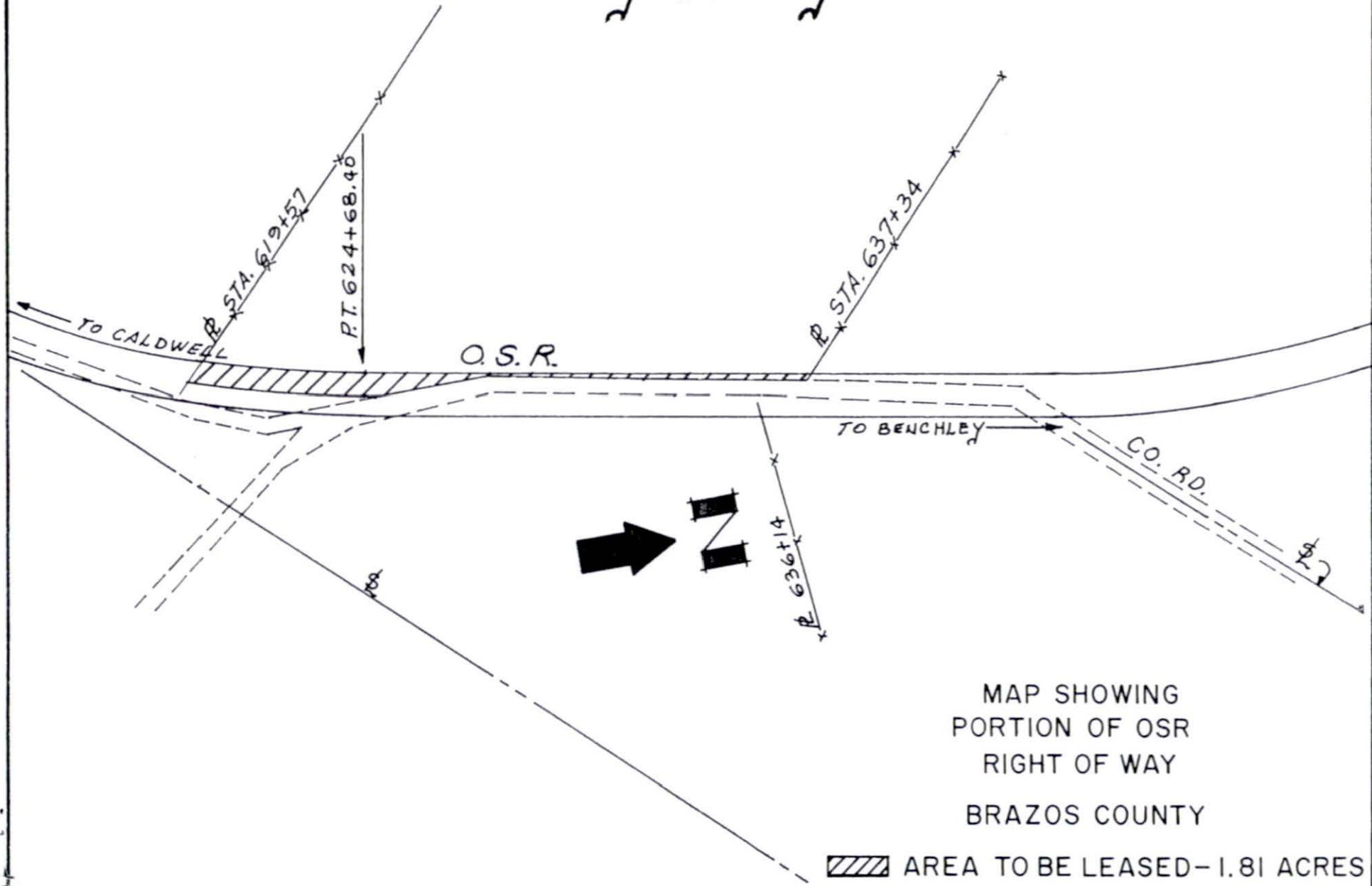
Thence N 10° 37' 00" E, along the west right of way line of O.S.R., a distance of 1,310.00 feet to a point;

Thence S 46° 31' 00" E, departing from the said west right of way line, a distance of 17.00 feet to a point;

Thence in a southwesterly direction along the southeast line of the said Penicka property, a distance of 1,225.00 feet crossing the centerline at Engineer's Centerline Station Number 625+35 and continuing on for a total distance of 1860.00 feet to a point on the east right of way line of O.S.R.;

Thence N 57° 43' 00" W, departing the east right of way line of O.S.R., a distance of 49.00 feet crossing the centerline of said O.S.R. at Engineer's Centerline Station Number 619+57 and continuing on for a total distance of 130.00 feet to the Point of Beginning. The above described tract contains 1.95 acres. Save and excepted from the above description is 0.14 acres not to be included in this lease, leaving 1.81 acres, more or less, being as indicated on the official right of way map which is on file with the Texas Department of Transportation and is identified under Control Number 475-1-1.

D. Harvey Survey



MAP SHOWING
 PORTION OF OSR
 RIGHT OF WAY
 BRAZOS COUNTY

 AREA TO BE LEASED - 1.81 ACRES

1

MF M-95203
Item Lease
To _____
From _____
Date 2-2-93

GENERAL LAND OFFICE

GARRY MAURO
COMMISSIONER

MEMORANDUM

DATE: January 26, 1993

TO: School Land Board

FROM: Robert Hatter / Lease Administration

SUBJECT: Application To Lease Right-of-Way

APPLICANT: Omni Petroleum Corporation

REFERENCE: Being 1.81 acres, more or less, of Old San Antonio Road (O.S.R.), situated in the D. Harvey Svy., A-125, in Brazos County, Texas

The following terms were provide for in the adjacent leases:

	<u>High</u>	<u>Low</u>	
Bonus/Acre:	\$10.00	\$10.00	(One lease - 9/29/76)
Royalty:	1/8	1/8	
Delay Rental:	\$ 1.00	\$ 1.00	
Primary Term:	5 year	5 year	

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

Bonus/Acre:	\$10.00 per acre
Royalty:	1/8 royalty
Delay Rental:	\$1.00 per acre
Primary Term:	5 year

Omni Petroleum Corporation holds the mineral interest in the leases adjoining the above referenced right-of-way. Therefore, the applicant is entitled to a lease of the entire 1.81 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 25, 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 application and the following request for preferential lease is 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	Omni Petroleum Corporation	\$10.00	1/8	5 Years	\$ 1.00

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

Sincerely,

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

Attachments

Brazos County
CSJ 475-1-1
O.S.R.
No. 387

Exhibit "A"

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Beginning at a point in the line between the Joe Penicka and Joe Banjo properties. Said point being N 57° 43' 00" W, a distance of 130.00 feet from the southwest corner of the said Penicka property. Said point also being 60.00 feet from the centerline of the O.S.R., measured at right angles there from. Said centerline being on a 02° curve with a central angle is 32° 36';

Thence around said curve, along the west right of way line of said O.S.R., a distance of 460.00 feet to a point being the P.T. of said curve. Said point also being 60.00 feet from and at right angles to Engineer's Centerline Station Number 624+68.40;

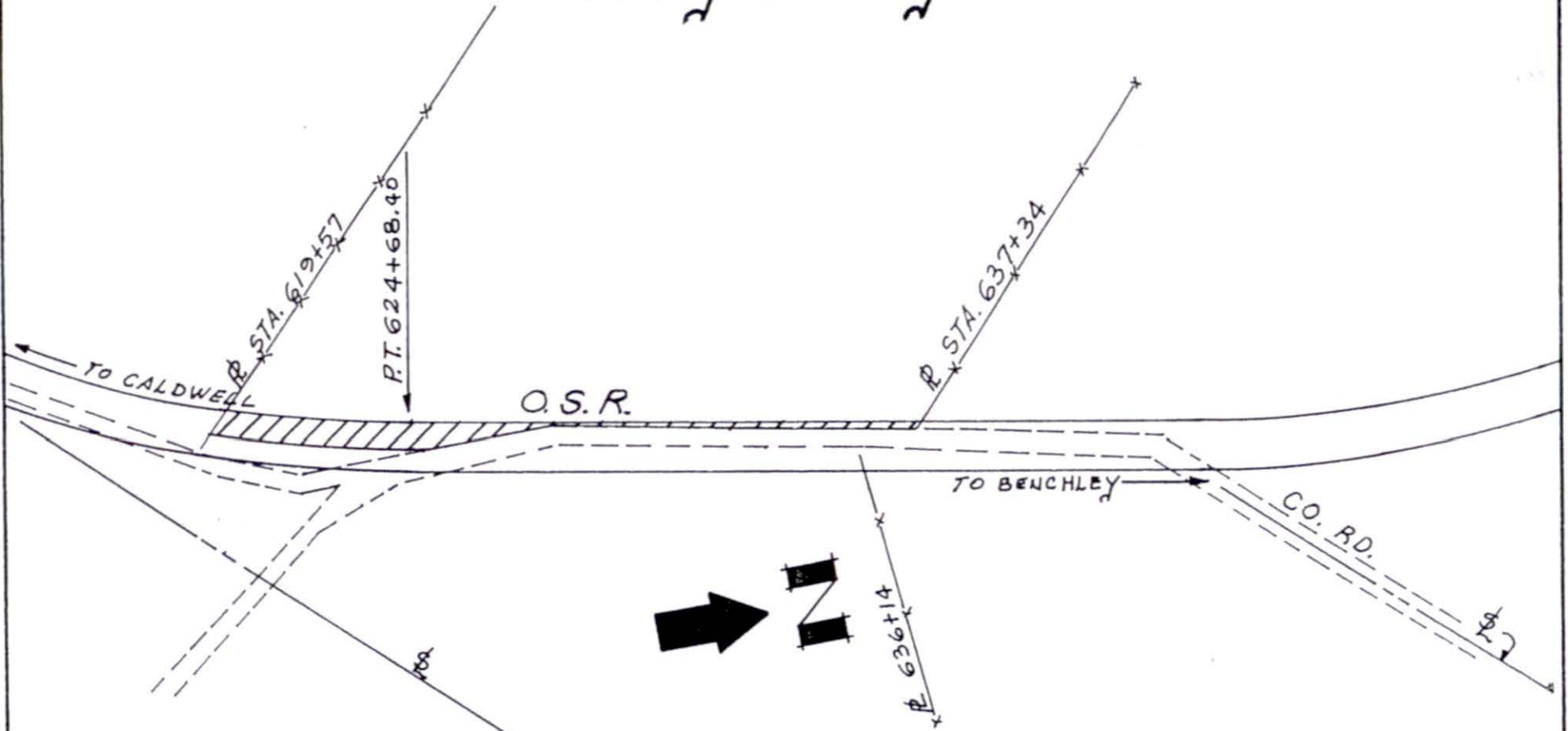
Thence N 10° 37' 00" E, along the west right of way line of O.S.R., a distance of 1,310.00 feet to a point;

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D. Harvey Survey



MAP SHOWING
 PORTION OF OSR
 RIGHT OF WAY
 BRAZOS COUNTY

 AREA TO BE LEASED - 1.81 ACRES

MF M-95203
Item Lease
To _____
From _____
Date 2-2-93

Highway Lease Applicant

Name of Lease Applicant: Omn: Petroleum Corporation

County & Tract Description:

Brazos Co | 1.95 ac | (S.H. OSR) | D. Harvey Sr.

Date Sent to Highway Department: 1.15.93

Check List: 1.01 ac

- Letter of Application and plat ✓
- Names and addresses of adjacent mineral owners omni ✓
- Affidavit of non-production within 2500 feet Hor ✓
- \$100 processing fee ✓ 24203/100.00 1.5.93
- Written waiver of statutory notice ✓
- Certified copy/copies of adjacent lease/leases ✓
- Notarized affidavit of consideration paid ✓
- Title Opinion ✓
- Is the right-of-way on Relinquishment Act Land No ✓

Remarks:

	18.10	(only one lease)	
	.27		
	7.24	Bonus	10.00
		Roy	1/8
		Ten	10yr
		Rental	1000
		Shut in	1000
			1.00
			1.00

\$25.61

5yr

Date Appeared Before SLB:

Approved:

Disapproved:

Problems:

Date Lease Issued:

Review
~~see~~ 1.12
Copy
~~copy~~
H. & Zimny - 1.15.93 ✓

MF M-95203

Item Appl / Internal

To _____

From _____

Date _____

KEITH D. GRAHAM

Omni Petroleum Corporation

110 Wild Basin Road
Suite 250
Austin, Texas 78746
512-327-2598
512-327-2695(FAX)

January 4, 1993

Texas General Land Office
Petroleum and Minerals Division
1700 N. Congress Ave., Rm. 640
Austin, Texas 78701

ATTN: Mr. Robert Hatter
Manager Lease Administration

Re: Application to Lease State Owned Highway Minerals

Dear Mr. Hatter:

Keith D. Graham does hereby make application to preferentially lease one-half of the right-of-way adjoining the Joe Penicka and wife, Rosa Penicka lease. The resulting oil and gas lease covering this highway, called the **Old San Antonio Road (OSR)**, will be used for horizontal drilling only and no part of the well bore will pass beneath it. Our plans are to include this OSR tract in a producing unit, which will be designated upon completion of the proposed reentry well. The location of this one-half of the OSR right-of-way tract owned by the State (shown in red) and our Penicka lease (in yellow) are shown on the enclosed highway plat and survey plat.

The original location of the OSR is shown on this highway plat and appears as a strip between the Penicka deed and a deed to the State from Frank Smith. We were unable to find any conveyance to the State in the records of Brazos County, Texas for the the original location of the OSR. Therefore, we are hereby requesting a lease from the State of Texas on our preferential one-half of the right-of-way tract conveyed to the State by Joe Penicka and wife.

The Penicka lease has been held by production since August 1985. This well will be reentered and redrilled horizontally in the Austin Chalk formation.

Enclosed with this application are the following items:

1. Title Opinion dated December 23, 1992 from J. Don Reese to Omni Petroleum Corporation covering the subject preferential one-half of the OSR right-of-way.

January 4, 1993
Page 2

2. A check from Omni Petroleum Corporation to the Commissioner of the General Land Office for the \$100.00 processing fee.
3. A copy of the original, recorded Penicka Oil, Gas and Mineral Lease, which is adjacent to the subject OSR right-of-way.
4. Affidavit by the undersigned stating that the consideration paid for the Penicka lease was \$10.00 per net mineral acre.
5. Waiver of right to receive statutory notice of intent to lease, executed by Keith D. Graham.

If anything further is needed or we can provide additional information, please call.
Thank you in advance for your attention to this matter.

Sincerely,



Ralph W. Owens
Landman

Enclosures

MF M-95203
Item Str
To _____
From Ralph Owens
Date 2-4-93

Bonus

Oil & Gas Lease - State Mineral File # 95203 - 1.81 acres

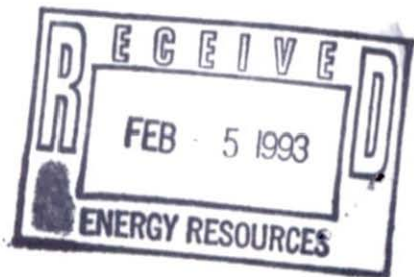
Penicka Prospect

Brazos County, Texas

93031876

X25.6!

170

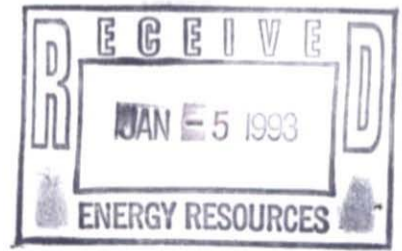


Processing Fee For Application to Lease State Owned Highway Minerals.
Penicka Prospect, Brazos County.

170

X 100.00

93024203



KEITH D. GRAHAM

Omni Petroleum Corporation

110 Wild Basin Road
Suite 250
Austin, Texas 78746
512-327-2598
512-327-2695(FAX)

February 2, 1993

Texas General Land Office
Petroleum and Minerals Division
1700 N. Congress Ave., Rm. 640
Austin, Texas 78701

ATTN: Mr. Drew Reid, Landman
Energy Resources

Re: State Mineral File #95203, Brazos County, Texas.

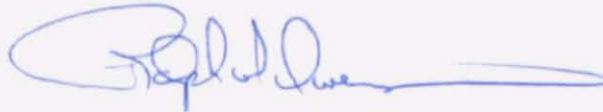
Dear Drew,

Enclosed is our check in the amount of \$25.61 as payment of the bonus and prepaid delay rentals for the above referenced State of Texas Oil and Gas Lease.

Once the lease is fully executed, please forward to our office and it will be sent for recording in Brazos County.

Thank you in advance for your assistance in this matter. If there are any questions, please call.

Sincerely,



Ralph W. Owens
Landman

Enclosure

MF M-95203
Item LTR
To GLO
From Omni
Date 2-2-93

5. 400

WAIVER

STATE OF TEXAS §
COUNTY OF BRAZOS § KNOW ALL MEN BY THESE PRESENTS:
§

THAT WHEREAS, Keith D. Graham is the owner of the Joe Penicka and wife, Rosa Penicka, Oil and Gas Lease covering lands adjacent to the Old Spanish Road (OSR); and

WHEREAS, Keith D. Graham has made application to preferentially lease one-half of the right-of-way adjacent to this lease; and

WHEREAS, Keith D. Graham, having initiated the leasing process, is not needful of notice from the State of Texas of its intent to lease such lands underneath the OSR right-of-way;

NOW THEREFORE, Keith D. Graham does hereby waive the Statutory Notice of the intent of the State to lease, to which we are entitled as an "adjacent mineral owner", defined by the Suggested Procedures For Leasing State Highway Right-Of-Way Tracts.

IN WITNESS WHEREOF, this instrument is executed this 23rd day of December, 1992.



KEITH D. GRAHAM

STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this the 23rd day of December, 1992, by Keith D. Graham.





Notary Public, State of Texas

MF M-95203
Item Waiver
To _____
From _____
Date 12.23.92

6



AFFIDAVIT

STATE OF TEXAS §
COUNTY OF BRAZOS § KNOW ALL MEN BY THESE PRESENTS:
§

BEFORE ME, the undersigned Notary Public, on this 11th day of December, 1992, personally appeared Ralph W. Owens, sworn, deposed and stated the following:

My name is Ralph W. Owens and I am a Landman employed by Keith D. Graham. After reviewing the files in our office, I am familiar with the Oil, Gas and Mineral Lease dated September 29, 1976, from Joe Penicka and wife, Rosa Penicka to Keith D. Graham.

The Penicka lease is adjacent to the State owned Old Spanish Road simply known as OSR, which is the subject of an preferential right to lease application by Keith D. Graham.

After examination of the Penicka lease files, I know that the consideration paid to the Penicka's was \$10.00 per net mineral acre for a 10 year lease and 1/8 royalty.

FURTHER AFFIANT SAYETH NOT


RALPH W. OWENS

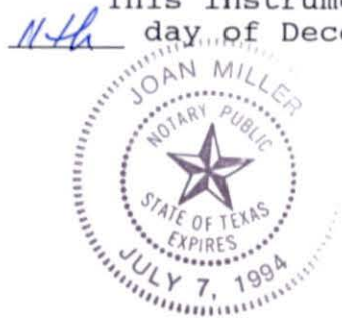
SUBSCRIBED TO AND SWORN before me by Ralph W. Owens on this 11th day of December, 1992.




Notary Public, State of Texas

STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this the 11th day of December, 1992, by Ralph W. Owens.




Notary Public, State of Texas

MF M-95203 7
Item affidavit
To _____
From _____
Date 12-11-92

J. DON REESE
ATTORNEY AT LAW
P.O. Box 3501
ABILENE, TEXAS 79604
915-676-5501

December 23, 1992

Omni Petroleum Corporation
110 Wild Basin Road
Suite 250
Austin, Texas 78746

TITLE OPINION

RE: 1.95 acres of land, more or less, out of the D. Harvey Survey, Brazos County, Texas, more particularly described by metes and bounds as follows, to-wit:

BEGINNING at a point in the line between Joe Penicka and Joe Banjo, said point being N57-43W 130 feet from the southwest corner of the Joe Penicka tract, said point being also 60 feet from the centerline of the proposed highway, measured at right angles therefrom, said center being on a 2 degree curve whose center angel is 32-36;

THENCE around said 2 degree curve along a line parallel to and 60 feet from the centerline of the proposed highway for a distance of approximately 460 feet to a point opposite the centerline marked as Station 624-68.4 the end of said 2 degree curve;

THENCE N10-37E along a line parallel to and 60 feet from the centerline of the proposed highway for a distance of approximately 1310 feet to a point in the line between Joe Penicka and J. W. Smith;

THENCE S46-31E along the line between Joe Penicka and J. W. Smith for a distance of 17 feet to the nouttheast corner of the Joe Penicka tract;

THENCE in a southwesterly direction along the southeast line of the Joe Penicka tract for a distance of approximately 1860 feet, crossing the centerline of the proposed highway at a point marked as Station 625-35 at 1225 feet, to a common corner between Joe Penicka and Joe Banjo, said corner being the southwest corner of the Joe Penicka tract;

THENCE N57-43W along a line between Joe Penicka and Joe Banjo for a distance of 130 feet, crossing the centerline of the proposed highway at Station 619-57 at 49 feet, to the place of beginning.

Containing 1.95 acres, more or less.

Omni Petroleum Corporation
December 23, 1992
Page 2

Gentlemen:

Pursuant to your request I have examined a Warranty Deed from Joe Penicka and wife, Rosa Penicka, dated the 16th day of November, 1943, recorded in Volume 114, Page 554, Deed Records, Brazos County, Texas. I have also examined a runsheet prepared by Linda Shannon whereby she has attempted to run title to the original old San Antonio Road from 1943 back to Patent. She has also enclosed old deeds in the chain of title.

Upon review of these documents, and based solely upon the review of the documents provided by Linda Shannon, I find that the State of Texas is the fee owner of all surface and mineral rights of the above referenced 1.95 acres tract. A specific examination of the document reflected above reveals no reservation made by Grantor on this acreage. The other documents provided by Linda Shannon and her runsheet do not provide sufficient data to certify as to the title of the original old San Antonio Road.

Please, contact me should you need a more detailed examination of the title to the property. I do not pass upon the property under examination with respect to its location upon the ground; nor does this opinion cover the questions of boundary conflicts, conflicts with adjacent surveys, or matters of area. This must be determined by property survey of the premises. Also, I do not pass upon questions of forgery, identity, or capacity of the parties or actual possession of the property.

Yours truly,

A handwritten signature in cursive script, appearing to read "J. Don Reese".

J. Don Reese

REF M-95203
FROM Title Opinion
TO _____
DATE 12-23-92

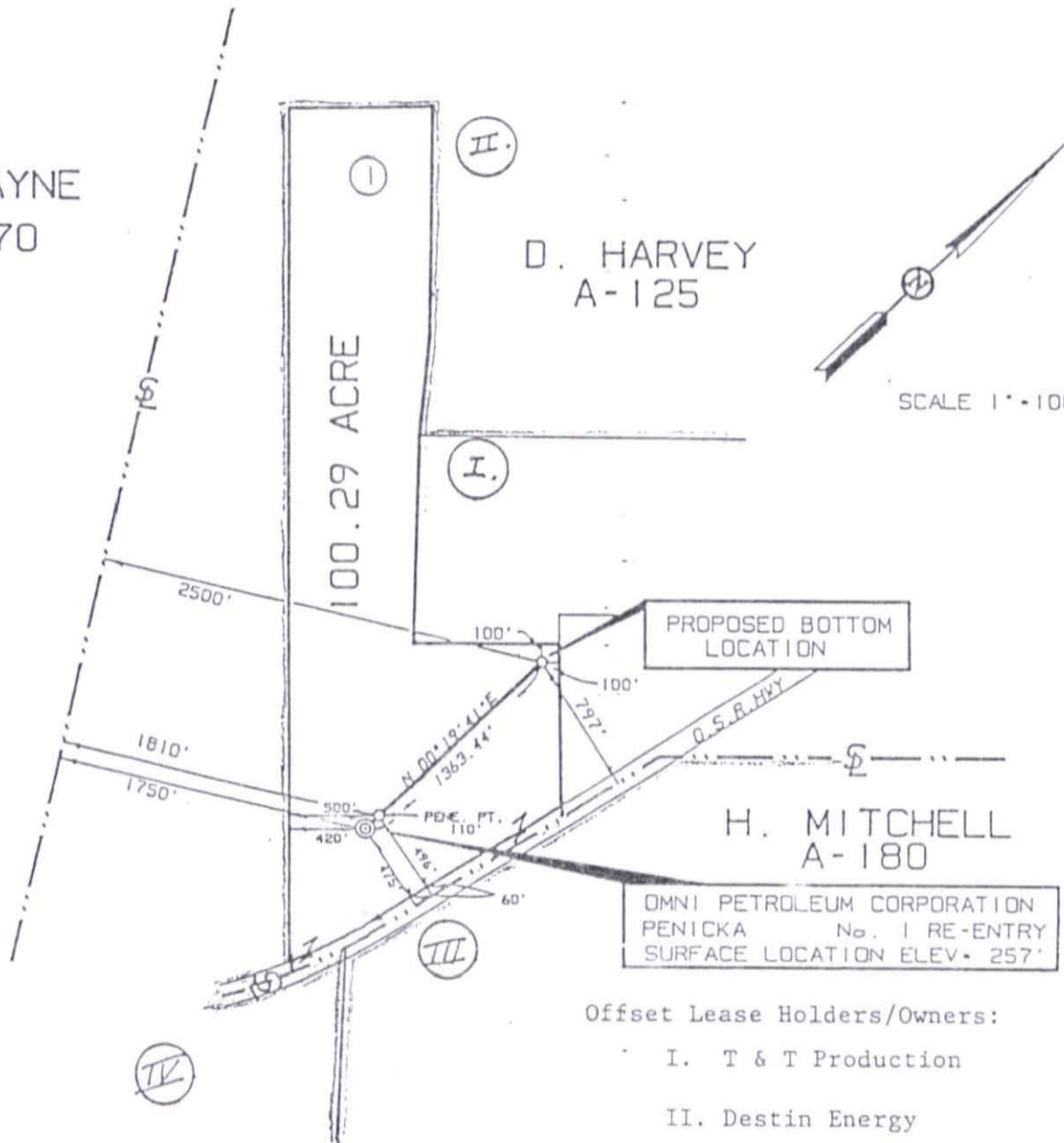
BRAZOS COUNTY, TEXAS

G. BAYNE
A-70

D. HARVEY
A-125



SCALE 1" = 1000'



H. MITCHELL
A-180

OMNI PETROLEUM CORPORATION
PENICKA No. 1 RE-ENTRY
SURFACE LOCATION ELEV. 257'

Offset Lease Holders/Owners:

- I. T & T Production
- II. Destin Energy
- III. Producers Engineering Group
- IV. Union Pacific Resources Company

NOTES:

- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- 2) WELL IS LOCATED 7.4 MILES WEST SOUTHWEST OF BRYAN, TEXAS

TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL/PG
I	100.29	JOE PENICKA	108/37
100.29 ACRES TOTAL IN UNIT			

RECEIVED
RRC - O&G
SEP 17 1992
AUSTIN, TEXAS

I, WARREN L. SIMPSON, REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4122 DO
HEREBY CERTIFY THE ABOVE PLAT CORRECTLY SHOWS THE ABOVE WELL STAKED.



Warren L. Simpson

WARREN L. SIMPSON

REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4122

SEPTEMBER 2, 1992

WARREN L. SIMPSON

7701 CAMERON ROAD, SUITE 100

AUSTIN, TEXAS 78752

MF M-95203
Item Plot
To _____
From _____
Date —

OIL, GAS AND MINERAL LEASE

29th September 1976

THIS AGREEMENT made this 29th day of September 1976, between Joe Penicka and wife, Rosa Penicka,

lessor (whether one or more), whose address is: Route One, Box 603, Bryan, Texas 77801,
and Keith D. Graham, 916 Building of the Southwest, Midland, Texas 79701 lessee, WITNESSETH:

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

99.1 acres of land, more or less, out of the David Harvey Survey, Abstract No. 125, in Brazos County, Texas; and being the same land described in a Deed from Rosa De Stefano to Joe Penicka, said Deed dated October 23, 1941, and recorded in Volume 108, Page 37, of the Deed Records of Brazos County, Texas.

FILED

117435

At 10 O'clock a M

NOV 10 1976

DATE RECORDED 11-11-76

FRANK BORISKIE

County Clerk, Brazos County, Bryan, Texas
By *Norwalk* 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 99.1 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 First Bank and Trust P. O. Box 1033, 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 \$ 99.10

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.

12. Notwithstanding any other clause or provisions 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 29th day of September, 1981, shall be \$991.00, 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 September 29, 1981, the provisions as to payments of annual delay rentals, as provided in Paragraph 5 above, shall remain in full force and effect for the entire term of this lease.

13. 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.

14. 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 same land caused by the operations of Lessee conducted hereunder.

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

Joe Penicka
JOE PENICKA
SOCIAL SECURITY # [REDACTED]

Rosa Penicka
ROSA PENICKA
SOCIAL SECURITY # [REDACTED]

VOL 24 PAGE 361
VOL 24 PAGE 362

THE STATE OF TEXAS I
COUNTY OF BRAZOS I

BEFORE ME, the undersigned authority, on this day personally appeared JOE PENICKA, known to me to be the person whose name is (~~are~~) subscribed to the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 30 day of September, 1976.

Madeline E. Loasterson
Notary Public in and for Brazos
County, Texas.



THE STATE OF TEXAS I

COUNTY OF I

BEFORE ME, the undersigned authority, on this day personally appeared
ROSA PENICKA

known to me to be the person whose name is (~~are~~) 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 30 day of September, 1976.



Madeline E. Loasterson
Notary Public in and for Brazos
County, Texas.

STATE OF TEXAS I

COUNTY OF BRAZOS I

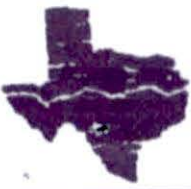
I, Frank Boriskie, Clerk of the County Court in and for Brazos County, Texas, do hereby certify that this instrument was FILED on the date and at the time stamped hereon and RECORDED in the volume and page of the 111-0-9 Records of said county on the date stamped hereon.

FRANK BORISKIE, County Clerk
Brazos County, Texas

By: Mary Ann Murphy Deputy

MF M-95203
Item Lease
To _____
From _____
Date — _____

•
•
•
•



July 12, 1996

Amoco Production Company
Division Order Section
P.O. Box 591
Tulsa, OK 74102-0591

Re: Mineral File No. M- 95203

Dear Sir or Madam:

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

The payment of royalties to the State of Texas is set by statute. As the execution of the division order may, in some cases, affect 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) 475-2317.

Sincerely,

Metha Kester
Accounts Examiner
Royalty and Revenue Processing
Energy Resources

/mrg

Enclosures



Amoco Shared Services Center
Post Office Box 591
Tulsa, OK 74102-0591

INSTRUCTIONS TO INTEREST OWNERS

Enclosed is Amoco's Division Order or Transfer Order for execution as follows:

- Signature:** Sign name as it is shown in title records.
Have your signature witnessed.
If signing for a company or corporation list company name and your title.
- Signatures by Second Party:** If the instrument is signed by agent, attorney-in-fact, guardian or any party other than the named interest owner, furnish evidence of authority to sign.
- Taxpayer ID:** List your social security number or taxpayer's identification number. The Internal Revenue Code requires a payer to withhold taxes equal to 31% of the payment where a taxpayer identification is not provided.
- Taxpayer Status:** If you are a foreign citizen or a United States citizen living outside the United States please note that fact on the Division Order or Transfer Order.
- Mailing Address:** Insert address to which checks are to be mailed.

Checks will be mailed monthly when accruals to your interest equal \$25.00 or more. In April and October of each year payment will be made for all accumulated sums of more than a \$1.00.

Please notify us promptly of any change in your mailing address. Notice must be over your own signature or the signature of your appointed agent. Always include your business associate number and your old address, then state your new address.

Return the executed instrument without delay to the address on the enclosed envelope. **KEEP ONE COPY FOR YOUR RECORDS.** Any questions about your interest should be directed to Sherry A. Coskey at the letterhead address or phone (918) 581-3318.

M.F.
95203



Amoco Production Company

Oil and Gas Division Order

ZVPK03
Page 1
06/12/1996

Effective at 7 A.M. 05/01/1996 -- PLUS ALL SUMS ACCRUED

Property Name	PENICKA		
Product	OIL		
Operator	DELAWARE ECCO PETROLEUM INC	LPN	000000
Field	NOT FOUND	Property/DOI	2432100 00001
State	TX	County/Parish	BRAZOS

Description of Property
D HARVEY A-125

Special Notes

Business Associate Number	Name	Type Int	Int Seq	Decimal Interest
614647 00	STATE OF TEXAS C/O COMMISSIONER OF TEXAS	RI	01	.00257102



Oil and Gas Division Order

To: Amoco Shared Services Center
P.O. Box 591, Tulsa, Oklahoma 74102

YOUR COPY

Each of the undersigned OWNERS warrants and warrants he is the owner of the interest set out opposite his name on the reverse side hereof in oil and gas or the proceeds from the sale of oil and gas from the property described on the reverse side hereof, and until further written notice either from you or from us, the undersigned owner and all other parties executing this instrument hereby authorize you, your successors or assigns to receive and measure such sales in accordance with applicable governmental rules and regulations and to give credit as set forth on the reverse side hereof.

The following covenants are parts of this instrument and shall be binding on the undersigned, their successors, legal representatives, and assigns:

Oil: Oil sold hereunder shall be delivered f.o.b. to the carrier designated to gather and receive such oil, and shall become your property upon receipt thereof by the carrier designated by you or by any other purchaser to whom you may resell such oil. The term "oil" as used in this division order shall include all marketable liquid hydrocarbons.

Should the oil produced from the herein described land be commingled with oil produced from one or more other separately owned tracts of land prior to delivery to the designated carrier, the commingled oil sold hereunder shall be deemed to be the interest of the undersigned in that portion of the total commingled oil delivered which is allocated to the herein described land on the basis of lease meter readings or any other method generally accepted in the industry as an equitable basis for determining the quantity and quality of oil sold from each separately owned tract. Such formula shall be uniformly applied to all owners of an interest in the tracts of land involved.

Should the interest of the undersigned in the oil produced from the herein described land be unitized with oil produced from one or more other tracts of land, this instrument shall thereafter be deemed to be modified to the extent necessary to conform with the applicable unitization agreement or plan of unitization, and all revisions or amendments thereto, but otherwise to remain in force and effect as to all other provisions. In such event, the portion of the unitized oil sold hereunder shall be the interest of the undersigned in that portion of the total unitized oil delivered which is allocated to the herein described land and shall be deemed for all purposes to have been actually produced from said land.

You agree to pay for the oil sold hereunder at the price posted by you for oil of the same grade and gravity in the same producing field or area on the date said oil is received by you or the designated carrier. If you do not currently post such a price, then until such time as you do so, you agree to pay the price established by you. You are authorized to reduce the price by those truck, barge, tanker, or pipe line transportation charge as determined by you.

Should the oil sold hereunder be resold by you to another purchaser accepting delivery thereof at the same point at which you take title, you agree to pay for such oil based upon the volume computation made by such purchaser and at the price received by you for such oil, reduced by any transportation charges deducted by such purchaser.

Should the oil sold hereunder be resold by you to another purchaser accepting delivery thereof at the same point at which you take title, you agree to pay for such oil based upon the volume computation made by such purchaser and at the price received by you for such oil, reduced by any transportation charges deducted by such purchaser.

Gas: Settlements for gas shall be based on the net proceeds realized from the sale thereof, after deduction a fair and reasonable charge for compressing and making it merchantable and for transporting if the gas is sold off the property. Where gas is sold subject to regulation by the Federal Power Commission or other governmental authority, the price applicable to such sale approved by order of such authority shall be used to determine the net proceeds realized from the sale.

Settlements: Settlements shall be made monthly by check mailed to the respective parties according to the division of interest herein specified at the latest address known by you, less any taxes required by law to be deducted and paid by you applicable to owner's interest.

Evidence of Title: The oil and gas lease or leases, and any amendments, ratifications, or corrections thereof, under which said gas and/or oil is produced are hereby adopted, ratified, and confirmed as herein and heretofore amended. In the event any dispute or question arises concerning the title to the interest of the undersigned in said land and/or the oil or gas produced therefrom or the proceeds thereof, you will be furnished satisfactory abstracts or other evidence of title upon demand. Until such evidence of title has been furnished and/or such dispute, defect, or objection of title is corrected or removed to your satisfaction, or until indemnity satisfactory to you has been furnished, you are authorized to withhold the proceeds of such oil or gas received and run, without interest. In the event any action or suit is filed in any court affecting the title to the interest of the undersigned in the herein described land or the oil or gas produced therefrom or the proceeds thereof to which the undersigned is a party, written notice of the filing of such suit or action shall be immediately furnished you by the undersigned, stating the court in which the same is filed and the title of such suit or action. You will not be responsible for any change of ownership in the absence of actual notice and satisfactory proof thereof.

Contingent Interests: Whether or not any contingency is expressly stated in this instrument, you are hereby relieved of any responsibility for determining when any of the interests herein shall increase, diminish, terminate, be extinguished or revert to other parties as a result of the completion or discharge of money or other payments from said interest, or as a result of the expiration of any time or term limitation (either definite or indefinite), and, unless you are also the operator of the property, as a result of an increase or decrease in production, or as a result of a change in the depth, the methods or the means of production, or as a result of a change in the allocation of production affecting the herein described land or any portion thereof under any agreement or by order of Governmental authority, and until you receive notice in writing to the contrary, you are hereby authorized to continue to remit without liability pursuant to the division of interest shown herein.

Warranties: Working Interest Owners and/or Operators, and each of them, by signature to this instrument, certify, guarantee and warrant, for your benefit and that of any pipe line or other carrier designated to run or transport said oil or gas, that all oil or gas tendered hereunder has been and shall be produced from or lawfully allocated to the herein described land in accordance with all applicable Federal, state and local laws, orders, rules and regulations.

This instrument may be executed by one or more, but all covenants herein shall be binding upon any party executing same and upon his heirs, devisees, successors, and assigns irrespective of whether other parties have executed this instrument.



Witness of Signature

Name

Street or Box No.

Social Security (or Tax ID) Number

City, State, Zip

Witness of Signature

Name

Street or Box No.

Social Security (or Tax ID) Number

City, State, Zip

Witness of Signature

Name

Street or Box No.

Social Security (or Tax ID) Number

City, State, Zip

M-95203 (11)
Division Order
July 12, 1990

#2425

36-10-84

MEMO - Corporation
Omni Petroleum

Operator Delaware ECCO Petroleum

Unit Name Penicka Unit No 1

County Brazos

Effective Date (12/9/93) 6/1/93

Initized for: Oil Gas Oil & Gas

I.F. No. 95203

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

$\frac{1.81}{88}$	x	$\frac{1}{8}$	=	$.00257102$	%
<u>.0205681</u>		<u>.125</u>			

I.F. No. _____

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

_____ x _____ = _____ %

I.F. No. _____

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

_____ x _____ = _____ %

I.F. No. _____

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

_____ x _____ = _____ %

REMARKS:

~~#2345~~
#2425

DECLARATION OF POOLED UNIT

FILED

PENICKA #1

m-95703

DEC 22 AM 10:52
Mary Ann Ward
CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS

STATE OF TEXAS §
COUNTY OF BRAZOS §

541156

BY _____

This Declaration of Pooled Unit is dated December 9, 1993, but made effective June 1, 1993, covering the oil, gas and mineral leases (hereinafter referred to as "said leases") described on Exhibit "A" attached hereto and made a part hereof for all purposes, insofar and only insofar as said leases are included within the metes and bounds shown on the attached Exhibit "B" and within the lands depicted on the plat attached hereto as Exhibit "C", made a part hereof for all purposes. Said leases are hereby pooled and unitized, in whole or in part, by the owners and holders thereof being Omni Petroleum Corporation, Keith D. Graham and George R. Locker.

Each of said leases, as the same may have been amended, permits and authorizes such pooling, and this declaration is made and filed for record pursuant to such lease provisions.

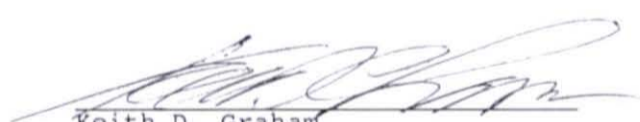
NOW THEREFORE, the above listed owners and holders of said leases do hereby create and form the OMNI PETROLEUM CORPORATION - PENICKA UNIT NO. 1, and do hereby declare:

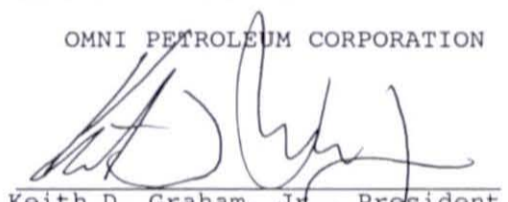
1. That said leases are hereby pooled and combined, and the acreage covered thereby is hereby assigned and dedicated to the OMNI PETROLEUM CORPORATION - PENICKA UNIT NO. 1 as shown on the attached Exhibit "B" and Exhibit "C".
2. This Declaration is applicable to oil and/or gas produced from the Austin-Chalk formation in and under all of the land, tracts, and acreage so unitized.
3. This Declaration is applicable to all royalties, overriding royalties, production payments, reversionary rights, and all other rights, title and interest in, under and to said leases so pooled and unitized and contained within the metes and bounds noted above.

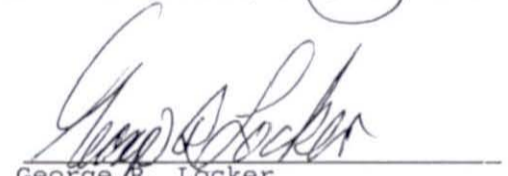
This Declaration of Pooled Unit may be executed in any number of counterparts, each of which shall be considered an original for all purposes.

DATED AND MADE EFFECTIVE as of the dates first above written.

OMNI PETROLEUM CORPORATION


Keith D. Graham


Keith D. Graham, Jr., President


George R. Locker

STATE OF TEXAS §
COUNTY OF TRAVIS §

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME ON THIS 17th DAY OF DECEMBER, 1993, BY KEITH D. GRAHAM.




NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF TRAVIS §

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME ON THIS 11th DAY OF DECEMBER, 1993, BY KEITH D. GRAHAM, JR. AS PRESIDENT OF OMNI PETROLEUM CORPORATION.



Joan Miller
NOTARY PUBLIC, STATE OF TEXAS

STATE OF §
COUNTY OF §

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME ON THIS 10th DAY OF DECEMBER, 1993, BY GEORGE R. LOCKER.



Shirley Norris Rose
NOTARY PUBLIC, STATE OF TEXAS

EXHIBIT "A"

Attached to and made a part of a Declaration of Pooled Unit dated December 9, 1993, but effective June 1, 1993, covering the Penicka Unit No. 1 well.

1. Oil, Gas and Mineral Lease dated September 29, 1976, from Joe Penicka and wife Rosa Penicka to Keith D. Graham, covering 99.1 acres, more or less, out of the David Harvey Survey, A-125, and recorded in Volume 24 at Page 360 of the Oil & Gas Records of Brazos County, Texas.
2. Oil and Gas Lease dated February 2, 1993, from the State of Texas - General Land Office, covering 1.81 acres, more or less, out of the David Harvey Survey, A-125, and recorded in Volume 1730 at Page 201 of the Official Records of Brazos County, Texas.
3. Oil, Gas and Mineral Lease dated June 1, 1993, from Mildred Marie Marske to Omni Petroleum Corporation, covering 70.0 acres, more or less, out of the David Harvey Survey, A-125 and the G. Bayne Survey, A-70, and recorded in Volume 1983 at Page 253 of the Official Records of Brazos County, Texas.
4. Oil, Gas and Mineral Lease dated June 1, 1993, from Tammy Kay Threadgill to Omni Petroleum Corporation, covering 70.0 acres, more or less, out of the David Harvey Survey, A-125 and the G. Bayne Survey, A-70, and recorded in Volume 1983 at Page 235 of the Official Records of Brazos County, Texas.
5. Oil, Gas and Mineral Lease dated June 1, 1993, from Mildred E. Bonjo to Omni Petroleum Corporation, covering 70.0 acres, more or less, out of the David Harvey Survey, A-125 and the G. Bayne Survey, A-70, and recorded in Volume 1983 at Page 244 of the Official Records of Brazos County, Texas.

EXHIBIT "B"

Field Notes

Penicka No. 1
88.00 Acre Unit

Being 88.00 acres of land out of the D. Harvey Survey, Abstract No. 125, in Brazos County, Texas; being 43.095 acres of land out of that certain tract of land conveyed to Joe Penicka, by deed recorded in Volume 108, Page 37; being 43.095 acres of land out of that certain tract of land conveyed to Beneditto Bongiorno, by deed recorded in Volume 33, Page 284; being 1.81 acres of land out of that certain tract of land conveyed to the State of Texas, by deed recorded in Volume 114, Page 554, all in the Deed records of Brazos County, Texas and being more particularly described as follows:

BEGINNING at a fence corner post at the occupied south corner of said Penicka tract;

THENCE along a curve to the right, with the west right of way line of Old San Antonio Road, an arc distance of 924.43 feet, having a radius of 2804.79 feet and a chord bearing and distance of S 30°19'24" W, 920.25 feet to a point for the south corner of the herein described unit;

THENCE N 45°48'06" W, along the southwest line of said Bongiorno tract, a distance of 1779.83 feet to a point for the west corner of the herein described unit;

THENCE North, a distance of 1216.55 feet to a point for corner in the common line between said Bongiorno and Penicka tracts;

THENCE S 46°18'25" E, a distance of 728.51 feet to a point for corner;

THENCE N 43°51'51" E, a distance of 1511.85 feet to a point for corner in the most easterly northeast line of said Penicka tract;

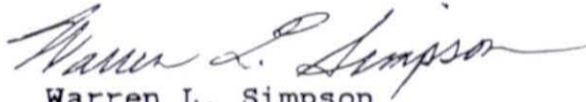
THENCE S 46°47'33" E, along said northeast line of said Penicka tract, a distance of 777.24 feet to a point for the east corner of the herein described unit and the east corner of said State of Texas tract;

THENCE S 09°17'25" W, along the east line of said State of Texas tract, a distance of 1235.28 feet to a point in the centerline of said Old San Antonio Road;

THENCE along said centerline, with a curve to the right, an arc distance of 565.65 feet, having a radius of 2864.79 feet and a chord bearing and distance of S 15°43'42" W, 564.74 feet to a point for corner;

THENCE N 46°18'25" W, along the common line between said Penicka and Bongiorno tracts, a distance of 64.97 feet to the PLACE OF BEGINNING and containing 88.00 acres of land, more or less.

Bearings are based on true north obtained by solar observation.



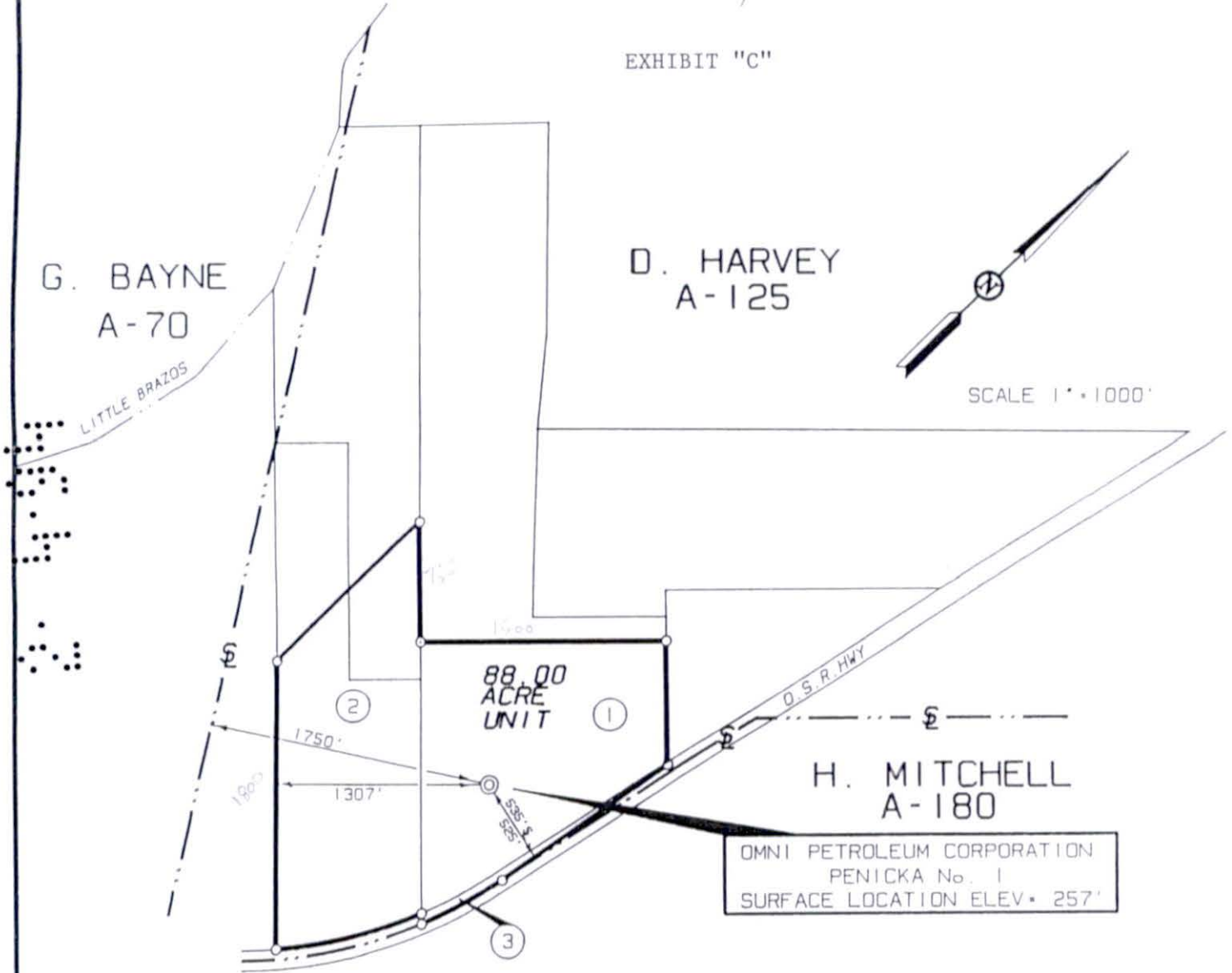
Warren L. Simpson

Registered Professional Land Surveyor No. 4122
April 14, 1993



BRAZOS COUNTY, TEXAS

EXHIBIT "C"



NOTES-

- 1) TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- 2) WELL IS LOCATED 7.4 MILES WEST SOUTHWEST OF BRYAN, TEXAS

PENICKA No. 1

TRACT	ACRES IN UNIT	DESCRIPTION	DEED RECORDS VOL/PAGE
1	43.095	JOE PENICKA	108/37
2	43.095	MILDRED BONJO, et al	150/279 249/257
3	1.81	STATE OF TEXAS	114/554
88.00 ACRES TOTAL IN UNIT			

Warren L. Simpson
WARREN L. SIMPSON

REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4122

APRIL 14, 1993

VOL 1995 PAGE 230

WARREN L. SIMPSON

7701 CAMERON ROAD, SUITE 108

AUSTIN, TEXAS 78752

PHONE 512-452-1513

161
KEITH D. GRAHAM

Omni Petroleum Corporation

110 Wild Basin Road
Suite 250
Austin, Texas 78746
512-327-2598
512-327-2695(FAX)

February 3, 1994

Texas General Land Office
Oil & Gas Division
1700 North Congress Avenue
Austin, Texas 78701-1495

Re: Penicka #1
Brazos County, Texas
State of Texas Oil & Gas Lease No. M-95203

Gentlemen:

Enclosed is a recorded copy of the Declaration of Pooled Unit for the referenced well.

If we can be of further assistance, please contact our office.

Very truly yours,



Joan Miller
Lease Records Administrator

encl.

12 M-95203

Designation of
Pooled Unit

10-25-96

4

5. 12. 12. 12.



Texas General Land Office
Garry Mauro, Commissioner

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

February 11, 1997

ATT DIVISION ORDER
ARROW EXPLORATION COMPANY
1005 CONGRESS AVENUE SUITE 880
AUSTIN TX 78701-2415

Re: Mineral File No. M-95203
D O No: 42030001
PENICKA #1
BRAZOS COUNTY, TEXAS

Dear Sir or Madam:

We have received the division order submitted by your company for the above referenced lease and filed same in our files. Please be sure to reference these mineral file number in all future royalty payment, 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) 475-1493.

Sincerely,

Carl B. Liberty
Accounts Examiner
Royalty Management
Energy Resources
CL/bh

Enclosures

ARROW EXPLORATION COMPANY
DIVISION ORDER

S: 2/27/97
M-95203

DATE: February 6, 1997

PROPERTY NUMBER: 42030001

PRODUCT(S): All

PROPERTY NAME: Penicka #1

COUNTY/PARISH: Lee BRAZOS

OPERATOR: Arrow Exploration Company

STATE: Texas

LEGAL DESCRIPTION: See Attached

GENERAL LAND OFFICE
STEPHEN F. AUSTIN BLDG.
1700 NORTH CONGRESS
AUSTIN, TEXASS 78701

IMPORTANT: YOU MUST PROVIDE YOUR SOCIAL SECURITY OR TAX ID NUMBER. YOUR SIGNATURE AND THOSE OF TWO WITNESSES MUST ALSO BE PROVIDED. YOUR SIGNATURE CONFIRMS THE INTEREST IDENTIFIED BELOW TO OWNER #61108 DOI ID# 42030001 AND BINDS YOU TO THE TERMS ON THE REVERSE SIDE OF THIS DOCUMENT. FURTHER, YOU HEREBY CERTIFY UNDER PENALTIES OF PERJURY, AS REQUIRED BY THE INTERNAL REVENUE CODE, THAT THE NUMBER SHOWN ON THIS FORM IS YOUR CORRECT TAX ID NUMBER. PLEASE RETURN THE EXECUTED DIVISION ORDER TO ARROW EXPLORATION COMPANY, 1005 CONGRESS AVENUE, SUITE 880, AUSTIN, TEXAS 78701. THIS DIVISION ORDER SHALL BE EFFECTIVE AS OF 7:00 A.M. ON October 1, 1996

OWNER SIGNATURE(S)/CORPORATE TITLE

SIGNATURE OF WITNESS #1

SOCIAL SECURITY OR TAX ID #

SIGNATURE OF WITNESS #2

NEW ADDRESS (IF CHANGED)

INTEREST
TYPE
RI

INTEREST PAID
BY ARROW
0.0028984000

INTEREST TYPE LEGEND:

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

Please return to:
Arrow Exploration Company
1005 Congress Avenue, Suite 880
Austin, Texas 78701

ENERGY RESOURCES
97 FEB 10 PM 12:06
RECEIVED

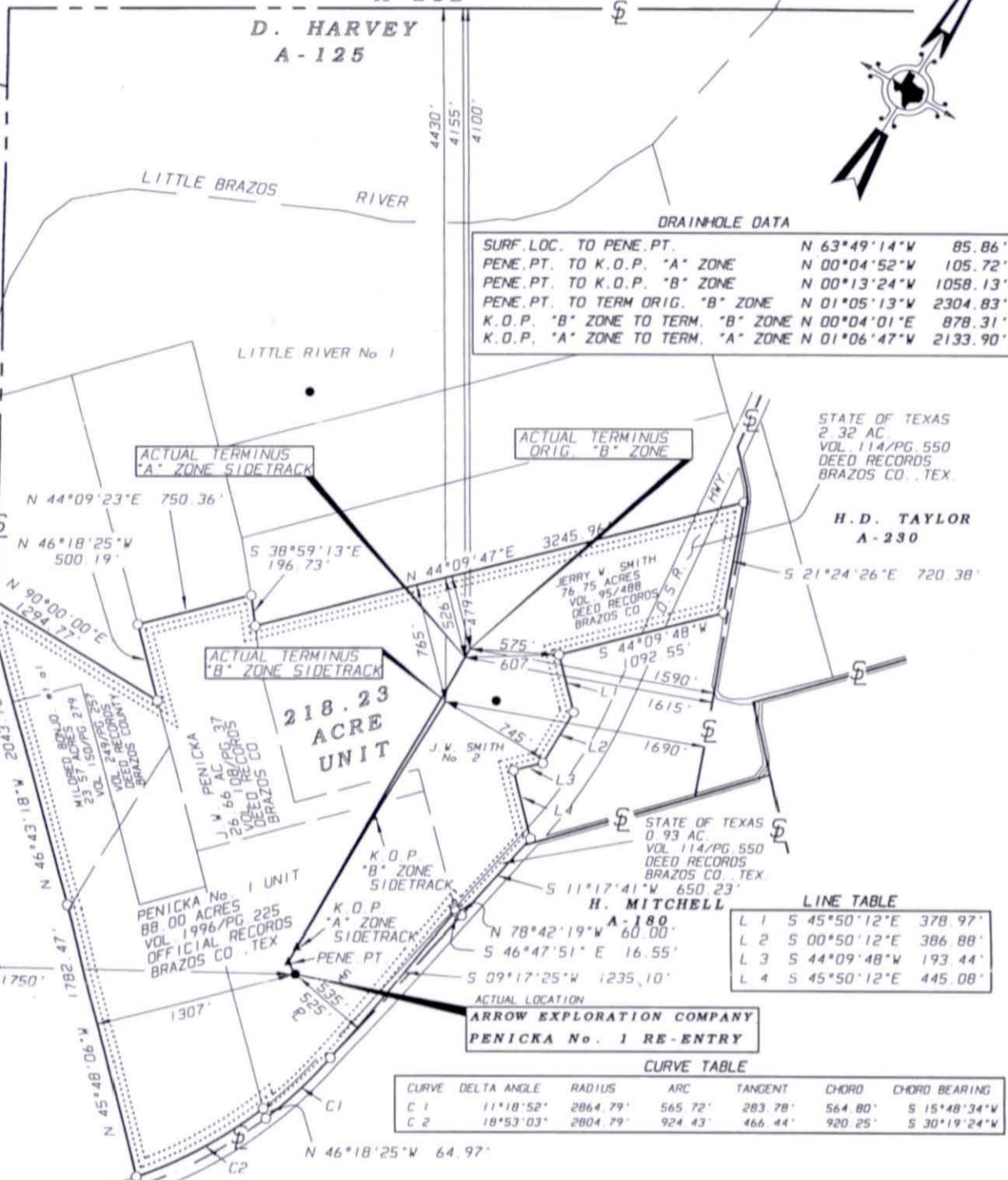
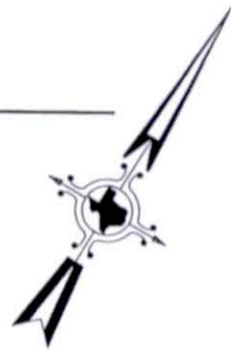
1. **OIL:** Owner hereby agrees to sell, and Arrow hereby agrees to purchase, Owner's full share of all oil produced from the property upon the terms and subject to the conditions contained herein. The price for all oil sold hereunder shall be the average of the prices per barrel posted by Marathon, EOTT, and Coastal States Trading for oil of similar quality and quantity in the field where produced on the dates when such oil is removed from storage facilities located upon the property, LESS: (A) Costs incurred in making such oil merchantable; and (B) customary adjustments for temperature and gravity. All oil sold hereunder shall become the property of Arrow as soon as such oil is received into Arrow's custody at the storage facilities located upon the property covered hereby, or at such other point on said property as Arrow may designate in writing from time to time.
2. **GAS:** Gas shall include natural gas, gas liquids, casinghead gas, associated gaseous hydrocarbons and plant by-products marketed in conjunction with the production of oil and gas. The settlement for all gas produced and marketed from the property shall be made on the basis of measurements in accordance with industry standards and shall be priced in accordance with the applicable gas sales contract or processing agreement, less any fair and reasonable charges for, but not limited to, A) compression, B) processing, C) making it merchantable, and D) transportation, if sold or taken off the property.
3. **COMMINGLING:** If production from the property is commingled with production from other properties, a portion of the total shall be allocated to the property on the basis of lease meter readings or any other method generally accepted in the industry.
4. **UNITIZATION:** In the event the production from the property is pooled, unitized or communitized with one or more other properties by voluntary agreement, declaration, operation of law, or by action of a governmental authority with jurisdiction, the oil and/or gas allocated to the property from the total oil and/or gas produced and marketed from the pooled, unitized or communitized area shall be deemed for all purposes to have been actually produced from the property.
5. **TITLES:** If any dispute or question arises concerning title to the interest of the owner(s) in the property or the proceeds from the sale of production therefrom, Arrow shall be furnished, at its request, such evidence of title as it may require. Until such evidence of title is furnished and such dispute or question is resolved to the satisfaction of Arrow, or until satisfactory indemnity is furnished to Arrow, Arrow is authorized to withhold proceeds due the owner(s) of the disputed or questioned interest. If any action or suit is filed in any state or federal court or administrative body affecting an owner(s) interest or proceeds due, owner(s) shall immediately provide written notice to Arrow stating the court or administrative body in which the action is filed and the title of the action.
6. **CHANGE OF OWNERSHIP:** Owner(s), their heirs, representatives, successors or assigns, shall timely notify Arrow, at the address above, of each change in the person or entity entitled to receive payment hereunder. No transfer of ownership or change in the person or entity entitled to received payment, however effected, shall be binding upon Arrow until it has received, at no expense to Arrow: A) a properly recorded instrument or instruments evidencing such transfer or change: B) such further evidence as Arrow may require: and C) a properly executed division order/transfer order executed by all parties in interest. Furthermore, owner(s) relieve Arrow from the responsibility and liability for determining when and whether such owner's interest shall change or revert to or otherwise become owned by another party. Owner(s) shall indemnify Arrow and hold Arrow harmless from any and all claims, causes of action, damages or losses including, but not limited to, court costs and reasonable attorney's fees which may arise or result to any owner in the event of a change of ownership for which timely and sufficient notice is not received by Arrow. The accounting for all such transfers or changes of interests shall be as of 7:00 a.m. on the first day of the calendar month following the month in which notice is received by Arrow.
7. **WARRANTIES:** Owner(s) hereby warrants and agrees to forever defend the title to such owner's interest including that owner's share in proceeds from sales. The operator and other working interest owners severally represent that all oil and/or gas produced and marketed from the property has been or will be produced in compliance with all applicable federal, state and local laws, rules and regulations.
8. **TAXES AND ASSESSMENTS:** Arrow shall deduct, as required by applicable law, from any proceeds due an owner, any or all production, severance, ad valorem, excise, sales, and other or dissimilar taxes. Any charges or assessments or any interest or penalties in connection therewith, now or hereafter levied, assessed or placed on such proceeds or an owners interest by a governmental authority will also be deducted.
9. **SETTLEMENT:** Settlement shall be made monthly to owner(s) on or before the 25th day of the second month following the month in which oil or gas is removed from the property. If the proceeds payable to an owner in any one month amount to less than twenty-five dollars (\$25.00), Arrow may, at its option, accrue such proceeds and proceeds of subsequent months, until the amounts accrued total twenty-five dollars (\$25.00).
10. **EXECUTION:** This document shall be binding upon all signatory parties, their heirs, representatives, successors or assigns.
11. Either party may terminate this division order by giving thirty days written notice to the other party, and such termination shall be effective as of the first day of the calendar month next following the expiration of said thirty day notice period.

BRAZOS COUNTY, TEXAS

I. J. THOMPSON

A-232

D. HARVEY
A-125



DRAIN-HOLE DATA

SURF. LOC. TO PENE. PT.	N 63°49'14"W	85.86'
PENE. PT. TO K.O.P. "A" ZONE	N 00°04'52"W	105.72'
PENE. PT. TO K.O.P. "B" ZONE	N 00°13'24"W	1058.13'
PENE. PT. TO TERM ORIG. "B" ZONE	N 01°05'13"W	2304.83'
K.O.P. "B" ZONE TO TERM. "B" ZONE	N 00°04'01"E	878.31'
K.O.P. "A" ZONE TO TERM. "A" ZONE	N 01°06'47"W	2133.90'

STATE OF TEXAS
2.32 AC.
VOL. 114/PAGE 550
DEED RECORDS
BRAZOS CO., TEX.

H.D. TAYLOR
A-230

STATE OF TEXAS
0.93 AC.
VOL. 114/PAGE 550
DEED RECORDS
BRAZOS CO., TEX.

LINE TABLE

L 1	S 45°50'12"E	378.97'
L 2	S 00°50'12"E	386.88'
L 3	S 44°09'48"W	193.44'
L 4	S 45°50'12"E	445.08'

CURVE TABLE

CURVE	DELTA ANGLE	RADIUS	ARC	TANGENT	CHORD	CHORD BEARING
C 1	11°18'52"	2864.79'	565.72'	283.78'	564.80'	S 15°48'34"W
C 2	18°53'03"	2804.79'	924.43'	466.44'	920.25'	S 30°19'24"W

NOTE: WELL IS LOCATED 7.4 MILES WEST SOUTHWEST OF BRYAN, TEXAS.
 GROUND ELEVATION: 257 FEET
 WELL: PENICKA No. 1 RE-ENTRY
 OPERATOR: ARROW EXPLORATION COMPANY
 FEE: JOE PENICKA, et ux
 SURFACE LOCATION: 535 FEET WEST FROM THE EAST LINE AND 1750 FEET NORTHEAST FROM THE SOUTHWEST LINE OF THE D. HARVEY SURVEY, ABSTRACT No. 125, BRAZOS COUNTY, TEXAS.

I, WILLIAM J. CASH, JR., DO HEREBY CERTIFY THAT THE ABOVE PLAT CORRECTLY SHOWS THE WELL AS LOCATED ON THE GROUND JULY 12, 1996.



William J. Cash, Jr.
 WILLIAM J. CASH, JR.
 REGISTERED PROFESSIONAL SURVEYOR
 No. 3808

BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
 TITLE WORK PROVIDED BY ARROW EXPLORATION COMPANY



**PENICKA No. 1 RE-ENTRY
AS-DRILLED**



UNIVERSAL ENSCO, INC.
 PHONE: 409 542-1146
 FAX: 409 542-3353

DATE: JULY 17, 1996	SCALE: 1" = 1000'
FIELD BOOK 965 PAGE 09	DRAWN BY: J.R.H.
DISK: FILE	AS-DRILLED 10-09-96 REVISED: 08-13-96

95203

13

Division Order

2-13-97

5702

DO NOT DESTROY



UNIT AGREEMENT MEMO

Unit No. 2919

Operator Arrow Explor. Co.

Unit Name Penicka No. 1

County Brazos

Effective Date 9-9-96

Unitized for: Oil Gas Oil & Gas

1. M.F. No. 95203
Area _____ Tr. 1
Sec. _____ Blk. _____ Survey _____
1.81/218.23 x 1/8 . 1036%
.008294 . .125 . .001036

2. M.F. No. 97514
Area _____ Tr. 2
Sec. _____ Blk. _____ Survey _____
3.25/218.23 x 1/8 . 1861%
.014892 . .125 . .001861

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

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

REMARKS:

1002897

Prepared by: <u>E.H.M.</u>	Date <u>10-3-00</u>
Map & GIS updated by:	Date
Keyed into database by: <u>M.S.W.A</u>	Date <u>10-26-00</u>



57 FEB 17 1997 12:54
GENERAL LAND OFFICE
AUSTIN, TEXAS

February 17, 1997

Via certified mail/return receipt requested

General Land Office
1700 N. Congress
Austin, Texas 78701
Attn: Mr. Daryl Morgan

Re: GLO Lease Nos. M-97514
and M-95203 ✓

Dear Mr. Morgan:

In accordance with the terms of the captioned leases, we have enclosed a copy of the recorded designation for the Penicka No. 1 Horizontal Reentry Unit which includes lands covered by the captioned leases in Brazos County, Texas.

Please feel free to contact me if you should have any questions.

Very Truly Yours,

ARROW EXPLORATION COMPANY

Marni Robinson

Marni M. Robinson
Executive Assistant

/mr

FILED

96 SEP -9 PM 4: 52

ENLARGEMENT OF POOLED UNIT

CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS
DEPUTY

STATE OF TEXAS

COUNTY OF BRAZOS

KNOW ALL MEN BY THESE PRESENTS, That:

Reference is made to that certain Declaration of Pooled Unit (the "Prior Unit Declaration") dated December 9, 1993 and recorded in Volume 1996, page 225 of the Official Records of Brazos County, Texas, by which a pooled unit consisting of 83.00 acres of land, more or less, and known as the Omni Petroleum Corporation - Penicka Unit No. 1 (the "Prior Unit") was designated and declared. Reference is further made to the Prior Unit Declaration for a more particular description of the leases and the lands comprising the Prior Unit.

WHEREAS, the undersigned parties are the current owners of working interest in the oil, gas and mineral leases which are described in Exhibit "A" attached hereto (the "Leases"), which Leases include all leases covering lands within the Prior Unit, and such parties desire to modify, reform and enlarge the pooled area for the Prior Unit in connection with the reentry and horizontal redrilling of the Penicka No. 1 Well.

NOW, THEREFORE, in consideration of the premises, the undersigned working interest owners hereby AMEND, REFORM and ENLARGE the Prior Unit so as to POOL, COMBINE and UNITIZE into one pooled unit the Leases which are described in Exhibit "A" attached hereto, INsofar AS AND ONLY INsofar AS said Leases cover the lands comprising 218.23 acres, more or less, which are described in Exhibit "B" attached hereto and which are depicted on the plat attached hereto as Exhibit "C", for the purposes of drilling for and/or producing and marketing oil, gas and other hydrocarbons which may be produced from any well situated on such lands.

As amended herein, the pooled unit designated and reformed herein shall be known as the Penicka No. 1 Horizontal Reentry Unit and is sometimes referred to herein as the "Redesignated Unit". Operations within the unit area for the Redesignated Unit shall be conducted in accordance with the terms of the Leases.

All hydrocarbons produced from any well which is located upon lands within the Redesignated Unit shall be allocated proportionately among the separate tracts within the Redesignated Unit in the proportion which the number of surface acres in each individual tract bears to the total number of surface acres in the Redesignated Unit.

By the execution of this document, the undersigned owners of working interests in the Leases do not exhaust their right to pool the Leases and the lands covered thereby with other lands and leases, and they expressly reserve the right and power to so pool the Leases in accordance with the power and authority granted therein and in accordance with the requirements of applicable laws and regulations.

If at any time any tract of land or any interest therein within the Redesignated Unit is not properly pooled with other lands and interests subject hereto, such fact shall not adversely affect, terminate, invalidate or impair the Redesignated Unit as to any interest which is properly pooled hereunder.

This instrument may be executed in any number of counterparts and shall be binding upon each signatory party hereto and upon their respective heirs, successors and assigns. Any party named below may also execute a separate ratification of this document with the same force and effect as if such party had joined in the execution hereof. The failure of any person or entity owning an interest in lands within the Redesignated Unit to execute this

instrument or a counterpart or ratification hereof shall not in any way affect the validity of this instrument as to the parties who do join in the execution or ratification hereof.

This instrument shall be effective for all purposes as of the date upon which it is recorded in the Official Records of Brazos County, Texas.

ECCO PETROLEUM, INC.

By *Levent Kecik*
Levent Kecik, President

AMERICA WEST EXPLORATION CORPORATION

By *Ali Parvizian*
Ali Parvizian, President

LTA RESOURCES CORPORATION

By *Ted Clifford*
Ted Clifford, President

ACKNOWLEDGMENTS

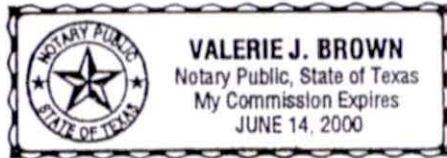
STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on August 30, 1996 by Levent Kecik, President of Ecco Petroleum, Inc., a Delaware corporation, on behalf of said corporation.

Valerie J. Brown
Notary Public in and for the State of Texas
Name: VALERIE J. BROWN

Notary Stamp:



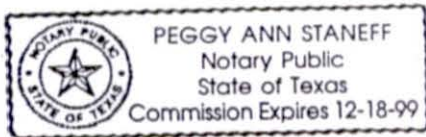
STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on August 30, 1996 by Ali Parvizian, President of America West Exploration Company, a TEXAS corporation, on behalf of said corporation.

Peggy Ann Staneff
Notary Public in and for the State of Texas
Name:

Notary Stamp:



STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on Aug. 30, 1996 by Ted Clifford, President of LTA Resources Corporation, a Texas corporation, on behalf of said corporation.

Joyia C. Elinson
Notary Public in and for the State of Texas
Name: Joyia C. Elinson

Notary Stamp:

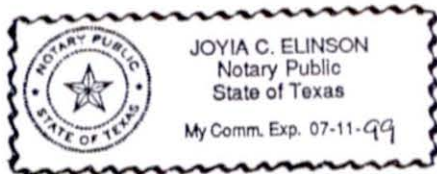


EXHIBIT "A"

1. Oil, gas and mineral lease dated March 8, 1995 between J. W. Penicka, as Lessor, and ECCO Petroleum, Inc., as Lessee, recorded in Volume 2581, Page 179 of the Oil and Gas Records of Brazos County, Texas, as amended by instrument recorded in Volume 2665, Page 281 of the official Records of Brazos County, Texas.
2. Oil, gas and mineral lease dated June 1, 1993 between Mildred Marie Marske, as Lessor, and Omni Petroleum Corporation, as Lessee, recorded in Volume 1983, Page 253 of the Oil and Gas Records of Brazos County, Texas.
3. Oil, gas and mineral lease dated June 1, 1993 between Tammy Kay Threadgill, as Lessor, and Omni Petroleum Corporation, as Lessee, recorded in Volume 1983, Page 235 of the Oil and Gas Records of Brazos County, Texas.
4. Oil, gas and mineral lease dated June 1, 1993 between Mildred E. Bonjo, as Lessor, and Omni Petroleum Corporation, as Lessee, recorded in Volume 1983, Page 244 of the Oil and Gas Records of Brazos County, Texas.
5. Oil, gas and mineral lease dated October 25, 1976 between Jerry W. Smith, as Lessor, and Marshall A. Harrell, as Lessee, recorded in Volume 24, Page 506 of the Oil and Gas Records of Brazos County, Texas, as amended by instruments recorded in Volume 2665, Page 276 and Volume 2050, Page 79 of the official Records fo Brazos County, Texas.
6. Oil, gas and mineral lease dated September 29, 1976 between Joe Penicka, as Lessor, and Keith D. Graham, as Lessee, recorded in Volume 24, Page 360 of the Oil and Gas Records of Brazos County, Texas, as amended by instruments recorded in Volume 2665, Page 281 of the official Records fo Brazos County, Texas.
7. Oil, gas and mineral lease dated February 2, 1993 between State of Texas, as Lessor, and Omni Petroleum Corporation, as Lessee, recorded in Volume 1730, Page 201 of the Oil and Gas Records of Brazos County, Texas.

EXHIBIT

"B4"

Arrow Exploration Company
Penicka No. 1 Re-Entry - 218.23 Acre Unit

Being 218.23 acres of land out of the D. Harvey Survey, Abstract No. 125 and the G. Bayne Survey, Abstract No. 70, Brazos County, Texas, and being 76.75 acres of land out of that certain 122 acre tract of land described by deed Jerry W. Smith, recorded in Volume 95, Page 488 of the Deed Records of Brazos County, Texas; 26.66 acres of land out of that certain 99-1/10 acre tract of land described by deed to Joe Penicka, recorded in Volume 108, Page 37 of the Deed Records of Brazos County, Texas; all of that certain 88.00 acre tract of land described in that certain Declaration of Pooled Unit recorded in Volume 334, Page 148 of the Official Records of Brazos County, Texas; 23.57 acres of land out of that certain 50 acre tract of land described by deed to Bennie Bonjo recorded in Volume 150, Page 279 and that certain 50 acre tract of land conveyed to Bennie Bonjo by deed recorded in Volume 249, Page 257, Deed Records of Brazos County, Texas and 3.25 acres of land out of that certain 7.01 acre tract of land described by deed to the State of Texas recorded in Volume 114, Page 550 of the Deed Records of Brazos County, Texas.

BEGINNING at a fence corner found for the south corner of said 88.00 acre tract and the south corner of the herein described unit.

THENCE along the southwest line of said 88.00 acre tract and said Bonjo tracts N 45° 48' 08" W, 1782.47 feet and N 46° 43' 18" W, 2043.75 feet to a point for corner.

THENCE EAST, 1294.77 feet, severing said Bonjo tracts, to a point for corner in the northeast line of said Bonjo tracts and the southwest line of said 99-1/10 acre tract.

THENCE N 46° 18' 25" W, 500.19 feet along said lines to a point for corner.

THENCE N 44° 09' 23" E, 750.36 feet, severing said 99-1/10 acre tract, to a point for corner in the northeast line of said 99-1/10 acre tract.

THENCE S 38° 59' 13" E, 196.73 feet along the northeast line of said 99-1/10 acre tract to a fence corner found for the west corner of said 122 acre tract.

THENCE N 44° 09' 47" E, 3245.96 feet along the northwest line of said 122 acre tract to a point for the north corner of said 122 acre tract.

THENCE S 21° 24' 26" E, 720.38 feet, along the northeast line of said 122 acre tract to a point for corner.

THENCE severing said 122 acre tract as follows:

S 44° 09' 48" W, 1092.55 feet;
S 45° 50' 12" E, 378.97 feet;
S 00° 50' 12" E, 386.88 feet;
S 44° 09' 48" W, 193.44 feet;
S 45° 50' 12" E, 445.08 feet;
S 11° 17' 41" W, 650.23 feet;
N 78° 42' 19" W, 60.00 feet to a fence corner post in the west right-of-way of the O.S.R. Highway and
S 46° 47' 51" E, 16.55 feet to a point for the east corner of said 88.00 acre tract.



Arrow Exploration Company
Penicka No. 1 Re-Entry - 218.23 Acre Unit

THENCE along the southeast lines of said 88.00 acre tract as follows:

S 09° 17' 25" W, 1235.10 feet to a point for the beginning of a curve to the right;

along said curve to the right, having a radius of 2864.79 feet, an arc distance of 565.72 feet, and a chord bearing and distance of S 15° 48' 34" W, 564.80 feet;

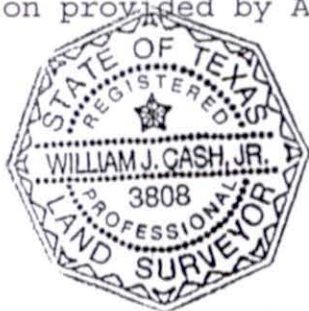
N 46° 18' 25" W, 64.97 feet to an iron rod found at a fence corner for the beginning of a curve to the right and

along said curve to the right, having a radius of 2804.79 feet, an arc distance of 924.43 feet and a chord bearing and distance of S 30° 19' 24" W, 920.25 feet to the PLACE

OF BEGINNING and containing 218.23 acres of land, more or less.

Prepared by Universal Ensco, Inc. from a survey made on the ground July 12, 1996 and referenced by plat dated July 17, 1996.

Bearings based on True North obtained by Solar Observation.
Title information provided by Arrow Exploration Company.



William J. Cash, Jr.
William J. Cash, Jr.
Registered Professional Surveyor
No. 3808

BRAZOS COUNTY, TEXAS

I. J. THOMPSON

A-232

D. HARVEY
A-125

EXHIBIT
104

LITTLE BRAZOS RIVER

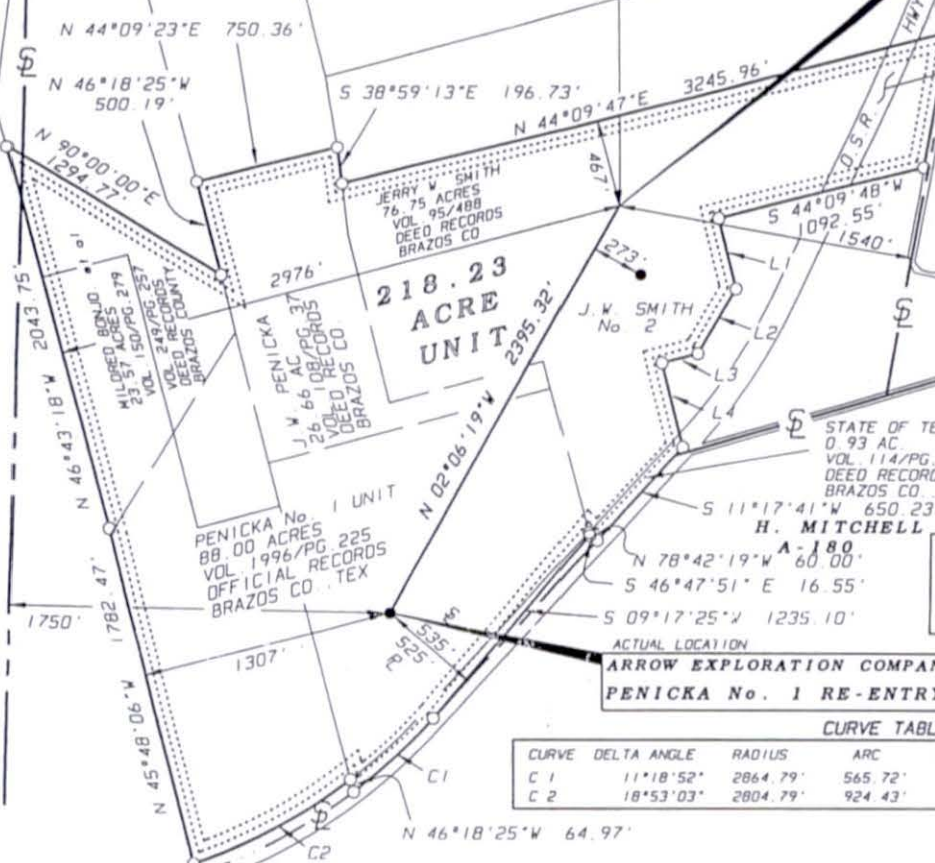
LITTLE RIVER No 1

PROPOSED TERMINUS OF DRAINHOLE

STATE OF TEXAS
2.32 AC.
VOL. 114/PAGE 550
DEED RECORDS
BRAZOS CO., TEX.

H. D. TAYLOR
A-230

G. BAYNE
A-70



LINE TABLE

L 1	S 45°50'12"E	378.97'
L 2	S 00°50'12"E	386.88'
L 3	S 44°09'48"W	193.44'
L 4	S 45°50'12"E	445.08'

CURVE TABLE

CURVE	DELTA ANGLE	RADIUS	ARC	TANGENT	CHORD	CHORD BEARING
C 1	11°18'52"	2864.79'	565.72'	283.78'	564.80'	S 15°48'34"W
C 2	18°53'03"	2804.79'	924.43'	466.44'	920.25'	S 30°19'24"W

NOTE: WELL IS LOCATED 7.4 MILES WEST SOUTHWEST OF BRYAN, TEXAS.
 GROUND ELEVATION: 257 FEET
 WELL: PENICKA No. 1 RE-ENTRY
 OPERATOR: ARROW EXPLORATION COMPANY
 FEE: JOE PENICKA, et ux
 SURFACE LOCATION: 535 FEET WEST FROM THE EAST LINE AND 1750 FEET NORTHEAST FROM THE SOUTHWEST LINE OF THE D. HARVEY SURVEY, ABSTRACT No. 125, BRAZOS COUNTY, TEXAS.

PROPOSED TERMINUS 1540 FEET WEST FROM THE EAST LINE AND 4070 FEET SOUTHEAST FROM THE OF DRAINHOLE NORTHWEST LINE OF THE D. HARVEY SURVEY, ABSTRACT No. 125, BRAZOS COUNTY, TEXAS.

I, WILLIAM J. CASH, JR., DO HEREBY CERTIFY THAT THE ABOVE PLAT CORRECTLY SHOWS THE WELL AS LOCATED ON THE GROUND JULY 12, 1996.



William J. Cash, Jr.
 WILLIAM J. CASH, JR.
 REGISTERED PROFESSIONAL SURVEYOR
 No. 3808

BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR METHOD
 TITLE WORK PROVIDED BY ARROW EXPLORATION COMPANY



PENICKA No. 1 RE-ENTRY



UNIVERSAL ENSCO, INC.
 PHONE: 409 542-1146
 FAX: 409 542-3353

DATE: JULY 17, 1996	SCALE: 1" = 1000'
FIELD BOOK 965 PAGE 09	DRAWN BY: J.R.H.
DISK: FILE	REVISED: 08-13-96

EXHIBIT

A

621650

FILED

97 JAN 17 PM 2:32

CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS
BY Jo Guller
DEPUTY

AMENDMENT
OF
ENLARGEMENT OF POOLED UNIT

STATE OF TEXAS

COUNTY OF BRAZOS

KNOW ALL MEN BY THESE PRESENTS:

Reference is hereby made to that certain Enlargement of Pooled Unit (the "Enlargement") dated as of August 30, 1996 and recorded in Volume 2683, Page 130, et seq. of the Official Records of Brazos County, Texas by which the Omni Petroleum Corporation - Penicka Unit No. 1 was enlarged to form the Arrow Exploration Company - Penicka No. 1 Horizontal Reentry Unit (the "Unit") comprised of 218.23 acres as more particularly described in the Enlargement, reference to which is made for all purposes.

WHEREAS, Exhibit "A" to the Enlargement which described the oil, gas and mineral leases covering lands within the Unit contained certain incorrect designations of the named records of Brazos County, Texas in which such leases are recorded.

WHEREAS, the undersigned, being all of the owners of leasehold working interests in oil, gas and mineral leases covering lands within the Unit desire to amend the Enlargement to correct the inadvertent errors contained in Exhibit "A" attached thereto and to add to the Unit the oil and gas lease described in Exhibit "B" attached hereto.

NOW, THEREFORE, in consideration of the premises, the undersigned hereby agree as follows:

1. The Enlargement is hereby amended by deleting Exhibit "A" therefrom and substituting therefor Exhibit "A" which is attached to this Amendment and by adding to the oil and gas leases covered by the Enlargement the oil and gas lease which is described in Exhibit "B" attached hereto.
2. Except as amended hereby, Enlargement shall be effective as originally written.
3. This instrument may be executed in multiple identical counterparts, all of which, taken together, shall constitute a single agreement.

EXECUTED by each of the parties on the date of its respective acknowledgment below.

ARROW EXPLORATION COMPANY

By: James H. Edsel
James H. Edsel, President

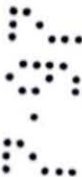
ECCO PETROLEUM, INC.

By: Levent Kecik
Levent Kecik, President

AMERICA WEST EXPLORATION CORPORATION

By: Ali Parvizian
Ali Parvizian, President

LTA RESOURCES CORPORATION



By: *Ted Clifford*
Ted Clifford, President

ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged before me on January 10, 19987
by James H. Edsel, President of Arrow Exploration Company, a Texas corporation.



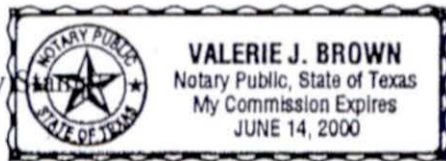
Marni Moran
Notary Public in and for the State of Texas
Name:

Notary Stamp:

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on December 10, 1996 by
Levent Kecik, President of Ecco Petroleum, Inc., a Delaware corporation, on
behalf of said corporation.



Notary

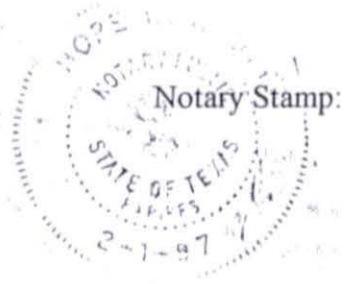
Valerie J. Brown
Notary Public in and for the State of Texas
Name: VALERIE J. BROWN

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on January 7, 1996 by Ali
Parvizian, President of America West Exploration Company, a Texas
corporation, on behalf of said corporation.

Hope E. Krott
Notary Public in and for the State of Texas
Name: HOPE E. KROTT



Notary Stamp:

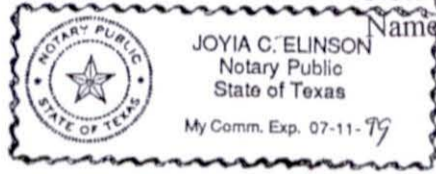
STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on Dec 23, 1996 by Ted Clifford, President of LTA Resources Corporation, a Texas corporation, on behalf of said corporation.

Joyia C. Elinson
Notary Public in and for the State of Texas
Name: Joyia C. Elinson

Notary Stamp:



NOTE TO COUNTY CLERK:

After recording, please return this document to:

Marni Moran
Arrow Exploration Company
1005 Congress Avenue, Suite 880
Austin, Texas 78701

EXHIBIT "A"

NOTE: ALL RECORDING REFERENCES BELOW ARE TO THE OFFICIAL PUBLIC RECORDS OF BRAZOS COUNTY, TEXAS, EXCEPT AS OTHERWISE INDICATED.

1. Oil, gas and mineral lease dated March 8, 1995 between J.W. Penicka, as Lessor, and ECCO Petroleum, Inc., as Lessee, recorded in Volume 2581, Page 179, as amended by instrument recorded in Volume 2665, Page 281.
2. Oil, gas and mineral lease dated June 1, 1993, between Mildred Marie Marske, as Lessor, and Omni Petroleum Corporation, as Lessee, recorded in Volume 1983, Page 253.
3. Oil, gas and mineral lease dated June 1, 1993 between Tammy Kay Threadgill, as Lessor, and Omni Petroleum Corporation, as Lessee, recorded in Volume 1983, Page 235.
4. Oil, gas and mineral lease dated June 1, 1993 between Mildred E. Bonjo, as Lessor, and Omni Petroleum Corporation, as Lessee, recorded in Volume 1983, Page 244.
5. Oil, gas and mineral lease dated October 25, 1976, between Jerry W. Smith, as Lessor, and Marshall A. Harrell, as Lessee, recorded in Volume 24, Page 506 of the Deed Records of Brazos County, Texas, as amended by instruments recorded in Volume 2665, Page 276, and Volume 2050, Page 79 of the Official Records of Brazos County, Texas.
6. Oil, gas and mineral lease dated September 29, 1976 between Joe Penicka, as Lessor, and Keith D. Graham, as Lessee, recorded in Volume 24, Page 360 of the Deed Records of Brazos County, Texas, as amended by instrument recorded in Volume 2665, Page 281 of the Official Records of Brazos County, Texas.
7. Oil, gas and mineral lease dated February 2, 1993 between the State of Texas, as Lessor, and Omni Petroleum Corporation, as Lessee, recorded in Volume 1730, Page 201.

EXHIBIT "B"
Attached to
AMENDMENT TO ENLARGEMENT OF UNIT

Paid-Up Oil and Gas Lease No. M-97514 dated September 3, 1996 from the Commissioner of the General Land Office of the State of Texas, as Lessor, to Ecco Petroleum, Inc., as Lessee.

AMENDMENT
OF
ENLARGEMENT OF POOLED UNIT

FILED

97 JAN 17 PM 2:32

STATE OF TEXAS

COUNTY OF BRAZOS

CO. CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS
BY Jo Suller
DEPUTY

KNOW ALL MEN BY THESE PRESENTS:

Reference is hereby made to that certain Enlargement of Pooled Unit (the "Enlargement") dated as of August 30, 1996 and recorded in Volume 2683, Page 130, et seq. of the Official Records of Brazos County, Texas by which the Omni Petroleum Corporation - Penicka Unit No. 1 was enlarged to form the Arrow Exploration Company - Penicka No. 1 Horizontal Reentry Unit (the "Unit") comprised of 218.23 acres as more particularly described in the Enlargement, reference to which is made for all purposes.

WHEREAS, Exhibit "A" to the Enlargement which described the oil, gas and mineral leases covering lands within the Unit contained certain incorrect designations of the named records of Brazos County, Texas in which such leases are recorded.

WHEREAS, the undersigned, being all of the owners of leasehold working interests in oil, gas and mineral leases covering lands within the Unit desire to amend the Enlargement to correct the inadvertent errors contained in Exhibit "A" attached thereto and to add to the Unit the oil and gas lease described in Exhibit "B" attached hereto.

NOW, THEREFORE, in consideration of the premises, the undersigned hereby agree as follows:

1. The Enlargement is hereby amended by deleting Exhibit "A" therefrom and substituting therefor Exhibit "A" which is attached to this Amendment and by adding to the oil and gas leases covered by the Enlargement the oil and gas lease which is described in Exhibit "B" attached hereto..
2. Except as amended hereby, Enlargement shall be effective as originally written.
3. This instrument may be executed in multiple identical counterparts, all of which, taken together, shall constitute a single agreement.

EXECUTED by each of the parties on the date of its respective acknowledgment below.

ARROW EXPLORATION COMPANY

By: James H. Edsel
James H. Edsel, President

ECCO PETROLEUM, INC.

By: Levent Kecik
Levent Kecik, President

AMERICA WEST EXPLORATION CORPORATION

By: Ali Parvizian
Ali Parvizian, President

LTA RESOURCES CORPORATION

By: *Ted Clifford*
Ted Clifford, President

ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged before me on January 10, 1996 by James H. Edsel, President of Arrow Exploration Company, a Texas corporation.



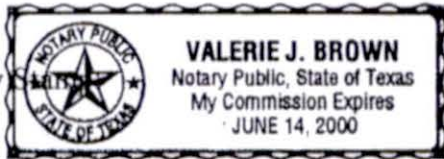
Marni Moran
Notary Public in and for the State of Texas
Name:

Notary Stamp:

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on December 10, 1996 by Levent Kecik, President of Ecco Petroleum, Inc., a Delaware corporation, on behalf of said corporation.



Notary

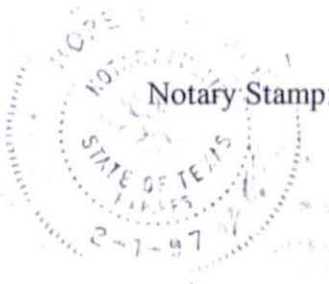
Valerie J. Brown
Notary Public in and for the State of Texas
Name: VALERIE J. BROWN

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on January 7, 1996 by Ali Parvizian, President of America West Exploration Company, a Texas corporation, on behalf of said corporation.

Hope E. Krott
Notary Public in and for the State of Texas
Name: HOPE E. KROTT



Notary Stamp:

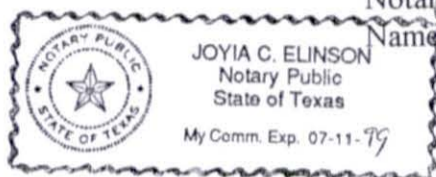
STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on Dec 23, 1996 by Ted Clifford, President of LTA Resources Corporation, a Texas corporation, on behalf of said corporation.

Joyia C. Elinson
Notary Public in and for the State of Texas
Name: Joyia C. Elinson

Notary Stamp:



NOTE TO COUNTY CLERK:

After recording, please return this document to:

**Marni Moran
Arrow Exploration Company
1005 Congress Avenue, Suite 880
Austin, Texas 78701**

Penicka No. 1 Horizontal Reentry Unit
Brazos County, Texas

EXHIBIT "A"

NOTE: ALL RECORDING REFERENCES BELOW ARE TO THE OFFICIAL PUBLIC RECORDS OF BRAZOS COUNTY, TEXAS, EXCEPT AS OTHERWISE INDICATED.

1. Oil, gas and mineral lease dated March 8, 1995 between J.W. Penicka, as Lessor, and ECCO Petroleum, Inc., as Lessee, recorded in Volume 2581, Page 179, as amended by instrument recorded in Volume 2665, Page 281.
2. Oil, gas and mineral lease dated June 1, 1993, between Mildred Marie Marske, as Lessor, and Omni Petroleum Corporation, as Lessee, recorded in Volume 1983, Page 253.
3. Oil, gas and mineral lease dated June 1, 1993 between Tammy Kay Threadgill, as Lessor, and Omni Petroleum Corporation, as Lessee, recorded in Volume 1983, Page 235.
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5. Oil, gas and mineral lease dated October 25, 1976, between Jerry W. Smith, as Lessor, and Marshall A. Harrell, as Lessee, recorded in Volume 24, Page 506 of the Deed Records of Brazos County, Texas, as amended by instruments recorded in Volume 2665, Page 276, and Volume 2050, Page 79 of the Official Records of Brazos County, Texas.
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7. Oil, gas and mineral lease dated February 2, 1993 between the State of Texas, as Lessor, and Omni Petroleum Corporation, as Lessee, recorded in Volume 1730, Page 201.

EXHIBIT "B"
Attached to
AMENDMENT TO ENLARGEMENT OF UNIT

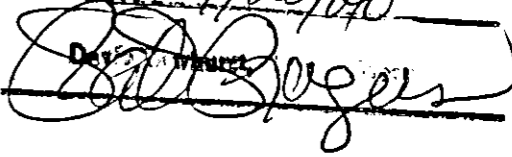
Paid-Up Oil and Gas Lease No. M-97514 dated September 3, 1996 from the Commissioner of the General Land Office of the State of Texas, as Lessor, to Ecco Petroleum, Inc., as Lessee.

14.

File No. MF095203

Enlargement + Amended Enlargement
Resignation

Date Filed 9/20/00

By  D. Rogers

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Arrow Expl Co
 1700 Alma Rd Ste 460
 Plano TX 75075

Bouzob County

2. Article Number (Copy from service label)

7000 0520 0023 2503 6014

PS Form 3811, July 1999

2414

Domestic Return Receipt

M 095203 penick

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

2/20

C. Signature

X Noel Blackburn

 Agent Addressee

D. Is delivery address different from item 1?

 Yes

If YES, enter delivery address below:

 No

3. Service Type

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

4. Restricted Delivery? (Extra Fee)

 Yes

UNITED STATES POSTAL SERVICE



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

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

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

03111

RECEIVED
FEB 23 2001

Chon

GENERAL LAND OFFICE



Texas General
Land Office



David Dewhurst
Commissioner

*paid check register # 34528 4-5-2001
SC 4-11-01*

February 14, 2001

CERTIFIED MAIL 70000520002325036014

ARROW EXPLORATION COMPANY
1700 ALMA ROAD SUITE 460
PLANO TEXAS 75075

RE: Notice of underpayment on State Lease M-095203

Dear Sir,

The Royalty Management Division of the Texas General Land Office has completed a limited review of the above referenced lease operated by Arrow Exploration Company. Through this review, it was determined that \$755.68 has been underpaid to the State for the reporting periods of October 1996 through March 1997 and January 1998 through February 1998. This amount comprises \$368.51 in additional royalty, \$225.00 in penalty and \$162.17 in interest, which has been computed through March 10, 2001, in accordance with Section 52.131 of the Texas Natural Resources Code.

The following documents are attached in support of our findings:

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

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

Mailing
Post Office Box 12873
Austin, Texas
78711-2873

Street
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495

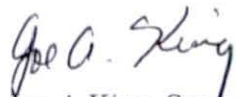
512.463.5001
1.800.998.4GLO
www.glo.state.tx.us

Arrow Exploration Company
February 14, 2001
Page 2

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

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

Sincerely,

A handwritten signature in cursive script that reads "Joe A. King".

Joe A King, Supervisor
Royalty Management / Energy Resources

JK/sc

ATTACHMENT I
REVIEW SUMMARY

State Lease M-095203

We have reviewed our records for the period of September 1996 through August 1998, to determine whether or not royalty for condensate and gas has been reported and paid correctly with respect to volume and price. Volumes reported to the Texas General Land Office (TGLO) were compared to volumes reported to the Texas Railroad Commission (TRRC) with any differences being noted.

As a result of this review, it was determined that oil and gas royalties were underpaid on Penicka Unit for October 1996 through March 1997 and January 1998 through February 1998.

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

Royalty	Penalty	Interest	Total
Oil \$334.85	\$200.00	\$146.71	\$681.56
GAS \$33.66	\$25.00	\$15.46	\$74.12

(See attachment II for supporting calculations)

ATTACHMENT II

ARROW EXPLORATION COMPANY
 STATE LEASE M-095203
 FIELD NAME: STONE CITY(AUSTIN CHALK)
 LEASE NAME: PENICKA
 BRAZOS COUNTY, TEXAS
 RRC OIL WELL 03-19495
 STATE'S ROYALTY DECIMAL .125

AUDITOR: S CHOU
 FILE NAME: M-095203
 DATE: 2/14/01

PENALTY/
 INTEREST DATE:

03/10/01

(1) (2) (4) (5) (6) (7) (8) (9) (10) (11)

MONTH/ YEAR	RRC VOLUME (A)	TRACT PARTIPATION (A)*.023186	PRICE (B)	GROSS VALUE (1) x (2)	ROYALTY DUE (4) x (.125)	ROYALTY PAID	ADDITIONAL ROYALTY DUE	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (7)+(9)+(10)
Oct-96	12,197	283	23.988698	6,784.00	848.00	808.07	39.93	1556	25.00	19.65	84.58
Nov-96	6,040	140	22.641695	3,170.74	396.34	377.89	18.45	1525	25.00	8.89	52.34
Dec-96	4,472	104	24.037100	2,492.41	311.55	297.19	14.36	1494	25.00	6.78	46.14
Jan-97	2,464	57	24.061303	1,374.62	171.83	0.00	171.83	1466	25.00	79.48	276.31
Feb-97	3,010	70	21.380401	1,492.14	186.52	177.92	8.60	1435	25.00	3.89	37.49
Mar-97	1,797	42	20.001593	833.47	104.18	99.22	4.96	1405	25.00	2.20	32.16
Jan-98	713	17	15.106500	249.71	31.21	0.00	31.21	1101	25.00	10.69	66.90
Feb-98	1,098	25	14.300400	364.09	45.51	0.00	45.51	1070	25.00	15.13	85.64
	31,791			16,761.18	2,095.14	1,760.29	334.85		200.00	146.71	681.56

COMMENTS:

- (A) RRC VOLUME - REPRESENTS OIL DISPOSITIONS FROM RRC WELL ID# 03-19495.
- (B) PRICE - REPRESENTS SALES PRICES NOTED ON GLO-1 OIL REPORTS.
- (C) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATION.

ARROW EXPLORATION COMPANY
 STATE LEASE M-095203
 FIELD NAME: STONE CITY(AUSTIN CHALK)
 LEASE NAME: PENICKA
 BRAZOS COUNTY, TEXAS
 RRC OIL WELL 03-19495
 STATE'S ROYALTY DECIMAL .125

ATTACHMENT II

AUDITOR: S CHOU
 FILE NAME: M-095203
 DATE: 2/14/01

PENALTY/
 INTEREST DATE:

03/10/01

	(1)	(2)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
MONTH/ YEAR	RRC VOLUME (A)	TRACT PARTIPATION (A) * .023186	PRICE (B)	GROSS VALUE (1) X (2)	ROYALTY DUE (4) X (.125)	ROYALTY PAID	ADDITIONAL ROYALTY DUE	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (7)+(9)+(10)
Jan-97	3,238	75	3.586871	269.30	33.66	0.00	33.66	1456	25.00	15.46	74.12
	3,238			269.30	33.66	0	33.66		25.00	15.46	74.12

COMMENTS:

- (A) RRC VOLUME - REPRESENTS GAS DISPOSITIONS FROM RRC WELL ID# 03-19495.
- (B) PRICE - REPRESENTS SALES PRICES NOTED ON GLO-2 GAS REPORTS.
- (C) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATION.

ATTACHMENT III

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

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

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

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

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

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

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

File No. 1-95203

(15)

Billing

Date Filed: 2-14-01

David Dewhurst, Commissioner

By _____

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

ARROW Exploration Co.
 1700 Alma Dr. STE. 460
 Plano, TX. 75075-6924

2. Article Number

(Transfer from service label)

7001 1140 0000 7805 3641

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Neel Blackburne

 Agent Addressee

B. Received by (Printed Name)

Neel Blackburne

C. Date of Delivery

D. Is delivery address different from item 1? Yes

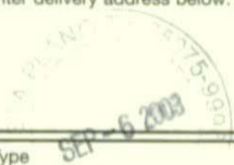
If YES, enter delivery address below:

 No

3. Service Type

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

4. Restricted Delivery? (Extra Fee)

 Yes

UNITED STATES POSTAL SERVICE



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

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

RECEIVED

SEP 09 2003

GENERAL LAND OFFICE

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

03111

Shirley Chen Room 600 M7095203

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

September 2, 2003

CERTIFIED MAIL 7001 1140 0001 7805 3641

ARROW EXPLORATION COMPANY
1700 ALMA DR STE 460
PLANO, TX 75075-6924

RE: Notice of underpayment on State Lease MF-095203

Gentleman:

The Royalty Audit Division of the Texas General Land Office has completed a limited review of the above-referenced leases operated by ARROW EXPLORATION COMPANY. Through this review, it was determined that \$770.67 has been underpaid to the State for the reporting period January 1999 through January 2001. This amount is comprised of \$395.33 in additional royalty, \$200.00 in penalty, and \$175.34 in interest, computed through 09/27/03, in accordance with Section 52.131 of the Texas Natural Resources Code.

The following documents are attached in support of our findings:

A brief summary of our review (Attachment I);

Schedule supporting our royalty, penalty, and interest calculation (Attachment II); and

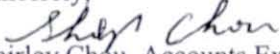
Procedures used for assessment of penalties and interest (Attachment III).

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

This notice in no way precludes the General Land Office from pursuing any claim or remedy related to this royalty payment, including filing a statutory first lien on all production pursuant to Texas Natural Resources Code section 52.136. Additionally, this notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Natural Resources Code and, consequently, does not preclude the General Land Office from conducting further examinations of this or other leases operated and/or reported by ARROW EXPLORATION COMPANY or from examining these or other issues and time periods in a future inspection of your books, accounts, reports, or other records.

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

Sincerely,


Shirley Chou, Accounts Examiner
Royalty Management
Energy Resources Division

Stephen F. Austin Building • 1700 North Congress Avenue • Austin, Texas 78701-1495

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

ATTACHMENT I
REVIEW SUMMARY

State Leases: MF-095203

We have reviewed our records for the period of September 1998 through August 2001, to determine whether or not royalty for oil and gas has been reported and paid correctly with respect to volume and price. Volumes reported to the Texas General Land Office (TGLO) were compared to volumes reported to the Texas Railroad Commission (TRRC) with any differences being noted. We also reviewed the lease agreement to determine if payment for the aforementioned is due.

As a result of this review, it was determined that oil royalties were underpaid on Penicka Unit Lease for the period of January 1999 through January 2001.

We have therefore concluded that additional royalty is due in the following amount.

Oil Summary

Royalty	Penalty	Interest	Total
\$395.33	\$200.00	\$175.34	\$770.67

Gas Summary

Royalty	Penalty	Interest	Total
\$0.00	\$0.00	\$0.00	\$0.00

Oil & Gas Summary

Royalty	Penalty	Interest	Total
\$395.33	\$200.00	\$175.34	\$770.67

ATTACHMENT II

ARROW EXPLORATION COMPANY
 STATE LEASE M-095203
 FIELD NAME: STONE CITY(AUSTIN CHALK)
 LEASE NAME: PENICKA UNIT
 BRAZOS COUNTY, TEXAS
 RRC OIL WELL 03-19495
 STATE'S ROYALTY DECIMAL .125
 TRACT PARTICIPATION .023186

AUDITOR: S CHOU
 FILE NAME: M-095203
 DATE: 9/2/2003

PENALTY/
 INTEREST DATE:

09/27/03

(1) (2) (4) (5) (6) (7) (8) (9) (10) (11)

MONTH/ YEAR	RRC VOLUME (A)	TRACT PARTICIPATION 0.02318600 NET VOLUME	PRICE (B)	GROSS VALUE (1) X (2)	ROYALTY DUE (4) X (.125)	ROYALTY PAID	ADDITIONAL ROYALTY DUE	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (7)+(9)+(10)
Jan-99	1,050	24	12.470000	303.59	37.95	0.00	37.95	1667	25.00	20.06	83.01
Jul-99	540	13	20.070000	251.29	31.41	0.00	31.41	1483	25.00	14.71	71.12
Aug-99	734	17	21.260000	361.81	45.23	0.00	45.23	1453	25.00	20.73	90.96
Sep-99	687	16	23.880000	380.38	47.55	0.00	47.55	1422	25.00	21.31	93.86
Oct-99	717	17	22.640000	376.38	47.05	0.00	47.05	1392	25.00	20.62	92.67
Nov-99	955	22	24.860000	550.47	68.81	0.00	68.81	1361	25.00	29.45	123.26
Dec-99	769	18	26.080000	465.01	58.13	0.00	58.13	1330	25.00	24.29	107.42
Jan-00	749	17	27.270000	473.58	59.20	0.00	59.20	1301	25.00	24.17	108.37
	6,201	144		3,162.51	395.33	0.00	395.33		200.00	175.34	770.67

COMMENTS:

(A) RRC VOLUME - REPRESENTS OIL DISPOSITIONS FROM RRC WELL ID# 03-19495.

(B) PRICE - THERE WERE NO GLO-1 REPORTS RECEIVED FOR 1/99 AND 7/99 THROUGH 1/2000. THE PRICE IS OBTAINED FROM WTI PRICE LIST.

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

ATTACHMENT III

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

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

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

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

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

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

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

16

File No. 095203
Billing letter
Date Filed: 9-2-2003
Jerry E. Patterson, Commissioner
By S Chau

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

October 20, 2008

Marilyn Zemlicka
EnerVest, Ltd.
1001 Fannie Street, Suite 800.
Houston, TX 77002-6707

RE: GLO Assignment ID # 6610

Dear Ms. Zemlicka,

The General Land Office received the following instrument(s) and has filed them in the appropriate files. Please see attached "Exhibit A" for reference.

Assignment and Bill of Sale, executed August 29th, 2008, from Emerald Operating Co., as Assignor, to EnerVest Energy Institutional Fund X-A, LP, etal, as Assignee. Brazos County Vol. 8798, P. 123.

Filing fees of \$300.00 were received in connection with the above lease. If you have any questions, please feel free to call me at (800) 998-4GLO, or at my direct number at (512) 463-6521.

Sincerely,

Beverly Boyd
Mineral Leasing
Energy Resources
512-463-6521

MF095228
095203 ✓
097514

Stephen F. Austin Building • 1700 North Congress Avenue • Austin, Texas 78701-1495

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

Exhibit "A"

<i>GLO ID</i>	<i>County</i>	<i>Lease</i>
6610	Brazos	MF095203 ✓
6610	Brazos	MF095228
6610	Brazos	MF097514

Monday, October 20, 2008

COUNTY OF BRAZOS §

STATE OF TEXAS §

MF95228
95203
97214

ASSIGNMENT AND BILL OF SALE

THIS ASSIGNMENT AND BILL OF SALE AND CONVEYANCE (this "Assignment"), effective as of 7:00 a.m. in the zone applicable to the location of the Properties (hereinafter defined) on July 1, 2008 (the "Effective Time"), is made from Emerald Operating Company, a Texas corporation ("Assignor"), whose address is 1255 W. 15th Street, Suite 220, Plano, Texas 75075, to EnerVest Energy Institutional Fund X-A, L.P., EnerVest Energy Institutional Fund X-WI, L.P., EnerVest Energy Institutional Fund XI-A, L.P., EnerVest Energy Institutional Fund XI-WI, L.P., EnerVest Wachovia Co-Investment Partnership, L.P., and EV Properties, L.P., each a Delaware limited partnership with an office at 1001 Fannin, Suite 800, Houston, Texas 77002 (hereafter collectively called "Assignee").

ARTICLE I

Grant and Habendum

Section 1.01 The Grant. For value received, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN and DELIVER the Properties unto Assignee, its successors and assigns, in the respective undivided interests set forth on **Schedule I** attached hereto, effective for all purposes as of the Effective Time and subject to the matters set forth herein. The term "Properties" shall mean all of Assignor's right, title and interest in and to:

(a) The oil and gas leases (and any and all amendments, corrections and modifications thereto whether or not described on Exhibit A-1) described on Exhibit A-1 hereto (the "Leases") and the oil and gas wells and properties described on Exhibit A-2 hereto (the "Wells");

(b) The personal property, equipment and fixtures located on or about the Leases and used in connection with operation of the Leases and Wells including, without limitation, any and all pipelines, separating equipment, meter stations, compressors and compressor stations, valves, pumps, automation measurement devices, and other equipment, personal property and fixtures that are on or under the lands covered by the Leases and/or are used in connection with the gathering and transportation of natural gas and/or other Production (the "Equipment");

(c) The rights and obligations existing under the instruments, contracts and agreements that benefit or burden the Leases and Wells, including, but not limited to those set forth in Exhibit B hereto and all other operating agreements, unitization agreements, pooling agreements, pooling orders, spacing orders, declarations of pooling or unitization, farm out agreements, rights of way, easements, surface agreements, permits, licenses, assignments, gas sale, purchase, gathering, transportation, treating, marketing, exchange, processing and fractionating contracts, and joint operating agreements including any and

all balancing agreements, throughput agreements, connection agreements, pipeline operating agreements, maintenance agreements, confidentiality agreements and other agreements and contracts that pertain to Assignor's ownership interest in the Properties (as hereinafter defined) (collectively, the "Contracts");

(d) The oil, gas, casinghead gas, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons, products refined and manufactured therefrom, other minerals, and the accounts and proceeds from the sale of all of the foregoing (the "Production") under the terms of the Leases and the Contracts;

(e) The rights-of-way, easements, surface use agreements, surface leases for compressor sites and other surface leases and other similar agreements set forth in Exhibit C hereto and as otherwise relate to or are used in connection with the ownership of the Leases, Wells, and Equipment (the "Easements");

(f) The files, records, data, including geophysical and seismic data (subject to any licensing or confidentiality restrictions), and other documentary information maintained by Assignor pertaining to the Wells, the Leases, the Equipment, the Contracts, the Production, and the Easements, (collectively, the "Data").

The Leases, Wells, Equipment, Contracts, Production, Easements, Pipeline and Data are collectively called the "Properties".

Section 1.02 Excluded Properties. Notwithstanding the foregoing, the Properties shall not include, and there is excepted, reserved and excluded from the sale, transfer and assignment contemplated hereby the following excluded properties, rights and interests (collectively, the "Excluded Properties"); however, omission of an item from this Section 1.02 shall not be construed to mean that the item is among the Properties unless the item is expressly included in Section 1.01:

(a) Proprietary seismic, geological, geochemical, and geophysical data or interpretations of data relating to the Leases and Wells that are restricted from transfer or distribution by any legal constraints, obligations of confidence or prior agreements with third parties;

(b) Trade credits, accounts, deposits with utilities, causes of action, and notes receivable and adjustments or refunds (including without limitation transportation tariff refunds, take-or-pay claims, audit adjustments claims for under-or-non-payment and over, inaccurate or excessive billings, and claims with respect to breach of contract) arising under the Contracts and attributable to the Properties with respect to any period before the Effective Time, including, without limitation, any claim Assignor may have for refunds or reimbursement of money that may have been paid by Assignor to any current or prior operator of the Properties on account of over-billings, excessive billings and inaccurate billings or otherwise made by such operator as a result of Assignor's interest in the Properties;

(c) Oil, gas and associated hydrocarbon products produced from the Properties prior to the Effective Time, accounts and proceeds relating to same, and any

gas imbalance accounts relating to production from the Properties prior to the Effective Time; and

(d) All claims and causes of action Assignor may have, as of the Effective Time, against any purchaser or purchasers of oil or gas produced from the Property.

Section 1.03 Habendum Clause. TO HAVE AND TO HOLD the Properties, SAVE and EXCEPT the Excluded Properties, unto Assignee and to its successors and assigns, forever, subject to the terms of the Purchase Agreement and the other matters set forth herein.

ARTICLE II

Warranty and Disclaimers

Section 2.01 Special Warranty of Title. For a period of two (2) years after Assignor's execution hereof, Assignor hereby agrees to warrant and defend title to the Properties solely unto Assignee against every person whomsoever lawfully claiming or to claim the same or any part the same by, through or under Assignor, but not otherwise.

Section 2.02 Disclaimer. ASSIGNEE ACKNOWLEDGES THAT ASSIGNOR HAS NOT MADE, AND ASSIGNOR HEREBY EXPRESSLY DISCLAIMS AND NEGATES, AND ASSIGNEE HEREBY EXPRESSLY WAIVES, ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE OR OTHERWISE, RELATING TO (a) PRODUCTION RATES, RECOMPLETION OPPORTUNITIES, DECLINE RATES, QUANTITY OR VOLUME OF THE RESERVES OF HYDROCARBONS, IF ANY, ATTRIBUTABLE TO THE PROPERTIES, (b) THE ACCURACY, COMPLETENESS OR MATERIALITY OR SIGNIFICANCE OF ANY INFORMATION, DATA, GEOLOGICAL AND GEOPHYSICAL DATA (INCLUDING ANY INTERPRETATIONS OR DERIVATIVES BASED THEREON) OR OTHER MATERIALS (WRITTEN OR ORAL) CONSTITUTING PART OF THE PROPERTIES, NOW, HERETOFORE OR HEREAFTER FURNISHED TO ASSIGNEE BY OR ON BEHALF OF ASSIGNOR, (c) THE CONDITION, INCLUDING THE ENVIRONMENTAL CONDITION, OF THE PROPERTIES AND (d) THE COMPLIANCE OF ASSIGNOR'S PAST PRACTICES WITH THE TERMS AND PROVISIONS OF ANY LEASE, PERMIT OR CONTRACT OR APPLICABLE LAWS, INCLUDING ENVIRONMENTAL LAWS AND LAWS RELATING TO THE PROTECTION OF NATURAL RESOURCES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS ASSIGNMENT, ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES, AND ASSIGNEE HEREBY WAIVES, AS TO PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY, FIXTURES, BUILDINGS, OFFICES, TRAILERS, ROLLING STOCK, VEHICLES, AND GEOLOGICAL AND GEOPHYSICAL DATA (INCLUDING ANY INTERPRETATIONS OR DERIVATIVES BASED THEREON) CONSTITUTING A PART OF THE ASSETS (i) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (ii) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (iii) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, (iv) ANY IMPLIED OR

EXPRESS WARRANTY THAT ANY DATA TRANSFERRED PURSUANT HERETO IS NONINFRINGING, (v) ANY RIGHTS OF PURCHASERS UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION OR RETURN OF THE PURCHASE PRICE, (vi) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM DEFECTS, WHETHER KNOWN OR UNKNOWN, (vii) ANY AND ALL IMPLIED WARRANTIES EXISTING UNDER APPLICABLE LAWS, AND (viii) ANY IMPLIED OR EXPRESS WARRANTY REGARDING ENVIRONMENTAL LAWS, OR LAWS RELATING TO THE PROTECTION OF THE ENVIRONMENT, HEALTH, SAFETY OR NATURAL RESOURCES OR RELATING TO THE RELEASE OF MATERIALS INTO THE ENVIRONMENT, INCLUDING ASBESTOS CONTAINING MATERIAL, LEAD BASED PAINT OR MERCURY AND ANY OTHER HAZARDOUS SUBSTANCES OR WASTES, IT BEING THE EXPRESS INTENTION OF ASSIGNEE AND ASSIGNOR THAT THE PROPERTIES, INCLUDING ALL PERSONAL PROPERTY, EQUIPMENT, FACILITIES, INVENTORY, MACHINERY, FIXTURES, BUILDINGS, OFFICES, TRAILERS, VEHICLES AND ROLLING STOCK INCLUDED IN THE PROPERTIES, SHALL BE CONVEYED TO ASSIGNEE, AND ASSIGNEE SHALL ACCEPT THE SAME, AS IS, WHERE IS, WITH ALL FAULTS AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR. ASSIGNEE REPRESENTS AND WARRANTS TO ASSIGNOR THAT ASSIGNEE HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS WITH RESPECT TO THE PROPERTIES AS ASSIGNEE DEEMS APPROPRIATE. ASSIGNOR AND ASSIGNEE AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAWS (INCLUDING ENVIRONMENTAL LAWS AND LAWS RELATING TO THE PROTECTION OF NATURAL RESOURCES, HEALTH, SAFETY OR THE ENVIRONMENT) TO BE EFFECTIVE, THE DISCLAIMERS OF THE WARRANTIES CONTAINED IN THIS SECTION ARE "CONSPICUOUS" DISCLAIMERS FOR ALL PURPOSES. ASSIGNEE ACKNOWLEDGES THAT IT HAS BEEN INFORMED THAT OIL AND GAS PRODUCING FORMATIONS CAN CONTAIN NATURALLY OCCURRING RADIOACTIVE MATERIAL ("NORM"). SCALE FORMATION OR SLUDGE DEPOSITS CAN CONCENTRATE LOW LEVELS OF NORM ON EQUIPMENT AND OTHER ASSETS. THE PROPERTIES SUBJECT TO THIS ASSIGNMENT MAY HAVE LEVELS OF NORM ABOVE BACKGROUND LEVELS, AND A HEALTH HAZARD MAY EXIST IN CONNECTION WITH THE PROPERTIES BY REASON THEREOF. THEREFORE, ASSIGNEE MAY NEED TO AND SHALL FOLLOW SAFETY PROCEDURES WHEN HANDLING THE EQUIPMENT AND OTHER ASSETS.

ARTICLE III

Miscellaneous

Section 3.01 Construction. The captions in this Assignment are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Assignment. Assignor and Assignee acknowledge that they have participated jointly in the negotiation and drafting of this Assignment and as such they agree that if an ambiguity or question of intent or interpretation arises hereunder, this Assignment shall not be construed more strictly against one party than another on the grounds of authorship.

Section 3.02 Assignment. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 3.03 Counterpart Execution. This Assignment may be executed in any number of counterparts, and each counterpart hereof shall be effective as to each party that executes the same whether or not all of such parties execute the same counterpart. If counterparts of this Assignment are executed, the signature pages from various counterparts may be combined into one composite instrument for all purposes. All counterparts together shall constitute only one Assignment, but each counterpart shall be considered an original.

Section 3.04 Recording. To facilitate the recording or filing of this Assignment, the counterpart to be recorded in a given county may contain only that portion of the exhibits that describes Properties located in that county. In addition to filing this Assignment, the parties hereto shall execute and file with the appropriate authorities, whether federal, state or local, all forms or instruments required by applicable law to effectuate the conveyance contemplated hereby. Said instruments shall be deemed to contain all of the exceptions, reservations, rights, titles and privileges set forth herein as fully as though the same were set forth in each such instrument. The interests conveyed by such separate assignments are the same, and not in addition to the Properties conveyed herein.

Section 3.05 Purchase Agreement. This Assignment is subject to all of the terms and conditions of that certain Purchase and Sale Agreement, dated August 6, 2008, by and between Assignor and Assignee (the "Purchase Agreement"), which terms and conditions are incorporated herein by reference.

Section 3.06 Definitions. Capitalized terms used but undefined in this Assignment shall have the meaning ascribed to such terms in the Purchase Agreement.

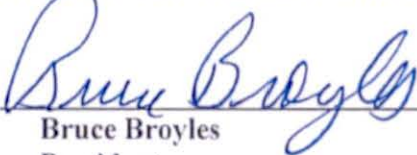
Section 3.07 Exhibits. Exhibits referred to herein are hereby incorporated and made a part of this Assignment for all purposes by such reference.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this instrument is executed by the Parties on the date of their respective acknowledgments below, but shall be effective for all purposes as of the Effective Time.

ASSIGNOR:

EMERALD OPERATING COMPANY


By: 
Bruce Broyles
President

ASSIGNEE:

ENERVEST ENERGY INSTITUTIONAL FUND X-A, L.P.
ENERVEST ENERGY INSTITUTIONAL FUND X-WI, L.P.
ENERVEST ENERGY INSTITUTIONAL FUND XI-A, L.P.
ENERVEST ENERGY INSTITUTIONAL FUND XI-WI, L.P.
ENERVEST WACHOVIA CO-INVESTMENT PARTNERSHIP, L.P.


By: EnerVest, Ltd.,
Its General Partner

By: EnerVest Management GP, L.C.,
Its General Partner

By: 
Mark A. Houser
Executive Vice President and
Chief Operating Officer

EV PROPERTIES, L.P.

By: EV Properties GP, LLC,
Its General Partner

By: 
Kathryn S. MacAskie
Senior Vice-President

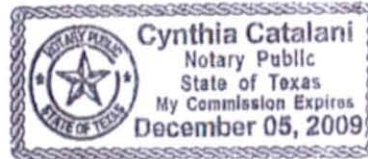


STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 29th day of August, 2008, by Bruce Boyles, as President of Emerald Operating Company, a Texas Corporation, on behalf of said corporation.

Cynthia Catalani
Notary Public in and for the State of Texas

My Commission Expires: 12/5/09

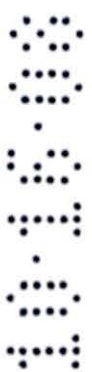
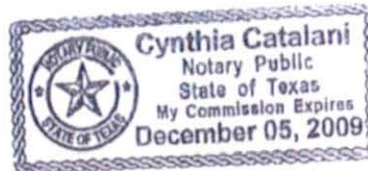


STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 29th day of August, 2008, by Mark A. Houser, as Executive Vice President and Chief Operating Officer of EnerVest Management GP, L.C., in its capacity as general partner of EnerVest, Ltd., in its capacity as general partner of EnerVest Energy Institutional Fund X-A, L.P., EnerVest Energy Institutional Fund X-WI, L.P., EnerVest Energy Institutional Fund XI-A, L.P., EnerVest Energy Institutional Fund XI-WI, L.P., and EnerVest Wachovia Co-Investment Partnership, L.P., all Delaware limited partnerships, on behalf of the limited partnerships.

Cynthia Catalani
Notary Public in and for the State of Texas

My Commission Expires: 12/5/09

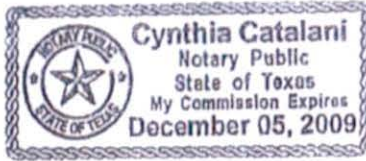


STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 29th day of August, 2008, by Kathryn S. MacAskie, as Senior Vice-President of EV Properties GP, LLC, in its capacity as general partner of EV Properties, L.P., a Delaware limited partnership, on behalf of said limited partnership.

Cynthia Catalani
Notary Public in and for the State of Texas

My Commission Expires: 12/5/09



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SCHEDULE 1

Attached to and made a part of that certain Assignment and Bill of Sale effective July 1, 2008 between Emerald Operating Company as Assignor and EnerVest Energy Institutional Fund X-A, L.P., EnerVest Energy Institutional Fund X-WI, L.P., EnerVest Energy Institutional Fund XI-A, L.P., EnerVest Energy Institutional Fund XI-WI, L.P., EnerVest Wachovia Co-Investment Partnership, L.P., and EV Properties, L.P., as Assignee

ASSIGNEE'S OWNERSHIP PERCENTAGE

ENERVEST ENERGY INSTITUTIONAL FUND X-A, L.P.	4.7700%
ENERVEST ENERGY INSTITUTIONAL FUND X-WI, L.P.	7.2300%
ENERVEST ENERGY INSTITUTIONAL FUND XI-A, L.P.	35.4196%
ENERVEST ENERGY INSTITUTIONAL FUND XI-WI, L.P.	15.9138%
ENERVEST WACHOVIA CO-INVESTMENT PARTNERSHIP, L. P.	23.3333%
EV PROPERTIES, L.P.	13.3333%
Total	100.0000%

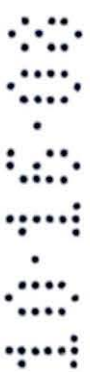
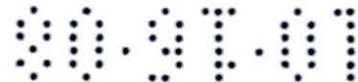


Exhibit "A-1"

Attached to and made a part of that certain Assignment and Bill of Sale effective July 1, 2008
 from Emerald Operating Company, as Assignor, to EnerVest Energy Institutional Fund X-A, L.P. et al, as Assignee

COUNTY: BRAZOS
 WELL UNIT: LOMETA #1 UNIT as described in that certain
 Amendment of Pooled Unit recorded at Vol. 3373, Page 80,
 Brazos Co., TX

LEASE NUMBER	LESSOR NAME	LESSEE NAME	LEASE DATED	BOOK	PAGE
TX028312-2	MARY EDWARDS ALLEN	DALE RESOURCES INC	08/27/92	1634	129
TX028316-3	GRACE B BAY	LOMETA PETROLEUM CORPORATION	08/03/92	1571	56
TX028313-4	MILDRED PRESCOTT BEARD	LOMETA PETROLEUM CORPORATION	08/24/92	1582	116
TX028316-2	BROOKS G & SONDRAL BRADFORD	LOMETA PETROLEUM CORPORATION	08/06/92	1577	347
TX028308-1	LAVERTA I BRADLEY	KENNETH D TAYLOR	01/03/92	1444	264
TX028313-3	DIANE ELAINE PRESCOTT CASSEL	LOMETA PETROLEUM CORPORATION	08/25/92	1594	121
TX028311-1	CLIFFORD P DOTSON JR	K D TAYLOR	02/29/92	1444	268
	ARTHUR J EDWARDS JR, JANE EDWARDS & WLM I				
TX028312-6	EDWARDS	DALE RESOURCES INC	09/30/92	1656	74
TX028306-1	WILLIAM T FLEMING JR AND KATHRYN FLEMING	LOMETA PETROLEUM CORPORATION	01/28/93	1720	44
TX028310-1	LAWRENCE G & BARBARA R FRASER	LOMETA PETROLEUM CORPORATION	01/25/93	1716	240
TX028312-7	JOHN & SALLY GODFREY	DALE RESOURCES INC	08/21/92	1634	133
TX028315-1	ALTON RAY & LENA LEVON HAYES	LOMETA PETROLEUM CORPORATION	02/09/93	1717	319
	LOMETA PETROLEUM CORPORATION - LYNN ELLIOTT				
TX028309-1	PRESIDENT	DALE RESOURCES INC	08/03/94	2176	168
	LOMETA PETROLEUM CORPORATION - LYNN ELLIOTT				
TX028316-4	PRESIDENT	DALE RESOURCES INC	09/01/93	1919	179
TX028317-1	LUCILLE STOUSLAND LYONS	LOMETA PETROLEUM CORPORATION	04/23/93	1789	93
TX028312-3	THOMAS J MCCALLUM JR	DALE RESOURCES INC	08/28/92	1634	140
TX028313-1	DANIEL LEE PRESCOTT	LOMETA PETROLEUM CORPORATION	08/25/92	1594	118
TX028313-2	DAVID EWING PRESCOTT	LOMETA PETROLEUM CORPORATION	08/25/92	1582	119
TX028313-5	SHIELDS & BETTY JANE PRESCOTT	LOMETA PETROLEUM CORPORATION	08/24/92	1631	283
TX028312-1	MARGIE R MCCALLUM SHEPPERD	DALE RESOURCES INC	08/28/92	1634	144
TX028307-0	STATE OF TEXAS M95228	LOMETA PETROLEUM CORPORATION	04/04/93	1773	15
TX028312-5	CHARLOTTE EDWARDS STRAWN	DALE RESOURCES INC	08/27/92	1634	148
TX028314-2	LEWIS TAPLIN	LOMETA PETROLEUM CORPORATION	07/22/92	1557	133
TX028316-1	JOHN I UHR IND & TRSTEE AND PATRICIA C UHR	LOMETA PETROLEUM CORPORATION	08/06/92	1607	103
TX028312-4	DOROTHY JANE MCCALLUM WARD	DALE RESOURCES INC	09/01/92	1634	152
TX028314-1	WAYNE BATTEN ENTERPRISES INC	DALE OPERATING COMPANY	05/29/94	2140	199



Doc 01009846
Bl OK
Vol 8798
Pg 133

Exhibit "A-1"

Attached to and made a part of that certain Assignment and Bill of Sale effective July 1, 2008
from Emerald Operating Company, as Assignor, to EnerVest Energy Institutional Fund X-A, L.P. et al, as Assignee

COUNTY: BRAZOS COUNTY, TEXAS
WELL UNIT: PENICKA NO. 1 HORIZONTAL REETNRY UNIT

LEASE NUMBER	LESSOR NAME	LESSEE NAME	LEASE DATED	BOOK	PAGE
	J W PENICKA	ECCO PETROLEUM INC	03/08/95	2581	179
	MILDRED MARIE MARSKE	OMNI PETROLEUM CORPORATION	06/01/93	1983	253
	TAMMY KAY THREADGILL	OMNI PETROLEUM CORPORATION	06/01/93	1983	235
	MILDRED E BONJO	OMNI PETROLEUM CORPORATION	06/01/93	1983	244
	JERRY W SMITH	MARSHALL A HARRELL	10/25/76	24	506
	JOE PENICKA	KEITH D GRAHAM	09/29/76	24	360
	STATE OF TEXAS <i>M-95203</i>	OMNI PETROLEUM CORPORATION	02/02/93	1730	201
	STATE OF TEXAS LEASE NO M-97514	ECCO PETROLEUM INC	09/03/96	-	-

COUNTY: BRAZOS COUNTY, TEXAS
WELL UNIT: WALDORF-POOL #1 RE UNIT as described in that
certain Second Amended Unit Designation recorded at Vol.
4000, Page 326, Brazos Co., TX

LEASE NUMBER	LESSOR NAME	LESSEE NAME	LEASE DATED	BOOK	PAGE
TX028359-2	CHARLES ALLEN	LOMETA PETROLEUM CORPORATION	04/23/91	1253	743
TX028361-0	BILLIE LAVERN MOORE BAILEY	LOMETA PETROLEUM CORPORATION	05/31/91	1285	285
TX028358-4	TOMMY BANKS	LOMETA PETROLEUM CORPORATION	07/30/91	1323	277
TX028365-4	JOHN M BARRON JR	ROSEWOOD RESOURCES INC	08/01/00	3909	249
TX028365-5	W S BARRON JR IND AND EXEC ESTATE OF BESS D BARRON ET AL	LOMETA PETROLEUM CORPORATION	10/25/91	1381	343
TX028342-1	MICHAEL W & PAULA BLAKE	LOMETA PETROLEUM CORPORATION	12/11/91	1385	331
TX028366-1	BETTIE BOWEN AND BRONWYN BOWEN	LOMETA PETROLEUM CORPORATION	12/23/91	1396	73
TX028364-1	CHARLENE BRITTON	LOMETA PETROLEUM CORPORATION	10/28/91	1360	248
TX028359-3	SHIRLEY ALLAN BROWN	LOMETA PETROLEUM CORPORATION	04/23/91	1253	745
TX028348-0	VIRGINIA RUTH BROWN	LOMETA PETROLEUM CORPORATION	03/23/91	1271	160
TX028368-2	ROBERT A CALVERT	LOMETA PETROLEUM CORPORATION	04/17/92	1477	256
TX028343-0	CHARLES CRISS	LOMETA PETROLEUM CORPORATION	12/14/91	1389	169
TX028358-3	HELEN GRAYS DICKEY	LOMETA PETROLEUM CORPORATION	07/31/91	1323	274
TX028341-3	ELLA V DREWY	LOMETA PETROLEUM CORPORATION	02/25/91	1408	219



Exhibit "A-1"

Attached to and made a part of that certain Assignment and Bill of Sale effective July 1, 2008
from Emerald Operating Company, as Assignor, to EnerVest Energy Institutional Fund X-A, L.P. et al, as Assignee

TX028358-5	BOBBY JOE GRAYS	LOMETA PETROLEUM CORPORATION	07/31/91	1349	3
TX028358-9	HULEN GRAYS	LOMETA PETROLEUM CORPORATION	07/31/91	1323	238
TX0282358-2	LORENZO GRAYS	LOMETA PETROLEUM CORPORATION	07/30/91	1323	268
TX028358-1	LULA B GRAYS	LOMETA PETROLEUM CORPORATION	07/30/91	1323	271
TX028486-0	GREGG ONLY GREER	ROSEWOOD RESOURCES INC	04/13/00	3794	23
TX028367-1	GERALD & ROSALIE GREVSTAD JOHN FREDERICK GRIFFITHS ETUX & HENRY E BOHNE	LOMETA PETROLEUM CORPORATION	04/30/92	1498	258
TX028487-0	ETUX	ROSEWOOD RESOURCES INC	12/14/99	3735	265
TX028368-3	EDWIN H & PAGE W HIGGINS	LOMETA PETROLEUM CORPORATION	04/15/92	1474	238
TX028367-2	EDWIN HARRISON HIGGINS AND PAGE M HIGGINS	LOMETA PETROLEUM CORPORATION	04/14/92	1474	232
TX028354-0	JOHN & DOROTHY HOLICK	LOMETA PETROLEUM CORPORATION	05/23/91	1293	53
TX028368-1	LISA C HUGHES	LOMETA PETROLEUM CORPORATION	04/27/92	1498	255
TX028341-2	ELNORA JOHNSON	LOMETA PETROLEUM CORPORATION	02/25/91	1406	125
TX028365-2	ISADORE L & LYDIA A KRENEK	LOMETA PETROLEUM CORPORATION	04/04/91	1250	392
TX028365-1	STANLEY J KRENEK	LOMETA PETROLEUM CORPORATION	04/04/91	1271	172
TX028355-0	BRADFORD & BERNICE LISENBE	LOMETA PETROLEUM CORPORATION	03/28/91	1250	389
TX028364-4	CHARLES E MOORE	LOMETA PETROLEUM CORPORATION	10/26/91	1369	115
TX028346-0	LOUIS C MOORE	LOMETA PETROLEUM CORPORATION	05/29/91	1271	189
TX028344-0	ROOSEVELT MOORE	LOMETA PETROLEUM CORPORATION	07/12/91	1323	253
TX028360-0	SIDNEY MOORE JR, DARLENE MOORE, THOMAS MOORE, JIMMY MOORE ETAL	LOMETA PETROLEUM CORPORATION	02/07/92	1428	254
TX028366-2	FLETCHER L POOL	LOMETA PETROLEUM CORPORATION	12/27/90	1239	363
TX028349-0	J NEAL & MARJORIE A PRATT	LOMETA PETROLEUM CORPORATION	11/05/90	1226	98
TX028488-0	HATTIE PRIEVE	ROSEWOOD RESOURCES INC	12/13/99	3704	334
TX028365-3	BERNICE RILEY	LOMETA PETROLEUM CORPORATION	04/04/91	1271	154
TX028341-1	MILDRED RILEY	LOMETA PETROLEUM CORPORATION	02/25/91	1406	122
TX028363-0	ANDREW SALLIE ROBERT EARL SALLIE ETAL	LOMETA PETROLEUM CORPORATION	05/31/91	1285	279
TX028353-0	DAVID P & CAMILLA A STURDIVANT	LOMETA PETROLEUM CORPORATION	09/01/92	1592	82
TX028359-1	VESTER LEE TAYLOR, PERLINE TAYLOR DAY ET AL	LOMETA PETROLEUM CORPORATION	04/16/91	1250	385
TX028362-0	ELLA MARIE MOORE THOMAS	LOMETA PETROLEUM CORPORATION	05/31/91	1271	170
TX028350-0	JAMES T THOMAS ROBERT CHARLES, THOMAS FLLOYD PRATT JR,	LOMETA PETROLEUM CORPORATION	05/17/91	1271	151
TX028345-0	MICHALE PRATT	LOMETA PETROLEUM CORPORATION	01/29/92	1428	249
TX028347-0	TYREE & DARLTON THOMAS JACKSON WAYNE WAGNER AND FLORENCE O	LOMETA PETROLEUM CORPORATION	05/20/91	1271	178
TX028351-0	WAGNER	LOMETA PETROLEUM CORPORATION	04/08/91	1271	145



Exhibit "A-1"

Attached to and made a part of that certain Assignment and Bill of Sale effective July 1, 2008
from Emerald Operating Company, as Assignor, to EnerVest Energy Institutional Fund X-A, L.P. et al, as Assignee

TX028352-0	JACKSON WAYNE WAGNER AND FLORENCE O WAGNER	LOMETA PETROLEUM CORPORATION	04/08/91	1294	336
TX028364-3	DONALD WALKER	LOMETA PETROLEUM CORPORATION	01/31/92	1428	252
TX028364-2	GWENDALYN WALKER	LOMETA PETROLEUM CORPORATION	10/16/91	1412	208
TX028357-0	RANDALL M WIESE	LOMETA PETROLEUM CORPORATION	04/16/91	1271	187
TX028356-0	RUDOLPH G & EVELYN D WIESE	LOMETA PETROLEUM CORPORATION	04/26/91	1271	157



EXHIBIT A-2

Attached to and made a prt of that certain Assignment and Bill of Sale effective July 1, 2008
 from Emerald Operating Company, as Assignor to EnerVest Energy Institutional Fund X-A, L.P. et al,
 as Assignee

Doc Bk Vol Pg
 01009846 DR 8792 136

Lease	Well #	Working Interest	Net Revenue Interest	API Number	County
247 Land Company	1	0.53794120	0.43363188	42313307430000	Madison
Atkinson	1	0.25651321	0.19239389	42287315020000	Lee
Bain	1	0.08000000	0.06000000	42149330590000	Fayette
Baker	1H	0.56419090	0.45561297	42149318630000	Fayette
Garth Bates Oil Unit	1	0.69464000	0.56084941	42149324880000	Fayette
Garth Bates Oil Unit #2	2	0.63142860	0.49882857	42149325840000	Fayette
Garth Bates Oil Unit #2	2RE	0.63142860	0.50470496	42149305520000	Fayette
Bell	1H	0.45100391	0.33967030	42149318590000	Fayette
Berndt, B	1	1.00000000	0.78000000	42287304600000	Lee
Brooks	1	0.18693465	0.14099258	42149329620000	Fayette
Brothers Oil Unit	1	0.55714280	0.42068510	42149328050000	Fayette
Brown-Morgan Unit	1	0.74285710	0.57516496	42149327590000	Fayette
Brown Oil Unit #2	1	0.74285710	0.57210458	42149326610000	Fayette
Bush	1	1.00000000	0.78750000	42149302940000	Fayette
Castleman Unit	1	0.37142860	0.31540084	42149330480000	Fayette
Cedar Creek 'F'-6 (Non-Op)	1	0.28846400	0.22552100	42051326760000	Fayette
Clay Creek	1RE	0.93000000	0.67390970	42477305690000	Washington
Davis, Ozelle (Non-Op)	1	0.25000000	0.19253286	42185302210000	Grimes
Dopslauf	1	0.85250000	0.63937500	42149330790000	Fayette
DWL	1	0.20500000	0.15013110	42149320790000	Fayette
Edna Unit	1	0.43652351	0.34820553	42149327960000	Fayette
Estes	1	0.52250000	0.39531620	42287315230000	Lee
Falkenberg 'A'	3	0.60000000	0.44867700	42287316490000	Lee
Falkenberg 'A'	4	0.60000000	0.44867700	42287316530000	Lee
Falkenberg BH Unit	2H	0.30000000	0.22500000	42287313990000	Burleson/Lee
Falkenberg BH Unit	4H	0.30000000	0.22500000	42287323980000	Burleson/Lee
Fidelitor	1	0.17750000	0.13783220	42149330510000	Fayette
Fortiter	1	0.61500000	0.46125000	42149322240000	Fayette
Freytag Oil Unit	1	0.55714280	0.44141496	42149327350000	Fayette
Gaulke Oil Unit	1	0.41931855	0.33168247	42149326800000	Fayette
Giese Oil Unit	1	0.58954490	0.47309075	42149327030000	Fayette
Greer	1	0.22823400	0.17259500	42149330350000	Fayette
Hackbeil Unit	1	0.50193909	0.39822171	42149314030000	Fayette
James Oil Unit	1	0.55714280	0.47054253	42149326070000	Fayette
Jilana Jo Unit(Non-Op)	1H	0.40384899	0.31046240	42477307360000	Washington
Jurchak	1	0.09750000	0.07312500	42287305440000	Lee
Keeland Oil Unit	2	0.55714280	0.43170047	42149326940000	Fayette
Kelly	1	0.61500000	0.49250456	42149309290000	Fayette
Kern(Non-Op)	1	0.35000000	0.26625000	42149323020000	Fayette
Lometa	1	0.50000000	0.37500000	42041317470000	Brazos
Maximus	1	1.00000000	0.75000000	42149330240000	Fayette
McMurry Unit	1H	0.12878191	0.09658643	42149329090000	Fayette
Mossy Grove Gas Unit	1	0.05456250	0.03778260	42471800010000	Walker
Niemeyer Oil Unit	1	0.58530100	0.40002271	42149325620000	Fayette
Penicka	1	0.19925000	0.14943500	42041313070000	Brazos
Post Oak	1	0.16750000	0.11437500	42149330850000	Fayette
Roznov	1	0.30428570	0.22975743	42149328610000	Fayette
Roznov Gas Unit #2	1	0.55714280	0.43977496	42149328770000	Fayette
Sandy Unit	1	0.31359363	0.23667345	42287303710000	Lee
Schmidt	1	0.12399130	0.08947638	42149318910000	Fayette
Schweinle Oil Unit	1	0.37142860	0.27950069	42149326080000	Fayette
Scott Morgan Oil Unit	1	0.55714280	0.43563821	42149325820000	Fayette
Siegmund, Lloyd Unit	1	0.16975590	0.12229200	42287308810000	Lee
Simek	1	1.00000000	0.75000000	42287308620000	Lee
Vlasta Simek Unit	1	0.55257810	0.41443300	42287307980000	Lee
Srubar Oil Unit	1	0.55714280	0.46207269	42149327210000	Fayette
Stamper	1	0.93833400	0.68125050	42149330500000	Fayette
Stein, J	1	0.31190044	0.23540348	42287303980000	Lee
Suburban	1	0.19335210	0.13938920	42287324380000	Lee
Suburban	2	0.19835210	0.14313920	42287324380000	Lee
Tarver	1H	0.11250000	0.08350000	42287317100000	Lee
Wagner Unit (Non-Op)	2	0.3905901	0.31245509	42149329140000	Fayette
Waldorf-Pool APC	1	0.87500001	0.66831594	42041316540000	Brazos
Ward, Joseph	1	0.37000000	0.27750000	42477304040000	Washington
Weiman	3H	0.91514050	0.71156428	42149329320000	Fayette
Wessels Unit	1	0.73953920	0.56372676	42149318410000	Fayette
Wilkening	1H	0.36855272	0.28419194	42477304580000	Washington
Wood(Non-Op)	1	0.33526650	0.26783300	42149319760000	Fayette



October 13, 2008

State of Texas – GLO
Attn: Ms. Beverly Boyd
1700 N Congress Ave
Austin, TX 78701-1436

Re: Transfer of Ownership – Emerald Operating Company Inc to
EnerVest et al
Brazos and Washington Counties, Texas

Dear Ms. Boyd:

Enclosed herewith is EnerVest's check in the amount of \$300.00 to cover notice and assignment fees for an additional four (4) State of Texas leases. These four were missed and were not included in my notification letter of October 6, 2008.

A copy of the two (2) recorded assignments in Brazos and Washington Counties with leases marked and a spreadsheet listing the four leases is enclosed for your files.

If you should need additional information, please contact me directly at 713-495-6526.

Thank you.

Sincerely,

A handwritten signature in blue ink that reads 'Marilyn Zemlicka'.

Marilyn Zemlicka

enclosures

ENERVEST OPERATING LLC ✓

FIRST CITY BANK TOWER
1001 FANNIN, SUITE 800
HOUSTON, TX 77002-6708
713-659-3500

09003193 Page 1 of 1

PAYEE NAME	PAYEE NO.	CHECK DATE	CHECK NUMBER	AMOUNT
STATE OF TEXAS	74497	Oct-09-2008	120724	***\$300.00*

Reference	Inv date	Invoice No.	Invoice Amt	Prior Pmt	Discount	Amount Paid
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0810-AP-2111	10/06/08	100608-CKRE	300.00	0.00		300.00
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Q-MZEMLICKA

NOTICE AND ASSISGNMENT FEES TO THE GLO FOR FOUR (4) STATE OF TEXAS
LEASES- TRANSFER OF OWNERSHIP FROM EMERALD OPERATING COMPANY, IN TO
ENERVEST ET AL @ \$75.00 PER LEASE - SEE ATTACHED LISTING

X 300.00

129

3301046

STATE OF TEXAS LEASES

COUNTY	LESSOR NAME	LESSEE NAME	LEASE DATED	BOOK	PAGE	WELL
BRAZOS	STATE OF TEXAS M95228	LOMETA PETROLEUM CORPORATION	04/04/93	1773	15	LOMETA #1 UNIT
WASHINGTON	STATE OF TEXAS MF102354	HAROLD ATKINSON JR	02/26/02	1029	626	WILKENING #1 RE UNIT
BRAZOS	STATE OF TEXAS M-95203	OMNI PETROLEUM CORPORATION	02/02/93	1730	201	PENICKA NO. 1 HORIZ RE UNIT
BRAZOS	STATE OF TEXAS LEASE NO M-97514	ECCO PETROLEUM INC	09/03/96	--	--	PENICKA NO. 1 HORIZ RE UNIT

00-97-07

17.

8010001

File No. MF095203

Assignment
Date Filed: 10/20/08

Jerry E. Patterson, Commissioner

By [Signature]

10.10.08

last prod. 12/2020

Unit/leases terminated
eff. 3/1/2021

Unit 2919

M-095203

M-097514

RECEIVED
RRC OF TEXAS
MAR 11 2021
OG
HOUSTON, TX

Plugging Report

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Logged: 03-11-21 M8

not. f. 248115

Insp: 746960

W: RP

FORM W-3
Rev. 12/92 (99)

API NO (If Available) 42-041-31307 1 RRC District 03

FILE IN DUPLICATE WITH DISTRICT OFFICE OF DISTRICT IN WHICH
WELL IS LOCATED WITHIN THIRTY DAYS AFTER PLUGGING

2 FIELD NAME (as per RRC Records) Stone City (Austin Chalk)	3 Lease Name Penicka	5 Well Number 1
6 OPERATOR Magnolia Oil & Gas Operating, LLC.	6a. Original Form W-1 Filed in Name of: Arrow Exploration Company	10 County Brazos
7 ADDRESS 1001 Fannin, Suite 800 Houston, Texas 77002	6b. Any Subsequent W-1's Filed in Name of: BSE Production Co, Producers Engineering Company, Omni Petroleum Corporation	11 Date Drilling Permit Issued 09/10/96
8 Location of Well, Relative to Nearest Lease Boundaries of Lease on which this Well is Located	525 Feet From East Line and 1307 Feet From SW Line of the Penicka Lease	12 Permit Number 2726+3, 325291, 407767 452459
9a. SECTION, BLOCK, AND SURVEY D. Harvey, A-125	9b. Distance and Direction From Nearest Town in this County 7.4 miles West Southwest from Bryan	13 Date Drilling Commenced 09/07/96
16. Type Well (Oil, Gas, Dry) Oil	Total Depth 7395' TVD 9710' MD	14 Date Drilling Completed 09/25/96
17. If Multiple Completion List All Field Names and Oil Lease or Gas ID No.'s	GAS ID or OIL LEASE #	Oil-O Gas-G
18 If Gas, Amt. Of Cond on Hand at time of Plugging	Well #	15 Date Well Plugged 03/03/2021

CEMENTING TO PLUG AND ABANDON DATA:	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
*19 Cementing Date	3/1/21	3/1/21	3/2/21	3/2/21	3/2/21	3/2/21	3/3/21	
20 Size of Hole or Pipe in which Plug Placed (inches)	5 1/2	#	5 1/2/9 5/8	5 1/2/9 5/8	5 1/2/9 5/8	5 1/2/9 5/8	5 1/2/9 5/8	
21. Depth to Bottom of Tubing or Drill Pipe (ft.)	7250	3388	2510	1535	1210	475	16	
*22. Sacks of Cement Used (each plug)	13	135	50	50	50	45	5	
*23. Slurry Volume Pumped (cu. Ft.)	13.78	143.10	53.0	53.0	53.0	47.7	5.3	
*24. Calculated Top of Plug (ft.)	7150	3050	2390	1415	1090	375	6	
25 Measured Top of Plug (if tagged) (ft.)		3035						
*26 Slurry Wt. #/Gal.	16.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4
27. Type Cement	H	H	H	H	H	H	H	H

28. CASING AND TUBING RECORD AFTER PLUGGING					29 Was any Non-Drillable Material (Other Than Casing) Left in This Well <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
SIZE	WT.#/FT.	PUT IN WELL (ft.)	LEFT IN WELL (ft.)	HOLE SIZE (in.)	29a If answer to above is "Yes" state depth to top of "junk" left in hole and briefly describe non-drillable material. (Use Reverse Side of Form if more space is needed.)
9 5/8	47	3338	3332	12 1/4	
5 1/2	15.5/17	8276	8270	7 7/8	

30. LIST ALL OPEN HOLE AND/OR PERFORATED INTERVALS	
FROM 7335'	TO 9710' MD
FROM 8461'	TO 9339' MD
FROM 7505	TO 9635' MD
FROM	TO
FROM	TO

RECEIVED
RRC OF TEXAS
JUN 08 2021
INFORMATION SERVICES
AUSTIN, TX

RECEIVED
RRC OF TEXAS
MAR 27 2021
OIL & GAS WELL COMPLIANCE
AUSTIN, TX

I have knowledge that the cementing operations, as reflected by the information furnished on this form, were performed as indicated by such information Designates items to be completed by Cementing Company. Items not so designated shall be completed by Operator

Thy... Signature of Cementer or Authorized Representative

C C Forbes, LLC 03/04/2021
Name of Cementing Company

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

Shirley GALIK *Shirley Galik* Sr. Regulatory Analyst 3-9-21
REPRESENTATIVE OF COMPANY TITLE DATE

Phone (713) 495-1514
A/C NUMBER

ceane zerkoski 3/15/2021

SIGNATURE: REPRESENTATIVE OF RAILROAD COMMISSION

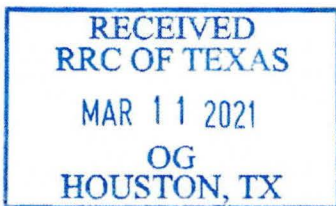
(#)- 5 1/2", 7 7/8" and 9 5/8"

MAKING 2021

PF

31 Was Well filled with Mud-Laden Fluid, According to the regulations of the Railroad Commission <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	32 How was Mud Applied? Pumped thru tbg	33 Mud Weight 9.5 LBS/GAL
34 Total Depth 97395' TVD 9710' MD Depth of Deepest Fresh Water 3250	Other Fresh Water Zones by T D W R TOP BOTTOM Surface 425 1150 1475 2450 3100	35 Have all Abandoned Wells on this Lease been Plugged according to RRC Rules? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 36 If NO, Explain
37 Name and Address of Cementing or Service company who mixed and pumped cement in this well C C Forbes, LLC, P. O Box 1997, Victoria, TX 77902		Date RRC District Office notified of plugging 02/25/2021
38 Name(s) and Address(es) of Surface Owners of Well Site Joe William Penicka 1702 Mockingbird Rd Bryan, Tx 77803		
39 Was Notice Given Before Plugging to the Above? FILL IN BELOW FOR DRY HOLES ONLY		
40. For Dry Holes, this Form must be accompanied by either a Driller's, Electric, Radioactivity or Acoustical/Sonic Log or such Log must be released to a Commercial Log Service.		
<input type="checkbox"/> Log Attached <input type="checkbox"/> Log released to _____ Date _____		
Type Logs: <input type="checkbox"/> Driller's <input type="checkbox"/> Electric <input type="checkbox"/> Radioactivity <input type="checkbox"/> Acoustical/Sonic		
41. Date FORM P-8 (Special Clearance) Filed?		
42. Amount of Oil produced prior to Plugging _____ bbls*		
* File FORM P-1 (Oil Production Report) for month this oil was produced		
RRC USE ONLY		
Nearest Field _____		

REMARKS: TRRC Job # 2021-248115
 Set 5 1/2" CIBP at 7250'
 Perforate 5 1/2" csg from 3386'-3388' Established Circulation.
 Perforate 5 1/2" csg from 2508'-2510' Established Circulation.
 Perforate 5 1/2" csg from 1533'-1535' Established Circulation.
 Perforate 5 1/2" csg from 1208'-1210' Established Circulation.
 Perforate 5 1/2" csg from 473'-475' Established Circulation
 Cut and Cap well 6' below ground level.



File No. MF095203

Brazos County

Termination info

Date Filed: 10/27/23

Commissioner Dawn Buckingham, M.D.

By: MB Barnstone