MF095228

UNIT-2349
UNIT-2390

TERMINATION
DATE 09/23/2021
LEASING SSD
MAPS JL
GIS MC

Leasing:_____
Maps: JL
GIS: MC
Scanlab:_____

Lease Type	Control	Basefile	County
	56-029973		BRAZOS
	Survey	Highways & Public Transportati...	
	Block		
	Block Name		
	Township		
	Section/Tract		
	Land Part		
	Acres	Net: 22.270000	Gross: 22.270000
	Depth Below	Depth Above	Depth Other
			Allow All Depths
	Name	LOMETA PETROLEUM CORP	
	Lease Date	4/4/1993	
	Primary Term	2 years	
	Bonus	$5,901.25	
	Lease Royalty	0.20000000	
	Paid Up		



CAUTION

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

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

Thank you for your assistance.

Archives and Records Staff

-M-
F
F291420
0
9
5
LOMETA PETROLEUM CORP
2
2
8

#2290
9.80 UNIT ACRES

#2291
3.75 UNIT ACRES

~~#2318~~ #2349
13.72 UNIT ACRES

HIGHWAY RIGHT-OF-WAY M 95228 (paid-up)

COUNTY (CODE)	:	BRAZOS (21)
SURVEY	:	H.G. HUDSON A-140 AD HOUSTON
~~BLOCK~~	:	A-133 J.M. BARRERRA-68
~~TOWNSHIP~~	:	A.MILLER A-165
SECTION	:	
PART	:	STATE HWY 6
ACRES	:	~~47.36~~ 27.27 per pooling agreement
DEPTH LIMITS	:	
BASE FILE (S)	:	
CONTROL NO. (S)	:	56-03170-0
LESSEE	:	LOMETA PETROLEUM CORPORATION
DATE	:	APRIL 4, 1993
PRIMARY TERM	:	2yr.
BONUS	:	$125.00 per acre ($5,901.25)
ROYALTY	:	1/5
RENTALS	:	none Paid-up

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

291420
MF 095228

Highway R.O.W.

CONTENTS OF FILE NO. M-95228

1. Lease	4.4.93	scanned pf 1-30-2018
2. Plat		30. Shut in payment - Barrera 2 Unit 2349 4/18/19
3. Memo	3.29.93	31. Shut in payment Unit ~~2349~~ 2290 B Lometa Unit 4/22/19
4. Lease Appl		scanned pf 5-8-2019
5. Letter (2)	1.29.93	(See M/= 09482, #24, Assign #10872
6. Letter	3.11.93	Enerfect to Magnolia 7-26-19
7. Letter	3.26.93	scanned pf 8-7-2019
8. Affidavit (2)		(See MF 09482, #25, Assign #10878
9. Title Opinion	2.24.93	EV Prop to Harvest 8-12-19
10. Deed (8)		scanned pf 8-16-2019
11. Leases (28)	1.29.93	32. Terminated Unit 2290 4/12/22
12. Letter	4.22.93	33. Terminated Unit 2291 4/12/22
13. Assignment	4.22.93	34. Terminated Unit 2349 4/12/22
14. Letter (Joco)	5.12.93 7-26-95	Scanned sm 04/28/2022
15. Amended & Restated Designation		
16. Division Order	10-2-95	
17. Ltr fr. Seneca: Field Notes 8-9-94 Division Order Title Opinion: Ownership Interests At Barrera No. 2		
18. Copy of Letter Murphy, Melton, Kuffler & Nazier Attorneys-at-Law: Re: Acquisition Title Opinion: Lometa No. 1 (Unit) + M95228 Unit Designation		
19. Amended Pooling Agreement & Unit Designations M95228, 95380 ~~&~~ 2349 (Unit)	7/27/95	
20. Ltr. to Rosewood (DO)	5/12/97	
21. Ltr to GLO amended Unit 95228 Lometa #1		
22. DO (BARRERA #1)	229.00	
23. UNIT DESIGNATION	6/22/94	
24. Assignment	12/2/05	
25. Assignment	1/31/06	
ASSIGNMENT FILED IN MF 09503 #17. Unit 2290	10/20/08 2/10/15	
26. Shut in payment for Lometa #1	03-14-2240	
scanned KW 2-10-2016	Unit 2290 2/8/16	
27. Shut-in payment for Lometa #1		
28. Shut in payment Unit 2290 Lometa #1	1/18/17	
29. Shut in payment - Unit 2290 Lometa #1 and letter accepting.	1/29/18	

GLO-S-08-(1-82)

HROW Lease
Revised 10/89

The State of Texas

Austin, Texas

PAID-UP

OIL AND GAS LEASE NO. M-95228
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 Lometa Petroleum Corporation, whose address is 400 Graham, College Station, Texas 77845, hereinafter called "Lessee". 4/00116189

1. Lessor, in consideration of Five Thousand Nine Hundred One and 25/100 Dollars ($5,901.25), 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:

47.36 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 47.36 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 two (2) years from April 4, 1993, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. ROYALTIES: As royalty Lessee covenants and agrees:

(a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its well, the equal one fifth (1\5) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such one fifth (1\5) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil;

(b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by lessee, one fifth (1\5)) of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one fifth (1\5) of such gas and casinghead gas.

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

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

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

(e) If at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check of lessee, as royalty, the sum of $47.36. 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 $94.72, and shall maintain this lease in effect for so long as such payments are made as provided herein.

15. FORFEITURE: If Lessee shall fail or refuse to make payment of any sum within thirty (30) days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office, or refuse the proper authority access to the records pertaining to operations, or if Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if this lease is pooled or assigned and the unit designation or assignment is not filed in the General Land Office as required by law, the rights acquired under this lease shall be subject to forfeiture by the Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease. However, nothing herein shall be construed as waiving the automatic termination of this lease by operations of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative hereto.

16. RAILROAD COMMISSION: No natural gas or casinghead gas, including both associated and non-associated gas, produced from the mineral estate subject to this lease may be sold or contracted for sale to any person for ultimate use outside the State unless the Railroad Commission of Texas, after notice and hearing as provided in Title 3 of the N.R.C., finds that:

(a) the person, agency, or entity that executed the lease in question does not require the natural gas or casinghead gas to meet its own existing needs for fuel;

(b) no private or public hospital, nursing home, or other similar health-care facility in this state requires the natural gas or casinghead gas to meet its existing needs for fuel;

(c) no public or private school in this state that provides elementary, secondary, or higher education requires the natural gas or casinghead gas to meet its existing needs for fuel;

(d) no facility of the State or of any county, municipality, or other political subdivision in this state requires the natural gas or casinghead gas to meet its existing needs for fuel;

(e) no producer of food and fiber requires the natural gas or casinghead gas necessary to meet the existing needs of irrigation pumps and other machinery directly related to this

production; and

(f) no person who resides in this state and who relies on natural gas or casinghead gas to provide in whole or part his existing needs for fuel or raw material requires the natural gas or casinghead gas to meet those needs; provided, however, after notice and hearing as provided in Title 3 of the N.R.C., the Railroad Commission of Texas may grant exceptions to these provisions of Subchapter H of Chapter 52 of the N.R.C. if it finds and determines that enforcement of such provisions:

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

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

IN TESTIMONY WHEREOF, witness the signature of the Commissioner of the General Land Office, under the seal of the General Land Office, effective as of April 4, 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 50-2-7
S.H. 6
No. 393

Exhibit "A"

Being 47.36 acres of land, more or less, situated in the following surveys:

Survey	Abstract No.
J. M. Barrera	68
H. G. Hudson	140
Andrew Miller	165
A. D. Houston	133

All being located in Brazos County, Texas. Said 47.36 acres being all of and the same lands acquired by deeds from the following grantors:

Grantors	Volume	Page
O. W. Goolsby	80	525
R. E. Breeding	80	531
A. J. Jordan	80	535
Mary E. Symms	80	537
Anna M. Farley	80	536
M. E. Edwards	80	538
Jerry Smith	80	533

All being duly recorded in the Deed Records of Brazos County, Texas. Said 47.36 acres being a strip of land of variable width and is more particularly described in the following two parts.

Part 1

Being 11.73 acres, more or less, in the J. M. Barrera Survey, Abstract No. 68.
Beginning at a point on the north line of the J. M. Barrera Survey also being the south line of the Sterrett D. Smith Survey, 2,425.00 feet east of the southwest corner of said Smith survey. Said point being at the intersection of the survey line and the centerline of S.H. 6 at Engineer's Centerline Station Number 1108+40.00;

Thence S 90° 00' W, along the said survey lines, a distance of 62.00 feet to a point on the southwest right of way line of S.H. 6;

Thence S 46° 13' E, along the said southwest right of way line, a distance of 5,177.00 feet to a point on the east line of the A. J. Jordan property 50.00 left of the said S.H. 6 centerline;

Thence N 00° 00' E, departing from the southwest right of way line of S.H. 6, a distance of 62.00 feet crossing the centerline of said highway at Engineer's Centerline Station Number 1159+20.00 and continuing on for a total distance of 124.00 feet to a point on the northeast right of way line of S.H. 6;

Thence N 46° 13' W, along the said right of way line, a distance of 5,029.00 feet to a point on the north line of the J. M. Barrera Survey;

Thence S 90° 00' W, departing from the said northeast right of way line of S.H. 6, a distance of 62.00 feet to the Point of Beginning of the tract herein described, containing 11.73 acres of land, more or less.

Part 2

Being 35.63 acres of land, more or less, situated in the H. G. Hudson, A Miller and the A.d. Houston Surveys.

Beginning at a point on the west line of the Mary E. Symms property where it intersects the centerline of S.H. 6 at Engineer's Centerline Station Number 1172+50.00. Said point also being south 1,254.44 feet from the northwest corner of said property;

Thence N 00° 00' E, along said property line, a distance of 60.00 feet to a point on the northeast right of way line of S.H. 6;

Thence S 38° 23' E, along said right of way , a distance of 1,108.00 feet to a point 50.00 feet left of and at right angles to Engineer's Centerline Station Number 1182+65.00;

Thence S 55° 00' E, a distance of 300.00 feet to a point 175.00 feet left of and at right angles to Engineer's Centerline Station Number 1185+65.00;

Thence S 38° 23' E, along the northeast right of way line of S.H. 6, a distance of 1,558.90 feet to a point 175.00 feet left of and at right angles to Engineer's Centerline Station Number 1201+23.90, being the P.C. of a 01° 00 curve to the left;

Thence around said curve, along the northeast right of way line of S.H. 6, a distance of 877.00 feet to the end of the curve being 175.00 feet left of and at right angles to Engineer's P.T. Station Number 1210+00.50. Said curve has a delta angle of 08°40';

Thence S 47° 09' E, along the northeast right of way line, a distance of 614.00 feet to a point 175.00 feet left of and at right angles to Engineer's Centerline Station Number 1217+40.00;

Thence S 24° 00' E, a distance of 300.00 feet to a point 50.00 feet left of and at right angles to Engineer's Centerline Station Number 1220+00.00;

Thence S 47° 09' E, along the northeast right of way line of S.H. 6, a distance of 720.00 feet to a point on the south line of the A. D. Houston Survey;

Thence S 90° 00' W, departing from the northeast right of way line of said S.H. 6, a distance of 124.00 feet to a point on the southwest right of way line;

Thence N 47° 09' W, along the southwest right of way line, a distance of 575.00 feet to a point 50.00 feet right of and at right angles to Engineer's Centerline Station Number 1220+00.00;

Thence N 70° 00' W, a distance of 300.00 feet to a point 175.00 feet right of and at right angles to Engineer's Centerline Station Number 1217+40.00;

Thence N 47° 09' W, along the southwest right of way line of S.H. 6, a distance of 614.00 feet to a point 175.00 feet right of and at right angles to Engineer's Centerline Station Number 1210+00.50. Said point being the P.T. of a 01° 00' curve to the right and has a delta angle of 08° 40';

Thence around said curve, along the southwest right of way line of S.H. 6, a distance of 917.00 feet to the P.C. of said curve being 175.00 feet right of and at right angles to Engineer's Centerline Station Number 1201+23.90;

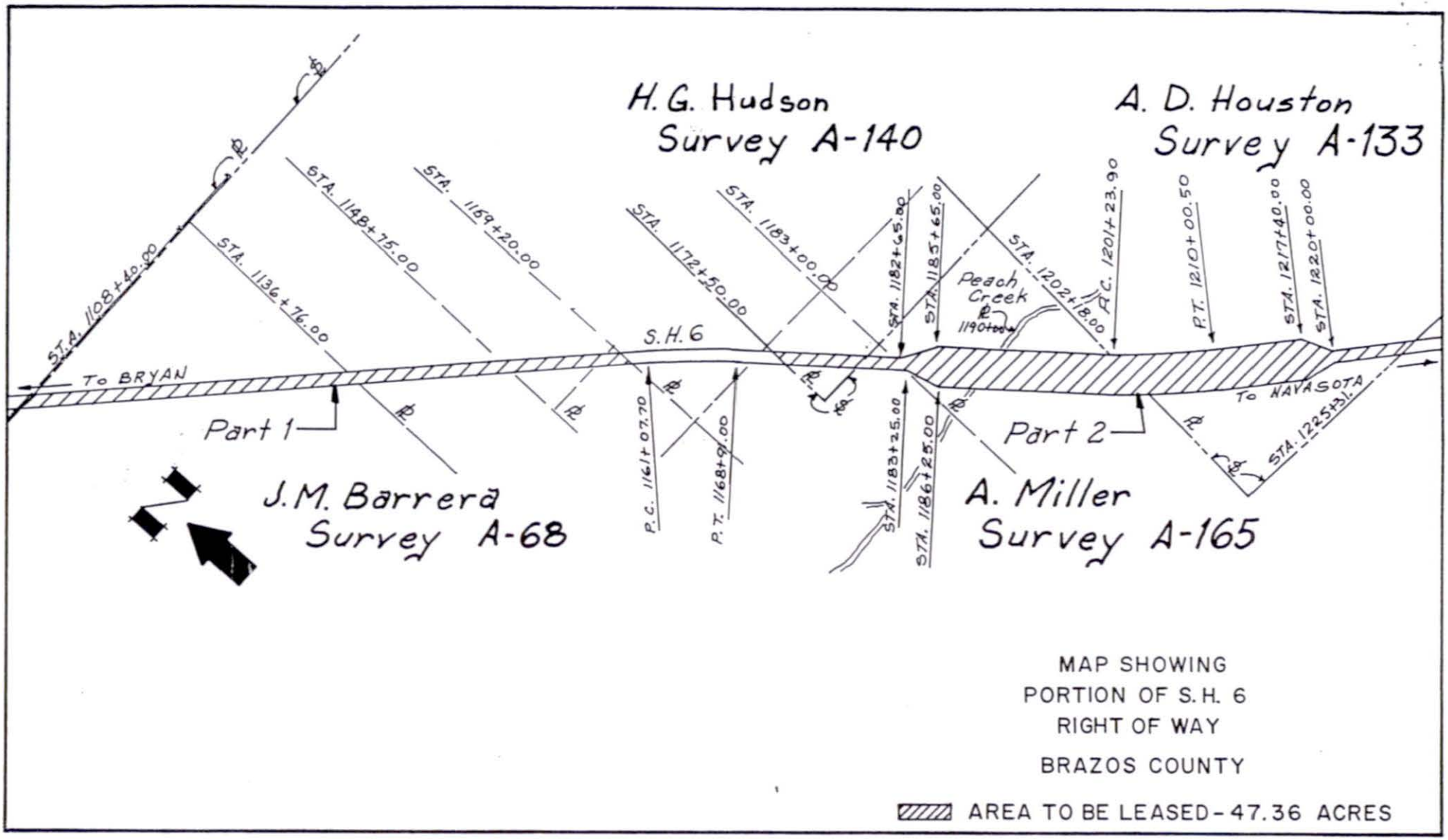
Thence N 38° 23' W, along the southwest right of way line of S.H. 6, a distance of 1,498.90 feet to a point 175.00 feet right of and right angles to Engineer's Centerline Station Number 1186+25.00;

Thence N 21° 00' W, a distance of 300.00 feet to a point 50.00 feet right of and at right angles to Engineer's Centerline Station Number 1183+25.00;

Thence N 38° 23' W, along the southwest right of way line of S.H. 6, a distance of 1,108.00 feet to a point on the H. G. Hudson east survey line, also being the west line of the Mary E. Symms property;

Thence N 00° 00' E, departing from the southwest right of way line, along the said property line, a distance of 60.00 feet to the Point of Beginning of the tract herein described, containing 35.63 acres of land, more or less.

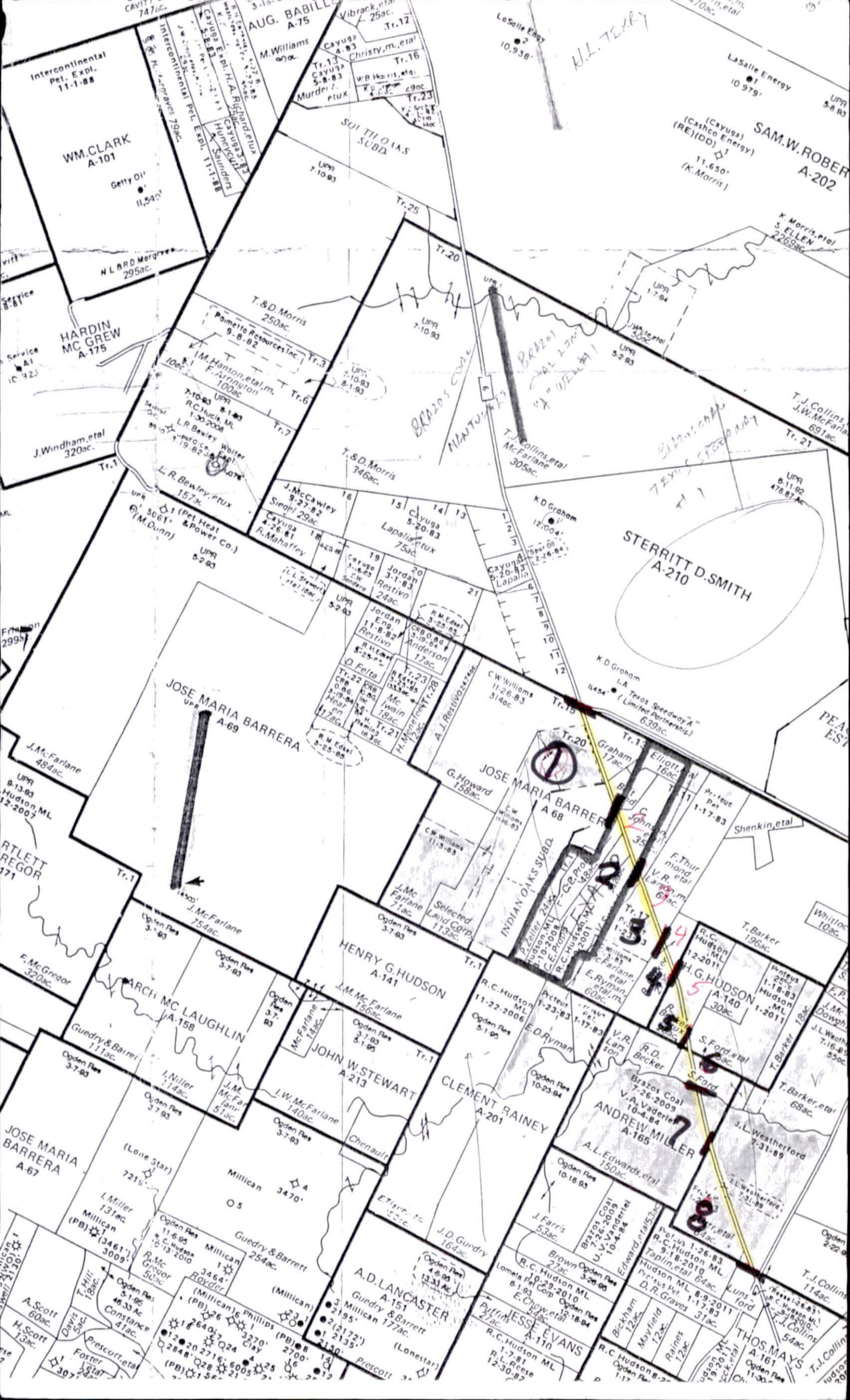
The above described two tracts of land contain a total of 47.36 acres of land and being as indicated on the official right of way map which is on file with the Texas Department of Transportation and is identified under Control Number 50-2-7.



MAP SHOWING
PORTION OF S.H. 6
RIGHT OF WAY
BRAZOS COUNTY

AREA TO BE LEASED - 47.36 ACRES

MF M-95228
Item Letter
To
From
Date 4.4.93


JOSE MARIA BARRERA
A-69
JOSE MARIA BARRERA
A-68
STERRITT D.SMITH
A-210
HENRY G.HUDSON
A-141
H.G.HUDSON
A-140
ARCHIE MC LAUGHLIN
A-158
JOHN W.STEWART
A-213
CLEMENT RAINEY
A-201
ANDREW MILLER
A-165
JESSE EVANS
A-110
A.D.LANCASTER
A-151
JOSE MARIA BARRERA
A-67
THOS.MAYS
A-161
WM.CLARK
A-101
HARDIN MC GREW
A-175
SAM.W.ROBER
A-202
AUG. BABILL
A-75
INDIAN OAKS SUBD.
SUITTOWNS SUBD.
BRAZOS COAL & MINING CO.
BRAZOS COAL & MINING CO. CALL LINE "A" (DEAD)
TEXAS & STEAMBOAT
Intercontinental Pet. Expl. 11-1-88
Intercontinental Pet. Expl. 11-1-88
Getty Oil
11,540'
N.L.&R.D.Morgan 295ac.
Palmetto Resources Inc. 9-8-82
T.&D.Morris 250ac.
I.M.Hanson,etal,m. F.Arrington 100ac.
R.C.Hucks,ML 1-30-2008
L.R.Bewley Walter Exp. 3-19-82
L.R.Bewley,etux 157ac.
J.Windham,etal 320ac.
T.&D.Morris 346ac.
T.J.Collins,etal McFarlane 305ac.
T.J.Collins J.W.McFarlane 691ac.
J.McCawley 9-27-82 Siegel 29ac.
Cayuga 5-20-83 Lapalia,etux 75ac.
Cayuga 5-20-83 Lapalia
K.D.Graham 12,000'
(Spar Oil 2-26-84)
K.D.Graham I-A 11,454' Texas Speedway "A" (Limited Partnership) 639ac.
C.W.Williams 11-26-83 314ac.
A.J.Restivo,etux
Jordan Eng. 1-8-82 Restivo
Jordan 3-1-83 Restivo 24ac.
Jordan 3-1-83 Restivo 24ac.
Anderson 17ac.
Graham 17ac.
Elliott 16ac.
Shenkin,etal
G.Howard 158ac.
J.Mc Farlane 71ac.
Selected Land Corp. 113ac.
J.Mc.Farlane 754ac.
J.Mc.Farlane 484ac.
F.Mc.Gregor 320ac.
J.M.Mc.Farlane 156ac.
J.W.Mc.Farlane 140ac.
Guedry & Barret 111ac.
I.Niller 114ac.
J.M. McFarlane 51ac.
Chenault
Millican 3470'
Guedry & Barrett 254ac.
Millican 177ac.
J.D.Gundry 164ac.
J.Farris 53ac.
Brown 27ac.
Edward,etal 53ac.
Brazos Coal 7-26-2009 J.V.Vanderlet 10-4-84
R.C.Hudson ML 10-29-2010
Lomela Pet Corp 6-1-83
E.Chow,etal 5ac.
Puffin 27ac.
R.C.Hudson ML 1-7-81
R.L.Reese 12-30-82
R.C.Hudson ML 11-22-2006
E.D.Ryman
Proteus 1-23-83
Proteus Pet. 1-17-83
V.R.Lamson
R.D. Becker
S.Ford,etal 8ac.
S.Ford
Brazos Coal 7-26-2009 V.A.Vaderlet 10-4-84
A.L.Edwards,etal 150ac.
J.L.Weatherford 7-31-89
T.Barker,etal 68ac.
T.Barker 196ac.
R.C.Hudson ML 12-2011
Whitlock 10ac.
Proteus 2-6-83
Hudson ML 1-2011
T.Barker 18ac.
J.L.Weatherford 7-16-85 55ac.
R.C.Hudson ML 9-18-2010
Taplin,etal 64ac.
Hudson ML 8-9-2011
D.R.Graves 31ac.
T.J.Collins 114ac.
T.J.Collins 54ac.
Brickham 12ac.
Mayfield 12ac.
Raines 12ac.
Kuns ford
Ogden Run 10-16-83
Ogden Run 3-7-83
Ogden Run 5-1-95
Ogden Run 10-23-84
Ogden Run 11-6-95
Millican (PB) 3461' 3009'
Millican 3464'
Royder (Millican) (PB) 26
Phillips (PB) 8
Clay 3220'
Prescott
Guedry & Barrett 254ac.
Millican (Lone Star) 721'
Millican (PB) 3461' 3009'
R.C.Hudson 10-13-2010
R.McGregor 50ac.
T.Hill 18ac.
A.Scott 60ac.
H.Scott 13ac.
Davis 5ac.
Ogden Run 5-1-95 46.33 Ac
Constance 41ac.
Prescott,etal
Foster
Ogden Run 4-6-83 13.31 Ac
Millican 3470'
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2

MF M-95228
Item Plat
To
From
Date —

GENERAL LAND OFFICE

GARRY MAURO
COMMISSIONER

M-95228

MEMORANDUM

DATE: March 29, 1993

TO: School Land Board

FROM: Robert Hatter / Lease Administration

SUBJECT: Application To Lease Right-of-Way

APPLICANT: Lometa Petroleum Corporation

REFERENCE: Being 47.36 acres, more or less, of State Highway 6, situated in the H. G. Hudson Svy. A-140, A. D. Houston Svy. A-133, J. M. Barrera Svy. A-68 and A. Miller Svy. A-165, Brazos County, Texas

The following terms were provide for in the adjacent leases:

	High	Low
Bonus/Acre:	$125.00	$125.00
Royalty:	1/5	1/6
Delay Rental:	Paid-up	Paid-up
Primary Term:	2 year	3 year

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

Bonus/Acre:	$125.00 per acre
Royalty:	1/5 royalty
Delay Rental:	Paid-up
Primary Term:	2 year

Lometa 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 47.36 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

March 24, 1993

Contact: D-15

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

Dear Commissioner Mauro:

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

County	Nominator	Bonus	Royalty	Primary Term	Delay Rental
Brazos	Lometa Petroleum Corp.	$125.00	1/5	2 Years	None
Austin	North Central Oil Corp.	$87.76	1/4	1 Year	None

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

Sincerely,

Gary Bernethy

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

Attachments

Brazos County
CSJ 50-2-7
S.H. 6
No. 393

Exhibit "A"

Being 47.36 acres of land, more or less, situated in the following surveys:

Survey	Abstract No.
J. M. Barrera	68
H. G. Hudson	140
Andrew Miller	165
A. D. Houston	133

All being located in Brazos County, Texas. Said 47.36 acres being all of and the same lands acquired by deeds from the following grantors:

Grantors	Volume	Page
O. W. Goolsby	80	525
R. E. Breeding	80	531
A. J. Jordan	80	535
Mary E. Symms	80	537
Anna M. Farley	80	536
M. E. Edwards	80	538
Jerry Smith	80	533

All being duly recorded in the Deed Records of Brazos County, Texas. Said 47.36 acres being a strip of land of variable width and is more particularly described in the following two parts.

Part 1

Being 11.73 acres, more or less, in the J. M. Barrera Survey, Abstract No. 68.
Beginning at a point on the north line of the J. M. Barrera Survey also being the south line of the Sterrett D. Smith Survey, 2,425.00 feet east of the southwest corner of said Smith survey. Said point being at the intersection of the survey line and the centerline of S.H. 6 at Engineer's Centerline Station Number 1108+40.00;

Thence S 90° 00' W, along the said survey lines, a distance of 62.00 feet to a point on the southwest right of way line of S.H. 6;

Thence S 46° 13' E, along the said southwest right of way line, a distance of 5,177.00 feet to a point on the east line of the A. J. Jordan property 50.00 left of the said S.H. 6 centerline;

Thence N 00° 00' E, departing from the southwest right of way line of S.H. 6, a distance of 62.00 feet crossing the centerline of said highway at Engineer's Centerline Station Number 1159+20.00 and continuing on for a total distance of 124.00 feet to a point on the northeast right of way line of S.H. 6;

Thence N 46° 13' W, along the said right of way line, a distance of 5,029.00 feet to a point on the north line of the J. M. Barrera Survey;

Thence S 90° 00' W, departing from the said northeast right of way line of S.H. 6, a distance of 62.00 feet to the Point of Beginning of the tract herein described, containing 11.73 acres of land, more or less.

Part 2

Being 35.63 acres of land, more or less, situated in the H. G. Hudson, A Miller and the A.d. Houston Surveys.

Beginning at a point on the west line of the Mary E. Symms property where it intersects the centerline of S.H. 6 at Engineer's Centerline Station Number 1172+50.00. Said point also being south 1,254.44 feet from the northwest corner of said property;

Thence N 00° 00' E, along said property line, a distance of 60.00 feet to a point on the northeast right of way line of S.H. 6;

Thence S 38° 23' E, along said right of way , a distance of 1,108.00 feet to a point 50.00 feet left of and at right angles to Engineer's Centerline Station Number 1182+65.00;

Thence S 55° 00' E, a distance of 300.00 feet to a point 175.00 feet left of and at right angles to Engineer's Centerline Station Number 1185+65.00;

Thence S 38° 23' E, along the northeast right of way line of S.H. 6, a distance of 1,558.90 feet to a point 175.00 feet left of and at right angles to Engineer's Centerline Station Number 1201+23.90, being the P.C. of a 01° 00 curve to the left;

Thence around said curve, along the northeast right of way line of S.H. 6, a distance of 877.00 feet to the end of the curve being 175.00 feet left of and at right angles to Engineer's P.T. Station Number 1210+00.50. Said curve has a delta angle of 08°40';

Thence S 47° 09' E, along the northeast right of way line, a distance of 614.00 feet to a point 175.00 feet left of and at right angles to Engineer's Centerline Station Number 1217+40.00;

Thence S 24° 00' E, a distance of 300.00 feet to a point 50.00 feet left of and at right angles to Engineer's Centerline Station Number 1220+00.00;

Thence S 47° 09' E, along the northeast right of way line of S.H. 6, a distance of 720.00 feet to a point on the south line of the A. D. Houston Survey;

Thence S 90° 00' W, departing from the northeast right of way line of said S.H. 6, a distance of 124.00 feet to a point on the southwest right of way line;

Thence N 47° 09' W, along the southwest right of way line, a distance of 575.00 feet to a point 50.00 feet right of and at right angles to Engineer's Centerline Station Number 1220+00.00;

Thence N 70° 00' W, a distance of 300.00 feet to a point 175.00 feet right of and at right angles to Engineer's Centerline Station Number 1217+40.00;

Thence N 47° 09' W, along the southwest right of way line of S.H. 6, a distance of 614.00 feet to a point 175.00 feet right of and at right angles to Engineer's Centerline Station Number 1210+00.50. Said point being the P.T. of a 01° 00' curve to the right and has a delta angle of 08° 40';

Thence around said curve, along the southwest right of way line of S.H. 6, a distance of 917.00 feet to the P.C. of said curve being 175.00 feet right of and at right angles to Engineer's Centerline Station Number 1201+23.90;

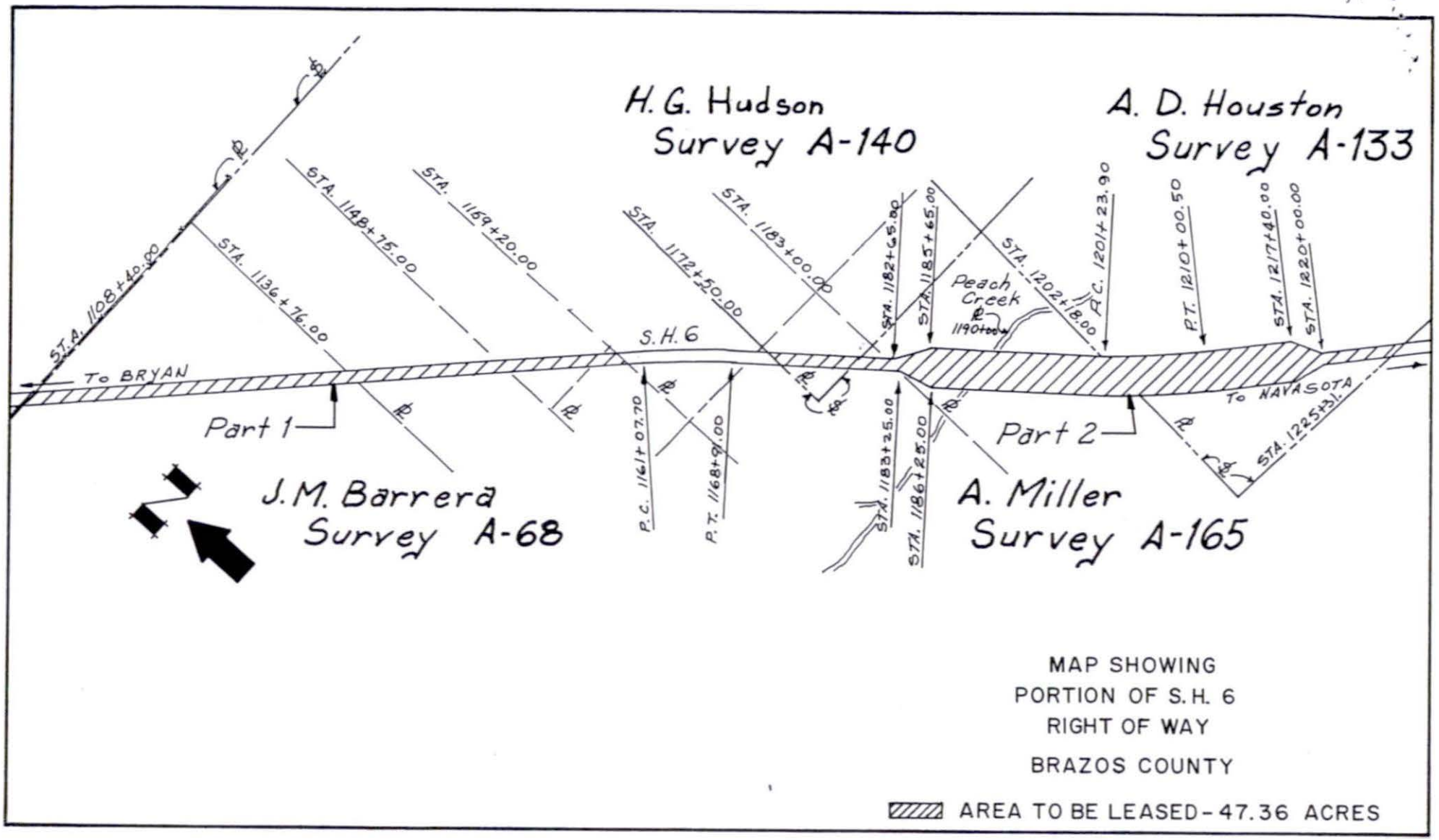
Thence N 38° 23' W, along the southwest right of way line of S.H. 6, a distance of 1,498.90 feet to a point 175.00 feet right of and right angles to Engineer's Centerline Station Number 1186+25.00;

Thence N 21° 00' W, a distance of 300.00 feet to a point 50.00 feet right of and at right angles to Engineer's Centerline Station Number 1183+25.00;

Thence N 38° 23' W, along the southwest right of way line of S.H. 6, a distance of 1,108.00 feet to a point on the H. G. Hudson east survey line, also being the west line of the Mary E. Symms property;

Thence N 00° 00' E, departing from the southwest right of way line, along the said property line, a distance of 60.00 feet to the Point of Beginning of the tract herein described, containing 35.63 acres of land, more or less.

The above described two tracts of land contain a total of 47.36 acres of land and being as indicated on the official right of way map which is on file with the Texas Department of Transportation and is identified under Control Number 50-2-7.



MAP SHOWING
PORTION OF S. H. 6
RIGHT OF WAY
BRAZOS COUNTY

AREA TO BE LEASED - 47.36 ACRES

NOTE: M-9528

Item: Memo

To:

From:

Date: 3-29-93

Highway Lease Applicant

Name of Lease Applicant: Lometa Petroleum Corporation
Lynn Elliott

County & Tract Description:

Brazos Co. 47.~~1~~36 ac. St. Hwy 6 | See Letter

Date Sent to Highway Department:

Check List: 2.9.93

Letter of Application and plat
Names and addresses of adjacent mineral owners Lometa
Affidavit of non-production within 2500 feet OK/Mark
$100 processing fee
Written waiver of statutory notice OK
Certified copy/copies of adjacent lease/leases
Notarized affidavit of consideration paid
Title Opinion — Coming (All Title in Package)
Is the right-of-way on Relinquishment Act Land NO

Remarks:

omit
81 2.83
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5,901.25 ← Bonus 125.00 125.00

Date Appeared Before SLB: Title Fee 88.52 Roy 1/5 1/6

Approved: Rental None None

Disapproved:

Term 2yr Paid-up 5yr

Problems: $5,989.77 Rental IN $1.00

Date Lease Issued:

MF M-95228
Item Lease Appl
To
From
Date —

LOMETA PETROLEUM CORPORATION

400 GRAHAM
COLLEGE STATION, TEXAS 77845
409-690-0225
FAX: 409-690-0391

January 29, 1993

Mr. Bob Jack
Attorney at Law
706 North Travis
P.O. Box 1257
Cameron, TX 76520

Re: Mineral Ownership
Right-of-Way Texas Highway 6 South
Brazos County, Texas

Dear Bob:

Please find enclosed herewith a cover letter to Mr. Drew Reid of the Texas General Land Office requesting an Oil, Gas and Mineral Lease covering certain mineral acreage lying underneath Texas Highway Department Right-of-Way. In addition to copies of plats, deeds, maps and other leases, the General Land Office requests a letter opinion concerning the mineral ownership lying underneath the Right-of-Way deeds in the original acquisition.

Please also find enclosed for your review, copies of said deeds acquired by the State of Texas for the purpose of constructing Texas Highway Number 6, wherein the minerals were not reserved. After review of said deeds, please prepare a brief letter opinion to Mr. Reid verifying that the minerals underneath the original Right-of-Way acquisition (some 100' in width) is now owned by the State of Texas .

Best regards,

Lynn Elliott

LE/dk

Enclosures

MF M-95228
Item
To
From
Date

LOMETA PETROLEUM CORPORATION
400 GRAHAM
COLLEGE STATION, TEXAS 77845
409-690-0225
FAX: 409-690-0391

January 29, 1993

Mr. Drew Reid
Texas General Land Office
Lease Administration
1700 N. Congress Ave., Rm. 640
Austin, Texas 78701

Re: Oil, Gas and Mineral Leases Texas Highway 6
J.M. Barrera Survey, A-68
H.G. Hudson Survey, A-140
Andrew Miller Survey, A-165
H.D. Houston Survey, A-133
Brazos County, Texas

Dear Mr. Reid:

Pursuant to your request, please consider this letter as a formal application for an Oil, Gas and Mineral Lease covering the referenced Right-of-Way more specifically described in documents enclosed herewith. Please be advised that the referenced acreage does not appear to be subject to the "Relinquishment Act". All of the described leases so requested are for inclusion in units to be drilled horizontally.

Enclosed please also find the following documents:

1. One property ownership plat indicating the Right-of-Way location and adjacent leased lands.

2. Copies of Texas Highway Department surveys of Highway Right-of-Ways and adjacent lands.

3. An affidavit as required regarding lease bonus payment and royalty provisions contained in adjacent leases.

4. A check in the amount of $100.00 representing the required fee.

5. An affidavit from the title analyst regarding right-of-way mineral ownership.

6. Copies of deeds to the Texas Highway Department for Right-of-Way and mineral ownership.

7. Certified copies of leases on adjacent acreage and recorded copies of additional leases covering same tracts.

Title examination concerning the subject land was also conducted by Mr. Bob Jack, Attorney, concerning mineral ownership. Mr. Jack will forward a letter to you regarding title ownership on the referenced properties.

From record title examination, approximately ~~50.34~~ 47.21 mineral acres, more or less, appear to be included in the right-of-way mineral ownership. Accordingly, please advise when appropriate to prepare a check in the amount of $6,295.50, and to whom payable, as consideration for lease acquisition.

Should you have any additional requests or questions, please advise.

Sincerely,

Lynn Elliott

LE/dk

Enclosures

MF M-9528
Item Ltr
To
From Lynn Elliot
Date 1-29-93

Texas General Land Office
Garry Mauro, Commissioner

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

March 11, 1993

Mr. Fred Rosenblath
Lometa Petroleum Corporation
400 Graham
College Station, Texas 77845

Re: Highway Right-Of-Way Lease
47.21 acres along State Highway 6
Barrera A-68; Hudson A-140; Miller A-165; Houston A-133
Brazos County, Texas

Dear Mr. Rosenblath,

Your application to lease the above referenced right-of-way has been approved as to form by the Lease Administration department of the General Land Office.

Further, I have been informed by the Texas Department of Transportation that their office has no objection to the application. Upon completion of the required field notes and plat, I will place the lease on the next available docket for School Land Board review.

Under the applicable statutes and existing policy governing the issuance of oil and gas leases on rights-of-way, I have found no cause for the School Land Board to deny this application, therefore, your company, Lometa Petroleum Corporation is entitled to a lease on the applicable portion of the right-of-way.

If you have any questions concerning this matter, please call me at 512-475-1534.

Sincerely,
Drew Reid

Drew Reid, Landman
Lease Administration
Energy Resources

Printed on recycled paper with soybean ink

MF M-95228
Item Ltr
To
From J Reid
Date 3-11-93

LOMETA PETROLEUM CORPORATION

400 GRAHAM
COLLEGE STATION, TEXAS 77845
409-690-0225
FAX: 409-690-0391

March 26, 1993

Mr. Drew Reid
Texas General land Office
Lease Administration
1700 N. Congress Avenue, Rm. 640
Austin, Texas 78701

RE: Mineral ownership under various portions of State Highway 6 in Brazos County, Texas.

X 5,989.77

93043320

Mr. Reid,

Please find enclosed herewith a check in the amount of Five Thousand Nine Hundred Eighty Nine dollars and 77/100 ($5,989.77) representing payment to the State of Texas for Oil, Gas & Mineral Lease on a 100' right of way underneath State Highway 6 in the J. M. Barrea A-68, H. G. Hudson A-140, A. Miller A-165 and A. Houston A-133 Surveys of Brazos County, Texas. Please provide the agreed upon lease at your earliest convenience.

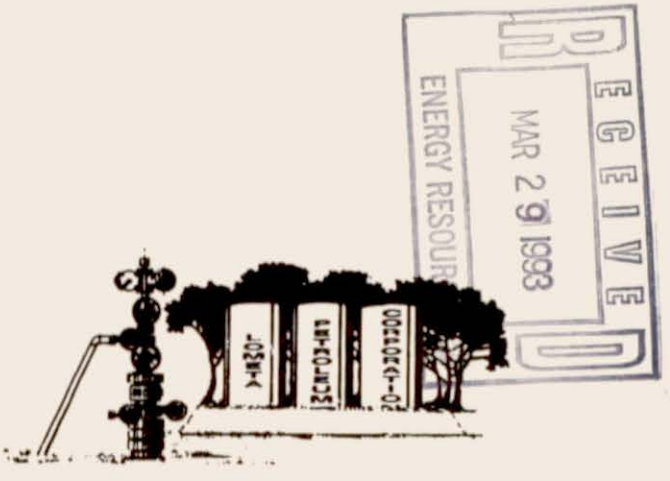
Thank you for your cooperation.

Best Regards,

Lynn Elliott

le/cc
Enclosure

Certified Mail P 800 853 339



LOMETA PETROLEUM CORPORATION
PH. 409-690-0225
400 GRAHAM
COLLEGE STATION, TEXAS 77845

3164

88-566/1131

PAY TO THE ORDER OF General Land Office

January 29 1992

$ 100.00

ONE HUNDRED AND NO/100---------- DOLLARS

FIRST STATE BANK
BRYAN/COLLEGE STATION
P.O. BOX 4624 • BRYAN, TEXAS 77805

FOR filing fees

⑈003164⑈ [redacted]:

CASH
CHECK
MONEY ORDER
CASHIER'S CHECK
DRAFT

AMOUNT 100.00

93032605

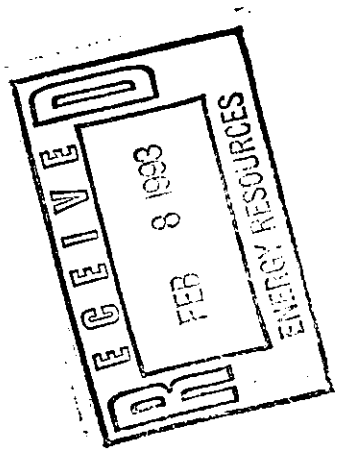
REGISTER#

FOR filing fee for HROW

MAIL CODE
170

DELIVER TO
Drew

NAME Lometa Petroleum Corp.
ADDRESS



7

MF M-95228
Item Ltr (R) 2 enclosures
To
From Lynn Elliot
Date 3-26-93

S-2-93

AFFIDAVIT OF FACT

STATE OF TEXAS)
)
COUNTY OF BRAZOS)

KNOW ALL MEN BY THESE PRESENTS:

THAT, my name is Lynn Elliott, President of Lometa Petroleum Corporation. Lometa Petroleum Corporation has recently purchased a number of Oil, Gas and Mineral Leases along and on both sides of Texas Highway 6 in the Barrera, A-68; Hudson, A-140; Miller, A-165; and A.D. Houston, A-133 Surveys of Brazos County, Texas. Pursuant to §32.201 subchapter FB(1) please be advised that the maximum royalty bonus and rental provided by the terms of any of the leases covering adjoining lands provides a bonus payment of $125.00 per net mineral acre, a 1/5 or 20% royalty and a two (2) year paid-up or zero rental lease.

Affiant further saith not.

Dated this 29 day of January, 1993.

LOMETA PETROLEUM CORPORATION

By: _____
Lynn Elliott, President

SUBSCRIBED AND SWORN to before me by Lynn Elliott, President of Lometa Petroleum Corporation, on this 29TH day of January, 1993.

_____
Notary Public State of Texas

STATE OF TEXAS)
)
COUNTY OF BRAZOS)

This instrument was acknowledged before me on this 29TH day of January, 1993, by Lynn Elliott, President of Lometa Petroleum Corporation.

_____
Notary Public State of Texas

AFFIDAVIT OF FACT

STATE OF TEXAS)
)
COUNTY OF BRAZOS)

KNOW ALL MEN BY THESE PRESENTS:

THAT, my name is Fred Rosenblath and I have examined the Deed Records of Brazos County, Texas regarding mineral ownership under Texas Highway 6 Right-of-Way in the Barrera, A-68; in the Hudson, A-140; in the Miller, A-165; and in the A.D Houston, A-133 Surveys of Brazos County, Texas. Based on my record examination it is my belief that the State of Texas owns the minerals under the original 100' Right-of-Way purchased by the State of Texas in 1936.

Affiant further saith not.

Dated this 29 day of January, 1993.

Fred Rosenblath
Fred Rosenblath

SUBSCRIBED AND SWORN to before me by Fred Rosenblath, on this 29th day of January, 1993.

Donna Sloan
Notary Public State of Texas

STATE OF TEXAS)
)
COUNTY OF BRAZOS)

This instrument was acknowledged before me on the 29TH day of January, 1993, by Fred Rosenblath.

Donna Sloan
Notary Public State of Texas

8

MF M-95228
Item Affidavit (2)
To
From Lisa Elliot
Date

170

ROBERT E. JACK
ATTORNEY AT LAW
P. O. BOX 868
ROCKDALE, TEXAS 76567

512-446-5332

February 24, 1993

OIL AND GAS TITLE OPINION LETTER

RECEIVED
FEB 26 1993
ENERGY RESOURCES

Mr. Drew Reid
Texas General Land Office
Lease Administration
1700 N. Congress Avenue, Rm. 640
Austin, Texas 78701

RE: Mineral ownership under various portions of State Highway 6 in Brazos County, Texas total ac. → 47.21

Dear Mr. Reid:

At the request of Lometa Petroleum Corporation, this office conducted a limited examination of the record title to various portions of State Highway 6 in Brazos County, Texas for the purpose of determining the ownership of the oil and gas minerals under such portions of the highway. The property subject to this office's examination is described in the following mentioned Deeds, to-wit:

a. 6.5 acres, as described in Deed from O. W. Goolsbee to the State of Texas dated April 23, 1931, of record in Volume 80, Page 525 of the Deed Records of Brazos County, Texas;

b. 2.40 acres, as described in Deed from A. J. Jordan, et ux, to the State of Texas dated August 15, 1931, of record in Volume 80, Page 535 of the Deed Records of Brazos County, Texas;
state owns 7/8 of the min on 2.1 ac.

c. 3 acres, as described in Deed from Federal Trust Company, as Independent Executor and Trustee of the Estate of R. N. Little, Deceased, to the State of Texas dated July 7, 1931, of record in Volume 80, Page 532 of the Deed Records of Brazos County, Texas;

d. 2.6 acres, as described in Deed from Mary E. Symms to the State of Texas dated August 10, 1931, of record in Volume 80, Page 537 of the Deed Records of Brazos County, Texas;

e. 7.4 acres, as described in Deed from Anna M. Farley to the State of Texas dated August 12, 1931, of record in Volume 80, Page 535 of the Deed Records of Brazos County, Texas;

f. 10.2 acres, as described in Deed from M. E. Edwards to the State of Texas dated May 23, 1931, of record in Volume 80, Page 538 of the Deed Records of Brazos County, Texas; and

g. 15.41 acres, as described in Deed from Jerry Smith and wife, Louise Smith to the State of Texas dated October 6, 1931, of record in Volume 80, Page 533 of the Deed Records of Brazos County, Texas.

A copy of each Deed described above is enclosed herewith for further reference.

Based on my examination of the record title, I am of the opinion that, with the exception of the 2.4 acre tract mentioned in subparagraph c. hereinabove, the State of Texas acquired the fee simple title to the property described in each of the above mentioned Deeds and, for such reason, acquired ownership of the oil and gas minerals in such tracts.

With respect to the property described in subparagraph c. hereinabove, by a certain Deed dated January 16, 1929, of record in Volume 77, Page 238 of the Deed Records of Brazos County, Texas, (a copy of which is enclosed herewith for reference) the prior owners of such property conveyed to J. Nye Ryman an undivided 1/8th interest in and to the oil, gas and other minerals in and under such property. Such Deed pre-dated the conveyance of the fee simple estate to the State of Texas. Therefore, with respect to such tract, I am of the opinion that the State of Texas acquired only an undivided 7/8ths interest in the oil, gas and other minerals, with the remainining 1/8th being owned by J. Nye Ryman, and his successors in interest.

It is noted that, while the Deeds refer to the purpose of the conveyance as being for a right of way, under the law as established in the case of Texas Electric Ry. Co. V. Neale, 252 S.W.2d 451 (S.Ct. Tex. 1952), such recitals did not serve to diminish the estate conveyed. Additionally, it is noted that while there have been numerous subsequent conveyances to the State of Texas from property owners adjoining the original strips of land described in the above described Deeds, such subsequent conveyances appear to specifically reserve the minerals in favor of such adjoining land owners and, for such reason, such subsequent conveyances are not addressed by this opinion.

This opinion is rendered with respect to oil and gas rights in the subject property only. No opinion is rendered with respect to any other mineral or property rights.

This opinion does not address limitations upon the mineral estate imposed by any governmental body or regulatory agency's legislation, ordinances, rules or regulations.

If you have any questions concerning the foregoing opinion, or require verification, please contact this office at your earliest convenience.

Very truly yours,

Robert E. Jack

REJ:kb
enclosures

cc: Lometa Petroleum Corporation
400 Graham
College Station, Texas 77845

MF M-95828
Item Title Opinion
To
From Attny Robert Gach
Date 2-24-93

5-28-93

THE STATE OF TEXAS|
COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That I, O. W. Goolsbee, of the County of Brazos, State of Texas, for and in consideration of the sum of Ten and No/100 ($10.00) Dollars and other good and valuable considerations, to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is here by acknowledged and confessed, have Granted, Sold and conveyed, and do by these presents Grant, sell and convey unto the State of Texas the following described tract or parcel of land situated in the County of Brazos, State of Texas, being more particularly described as follows: A tract of land out of the Robert Stevenson Survey to be used for right of way purposes and described as follows: Beginning at a point on the South line of the Goolsbee property said point being 504 feet from the South east corner of said property and 50 feet from the center of the proposed highway at station 894 plus 77; Thence, S. 45 W. along a fence a distance of 100 feet to a point which is 50 feet from the center of the proposed highway; Thence, N; 45-46 W. along a line parallel to and 50 feet from the center of the proposed highway a distance of 1011 feet; Thence, N 45 E along the N. fence of theGoolsbee property a distance of 100 feet to a point which is 50 feet from the center of the proposed highway; Thence, S. 45-46 E. along a line 50 feet from and parallel to the center of the proposed highway a distance of 1011 feet to the place of beginning, and containing 2.53 acres of land.

Also a tract of land out of the J. M. Barrera survey to be used for right of way purposes and described as follows: Beginning at a point on the South line of the Sterrett D. Smith Survey 2363 feet from the Wouthwest corner of said survey and 50 feet from the center of the proposed highway at station 1108 plus 40; Thence, S. 46-13 E. along a line parallel to and 50 feet from the center of the proposed highway a distance of 2908 feet to a fence; Thence, due North along the fence a distance of 124 feet to a point which is 50 feet from the center of the proposed highway; Thence, N. 46-13 W. along a line parallel to and 50 feet from the center of the proposed highway a distance of 2760 feet; Thence, due West a distance of 124 feet to the place of beginning, and containing 6.50 feres of land.

And it is further agreed that the said Brazos County will build a fence on each side of Rt-of-way and in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property.

To have and to hold the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas and its assigns:

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

Witness my hand, this the 23 day of April A.D. 1931.

O. W. Goolsbee

THE STATE OF TEXAS|
COUNTY OF BRAZOS | BEFORE ME, F. L. Henderson a Notary Public in and for said County and State, on this day personally appeared O. W. Goolsbee, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 23 day of April A.D. 1931.

F. L. Henderson Notary Public, Brazos County,
(SEAL) Texas.

80-525

The foregoing is a true copy of the original instrument which was filed for record on the 14th day of Oct. A.D. 1931 at 5 o'clock p.m. and duly recorded on the 21st day of Oct. A.D. 1931 at 9 o'clock a.m. to which I certify

Jess B. McGee, C. C. C. B. C.
Mrs L Hunton Deputy

80-526

THE STA E OF TEXAS|
COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That I, P. L. Barron, of the County of Brazos State of Texas, for and in consideration of the sum of Ten and No/100 ($10.00) Dollars and other good and valuable considerations, to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have Granted, sold and conveyed, and do by these presents Grant, sell and convey unto the state of Texas, the following described tract or parcel of land situated in the County of Brazos State of Texas, being more particularly described as follows: A tract of land out of the Robert Stevenson Survey to be used for right of way purposes and described as follows: Beginning at a point on the dividing fence between the Barron property and the Coolsbee property said point being 504 feet from the Southeast corner of the Coolsbee property and 50 feet from the center of the proposed highway; at Station 894 plus 77; Thence, S. 45-46 E. along a line parallel to and 50 feet from the Center of the proposed highway a distance of 1188 feet to a fence; Thence, S. 45 W. along said fence a distance of 100 feet to a point which is 50 feet from the center of the proposed highway; Thence, N 45-46 W. along a line parallel to and 50 feet from the center of the proposed highway a distance of 1188 feet to the North fence of the Barron property; Thence, N 45 E along said fence a distance of 100 feet to the place of beginning, and containing 2.72 acres of land.

It is understood that Brazos County pay for destruction of crops on above rt-of-way at the time contractor begins work on this land and contractor will not be allowed to move on property until crops are paid for.

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

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

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

Witness my hand, this the 8th day of May A.D. 1931.

P. L. Barron

THE STATE OF TEXAS|
COUNTY OF BRAZOS | BEFORE ME, J. G. Minkert a Notary Public in and for said County and State, on this day personally appeared P. L. Barron, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 8th day of May A.D. 1931.

J. G. Minkert, Notary Public, Brazos County,
(SEAL) Texas.

The foregoing is a true copy of the original instrument which was filed for record on the 14th day of Oct. A.D. 1931 at 5 o'clock p.m. and duly recorded on the 21st day of Oct. A.D. 1931 at 9:15 o'clock a.m. to which I certify Jess B. McGee, C. C. C. B. C.
Mrs L Hunton Deputy

of the proposed highway at station 1108 plus 40; Thence due East along the south line of the Smith survey a distance of 124 feet to a point which is 50 feet from the center of the proposed highway; Thence N. 46 - 13 W. along a line parallel to and 50 feet from the center of the proposed highway a distance of 3150 feet; Thence due West a distance of 124 feet to a point which is 50 feet from the center of the proposed highway; Thence S. 46 - 13 E. along a line parallel to and 50 feet from the center of the proposed highway a distance of 3150 feet to the place of beginning. Containing 7.23 acres.

It is understood that as a part of the consideration of this deed the State Highway Department will provided an underpass sufficient for callte to pass from one side of the road to the other.

It is further understood that Brazos County will fence said right-of-way with a four wire fences, using Mountain Cedar Post not to be more than 12 feet apart and furnish necessary gates to pass into and out of said right of way.

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

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

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

Witness my hand, this the 14 day of May A.D. 1931.

E. F. Clay, Individually

E. F. Clay,
Attorney in fact for D. J. Clay,
Sue Attie C. Campbell, a widow,
Nettie Louise Myers & Dana D.Myers.

THE STATE OF TEXAS|
COUNTY OF WASHINGTON| BEFO E ME, the undersigned authority, on this day personally appeared E. F. Clay, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same Individually and as Attorney in fact for D. J. Clay, Sue Attie C. Campbell, a widow, Nettie Louise Myers and Dana D. Myers, for the purposes and consider tion therein expressed, and in the capacities therein stated.

Given under my hand and seal of office this the 21st day of May A.D. 1931.

Marie Wigand, Not ry Public in and for Washington County, Texas.

(SEAL)

The foregoing is a true copy of the original instrument which was filed for record on the 14th day of Oct. A.D. 1931 at 5 o'clock p.m. and duly recorded on the 21st day of Oct. A.D. 1931 at 11 o'clock a.m. to which I certify

Jess D. McGee, C. C. C. B. C.

Miss L. Gunter DEputy

30-331

THE STATE OF TEXAS|
COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That R. E. Breeding, of the County of Harris State of Texas, for and in consideration of the sum of Ten and No/100 ($10.00) Dollars for other good and valuable considerations, to me in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is here by acknowledged and confessed, have Granted, Sold and conveyed, and do by these presents Grant, Sell and convey unto the State of Texas the following described tract or parcel of land situated in the County of Brazos State of Texas, being more particularly described as follows:

80-531

A tract of land out of the J. M. Barrera Survey to be used for right of way purposes and described as follows: Beginning at a point on the West line of the R. E. Breeding tract 1821 feet south of the North line of the Barrera Survey and 50 feet from the center of the proposed highway at station 1136 plus 76; Thence S 46 - 13 E along a line parallel to and 50 feet from the center of the proposed highway a distance of 1224 feet to a fence; Thence due South along said fence a distance of 124 feet to a point which is 50 feet from the center of the proposed highway; Thence N 46 - 13 W along a line parallel to and 50 feet from the center of the proposed highway a distance of 1224 feet; Thence due North a distance of 124 feet to the place of beginning, containing 2.83 acres of land.

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

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

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

Witness my hand, this the 30 day of April, A.D. 1931.

R. E. Breeding

THE STATE OF TEXAS|
COUNTY OF HARRIS | BEFORE ME, W. H. Whisler a Notary Public in and for said County and State, on this day personally appeared R. E. Breeding, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 30th day of April A.D. 1931.

(SEAL) W. H. Whisler, Notary Public Harris County, Texas.

The foregoing is a true copy of the original instrument which was filed for record on the 14th day of Oct. A.D. 1931 at 5 o'clock p.m. and duly recorded on the 21st day of Oct. D.D. 1931 at 12 o'clock a.m. to which I certify

Jess B. McGee, C. C. C. B. C.
Mrs L Preuston Deputy

THE STATE OF TEXAS|
COUNTY OF HARRIS | KNOW ALL MEN BY THESE PRESENTS: That Federal Trust Company, a banking corporation in the City of Houston, Harris County, Texas, acting herein in its capacity as independent executor and trustee pf tje estate of R. N. Little, deceased, for and in consideration of the sum of Thirty Dollars ($30.00) cash and other good and valuable considerations to it in hand paid as such executor and trustee by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, has granted, sold, and conveyed and by these presents does grant, sell, and convey unto the State of Texas the following described tract or parcel of land situated in the County of Brazos, State of Texas, to be used for right-of-way purposes, towit:

Being situated in the J. M. Barrera Survey; beginning at a point which is on the east line of the Little tract where it bounds the W. K. Symms tract, said point being 450 feet north of the west corner of the H. G. Hudson survey and 50 feet from the center of the proposed highway; at station 1172 plus 50; Thence due north along the Hudson-Barrera Survey line a distance of 124 feet to a point which is 50 feet from the center of the proposed

FILED

93 JAN -5 PM 4:12

509424

ASSIGNMENT AND BILL OF SALE

THE STATE OF TEXAS:

COUNTY OF BRAZOS:

KNOW ALL MEN BY THESE PRESENTS, that TEXACO EXPLORATION AND PRODUCTION INC., a Delaware corporation, herein represented by D.J. WEBRE, its duly authorized Attorney in Fact, whose address is Post Office Box 60252, New Orleans, Louisiana 70160 ("Assignor") for and in consideration of the sum of Ten Dollars ($10.00), the covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby assign, transfer, bargain, sell, convey and set over unto LOMETA PETROLEUM CORPORATION, a Texas corporation, herein represented by Lynn Elliott, its duly authorized President, whose address is 400 Graham, College Station, Texas 77845 ("Assignee"), all of Assignor's right, title and interest in and to that certain Mineral Deed dated June 13, 1929, executed by R.E. Breeding in favor of The Texas Company ("Lease") insofar and only insofar as said Deed covers the oil, gas and other mineral rights thereunder.

TO HAVE AND TO HOLD the same unto Assignee, subject to the terms and conditions hereinafter set forth.

Assignee agrees to fully defend, protect and indemnify, and hold harmless Assignor, its parent company, subsidiaries and affiliates and their respective directors, officers, executives, supervisors, employees, agents, successors and assigns, from and against each and every claim, demand, action, cause of action, or lawsuit, and any liability, cost, expense, damage, or loss, including court costs and attorney's fees, that may be asserted against Assignor or Assignee by any third party, including Assignee's parent company, subsidiaries and affiliates and their respective directors, officers, executives, supervisors, employees, agents, successors and assigns, arising from or on account of operations conducted on the property herein assigned by Assignee or for the benefit of Assignee, of whatever kind and character, including, but not limited to, environmental damage.

Assignor reserves on behalf of Texaco Trading and Transportation Inc. the right at any time and from time to time to purchase as produced all oil and other liquid hydrocarbons produced and saved from the assigned premises. Assignor's election to purchase said oil and other liquid hydrocarbons shall be given to Assignee in writing at least thirty (30) days prior to the time purchases shall begin, and notice of discontinuance of purchase shall be given in a like manner. The option given hereby shall apply separately as to oil and other liquid hydrocarbons, and Assignor may purchase the oil and other liquid hydrocarbons, or any one or more of them, without purchasing the remaining products. The price paid shall be Texaco Trading and Transportation Inc.'s posted price at the wells for production of like kind and quality.

All the terms and provisions of this conveyance are hereby expressly made subject to all Federal, State, and local laws and to all orders, rules, regulations and standards issued thereunder by all duly constituted political subdivisions and agencies having jurisdiction, and Assignee hereby warrants that it will comply with same. Further, Assignee specifically warrants that it will comply with any and all laws, orders, rules, regulations and standards of all Federal, State and local

political subdivisions and agencies applicable to (1) all exploration, drilling, production, plugging, and abandonment procedures, and (2) the control, regulation and prevention of pollution, including, but not limited to, salt water discharge and contamination.

THIS CONVEYANCE IS MADE WITHOUT WARRANTY OF TITLE, EITHER EXPRESS OR IMPLIED, WITHOUT ANY EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION AS TO THE MERCHANTABILITY OF THE LEASE OR ITS FITNESS FOR ANY PURPOSE AND WITHOUT ANY OTHER EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION WHATSOEVER. ASSIGNEE ACCEPTS THE PROPERTY IN ITS "AS IS, WHERE IS" CONDITION. ASSIGNOR DISCLAIMS ANY AND ALL LIABILITY ARISING IN CONNECTION WITH ANY ENVIRONMENTAL MATTERS. ASSIGNEE EXPRESSLY WAIVES THE PROVISIONS OF CHAPTER XVII, SUB-CHAPTER E, SECTIONS 17.41 THROUGH 17.63, INCLUSIVE, EXCEPT SECTION 17.555 WHICH IS NOT WAIVED, OF VERNON'S TEXAS CODE ANNOTATED, BUSINESS AND COMMERCE CODE.

The terms, conditions and exceptions contained herein shall constitute covenants running with the land and shall be binding upon, and for the benefit of, the respective successors and assigns of Assignor and Assignee.

This conveyance and the legal relations among the parties hereto shall be governed by and construed in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, this conveyance is executed on this 28th day of December 1992.

TEXACO EXPLORATION AND PRODUCTION INC.

By: _____

Name: D.J. WEBRE

Title: Attorney in Fact

LOMETA PETROLEUM CORPORATION

By: _____

Name: Lynn Elliott

Title: President

TEXAS CORPORATE ACKNOWLEDGEMENT
FOR TEXACO EXPLORATION AND PRODUCTION INC.

STATE OF LOUISIANA
PARISH OF ORLEANS

BEFORE ME, ROGER EUGENE COBB, on this day personally appeared D.J. WEGRE, known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be the Attorney in Fact of Texaco Exploration and Production Inc., a corporation, and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed, and as the act of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 16th day of December, 1992.

My Commission Is For Life.

Roger Eugene Cobb
Attorney-Notary Public.

ROGER EUGENE COBB
ATTORNEY-NOTARY PUBLIC
JEFFERSON PARISH, LA.
MY COMMISSION IS FOR LIFE

STATE OF TEXAS
COUNTY OF BRAZOS

BEFORE ME, Donna George, on this day personally appeared Lynn Elliott, known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be the President of LOMETA PETROLEUM CORPORATION, a corporation, and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed, and as the act of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 17th day of December, 1992.

My commission expires:

DONNA GEORGE
NOTARY PUBLIC STATE OF TEXAS
MY COMMISSION EXPIRES
OCT. 16, 1994

Donna George
Notary Public in and for the State of Texas
State of

VOL 1685 PAGE 157

THE STATE OF TEXAS|

_ | BEFORE ME, J. W. Burrows, a Notary Public in and for said county and State, on this day personally appeared Luisa Smith wife of Jerry Smith known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband and having the same fully explained to her, she the said Luisa Smith acknowledges such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this the 6 day of Oct. A.D. 1931.

(SEAL) J. W. Burrows, Notary Public Brazos County, Texas.

The foregoing is a true copy of the original instrument which was filed for record on the 14th day of Oct. A.D. 1931 at 5 o'clock p.m. and duly recorded on the 21st day of Oct. A.D. 1931 at 2:45 o'clock p.m. to which I certify

Jess D. McGee, C. C. B. C.
Mrs. L. Newton Deputy

THE STATE OF TEXAS|

50-535

COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That we, A. J. Jordan, of the County of Brazos State of Texas, for and in consideration of the sum of ($10.00) and other valuable considerations, to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have Granted, Sold and conveyed, and do by these presents Grant, sell and convey unto the State of Texas, the following described tract or parcel of land situated in the County of Brazos State of Texas, being more particularly described as follows:

A tract of land out of the J. M. Barrera Survey to be used for right of way purposes and described as follows:

Beginning at a point on the West line of the Jordan property 2734 feet from the North line of the Barrera Survey and 50 feet from the center of the proposed highway at station 1149 plus 00;

Thence S. 46 - 13 E along a line parallel to and 50 feet from the center of the proposed highway a distance of 1045 feet;

Thence due South a distance of 124 feet to a point which is 50 feet from the center of the proposed highway;

Thence N. 46 - 13 W. along a line parallel to and 50 feet from the center of the proposed highway a distance of 1045 feet;

Thence due East a distance of 124 feet to the place of beginning containing 2.40 acres.

And it is further agreed that the said Brazos County will furnish 3 wires 2 gates & gate post for fences and I will furnish post and build fences and relieve county of any further liability from damages

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

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

Witness our hands, this the 15 day of August, A.D. 1931.

A. J. Jordan
her
Ellen X Jordan
mark

Witness: J. G. Minkert

80-535

THE STATE OF TEXAS|
COUNTY OF BRAZOS | BEFORE ME, J. G. Minkert a Notary Public in and for said County and State, on this day personally appeared A. J. Jordan known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 15 day of August, A.D. 1931.

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

(SEAL)

THE STATE OF TEXAS|
| BEFORE ME, J. G. Minkert, a Notary Public in and for said County and State, on this day personally appeared Ellen Jordan wife of A. J. Jordan, known to me to be the person whose name is subscribed to the foregoing instrument and having been examined by me privily and apart from her husband and having the same fully explained to her, she the said Ellen Jordan acknowledges such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this the 15 day of August, A.D. 1931.

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

(SEAL)

The foregoing is a true copy of the original instrument which was filed for record on the 14th day of Oct. A.D. 1931 at 5 o'clock p.m. and duly recorded on the 21st day of Oct. A.D. 1931 at 3:15 o'clock p.m. to which I certify

Jess B. McGee, C. C. C. B. C.
Mrs L P Preuston Deputy

THE STATE OF TEXAS|
COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That I, Mrs. Anna M. Farley of the County of Dallas State of Texas, for and in consideration of the sum of ($10.00) and other valuable considerations to me in hand paid by the State of Texas, acting through the State Highway Commission, Receipt of which is hereby acknowledged and confessed, have Granted, sold and conveyed, and do by these presents Grant, sell and convey unto the State of Texas, the following described tract or parcel of land situated in the County of Brazos State of Texas, being more particularly described as follows:

BEGINNING at a point on the dividing line between the Mary E. Symms tract and the Anna Symms Farley tract said point being 210 varas from the Northwest corner of the Anna Symms Farley tract and 50 feet from the center of the proposed highway;

Thence S 55 degrees E a distance of 300 feet to a point which is 175 feet from the center of the proposed highway;

Thence S 38 23 E along a line parallel to and 175 feet from the center of the proposed highway a distance of 531 feet to a point in the center of Peach creek;

Thence up Peach creek to a point which is 175 feet South of the center of the proposed highway;

Thence N 38 23 W along a line parallel to and 175 feet from the center of the proposed high way a distance of 531 feet;

Thence N 21 degrees W a distance of 300 feet to a point on the West line of the Anna Symms Farley tract which is 50 feet from the center of the proposed highway;

Thence North along the West line of the Anna Symms Farley tract a distance of 120 feet to the place of beginning.

Containing 7.4 acres

80-531

A tract of land out of the J. M. Barrera Survey to be used for right of way purposes and described as follows: Beginning at a point on the West line of the R. E. Breeding tract 1621 feet south of the North line of the Barrera Survey and 50 feet from the center of the proposed highway at station 1136 plus 76; Thence S 46 - 13 E along a line parallel to and 50 feet from the center of the proposed highway a distance of 1224 feet to a fence; Thence due South along said fence a distance of 124 feet to a point which is 50 feet from the center of the proposed highway; Thence N 46 - 13 W along a line parallel to and 50 feet from the center of the proposed highway a distance of 1224 feet; Thence due North a distance of 124 feet to the place of beginning, containing 2.83 acres of land.

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

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

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

Witness my hand, this the 30 day of April, A.D. 1931.

R. E. Breeding

THE STATE OF TEXAS|
COUNTY OF HARRIS | BEFORE ME, W. H. Whisler a Notary Public in and for said County and State, on this day personally appeared R. E. Breeding, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 30th day of April A.D. 1931.

(SEAL) W. H. Whisler, Notary Public Harris County, Texas.

The foregoing is a true copy of the original instrument which was filed for record on the 14th day of Oct. A.D. 1931 at 5 o'clock p.m. and duly recorded on the 21st day of Oct. D.D. 1931 at 12 o'clock a.m. to which I certify

Jess B. McGee, C. C. C. D. C.
Mrs L Preston Deputy

THE STATE OF TEXAS|
COUNTY OF HARRIS | KNOW ALL MEN BY THESE PRESENTS: That Federal Trust Company, a banking corporation in the City of Houston, Harris County, Texas, acting herein in its capacity as independent executor and trustee pf tje estate of R. N. Little, dece sed, for and in consideration of the sum of Thirty Dollars ($30.00) cash and other good and valuable considerations to it in hand paid as such executor and trustee by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, has granted, sold, and conveyed and by these presents does grant, sell, and convey unto the State of Texas the following described tract or parcel of land situated in the County of Brazos, State of Texas, to be used for right-of-way purposes, towit:

Being situated in the J. M. Barrera Survey; beginning at a point which is on the east line of the Little tract where it bounds the W. K. Symms tract, said point being 450 feet north of the west corner of the H. G. Hudson survey and 50 feet from the center of the proposed highway; at station 1172 plus 50; Thence due north along the Hudson-Barrera Survey line a distance of 124 feet to a point which is 50 feet from the center of the proposed

highway; Thende north 38-23 west along a line parallel to and 50 feet from the center of the proposed highway a distance of 232 feet; Thence following a 1 degree curve to the left a distance of 783 feet; Thence north 46-13 west a distance of 199 feet; Thence due south along a fence line a distance of 124 feet to a point which is 50 feet from the center of the proposed highway; Thence south 46-13 east a distance of 127 feet; Thence following a 1 degree curve to the right a distance of 783 feet; Thence south 38-23 east along a line parallel to and 50 feet from the center of the proposed road a distance of 395 feet to the place of beginning, and containing three (3) acres of land.

And it is further agreed that the County of Brazos Will erect fences along said right-of-way sufficient to hold cattle, said fences to be connected with the present pasture fences, and in consideration of the benefits above set out, the State of Texas will remove from the property above described such fences, buildings, and other obstructions as may be found upon said property.

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

And said Federal Trust Company as such independent executor and trustee (but not in its individual capacity) does hereby bind itself and its successors to forever warrant and defend the right and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof so long as same is used for right-of-way purposes as aforesaid.

IN TESTIMONY WHEREOF this instrument has been executed this 7th day of July, 1931.

FEDERAL TRUST COMPANY, INDEPENDENT EXECUTOR AND TRUSTEE OF THE ESTATE OF R. M. LITTLE, DECEASED

(SEAL) By Winston Carter, Vice-President

Attest:

W. F. Phillips, Asst. Secretary

THE STATE OF TEXAS |
COUNTY OF HARRIS | BEFORE ME, a Notary Public in and for Harris County, Texas, on this day personally appeared Winston Carter, Vice-President of Federal Trust Company, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said Federal Trust Company, a corporation, as independent executor and trustee of the estate of R. M. Little, deceased, and that he executed the same as the act of such corporation as indppendent executor and turstee for the purposes and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office this 7th day of July 1931.

Kathleen Morris, Notary Public, in and for Harris County,

(SEAL) Texas.

The above is a true copy of the original instrument which was filed for record on the 14th day of Oct. A.D. 1931 at 5 o'clock p.m. and duly recorded on the 21st dyy of Oct. A.D. 1931 at 1:20 o'clock p.m. to which I certify

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

Mrs L Brewton Deputy

THE STATE OF TEXAS |
COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That we, Jerry Smith, and wife, Louise Smith of the County of Brazos State of Texas, for and in consideration of the sum of ($10.00) and other valuable considerations, to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and

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

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

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

Witness my hand, this the 12th day of August, A.D. 1931.

Anna M. Farley

Seagaville, Tex.
Route #1.

THE STATE OF TEXAS|
COUNTY OF BRAZOS | BEFORE ME, Una Edge a Notary Public in and for said County and State, on this day personally appeared Anna M. Farley known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 12 day of Aug. A.D. 1931.

(SEAL) Una Edge, Notary Public, Brazos County, Texas.

The foregoing is a true copy of the original instrument which was filed for record on the 14th day of Oct. A.D. 1931 at 5 o'clock p.m. and duly recorded on the 21st day of Oct. A.D. 1931 at 3:25 o'clock p.m. to which I certify

Jess B. McGee, C. C. C. B. C.
Mrs L. Gentry Deputy

THE STATE OF TEXAS|
COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That Mary E. Symms of the County of Brazos State of Texas, for and in consideration of the sum of Ten Dollars and other considerations to me in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have Granted, sold and conveyed, and do by these presents Grant, sell and convey unto the State of Texas the following described tract or parcel of land situated in the County of Brazos State of Texas, being more particularly described as follows:

Beginning at a point on the West line of the Mary E. Symms tract at a point which is 430 varas from the Northwest corner of said tract and 50 feet from the center of the proposed highway;

Thence S 38 23 E along a line parallel to and 50 feet from the center of the proposed highway a distance of 1108 feet to the East line of the Mary E. Symms tract;

Thence due South along the East line of the Mary Symms tract a distance of 120 feet to a point which is 50 feet from the center of the proposed highway;

Thence N 38 23 W along a line parallel to and 50 feet from the center of the proposed highway a distance of 1108 feet to the West line of the Mary Symms tract.

Thence North along the West line of the Mary Symms tract a distance of 120 feet to the place of beginning.

Containing 2.6 Acres.

And it is further agreed that the said Right-of-way will be fenced by the County in consideration of the benefits above set out, will remove from the property above described,

such fences buildings and other obstructions as may be found upon said property.

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

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

Witness my hand, this the 10 day of August, A.D. 1931.

Mrs. Mary E. Symms

THE STATE OF TEXAS]
COUNTY OF BRAZOS] BEFORE ME, J. S. Royder a Notary Public in and for said County and State, on this day personally appeared Mary E. Symms known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 10 day of Aug. A.D. 1931.

J. S. Royder, J.P. and Ex-officio Notary Public Brazos County, Texas.

(SEAL)

The foregoing is a true copy of the original instrument which was filed for record on the 14th day of Oct. A.D. 1931 at 5 o'clock p.m. and duly recorded on the 21st day of Oct. A.D. 1931 at 3:40 o'clock p.m. to which I certify

Jess D. McCee, C. C. C. D. C.
Mrs. L. Houston Deputy

THE STATE OF TEXAS]
COUNTY OF BRAZOS] KNOW ALL MEN BY THESE PRESENTS: That Mrs. M. E. Edwards of the County of Brazos State of Texas, for and in consideration of the sum of Ten and No/100 ($10.00) Dollars, and other good and valuable considerations, to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have Granted, sold and conveyed, and do by these presents Grant, sell and convey unto the State of Texas, the following described tract or parcel of land situated in the County of Brazos, State of Texas, being more particularly described as follows: A tract of land out of the A. Miller Survey to be used for right of way purposes described as follows: BEGINNING AT A POINT on the East line of the M. E. Edwards tract said point being 1040 feet North of the extreme West corner of the A. B. Houston survey and 175 feet from the center of the proposed highway; at station 1202 plus 18; Thence due North along the East line of the Edwards tract a distance of 450 feet to a point which is 175 feet from the center of the proposed highway; Thence N 38 - 23 W along a line 175 feet from and parallel to the center of the proposed highway a distance of 1080 feet to the center of Peach Creek; Thence S 45 degrees W along the center of Peach Creek a distance of 350 feet; Thence S 38 23 E along a line parallel to and 175 feet from the center of the proposed highway a distance of 1303 feet; Thence following a 1 degree curve to the left a distance of 180 feet to the place of beginning, containing 10.2 acres of land.

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

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

And I hereby binds myself heirs, executors and administrators to forever warrant and

80-535

THE STATE OF TEXAS|
COUNTY OF BRAZOS | BEFORE ME, J. C. Minkert a Notary Public in and for said County and State, on this day personally appeared A. J. Jordan known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 15 day of August, A.D. 1931.

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

(SEAL)

THE STATE OF TEXAS|
| BEFORE ME, J. C. Minkert, a Notary Public in and for said County and State, on this day personally appeared Ellen Jordan wife of A. J. Jordan, known to me to be the person whose name is subscribed to the foregoing instrument and having been examined by me privily and apart from her husband and having the same fully explained to her, she the said Ellen Jordan acknowledges such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this the 15 day of August, A.D. 1931.

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

(SEAL)

The foregoing is a true copy of the original instrument which was filed for record on the 14th day of Oct. A.D. 1931 at 5 o'clock p.m. and duly recorded on the 21st day of Oct. A.D. 1931 at 3:15 o'clock p.m. to which I certify

Jess B. McGee, C. C. C. B. C.
Mrs L. Preuss Deputy

THE STATE OF TEXAS|
COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That I, Mrs. Anna M. Farley of the County of Dallas State of Texas, for and in consideration of the sum of ($10.00) and other valuable considerations to me in hand paid by the State of Texas, acting through the State Highway Commission, Receipt of which is hereby acknowledged and confessed, have Granted, sold and conveyed, and do by these presents Grant, sell and convey unto the State of Texas, the following described tract or parcel of land situated in the County of Brazos State of Texas, being more particularly described as follows:

BEGINNING at a point on the dividing line between the Mary E. Symms tract and the Anna Symms Farley tract said point being 210 varas from the Northwest corner of the Anna Symms Farley tract and 50 feet from the center of the proposed highway;

Thence S 55 degrees E a distance of 300 feet to a point which is 175 feet from the center of the proposed highway;

Thence S 38 23 E along a line parallel to and 175 feet from the center of the proposed highway a distance of 531 feet to a point in the center of Peach creek;

Thence up Peach creek to a point which is 175 feet South of the center of the proposed highway;

Thence N 38 23 W along a line parallel to and 175 feet from the center of the proposed high way a distance of 531 feet;

Thence N 21 degrees W a distance of 300 feet to a point on the West line of the Anna Symms Farley tract which is 50 feet from the center of the proposed highway;

Thence North along the West line of the Anna Symms Farley tract a distance of 120 feet to the place of beginning.

Containing 7.4 acres

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

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

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

Witness my hand, this the 12th day of August, A.D. 1931.

Anna M. Farley

Bougaville, Tex.

Route #1.

THE STATE OF TEXAS|

COUNTY OF BRAZOS | BEFORE ME, Una Edge a Notary Public in and for said County and State, on this day personally appeared Anna M. Farley known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 12 day of Aug. A.D. 1931.

(SEAL) Una Edge, Notary Public, Brazos County, Texas.

The foregoing is a true copy of the original instrument which was filed for record on the 14th day of Oct. A.D. 1931 at 5 o'clock p.m. and duly recorded on the 21st day of Oct. A.D. 1931 at 3:25 o'clock p.m. to which I certify

Jess D. McGee, C. C. C. B. C.

Mrs L Prentiss Deputy

THE STATE OF TEXAS|

COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That Mary E. Symms of the County of Brazos State of Texas, for and in consideration of the sum of Ten Dollars and other considerations to me in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have Granted, sold and conveyed, and do by these presents Grant, sell and convey unto the State of Texas the following described tract or parcel of land situated in the County of Brazos State of Texas, being more particularly described as follows:

Beginning at a point on the West line of the Mary E. Symms tract at a point which is 430 varas from the Northwest corner of said tract and 50 feet from the center of the proposed highway;

Thence S 38 23 E along a line parallel to and 50 feet from the center of the proposed highway a distance of 1108 feet to the East line of the Mary E. Symms tract;

Thence due South along the East line of the Mary Symms tract a distance of 120 feet to a point which is 50 feet from the center of the proposed highway;

Thence N 38 23 W along a line parallel to and 50 feet from the center of the proposed highway a distance of 1108 feet to the West line of the Mary Symms tract.

Thence North along the West line of the Mary Symms tract a distance of 120 feet to the place of beginning.

Containing 2.6 Acres.

And it is further agreed that the said Right-of-way will be fenced by the County in consideration of the benefits above set out, will remove from the property above described,

such fences buildings and other obstructions as may be found upon said property.

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

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

Witness my hand, this the 10 day of August, A.D. 1931.

Mrs. Mary E. Symms

THE STATE OF TEXAS|
COUNTY OF BRAZOS | BEFORE ME, J. S. Royder a Notary Public in and for said County and State, on this day personally appeared Mary E. Symms known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 10 day of Aug. A.D. 1931.

J. S. Royder, J.P. and Ex-officio Notary Public Brazos County, Texas.

(SEAL)

The foregoing is a true copy of the original instrument which was filed for record on the 14th day of Oct. A.D. 1931 at 5 o'clock p.m. and duly recorded on the 21st day of Oct. A.D. 1931 at 3:40 o'clock p.m. to which I certify

Jess B. McGee, C. C. C. B. C.
Mrs L. Preuston Deputy

THE STATE OF TEXAS|
COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That Mrs. M. E. Edwards of the County of Brazos State of Texas, for and in consideration of the sum of Ten and No/100 ($10.00) Dollars, and other good and valuable considerations, to us in hand paid by the State of Texas. acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have Granted, sold and conveyed, and do by these presents Grant, sell and convey unto the State of Texas, the following described tract or parcel of land situated in the County of Brazos, State of Texas, being more particularly described as follows: A tract of land out of the A. Miller Survey to be used for right of way purposes described as follows: BEGINNING AT A POINT on the East line of the M. E. Edwards tract said point being 1040 feet North of the extreme West corner of the A. D. Houston survey and 175 feet from the center of the proposed highway; at station 1202 plus 18; Thence due North along the East line of the Edwards tract a distance of 450 feet to a point which is 175 feet from the center of the proposed highway; Thence N 38 - 23 W along a line 175 feet from and parallel to the center of the proposed highway a distance of 1080 feet to the center of Peach Creek; Thence S 45 degrees W along the center of Peach Creek a distance of 350 feet; Thence S 38 23 E along a line parallel to and 175 feet from the center of the proposed highway a distance of 1303 feet; Thence following a 1 degree curve to the left a distance of 180 feet to the place of beginning, containing 10.2 acres of land.

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

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

And I hereby binds myself heirs, executors and administrators to forever warrant and

defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand, this the 23rd day of May A.D. 1931.

Mrs. M. E. Edwards

THE STATE OF TEXAS|
COUNTY OF BRAZOS | BEFORE ME, W. S. Barron a Notary Public in and for said County and State, on this day personally appeared Mrs. M. E. Edwards, a widow known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 23 day of May A.D. 1931.

W. S. Barron, Notary Public, Brazos County,
(SEAL) Texas.

The foregoing is a true copy of the original instrument which was filed for record on the 14th day of Oct. A.D. 1931 at 5 o'clock p.m. and duly recorded on the 21st day of Oct. A.D. 1931 at 4 o'clock p.m. to which I certify

Jess D. McGee, C. C. C. B. C.
Mrs L. P. Smithee Deputy

THE STATE OF TEXAS|
COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That S. D. Dunlap of the County of Brazos State of Texas, for and in consideration of the sum of Ten and No/100 ($10.00) Dollars, and other good and valuable considerations, to me in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is here by acknowledged and confessed, have Granted, Sold and conveyed, and do by these presents Grant, Sell and convey unto the State of Texas the following described tract or parcel of land situated in the County of Brazos State of Texas, being more particularly described as follows: A tract of land out of the T. H. Mays Survey to be used for right of way purposes and described as follows: Beginning at a point on the East line of the T. H. Mays Survey said point being 1598 feet from the extreme West corner of the Walker Survey and 50 feet from the center of the proposed highway at station1271 plus 30; Thence due North along the West line of the Walker survey a distance of 124 feet to a point which is 50 feet from the center of the proposed highway; Thence N 39 - 17 W along a line parallel to and 50 feet from the center of the proposed highway a distance of 194 feet; Thence N 36 degrees W a distance of 40 feet; Thence due West a distance of 124 feet; Thence S 42 degrees E a distance of 180 feet to a point which is 50 feet from the center of the proposed highway; Thence S 39 - 17 E a distance of 198 feet to the Place of Beginning, containing 1.06 acres of land,

Also a tract of land out of the Holden Evans Survey to be used for right of way purposes and described as follows: Beginning at a point in a creek in the Northwestern corner of the C. W. Dunlap tract, said point being on the center line and at station 1300 x 71 of the proposed new highway; Thence; in a western direction along the center line of the above mentioned creek to a point on the R.O.W. line of the proposed highway, said point being sixty feet (60 ft) from station 1300 Thence: approximately N. 36 - 17 W for a distance of 100 ft to a point which is 50 ft opposite station 1299; Thence N. 39-17 W. a distance of 270 ft along a line parallel to and 50 ft. from the center line of the proposed highway; to a point in a fence line separating the S.H. Smith tract and the C. W. Dunlap tract. Thence in a easternly direction for a distance of 150 ft along the above mentioned fence crossing the proposed highway at station 1298 x 29 to a point in the east R.O.W. line said point being fifty feet from the center line of the proposed highway; Thence; S. 39-17 E for a

highway; Thende north 38-23 west along a line parallel to and 50 feet from the center of the proposed highway a distance of 232 feet; Thence following a 1 degree curve to the left a distance of 783 feet; Thence north 46-13 west a distance of 199 feet; Thence due south along a fence line a distance of 124 feet to a point which is 50 feet from the center of the proposed highway; Thence south 46-13 east a distance of 127 feet; Thence following a 1 degree curve to the right a distance of 783 feet; Thence south 38-23 east along a line parallel to and 50 feet from the center of the proposed road a distance of 395 feet to the place of beginning, and containing three (3) acres of land.

And it is further agreed that the County of Brazos Will erect fences along said right-of-way sufficient to hold cattle, said fences to be connected with the present pasture fences, and in consideration of the benefits above set out, the State of Texas will remove from the property above described such fences, buildings, and other obstructions as may be found upon said property.

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

And said Federal Trust Company as such independent executor and trustee (but not in its individual capacity) does hereby bind itself and its successors to forever warrant and defend the right and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof so long as same is used for right-of-way purposes as aforesaid.

IN TESTIMONY WHEREOF this instrument has been executed this 7th day of July, 1931.

FEDERAL TRUST COMPANY, INDEPENDENT EXECUTOR AND TRUSTEE OF THE ESTATE OF R. M. LITTLE, DECEASED

(SEAL) By Winston Carter, Vice-President

Attest:

W. F. Phillips, Asst. Secretary

THE STATE OF TEXAS |
COUNTY OF HARRIS | BEFORE ME, a Notary Public in and for Harris County, Texas, on this day personally appeared Winston Carter, Vice-President of Federal Trust Company, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said Federal Trust Company, a corporation, as independent executor and trustee of the estate of R. M. Little, deceased, and that he executed the same as the act of such corporation as indppendent executor and turstee for the purposes and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office this 7th day of July 1931.

Kathleen Norris, Notary Public, in and for Harris County, Texas.

(SEAL)

The above is a true copy of the original instrument which was filed for record on the 14th day of Oct. A.D. 1931 at 5 o'clock p.m. and duly recorded on the 21st day of Oct. A.D. 1931 at 1:20 o'clock p.m. to which I certify

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

Vera L. Grimston Deputy

THE STATE OF TEXAS |
COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That we, Jerry Smith, and wife, Louise Smith of the County of Brazos State of Texas, for and in consideration of the sum of ($10.00) and other valuable considerations, to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and

confessed, have Granted, sold and conveyed, and do by these presents Grant, sell and convey unto the State of Texas the following described tract or parcel of land situated in the County of Brazos State of Texas, being more particularly described as follows: A tract of land out of the A. D. Houston Survey to be used for right of way purposes and described as follows: Beginning at a point on the West line of the H. Edwards Estate tract said point being 1040 feet North of the extreme West corner of the A. D. Houston Survey and 175 feet from the center of the proposed highway at station 1202 plus 18;

Thence approximately S. 40 E. along a 1 degree curve to the left a distance of 697 feet;

Thence S. 47 - 09 E. along a line parallel to and 175 feet from the center of the proposed highway a distance of 614 feet;

Thence S. 70 degrees E. a distance of 300 feet to a point which is 50 feet from the center of the proposed highway;

Thence S. 47 - 09 E. along a line parallel to and 50 feet from the center of the proposed highway a distance of 901 feet to a fence being the North fence of a road leading from Millican to Sulphur Springs;

Thence N 45 degrees E. along said fence a distance of 124 feet to a point which is 50 feet from the center of the proposed highway; Thence N. 47 - 09 W. along a line parallel to and 50 feet from the center of the proposed highway a distance of 901 feet;

Thence N. 24 degrees W. a distance of 300 feet to a point which is 175 feet from the center of the proposed highway;

Thence N 47 - 09 W. along a line parallel to and 175 feet from the center of the proposed highway a distance of 614 feet;

Thence following a 1 degree curve to the right a distance of 877 feet;

Thence N 38 - 23 W. a distance of 155 feet;

Thence due south along the West line of the Edwards Estate tract a distance of 450 feet to the place of beginning.

Containing 15.41 acres.

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

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

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

Witness our hands this the 8th day of October A.D. 1931.

his
Jerry X Smith
mark
her
Luisa X Smith
mark

THE STATE OF TEXAS]
COUNTY OF BRAZOS] BEFORE ME, J. W. Burrows, a Notary Public in and for said County and State, on this day personally appeared Jerry Smith known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 6 day of Oct. A.D. 1931.

(SEAL) J. W. Burrows, Notary Public Brazos County, Texas,

THE STATE OF TEXAS|

_ | BEFORE ME, J. W. Burrows, a Notary Public in and for said county and State, on this day personally appeared Luisa Smith wife of Jerry Smith known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband and having the same fully explained to her, she the said Luisa Smith acknowledges such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this the 6 day of Oct. A.D. 1931.

(SEAL) J. W. Burrows, Notary Public Brazos County,Texas.

The foregoing is a true copy of the original instrument which was filed for record on the 14th day of Oct. A.D. 1931 at 5 o'clock p.m. and duly recorded on the 21st day of Oct. A.D. 1931 at 2:45 o'clock p.m. to which I certify

Jess D. McGee, C. C. B. C.

Nora L. Newton Deputy

50-535

THE STATE OF TEXAS|

COUNTY OF BRAZOS. | KNOW ALL MEN BY THESE PRESENTS: That we, A. J. Jordan, of the County of Brazos State of Texas, for and in consideration of the sum of ($10.00) and other valuable considerations, to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have Granted, Sold and conveyed, and do by these presents Grant, sell and convey unto the State of Texas, the following described tract or parcel of land situated in the County of Brazos State of Texas, being more particularly described as follows:

A tract of land out of the J. M. Barrera Survey to be used for right of way purposes and described as follows:

Beginning at a point on the West line of the Jordan property 2734 feet from the North line of the Barrera Survey and 50 feet from the center of the proposed highway at station 1149 plus 00;

Thence S. 46 - 13 E along a line parallel to and 50 feet from the center of the proposed highway a distance of 1045 feet;

Thence due South a distance of 124 feet to a point which is 50 feet from the center of the proposed highway;

Thence N. 46 - 13 W. along a line parallel to and 50 feet from the center of the proposed highway a distance of 1045 feet;

Thence due East a distance of 124 feet to the place of beginning containing 2.40 acres.

And it is further agreed that the said Brazos County will furnish 3 wires 2 gates & gate post for fences and I will furnish post and build fences and relieve county of any further liability from damages

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

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

Witness our hands, this the 15 day of August, A.D. 1931.

A. J. Jordan

her

Ellen X Jordan

mark

Witness: J. C. Minkert

MF M-9528
Item Deed 8
To
From
Date

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

© POUND PRINTING & STATIONERY COMPANY
2325 FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

511432

28 #Adjacent Owners

FILED

OIL, GAS AND MINERAL LEASE

93 JAN 29 AM 8:07

THIS AGREEMENT made this 19th day of January 19 93, between
Julia Ryman Holmes

Mary Lou Ward, CO. CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS
BY Jo Dilla DEPUTY

Lessor (whether one or more), whose address is: 3802 Lovers Lane, Dallas, TX 75225
and Lometa Petroleum Corporation, 400 Graham, College Station, TX 77845, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and Other Valuable Consideration Dollars
($ 10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

150.00 acres of land, more or less, located in the J.M. Barrera Survey, A-68, Clement Rainey Survey, A-201, and the Andrew Miller Survey, A-165, and being the same land described in that certain Mineral Deed dated January 16, 1929, from Algie J. Jordan and wife, Ellen Jordan to J. Nye Ryman, recorded in Volume 77, Page 238, Deed Records of Brazos County, Texas.

See Exhibit "A" attached hereto and made a part hereof for additional lease provisions.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of 5 years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the First Interstate Bank at Dallas, Texas or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

Julia Ryman Holmes SS# [redacted]

STATE OF Texas
COUNTY OF Dallas

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 25th day of January, 1993,
by Julia Ryman Holmes.

Notary Public, State of Texas
Notary's name (printed): ANN M. JOHNSON
Notary's commission expires: Notary Public, State of Texas
My Commission Expires 9/16/93

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by
of
a corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

Producers 88 (4/76) Revised Paid Up
With 640 Acre Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM

TO

Dated _____, 19 ____

No. Acres _____

Term _____

This instrument was filed for record on the _____ day of _____, 19 ____, at _____ o'clock ____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office.

_____ County Clerk
By _____, Deputy

When recorded return to

POUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659-3159

EXHIBIT "A"

11. The royalty paid under the terms of this lease shall be 1/6 or 16.66 percent.

12. If at or after the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such units or units. All land not included with a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such time, promptly execute and deliver to Lessor a recordable release in a form acceptable to Lessor as to all such lands not included within such units. If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such governmental authority.

SIGNED FOR IDENTIFICATION:

✓ x Julie Ryman Holmes

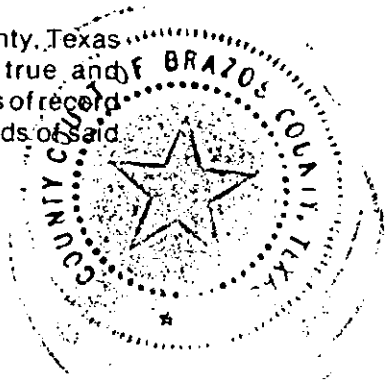
.E STATE OF TEXAS)
COUNTY OF BRAZOS)

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

ATTEST 1-29-93

Mary Ann Ward, County Clerk
Brazos County, Texas

By Jo Gilbert, Deputy



Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

© POUND PRINTING & STATIONERY COMPANY
2325 FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

511328

FILED

OIL, GAS AND MINERAL LEASE

93 JAN 28 PM 1:36

THIS AGREEMENT made this 19th day of January

Virginia Ryman Larsson, Trustee for the Virginia Ryman Larsson Trust

Mary Lou Ward .CO.CLERK

BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS

BY DEPUTY

Lessor (whether one or more), whose address is: 1230 Garvin Pl., Louisville, KY 40203

and Lometa Petroleum Corporation, 400 Graham, College Station, TX 77845, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and Other Valuable Consideration Dollars ($ 10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

150.00 acres of land, more or less, located in the J.M. Barrera Survey, A-68, Clement Rainey Survey, A-201, and the Andrew Miller Survey, A-165, and being the same land described in that certain Mineral Deed dated January 16, 1929, from Algie J. Jordan and wife, Ellen Jordan to J. Nye Ryman, recorded in Volume 77, Page 238, Deed Records of Brazos County, Texas.

See Exhibit "A" attached hereto and made a part hereof for additional lease provisions.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of 5 years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 paid ~~by check or draft~~ sent directly to me at ~~Louisville, KY~~ the above Louisville address. or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis -- that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit, and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

/ Virginia Ryman Larsson
Virginia Ryman Larsson SS# [redacted]
Trust Identification No [redacted]

Virginia Ryman Larsson, Trustee
Virginia Ryman Larsson Trust
Virginia Ryman Larsson, Trustee for the
Virginia Ryman Larsson Trust

STATE OF Kentucky
COUNTY OF Jefferson

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 25th day of January, 1993
by Virginia Ryman Larsson.

Gina Roach
Notary Public, State of ~~Texas~~ Kentucky
Notary's name (printed): Gina Roach
Notary's commission expires: January 29, 96

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19
by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19
by
of
a corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

Producers 88 (4-76) Revised Paid Up
With 640 Acres Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM

TO

Dated _____, 19__

No. Acres _____

_____ County, Texas

Term _____

This instrument was filed for record on the _____ day of _____, 19__, at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office.

_____ County Clerk
By _____, Deputy

When recorded return to

POUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659-3159

EXHIBIT "A"

11. The royalty paid under the terms of this lease shall be 1/6 or 16.66 percent.

12. If at or after the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such units or units. All land not included with a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such time, promptly execute and deliver to Lessor a recordable release in a form acceptable to Lessor as to all such lands not included within such units. If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such governmental authority.

SIGNED FOR IDENTIFICATION:

✓ X Virginia Lyman Lawson, Trustee

5. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee, and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

Daniel Lee Prescott SS# [redacted]

STATE OF TEXAS
COUNTY OF GRIMES

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 25th day of January, 19 93.
by Daniel Lee Prescott.

Mary Helen Steele
Notary Public, State of Texas
Notary's name (printed): Mary Helen Steele
Notary's commission expires: 3/31/93

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 .
by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 .
by
of
a corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM _____

TO _____

Dated _____, 19 ___

No. Acres _____

_____ County, Texas

Term _____

This instrument was filed for record on the _____ day of _____, 19 ___, at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office.

_____ County Clerk
By _____, Deputy

When recorded return to

POUND PRINTING & STATIONERY COMPANY
2323 Fannin, Houston, Texas 77002 (713) 659-3159

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

© POUND PRINTING & STATIONERY COMPANY
2325 FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

511431 FILED

OIL, GAS AND MINERAL LEASE

93 JAN 29 AM 8:07

THIS AGREEMENT made this 21st day of January 19 93 between
Daniel Lee Prescott

Marguerite Starr CO. CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS
By Jo Ballard DEPUTY

Lessor (whether one or more), whose address is: P.O. Box 347, Anderson, TX 77830
and Lometa Petroleum Corporation, 400 Graham, College Station, TX 77845 Lessee, WITNESSETH:

1. Lessor in consideration of Ten and Other Valuable Consideration Dollars
($ 10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

49.50 acres of land, more or less, located in the J.M. Barrera Survey, A-68, and being the same land described in that certain Deed dated August 12, 1960, from P.P. Prescott to Robert J. Butler and Judson E. Loupot, recorded in Volume 206, Page 625, Deed Records of Brazos County, Texas.

See Exhibit "A" attached hereto and made a part hereof for additional lease provisions.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the Guaranty Federal Bank at Navasota, TX or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis – that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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.

EXHIBIT "A"

11. The royalty paid under the terms of this lease shall be 1/6 or 16.66 percent.

12. Notwithstanding any wording in the lease to the contrary, it is hereby agreed between Lessor and Lessee that this lease covers only oil, gas, and all other hydrocarbons and/or substances, whether elements, mixtures or compounds in liquid, gaseous or vaporous forms or states, which can or may be produced through the bore of a well producing oil or gas.

13. If at or after the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such units or units. All land not included with a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such time, promptly execute and deliver to Lessor a recordable release in a form acceptable to Lessor as to all such lands not included within such units. If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such governmental authority.

SIGNED FOR IDENTIFICATION:

X Daniel Lee Pearson

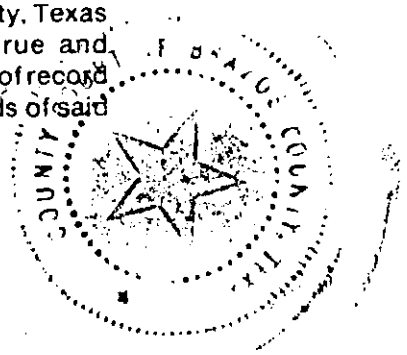
.E STATE OF TEXAS)
COUNTY OF BRAZOS)

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

ATTEST 1-29-93

Mary Ann Ward, County Clerk
Brazos County, Texas

Jo Gillon, Deputy



* PRUND PRINTING & STATIONERY COMPANY
2325 RANSOM, HOUSTON, TEXAS 77003, (713) 659-3199

486606

FILED

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 10 day of March 92 MAR 2 AM 9:57

J. W. Sims, dealing in his separate property

COUNTY COURTHOUSE

Jo Dillon

Lessor (whether one or more), whose address is 1409 Caudill, College Station, Texas 77840

and Lometa Petroleum Corporation, 400 Graham, College Station, TX 77845, Lessee, WITNESSETH

1. Lessor in consideration of Ten dollars and other valuable consideration Dollars ($ 10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit

Being 20.4 acres of land, more or less, out of the H. G. Hudson Survey A-140 and the A. Miller Survey A-165, Brazos County, Texas being the same land described in that certain deed dated March 9, 1963 from J. W. Sims to P. P. Prescott, recorded in Volume 226, Page 107 of the Deed Records of Brazos County, Texas.

Whenever the designation "one-eighth" appears in Paragraph 3 below, the designation "one-sixth" shall be substituted therefor.

* See attached addendum

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the _____ Bank at _____ or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 payments hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining a maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit, and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to so include, land or leases upon which a well capable of producing oil or gas or paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease, and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a part free portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis - that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that part free portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether of the oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit, and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production therefrom should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee, and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If tax or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby, nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessee considers that operations are not at any time being conducted in compliance with this lease, Lessee shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessee hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessee) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

James Wilson Sims

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 10 day of March 1992.
by James Wilson Sims.

Shawn L. Henry
Notary Public, State of Texas
Notary's name (printed): Shawn L. Henry
Notary's commission expires: 062405

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 .
by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 .
by
of
a corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

VOL 1463 PAGE 67

Producers 88 (4-78) Revised Paid Up
With 640 Acres Pooling Provision

No.

Oil, Gas and Mineral Lease

FROM

TO

Dated , 19

No. Acres

County, Texas

Term

This instrument was filed for record on the day of , 19 , at o'clock M., and duly recorded in Book , Page of the records of this office.

County Clerk, Deputy

When recorded return to

POUND PRINTING & STATIONERY COMPANY
2323 Pease, Houston, Texas 77002 (713) 658-1139

ADDENDUM

11. It is expressly agreed and understood that if the provisions of the following paragraphs 12 through 16 conflicts with any provisions of the preceding 10 paragraphs or create ambiguities when read in conjunction therewith, the provisions of paragraphs 12 through 16 shall control.

12. The royalty paid under the terms of this lease shall be 1/6 or 16.666 percent.

13. The primary term of this lease shall be (3) three years.

14. This lease is limited to Oil, Gas and associated hydrocarbons including sulphur.

15. Royalties paid under the terms of this lease shall be paid within 120 days of initial production, and within 60 days thereafter, and to be paid by the first purchaser of oil or gas produced here under whenever practical.

16. In the event a portion of the leased premises is pooled with other land so as to form a pooled unit or units, then operations or production from such unit or units will only maintain this lease in force and effect after expiration of the primary term as to the land included in such unit or units.

Signed for Identification:

James Wilson Jones

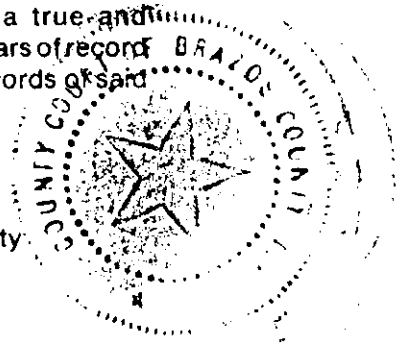
E STATE OF TEXAS)
COUNTY OF BRAZOS)

I, Mary Ann Ward, County Clerk of Brazos County, Texas do hereby certify that the foregoing is a true and correct copy of the original as the same appears of record in Vol. 1463, Page 65 in Official Records of said County on file in my office.

TEST 1-29-93

ary Ann Ward, County Clerk
zos County, Texas

Jo Killam, Deputy



Producers 88 (4-76) Revised Paid Up
with 640 Acres Pooling Provision

...ND PRINTING & STATIONERY COMPANY
...3 FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 3th day of Jan. 19 92, between
LAVERTA I. BRADLEY

Lessor (whether one or more), whose address is: 19579 State Hwy. 6 South, College Station, Texas 77845
and Kenneth D. Taylor, P. O. Box 50326, Midland, TX 79710, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and no/100 Dollars
($), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

66.152 acres of land, more or less, out of the Andrew D. Houston Survey, A-133, Henry G. Hudson Survey, A-140 and the Andrew Miller Survey, A-165, Brazos County, Texas, being the same land described as Share Number Two (2) and partitioned to Laverta Bradley in a Partition Deed dated August 28, 1991, between Laverta Bradley and Gus S. Bradley, Jr., recorded in Volume 1329, Page 191 et seq. of the Official Records of Brazos County, Texas.

25.0 acres of land, more or less, out of the Henry G. Hudson Survey, A-140, Brazos County, Texas, and being the same land described in a deed dated November 2, 1984 from Thomas Symns, et al, to Robert D. Becker and wife, Dorothy Nell Becker, recorded in Volume 740, Page 765 of the Deed Records of Brazos County, Texas.

Notwithstanding anything to the contrary contained herein, the fractional interest one-eighth (1/8) shall become one-sixth (1/6).

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the Bank at
, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

Laverta I Bradley
LAVERTA I. BRADLEY

[redacted]
SS#

INDIVIDUAL ACKNOWLEDGMENT

THE STATE OF TEXAS
COUNTY OF GRIMES

Before me, the undersigned authority, on this day personally appeared LAVERTA I. BRADLEY known to me to be the person whose name is (XX) 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 16th day of January, 19 92

My Commission Expires
12/3/93

Shirley Arthur
Notary Public in and for the State of Texas

SHIRLEY ARTHUR
Notary Public
STATE OF TEXAS
My Comm. Exp. 12-3-93

Notary's Printed Name: SHIRLEY ARTHUR

THE STATE OF TEXAS
COUNTY OF _____

HUSBAND AND WIFE ACKNOWLEDGMENT

Before me, the undersigned authority, on this day personally appeared _____ and _____ husband and wife, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed for the purposes and consideration therein expressed.

Given under my hand and seal of office this ____ day of _____, 19____.

My Commission Expires

_____
Notary Public in and for the State of Texas

_____
Notary's Printed Name: _____

Producers 88 (4-76) Revised Paid Up with 640 Acres Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM

TO

Dated _____, 19____

No. Acres _____

Term _____ County, Texas

This instrument was filed for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and duly recorded in Book _____ Page _____ of the _____ records of this office.

By _____ County Clerk
_____, Deputy

When recorded return to

Pound Printing & Stationery Co., Houston, Texas

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

POUND PRINTING & STATIONERY COMPANY
25 FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 30th day of September 1992, between

Arthur J. Edwards, Jr., Jane Edwards and William Irvin Edwards

Lessor (whether one or more), whose address is: P. O. Box 971 Rusk, Texas 75784

and Dale Resources Inc. 1040 Hartford Bldg. 400 N St. Paul St. Dallas Tx. 7520 Lessee, WITNESSETH:

1. Lessor in consideration of Ten Dollars & Other Valuable Consideration Dollars

($ 10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in _____ County, Texas, to-wit:

Being 193.1 acres of land, more or less, in the A. Miller A-165 Survey of Brazos County, Texas and the Jesse Evans A-110 Survey of Brazos County, Texas and being more fully described in Exhibit "A" attached hereto and made a part hereof.

506571

FILED
92 NOV 24 AM 9:03
Henry Lee Dunn, CO. CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS
BY Jo Fuller

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal 17% 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 17% 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 17% of the cost of treating oil to render it marketable pipe line oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee 17% 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 17% of the amount realized from the sale of gasoline or other products extracted therefrom and 17% of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the First State Bank Bank at Rusk, Texas or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil [redacted] or other mineral is not being produced on said land, or from [redacted] pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

Addie Jane Edwards

William D Edwards

Arthur L Edwards Jr

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 16th day of November, 1992

by

LINDA L BOBBITT
Notary Public
STATE OF TEXAS
Commission Expires
April 20, 1994

Linda L Bobbitt
Notary Public, State of Texas
Notary's name (printed): LINDA L. BOBBITT
Notary's commission expires: 4-30-94

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19

by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19

by

of

a corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM

TO

Dated _____, 19__

No. Acres _____

Term _____

This instrument was filed for record on the _____ day of _____, 19__, at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office.

_____ County Clerk
By _____, Deputy

When recorded return to

POUND PRINTING & STATIONERY COMPANY
2225 Fannin, Houston, Texas 77002 (713) 659-3159

ADDENDUM
TO OIL, GAS AND MINERAL LEASE
BETWEEN
ARTHUR J. EDWARDS, JR., JANE EDWARDS & WILLIAM IRVIN EDWARDS
AND
DALE RESOURCES, INC.
DATED _____, 1992

11. It is expressly agreed and understood that if the provisions of the following paragraphs 12 through 15 conflicts with any provisions of the proceeding 10 paragraphs or create ambiguities when read in conjunction therewith, the provisions of paragraphs 12 through 15 shall control.

12. The primary term of this lease shall be (3) years.

13. Royalties paid under the terms of this lease shall be paid within 120 days of initial production, and within 60 days thereafter, and to be paid by the first purchaser of oil or gas produced here under whenever practical.

14. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure 17% shall be substituted therefor.

15. If at or after the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such lands. Lessee shall, at such time, promptly execute and deliver to Lessor a recordable release in a form acceptable to Lessor as to all such lands not included within such units.

If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

Arthur J. Edwards, Jr.

Jane Edwards

William Irvin Edwards

EXHIBIT "A"

Property Description of Acreage
Leased For Oil, Gas and Other Minerals
Between Jane and Arthur Edwards as Lessors and
Dale Resources, Inc. as Lessee
Dated September , 1992

Being 193.1 acres of land, more or less, described as "First Tract" and "Second Tract" in that certain deed from A. K. Edwards, et ux, to Arthur I. Edwards, said deed dated September 4, 1947 and recorded in Volume 131, Page 522 of the Official Deed Records of Brazos County, Texas, and being further described as:

FIRST TRACT: One hundred fifty (150) acres, more or less, lying and being situated in Brazos County, Texas, lying on the S.E. and West side of Peach Creek, and being part of the labor patented to Andrew Miller by patent dated January 29, 1852, and conveyed by said Miller to James Webb by deed dated July 30, 1866, and recorded in the Deed Records of Brazos County, Texas, in Vol. G, pages 526-527, reference being here made to said patent and deed for a more accurate description of said land, said tract of land being bounded on the North by the lands of G.W. Price, on the South by other lands of Price and Adam Royder and being the same land deeded to I.E. Player by I. W. Heath and wife by deed recorded in Vol. V, Pages 38, 39, and 40 of the Deed Records of Brazos County, Texas, to which said deeds and their records, reference is hereby made in aid of more particular description.

SAVE AND EXCEPT 10.2 acres of land conveyed by Mrs. M.E. Edwards to the State of Texas by Deed dated May 23, 1931, recorded in Volume 80, page 538 of the Deed Records of Brazos County, Texas.

SECOND TRACT: Lying and being situated in the Jesse Evans Survey in Brazos County, Texas, and being the East one-half (1/2) of a tract of 106-2/3 acres of land deeded by G. W. Price to Henry Ferris on the 17th day of March, 1883. BEGINNING at a stake in the W. line of the Jesse Evans tract a Black Jack 8 in. in dia. brs. N. 15 W 6 vrs. a Post Oak 16 in. in dia., brs. S. 20 E 9 vrs; THENCE N. 670 1/2 vrs. to the S. line of Andrew Miller; THENCE W. 900 vrs. to the N.W. corner of the Andrew Miller labor; THENCE, S. 673 1/3 vrs. to a stake in the E. line of the Raney Survey; THENCE E. 900 vrs. to the PLACE OF BEGINNING. Being the same land deeded to I. E. Player by Henry Ferris, recorded in Vol. 1, pages 343, 344, Deed Records of Brazos County, Texas, both of said tracts of land being the same land conveyed to T. H. Brooks by Steve Brooks by deed dated November 15, 1913, recorded in Vol. 43, Page 1, Brazos County Deed Records.

E STATE OF TEXAS)
COUNTY OF BRAZOS)

I, Mary Ann Ward, County Clerk of Brazos County, Texas do hereby certify that the foregoing is a true and correct copy of the original as the same appears of record in Vol. 1656, Page 74 in Official Records of said County on file in my office.

ATTEST 1-29-93
Mary Ann Ward, County Clerk
Brazos County, Texas
By Jo Gilbert, Deputy

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

504573

© POUND PRINTING & STATIONERY COMPANY
2325 FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

FILED

OIL, GAS AND MINERAL LEASE

92 OCT 29 AM 8:08

THIS AGREEMENT made this 21st day of August 1992, between

John Godfrey and Sally Godfrey

Mary Lou Carl, CO. CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS
BY

Lessor (whether one or more), whose address is: P. O. Box 2778 Bryan, Texas 77805

and Dale Resources Inc. 1040 Hartford Bldg. 400 N St. Paul St. Dallas, Tx. 752 Lessee, WITNESSETH:

1. Lessor in consideration of Ten Dollars & Other Valuable Consideration Dollars

($ 10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

Being 193.1 acres of land, more or less, in the A. Miller A-165 Survey of Brazos County, Texas and the Jesse Evans A-110 Survey of Brazos County, Texas and being more fully described in Exhibit "A" attached hereto and made a part hereof.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal 17% 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 17% 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 17% of the cost of treating oil to render it marketable pipe line oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee 17% 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 17% of the amount realized from the sale of gasoline or other products extracted therefrom and 17% of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the First City Texas Bank at Bryan, TX or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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.

EXHIBIT "A"

Property Description of Acreage
Leased For Oil, Gas and Other Minerals
Between John Godfrey and Sally Godfrey as Lessors and
Dale Resources, Inc. as Lessee
Dated August 21, 1992

Being 193.1 acres of land, more or less, described as "First Tract" and "Second Tract" in that certain deed from A. K. Edwards, et ux, to Arthur I. Edwards, said deed dated September 4, 1947 and recorded in Volume 131, Page 522 of the Official Deed Records of Brazos County, Texas, and being further described as:

FIRST TRACT: One hundred fifty (150) acres, more or less, lying and being situated in Brazos County, Texas, lying on the S.E. and West side of Peach Creek, and being part of the labor patented to Andrew Miller by patent dated January 29, 1852, and conveyed by said Miller to James Webb by deed dated July 30, 1866, and recorded in the Deed Records of Brazos County, Texas, in Vol. G, pages 526-527, reference being here made to said patent and deed for a more accurate description of said land, said tract of land being bounded on the North by the lands of G.W. Price, on the South by other lands of Price and Adam Royder and being the same land deeded to I.E. Player by I. W. Heath and wife by deed recorded in Vol. V, Pages 38, 39, and 40 of the Deed Records of Brazos County, Texas, to which said deeds and their records, reference is hereby made in aid of more particular description.

SAVE AND EXCEPT 10.2 acres of land conveyed by Mrs. M.E. Edwards to the State of Texas by Deed dated May 23, 1931, recorded in Volume 80, page 538 of the Deed Records of Brazos County, Texas.

SECOND TRACT: Lying and being situated in the Jesse Evans Survey in Brazos County, Texas, and being the East one-half (1/2) of a tract of 106-2/3 acres of land deeded by G. W. Price to Henry Ferris on the 17th day of March, 1883. BEGINNING at a stake in the W. line of the Jesse Evans tract a Black Jack 8 in. in dia. brs. N. 15 W 6 vrs. a Post Oak 16 in. in dia., brs. S. 20 E 9 vrs; THENCE N. 670 1/2 vrs. to the S. line of Andrew Miller; THENCE W. 900 vrs. to the N.W. corner of the Andrew Miller labor; THENCE, S. 673 1/3 vrs. to a stake in the E. line of the Raney Survey; THENCE E. 900 vrs. to the PLACE OF BEGINNING. Being the same land deeded to I. E. Player by Henry Ferris, recorded in Vol. 1, pages 343, 344, Deed Records of Brazos County, Texas, both of said tracts of land being the same land conveyed to T. H. Brooks by Steve Brooks by deed dated November 15, 1913, recorded in Vol. 43, Page 1, Brazos County Deed Records.

ADDENDUM
TO OIL, GAS AND MINERAL LEASE
BETWEEN
JOHN GODFREY, ET UX
AND
DALE RESOURCES, INC.
DATED August 21, 1992

11. It is expressly agreed and understood that if the provisions of the following paragraphs 12 through 16 conflicts with any provisions of the proceeding 10 paragraphs or create ambiguities when read in conjunction therewith, the provisions of paragraphs 12 through 16 shall control.

12. The primary term of this lease shall be (3) years.

13. Lessee will pay Lessor actual value for damages incurred to Lessor's growing crops, fences, roads, water wells and other improvements as a result of Lessee's operations. Lessee shall not drill a well within 1,000 feet of Lessors home.

14. Royalties paid under the terms of this lease shall be paid within 120 days of initial production, and within 60 days thereafter, and to be paid by the first purchaser of oil or gas produced here under whenever practical.

15. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure 17% shall be substituted therefor.

16. If at or after the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such lands. Lessee shall, at such time, promptly execute and deliver to Lessor a recordable release in a form acceptable to Lessor as to all such lands not included within such units.

If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

John Godfrey

Sally Godfrey

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

504576

© POUND PRINTING & STATIONERY COMPANY
2325 FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

FILED

OIL, GAS AND MINERAL LEASE

92 OCT 29 AM 8:08

THIS AGREEMENT made this _____ day of August, 1992, between

Margie R. McCallum Shepperd

BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS

BY _____

Lessor (whether one or more), whose address is: 2504 briarwood circle Bryan, Texas 77802

and Dale Resources Inc. 1040 Hartford Bldg. 400 N St. Paul St. Dallas, Tx. 7520

Lessee, WITNESSETH:

1. Lessor in consideration of Ten Dollars & Other Valuable Consideration Dollars

($ 10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

Being 193.1 acres of land, more or less, in the A. Miller A-165 Survey of Brazos County, Texas and the Jesse Evans A-110 Survey of Brazos County, Texas and being more fully described in Exhibit "A" attached hereto and made a part hereof.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal 17% 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 17% 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 17% of the cost of treating oil to render it marketable pipe line oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee 17% 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 17% of the amount realized from the sale of gasoline or other products extracted therefrom and 17% of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the First American Bank at Bryan, TX or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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.

EXHIBIT "A"

Property Description of Acreage
Leased For Oil, Gas and Other Minerals
Between Margie R. Sheppard as Lessor and
Dale Resources, Inc. as Lessee
Dated August 28, 1992

Being 193.1 acres of land, more or less, described as "First Tract" and "Second Tract" in that certain deed from A. K. Edwards, et ux, to Arthur I. Edwards, said deed dated September 4, 1947 and recorded in Volume 131, Page 522 of the Official Deed Records of Brazos County, Texas, and being further described as:

FIRST TRACT: One hundred fifty (150) acres, more or less, lying and being situated in Brazos County, Texas, lying on the S.E. and West side of Peach Creek, and being part of the labor patented to Andrew Miller by patent dated January 29, 1852, and conveyed by said Miller to James Webb by deed dated July 30, 1866, and recorded in the Deed Records of Brazos County, Texas, in Vol. G, pages 526-527, reference being here made to said patent and deed for a more accurate description of said land, said tract of land being bounded on the North by the lands of G.W. Price, on the South by other lands of Price and Adam Royder and being the same land deeded to I.E. Player by I. W. Heath and wife by deed recorded in Vol. V, Pages 38, 39, and 40 of the Deed Records of Brazos County, Texas, to which said deeds and their records, reference is hereby made in aid of more particular description.

SAVE AND EXCEPT 10.2 acres of land conveyed by Mrs. M.E. Edwards to the State of Texas by Deed dated May 23, 1931, recorded in Volume 80, page 538 of the Deed Records of Brazos County, Texas.

SECOND TRACT: Lying and being situated in the Jesse Evans Survey in Brazos County, Texas, and being the East one-half (1/2) of a tract of 106-2/3 acres of land deeded by G. W. Price to Henry Ferris on the 17th day of March, 1883. BEGINNING at a stake in the W. line of the Jesse Evans tract a Black Jack 8 in. in dia. brs. N. 15 W 6 vrs. a Post Oak 16 in. in dia., brs. S. 20 E 9 vrs; THENCE N. 670 1/2 vrs. to the S. line of Andrew Miller; THENCE W. 900 vrs. to the N.W. corner of the Andrew Miller labor; THENCE, S. 673 1/3 vrs. to a stake in the E. line of the Raney Survey; THENCE E. 900 vrs. to the PLACE OF BEGINNING. Being the same land deeded to I. E. Player by Henry Ferris, recorded in Vol. 1, pages 343, 344, Deed Records of Brazos County, Texas, both of said tracts of land being the same land conveyed to T. H. Brooks by Steve Brooks by deed dated November 15, 1913, recorded in Vol. 43, Page 1, Brazos County Deed Records.

ADDENDUM
TO OIL, GAS AND MINERAL LEASE
BETWEEN
MARGIE R. McCALLUM SHEPPERD
AND
DALE RESOURCES, INC.
DATED August 28, 1992

11. It is expressly agreed and understood that if the provisions of the following paragraphs 12 through 15 conflicts with any provisions of the proceeding 10 paragraphs or create ambiguities when read in conjunction therewith, the provisions of paragraphs 12 through 15 shall control.

12. The primary term of this lease shall be (3) years.

13. Royalties paid under the terms of this lease shall be paid within 120 days of initial production, and within 60 days thereafter, and to be paid by the first purchaser of oil or gas produced here under whenever practical.

14. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure 17% shall be substituted therefor.

15. If at or after the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such lands. Lessee shall, at such time, promptly execute and deliver to Lessor a recordable release in a form acceptable to Lessor as to all such lands not included within such units.

If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

Margie R. McCallum Shepperd
Margie R. McCallum Shepperd

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

504 575

POUND PRINTING & STATIONERY COMPANY
325 FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

FILED

OIL, GAS AND MINERAL LEASE

92 OCT 29 AM 8:08

THIS AGREEMENT made this 28th day of August 1992, between

[illegible] CO. CLERK
Thomas J. McCallum, Jr.
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS

BY [illegible] DEPUTY

Lessor (whether one or more), whose address is: 6 Casas Del Sur, L.T., Grandbury, Texas 76049

and Dale Resources Inc. 1040 Hartford Bldg. 400 N St. Paul St. Dallas Tx. 75201 Lessee, WITNESSETH:

1. Lessor in consideration of Ten Dollars & Other Valuable Consideration Dollars

($ 10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in

Brazos County, Texas, to-wit:

Being 193.1 acres of land, more or less, in the A. Miller A-165 Survey of Brazos County, Texas and the Jesse Evans A-110 Survey of Brazos County, Texas and being more fully described in Exhibit "A" attached hereto and made a part hereof.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal 17% 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 17% 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 17% of the cost of treating oil to render it marketable pipe line oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee 17% 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 17% of the amount realized from the sale of gasoline or other products extracted therefrom and 17% of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the

Bank at or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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.

EXHIBIT "A"

Property Description of Acreage
Leased For Oil, Gas and Other Minerals
Between Thomas McCallum as Lessor and
Dale Resources, Inc. as Lessee
Dated August 28, 1992

Being 193.1 acres of land, more or less, described as "First Tract" and "Second Tract" in that certain deed from A. K. Edwards, et ux, to Arthur I. Edwards, said deed dated September 4, 1947 and recorded in Volume 131, Page 522 of the Official Deed Records of Brazos County, Texas, and being further described as:

FIRST TRACT: One hundred fifty (150) acres, more or less, lying and being situated in Brazos County, Texas, lying on the S.E. and West side of Peach Creek, and being part of the labor patented to Andrew Miller by patent dated January 29, 1852, and conveyed by said Miller to James Webb by deed dated July 30, 1866, and recorded in the Deed Records of Brazos County, Texas, in Vol. G, pages 526-527, reference being here made to said patent and deed for a more accurate description of said land, said tract of land being bounded on the North by the lands of G.W. Price, on the South by other lands of Price and Adam Royder and being the same land deeded to I.E. Player by I. W. Heath and wife by deed recorded in Vol. V, Pages 38, 39, and 40 of the Deed Records of Brazos County, Texas, to which said deeds and their records, reference is hereby made in aid of more particular description.

SAVE AND EXCEPT 10.2 acres of land conveyed by Mrs. M.E. Edwards to the State of Texas by Deed dated May 23, 1931, recorded in Volume 80, page 538 of the Deed Records of Brazos County, Texas.

SECOND TRACT: Lying and being situated in the Jesse Evans Survey in Brazos County, Texas, and being the East one-half (1/2) of a tract of 106-2/3 acres of land deeded by G. W. Price to Henry Ferris on the 17th day of March, 1883. BEGINNING at a stake in the W. line of the Jesse Evans tract a Black Jack 8 in. in dia. brs. N. 15 W 6 vrs. a Post Oak 16 in. in dia., brs. S. 20 E 9 vrs; THENCE N. 670 1/2 vrs. to the S. line of Andrew Miller; THENCE W. 900 vrs. to the N.W. corner of the Andrew Miller labor; THENCE, S. 673 1/3 vrs. to a stake in the E. line of the Raney Survey; THENCE E. 900 vrs. to the PLACE OF BEGINNING. Being the same land deeded to I. E. Player by Henry Ferris, recorded in Vol. 1, pages 343, 344, Deed Records of Brazos County, Texas, both of said tracts of land being the same land conveyed to T. H. Brooks by Steve Brooks by deed dated November 15, 1913, recorded in Vol. 43, Page 1, Brazos County Deed Records.

ADDENDUM
TO OIL, GAS AND MINERAL LEASE
BETWEEN
THOMAS J. McCALLUM, JR.
AND
DALE RESOURCES, INC.
DATED 5-28, 1992

11. It is expressly agreed and understood that if the provisions of the following paragraphs 12 through 15 conflicts with any provisions of the proceeding 10 paragraphs or create ambiguities when read in conjunction therewith, the provisions of paragraphs 12 through 15 shall control.

12. The primary term of this lease shall be (3) years.

13. Royalties paid under the terms of this lease shall be paid within 120 days of initial production, and within 60 days thereafter, and to be paid by the first purchaser of oil or gas produced here under whenever practical.

14. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure 17% shall be substituted therefor.

15. If at or after the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such lands. Lessee shall, at such time, promptly execute and deliver to Lessor a recordable release in a form acceptable to Lessor as to all such lands not included within such units.

If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

Thomas J. McCallum, Jr.

Producers 88 (4/76) Revised Paid Up
With 640 Acre Pooling Provision

504576

POUND PRINTING & STATIONERY COMPANY
5 FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

FILED

OIL, GAS AND MINERAL LEASE

92 OCT 29 AM 8:27

THIS AGREEMENT made this 7th day of August 1992, between

Re: Charlotte Edwards Strawn
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS

BY _____

Lessor (whether one or more), whose address is: 402 W. Live Oak Coleman, Texas 76834

and Dale Resources Inc. 1040 Hartford Bldg. 400 N St. Paul St. Dallas Tx. 75201 Lessee. WITNESSETH:

1. Lessor in consideration of Ten Dollars & Other Valuable Consideration Dollars

($ 10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in

Brazos County, Texas, to-wit:

Being 193.1 acres of land, more or less, in the A. Miller A-165 Survey of Brazos County, Texas and the Jesse Evans A-110 Survey of Brazos County, Texas and being more fully described in Exhibit "A" attached hereto and made a part hereof.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal 17% 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 17% 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 17% of the cost of treating oil to render it marketable pipe line oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee 17% 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 17% of the amount realized from the sale of gasoline or other products extracted therefrom and 17% of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the _____

Bank at _____ or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis – that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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.

EXHIBIT "A"

Property Description of Acreage
Leased For Oil, Gas and Other Minerals
Between Charlotte Strawn as Lessor and
Dale Resources, Inc. as Lessee
Dated August 27, 1992

Being 193.1 acres of land, more or less, described as "First Tract" and "Second Tract" in that certain deed from A. K. Edwards, et ux, to Arthur I. Edwards, said deed dated September 4, 1947 and recorded in Volume 131, Page 522 of the Official Deed Records of Brazos County, Texas, and being further described as:

FIRST TRACT: One hundred fifty (150) acres, more or less, lying and being situated in Brazos County, Texas, lying on the S.E. and West side of Peach Creek, and being part of the labor patented to Andrew Miller by patent dated January 29, 1852, and conveyed by said Miller to James Webb by deed dated July 30, 1866, and recorded in the Deed Records of Brazos County, Texas, in Vol. G, pages 526-527, reference being here made to said patent and deed for a more accurate description of said land, said tract of land being bounded on the North by the lands of G.W. Price, on the South by other lands of Price and Adam Royder and being the same land deeded to I.E. Player by I. W. Heath and wife by deed recorded in Vol. V, Pages 38, 39, and 40 of the Deed Records of Brazos County, Texas, to which said deeds and their records, reference is hereby made in aid of more particular description.

SAVE AND EXCEPT 10.2 acres of land conveyed by Mrs. M.E. Edwards to the State of Texas by Deed dated May 23, 1931, recorded in Volume 80, page 538 of the Deed Records of Brazos County, Texas.

SECOND TRACT: Lying and being situated in the Jesse Evans Survey in Brazos County, Texas, and being the East one-half (1/2) of a tract of 106-2/3 acres of land deeded by G. W. Price to Henry Ferris on the 17th day of March, 1883. BEGINNING at a stake in the W. line of the Jesse Evans tract a Black Jack 8 in. in dia. brs. N. 15 W 6 vrs. a Post Oak 16 in. in dia., brs. S. 20 E 9 vrs; THENCE N. 670 1/2 vrs. to the S. line of Andrew Miller; THENCE W. 900 vrs. to the N.W. corner of the Andrew Miller labor; THENCE, S. 673 1/3 vrs. to a stake in the E. line of the Raney Survey; THENCE E. 900 vrs. to the PLACE OF BEGINNING. Being the same land deeded to I. E. Player by Henry Ferris, recorded in Vol. 1, pages 343, 344, Deed Records of Brazos County, Texas, both of said tracts of land being the same land conveyed to T. H. Brooks by Steve Brooks by deed dated November 15, 1913, recorded in Vol. 43, Page 1, Brazos County Deed Records.

ADDENDUM
TO OIL, GAS AND MINERAL LEASE
BETWEEN
CHARLOTTE EDWARDS STRAWN
AND
DALE RESOURCES, INC.
DATED 8.27.92, 1992

11. It is expressly agreed and understood that if the provisions of the following paragraphs 12 through 15 conflicts with any provisions of the proceeding 10 paragraphs or create ambiguities when read in conjunction therewith, the provisions of paragraphs 12 through 15 shall control.

12. The primary term of this lease shall be (3) years.

13. Royalties paid under the terms of this lease shall be paid within 120 days of initial production, and within 60 days thereafter, and to be paid by the first purchaser of oil or gas produced here under whenever practical.

14. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure 17% shall be substituted therefor.

15. If at or after the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such lands. Lessee shall, at such time, promptly execute and deliver to Lessor a recordable release in a form acceptable to Lessor as to all such lands not included within such units.

If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

✓ Charlotte Edwards Strawn
Charlotte Edwards Strawn

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

FOUND PRINTING & STATIONERY COMPANY
5 FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

504572

FILED

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 29th day of August, 1992, between

Mary Edwards Allen

BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS

Lessor (whether one or more), whose address is: P. O. Box 160, La Pryor, Texas 78872,

and Dale Resources Inc. 1040 Hartford Bldg. 400 N St. Paul St. Dallas, Tx. 75201 Lessee, WITNESSETH:

1. Lessor in consideration of Ten Dollars & Other Valuable Consideration Dollars

($ 10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in

Brazos County, Texas, to-wit:

Being 193.1 acres of land, more or less, in the A. Miller A-165 Survey of Brazos County, Texas and the Jesse Evans A-110 Survey of Brazos County, Texas and being more fully described in Exhibit "A" attached hereto and made a part hereof.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal 17% 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 17% 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 17% of the cost of treating oil to render it marketable pipe line oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee 17% 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 17% of the amount realized from the sale of gasoline or other products extracted therefrom and 17% of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the Zavala County Bank at La Pryor, Tex 78872 or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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.

ADDENDUM
TO OIL, GAS AND MINERAL LEASE
BETWEEN
MARY EDWARDS ALLEN
AND
DALE RESOURCES, INC.
DATED August 27, 1992

11. It is expressly agreed and understood that if the provisions of the following paragraphs 12 through 15 conflicts with any provisions of the proceeding 10 paragraphs or create ambiguities when read in conjunction therewith, the provisions of paragraphs 12 through 15 shall control.

12. The primary term of this lease shall be (3) years.

13. Royalties paid under the terms of this lease shall be paid within 120 days of initial production, and within 60 days thereafter, and to be paid by the first purchaser of oil or gas produced here under whenever practical.

14. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure 17% shall be substituted therefor.

15. If at or after the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such lands. Lessee shall, at such time, promptly execute and deliver to Lessor a recordable release in a form acceptable to Lessor as to all such lands not included within such units.

If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

Mary Edwards Allen
Mary Edwards Allen

VOL 1634 PAGE 132

EXHIBIT "A"

Property Description of Acreage
Leased For Oil, Gas and Other Minerals
Between Mary Allan as Lessor and
Dale Resources, Inc. as Lessee
Dated August 27, 1992

Being 193.1 acres of land, more or less, described as "First Tract" and "Second Tract" in that certain deed from A. K. Edwards, et ux, to Arthur I. Edwards, said deed dated September 4, 1947 and recorded in Volume 131, Page 522 of the Official Deed Records of Brazos County, Texas, and being further described as:

FIRST TRACT: One hundred fifty (150) acres, more or less, lying and being situated in Brazos County, Texas, lying on the S.E. and West side of Peach Creek, and being part of the labor patented to Andrew Miller by patent dated January 29, 1852, and conveyed by said Miller to James Webb by deed dated July 30, 1866, and recorded in the Deed Records of Brazos County, Texas, in Vol. G, pages 526-527, reference being here made to said patent and deed for a more accurate description of said land, said tract of land being bounded on the North by the lands of G.W. Price, on the South by other lands of Price and Adam Royder and being the same land deeded to I.E. Player by I. W. Heath and wife by deed recorded in Vol. V, Pages 38, 39, and 40 of the Deed Records of Brazos County, Texas, to which said deeds and their records, reference is hereby made in aid of more particular description.

SAVE AND EXCEPT 10.2 acres of land conveyed by Mrs. M.E. Edwards to the State of Texas by Deed dated May 23, 1931, recorded in Volume 80, page 538 of the Deed Records of Brazos County, Texas.

SECOND TRACT: Lying and being situated in the Jesse Evans Survey in Brazos County, Texas, and being the East one-half (1/2) of a tract of 106-2/3 acres of land deeded by G. W. Price to Henry Ferris on the 17th day of March, 1883. BEGINNING at a stake in the W. line of the Jesse Evans tract a Black Jack 8 in. in dia. brs. N. 15 W 6 vrs. a Post Oak 16 in. in dia., brs. S. 20 E 9 vrs; THENCE N. 670 1/2 vrs. to the S. line of Andrew Miller; THENCE W. 900 vrs. to the N.W. corner of the Andrew Miller labor; THENCE, S. 673 1/3 vrs. to a stake in the E. line of the Raney Survey; THENCE E. 900 vrs. to the PLACE OF BEGINNING. Being the same land deeded to I. E. Player by Henry Ferris, recorded in Vol. 1, pages 343, 344, Deed Records of Brazos County, Texas, both of said tracts of land being the same land conveyed to T. H. Brooks by Steve Brooks by deed dated November 15, 1913, recorded in Vol. 43, Page 1, Brazos County Deed Records.

POUND PRINTING & STATIONERY COMPANY
2325 FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

504578

OIL, GAS AND MINERAL LEASE

FILED

THIS AGREEMENT made this 1st day of September 19 92 between

92 OCT 29 PM 8:07

Dorothy Jane McCallum Ward

COUNTY CLERK

BRAZOS COUNTY, TEXAS

Lessor (whether one or more), whose address is: 627 Robindale Lane Fairfield, Texas 75840

and Dale Resources Inc. 1040 Hartford Bldg. 400 N St. Paul St. Dallas, Tx. 752

WITNESSETH:

1. Lessor in consideration of Ten Dollars & Other Valuable Consideration Dollars

($ 10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in

Brazos County, Texas, to-wit:

Being 193.1 acres of land, more or less, in the A. Miller A-165 Survey of Brazos County, Texas and the Jesse Evans A-110 Survey of Brazos County, Texas and being more fully described in Exhibit "A" attached hereto and made a part hereof.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal 17% 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 17% 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 17% of the cost of treating oil to render it marketable pipe line oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee 17% 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 17% of the amount realized from the sale of gasoline or other products extracted therefrom and 17% of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the _____ Bank at _____ or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis – that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease of oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease of gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

Dorothy Jane McCallum Ward [redacted]

Dorothy Jane McCallum Ward — Social Security No.

STATE OF Texas
COUNTY OF Freestone

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 1st day of September, 1992,
by Dorothy Jane McCallum Ward

Karen R. Trammell
Notary Public, State of Texas
Notary's name (printed): Karen R. Trammell
Notary's commission expires: 12/9/95

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

VOL 1634 PAGE 153

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by
of
a corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

Oil, Gas and Mineral Lease

FROM

TO

, 19

County, Texas

This instrument was filed for record on the , 19 , at
M., and duly recorded in
Page
records of this office.

County Clerk
Deputy

When recorded return to

PAGE PRINTING & STATIONERY COMPANY

ADDENDUM
TO OIL, GAS AND MINERAL LEASE
BETWEEN
DOROTHY JANE McCALLUM WARD
AND
DALE RESOURCES, INC.
DATED September 1, 1992

11. It is expressly agreed and understood that if the provisions of the following paragraphs 12 through 15 conflicts with any provisions of the proceeding 10 paragraphs or create ambiguities when read in conjunction therewith, the provisions of paragraphs 12 through 15 shall control.

12. The primary term of this lease shall be (3) years.

13. Royalties paid under the terms of this lease shall be paid within 120 days of initial production, and within 60 days thereafter, and to be paid by the first purchaser of oil or gas produced here under whenever practical.

14. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure 17% shall be substituted therefor.

15. If at or after the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such lands. Lessee shall, at such time, promptly execute and deliver to Lessor a recordable release in a form acceptable to Lessor as to all such lands not included within such units.

If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

Dorothy Jane McCallum Ward
Dorothy Jane McCallum Ward

EXHIBIT "A"

Property Description of Acreage
Leased For Oil, Gas and Other Minerals
Between Dorothy J. Ward as Lessor and
Dale Resources, Inc. as Lessee
Dated September 1, 1992

Being 193.1 acres of land, more or less, described as "First Tract" and "Second Tract" in that certain deed from A. K. Edwards, et ux, to Arthur I. Edwards, said deed dated September 4, 1947 and recorded in Volume 131, Page 522 of the Official Deed Records of Brazos County, Texas, and being further described as:

FIRST TRACT: One hundred fifty (150) acres, more or less, lying and being situated in Brazos County, Texas, lying on the S.E. and West side of Peach Creek, and being part of the labor patented to Andrew Miller by patent dated January 29, 1852, and conveyed by said Miller to James Webb by deed dated July 30, 1866, and recorded in the Deed Records of Brazos County, Texas, in Vol. G, pages 526-527, reference being here made to said patent and deed for a more accurate description of said land, said tract of land being bounded on the North by the lands of G.W. Price, on the South by other lands of Price and Adam Royder and being the same land deeded to I.E. Player by I. W. Heath and wife by deed recorded in Vol. V, Pages 38, 39, and 40 of the Deed Records of Brazos County, Texas, to which said deeds and their records, reference is hereby made in aid of more particular description.

SAVE AND EXCEPT 10.2 acres of land conveyed by Mrs. M.E. Edwards to the State of Texas by Deed dated May 23, 1931, recorded in Volume 80, page 538 of the Deed Records of Brazos County, Texas.

SECOND TRACT: Lying and being situated in the Jesse Evans Survey in Brazos County, Texas, and being the East one-half (1/2) of a tract of 106-2/3 acres of land deeded by G. W. Price to Henry Ferris on the 17th day of March, 1883. BEGINNING at a stake in the W. line of the Jesse Evans tract a Black Jack 8 in. in dia. brs. N. 15 W 6 vrs. a Post Oak 16 in. in dia., brs. S. 20 E 9 vrs; THENCE N. 670 1/2 vrs. to the S. line of Andrew Miller; THENCE W. 900 vrs. to the N.W. corner of the Andrew Miller labor; THENCE, S. 673 1/3 vrs. to a stake in the E. line of the Raney Survey; THENCE E. 900 vrs. to the PLACE OF BEGINNING. Being the same land deeded to I. E. Player by Henry Ferris, recorded in Vol. 1, pages 343, 344, Deed Records of Brazos County, Texas, both of said tracts of land being the same land conveyed to T. H. Brooks by Steve Brooks by deed dated November 15, 1913, recorded in Vol. 43, Page 1, Brazos County Deed Records.

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

OUND PRINTING & STATIONERY COMPANY
FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

501862

OIL, GAS AND MINERAL LEASE

FILED

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BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS

THIS AGREEMENT made this 6th day of August, between John I. Uhr, individually and as Trustee, and Patricia C. Uhr, wife of John I. Uhr

Lessor (whether one or more), whose address is: 20 Jamaica, Rockport, Texas 78382

and Lometa Petroleum Corporation, 400 Graham, College Station, Texas 77845 Lessee, WITNESSETH:

1. Lessor in consideration of Ten and other valuable consideration Dollars ($ 10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

86 acres, more or less, out of the A. D. Houston Survey, A-133, being the same land described in that certain Deed dated (acknowledged June 21, 1973) from Michael H. Gulley, Emory Bay, and Brooks G. Bradford to John I Uhr, Trustee, recorded in Volume 317, Page 213, Deed Records of Brazos County, Texas.

See Exhibit "A" attached hereto and made a part hereof for additional lease provisions of this lease.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the First National Bank Acct # 120 977 9 Bank at Rockport, Texas or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

Patricia C. Uhr SS[redacted]

John I. Uhr, individually and as Trustee
SS# [redacted]

STATE OF TEXAS
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of August Sept 21, 1992.
by John I. Uhr, individually and as Trustee and Patricia C. Uhr

NELDA W. COLE
NOTARY PUBLIC
State of Texas
Comm. Exp. 03-30-96

Nelda W Cole
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 .
by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 .
by
of
a corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

VOL 1607 PAGE 104

Producers 88 (4-76) Revised Paid Up
With 640 Acres Pooling Provision

No.

Oil, Gas and Mineral Lease

FROM

TO

Dated , 19

No. Acres

Term

This instrument was filed for record on the day of , 19 , at o'clock M., and duly recorded in Vol. , Page , of the records of this office.

County Clerk
By , Deputy

When recorded return to

POUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659-3159

11. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure of 1/6 shall be substituted therefor.

12. Notwithstanding any wording in this lease to the contrary, it is hereby agreed between Lessor and Lessee that this lease covers only oil, gas, and all other hydrocarbons and /or substances, whether elements, mixtures or compounds in liquid, gaseous or vaporous forms or states, which can or may be produced through the bore of a well producing oil or gas.

13. If at or after the end of the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such time, promptly execute and deliver to lessor a recordable release in a form acceptable to Lessor as to all such lands not included within such units. If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

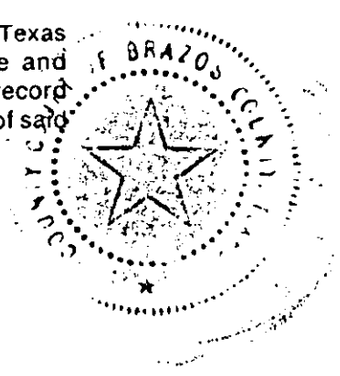
Signed for Identification: John D. Lee

Patricia C. Lee

:E STATE OF TEXAS)
COUNTY OF BRAZOS)

I, Mary Ann Ward, County Clerk of Brazos County, Texas do hereby certify that the foregoing is a true and correct copy of the original as the same appears of record in Vol. 1601, Page 103 in Official Records of said County on file in my office.

ATTEST 1-29-93
Mary Ann Ward, County Clerk
Brazos County, Texas
By Jo Gallon, Deputy



Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

YOUND PRINTING & STATIONERY COMPANY
5 FANNIN HOUSTON, TEXAS 77002 (713) 659-3159

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BRAZOS COUNTY, TEXAS

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 6th day of August, 19 92, between Brooks G. Bradford and wife, Sondra L. Bradford

BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS
BY Jo Miller COUNTY

Lessor (whether one or more), whose address is: #3 Gage Court, Houston, Texas 77024
and Loneta Petroleum Corporation, 400 Graham, College Station, TExas 77845 Lessee, WITNESSETH:

1. Lessor in consideration of Ten and other valuable consideration Dollars ($ 10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

86 acres, more or less, out of the A. D. Houston Survey, A-133, being the same land described in that certain Deed dated (acknowledged June 21, 1973) from Michael H. Gulley, Emory Bay, and Brooks G. Bradford to John I Uhr, Trustee, recorded in Volume 317, Page 213, Deed Records of Brazos County, Texas.

See Exhibit "A" attached hereto and made a part hereof for additional lease provisions of this lease.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the Compass Bank, 9601 Katy Frwy. Bank at Houston, Texas 77024 or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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.

11. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure of 1/6 shall be substituted therefor.

12. Notwithstanding any wording in this lease to the contrary, it is hereby agreed between Lessor and Lessee that this lease covers only oil, gas, and all other hydrocarbons and /or substances, whether elements, mixtures or compounds in liquid, gaseous or vaporous forms or states, which can or may be produced through the bore of a well producing oil or gas.

13. If at or after the end of the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such time, promptly execute and deliver to lessor a recordable release in a form acceptable to Lessor as to all such lands not included within such units. If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

Signed for Identification: [redacted]

"Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

497751

© POUND PRINTING & STATIONERY COMPANY
25 FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

OIL, GAS AND MINERAL LEASE

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Emory Lee Ward CO. CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS

THIS AGREEMENT made this 3rd day of August 1992, between Grace B. Bay, a widow, dealing in her sole and separate property

Lessor (whether one or more), whose address is: P. O. Box 485, Anderson, Texas 77830
and Lometa Petroleum Corporation, 400 Graham, College Station, Texas 77845 hereinafter called Lessee, WITNESSETH:

1. Lessor in consideration of Ten and other valuable consideration Dollars ($ 10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

86 acres, more or less, out of the A. D. Houston Survey, A-133, being the same land described in that certain Deed dated (acknowledged June 21, 1973), from Michael H. Gulley, Emory Bay and Brooks G. Bradford to John I. Uhr, Trustee, recorded in Volume 317, Page 213, Deed Records of Brazos County, Texas.

See Exhibit "A" attached hereto and made part hereof for additional lease provisions of this lease.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the First National Bank at Anderson, Texas or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis – that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

Grace B. Bay SS# [redacted]

Grace B. Bay SS# [redacted]

STATE OF TEXAS
COUNTY OF GRIMES

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 6th day of August, 1992,
by Grace B. Bay

ANITA M. HAMMOND
NOTARY PUBLIC
State of Texas
Comm. Exp. 03-15-93

Anita M. Hammond
Notary Public, State of Texas
Notary's name (printed): Anita M. Hammond
Notary's commission expires: 3-15-93

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by
of
a corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM

TO

Dated _____, 19__

No. Acres _____

_____ County, Texas

Term _____

This instrument was filed for record on the _____ day of _____, 19__, at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office.

_____ County Clerk
By _____, Deputy

When recorded return to

POUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659-3159

11. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure of 1/6 shall be substituted therefor.

12. Notwithstanding any wording in this lease to the contrary, it is hereby agreed between Lessor and Lessee that this lease covers only oil, gas, and all other hydrocarbons and /or substances, whether elements, mixtures or compounds in liquid, gaseous or vaporous forms or states, which can or may be produced through the bore of a well producing oil or gas.

13. If at or after the end of the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such time, promptly execute and deliver to lessor a recordable release in a form acceptable to Lessor as to all such lands not included within such units. If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

Signed for Identification: Grace B. Bay

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

SOUND PRINTING & STATIONERY COMPANY
5 FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

496403

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 22nd day of July 1992, between Lewis Taplin, a widower, dealing in his sole and separate property

92 JUL 27 AM 10:52

COUNTY CLERK

BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS

Teresa Taldonado

Lessor (whether one or more), whose address is: 700 East 23rd Street, Bryan, Texas 77803,
and Lometa Petroleum Corporation, 400 Graham, College Station, Texas 77840, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and other valuable consideration Dollars ($10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

64 acres, more or less, out of the A. D. Houston Survey, A-133, and the T. H. Mays Survey, A-161, and being the same land described in that certain Cash Warranty Deed; dated August 14, 1991, from John Henry Pharms and Unice Jean Pharms to Lewis Taplin, recorded in Volume 1317, Page 278, Deed Records of Brazos County, Texas.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of 5 years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the First National Bank at Bryan, Texas or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

Lewis Taplin SS[redacted]

STATE OF TEXAS
COUNTY OF BRAZOS

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 27th day of July, 19 92.

by Lewis Taplin

SUSAN THOMAS
Notary Public — State of Texas
Commission Expires: 09/09/93

Susan Thomas
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 .

by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 .

by
of
a corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

VOL 1557 PAGE 134

Oil, Gas and Mineral Lease

No.

Dated , 19

Term , 19

No. Acres

This instrument was filed for record on the day of , 19 , at M., and duly recorded in Vol. Page of the records of this office.

County Clerk, County, Texas

By , Deputy

When recorded return to

THE STATE OF TEXAS)
COUNTY OF BRAZOS)

I, Mary Ann Ward, County Clerk of Brazos County, Texas do hereby certify that the foregoing is a true and correct copy of the original as the same appears of record in Vol. 1557, Page 133 in Official Records of said County on file in my office.

WITNESS 1-29-93
Mary Ann Ward, County Clerk
Brazos County, Texas
Jo Gilbert, Deputy

BRAZOS COUNTY, TEX.

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

POUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659-3159

-7-

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

504346

UND PRINTING & STATIONERY COMPANY
FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

FILED
92 OCT 27 AM 11:05
BRAZOS COUNTY COUNTY CLERK
BRYAN, TEXAS
BY

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 24th day of August 1992, between Shields Prescott and wife, Betty Jane Prescott,

Lessor (whether one or more), whose address is: 320 Moore Street, Navasota, Texas 77868,

and Lometa Petroleum Corporation, 400 Graham, College Station, Texas 77845 Lessee, WITNESSETH:

1. Lessor in consideration of Ten and other valuable consideration Dollars ($10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

168.5 acres, more or less, described as First Tract of 52.5 acres, out of the Thomas H. Mays Survey, A-161, and as Second Tract of 116 acres, out of the A. D. Houston Survey, A-133, being the same land described in that certain Deed dated May 5, 1947, from P. P. Prescott to Thomas H. Edwards, Sr., recorded in Volume 130, Page 162, Deed Records of Brazos County, Texas.

See Exhibit "A" attached hereto and made a part hereof for additional lease provisions of this lease.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the Security State Bank at Navasota, Texas or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

Betty Jane Prescott
Betty Jane Prescott SS# [redacted]

Shields Prescott
Shields Prescott SS# [redacted]

STATE OF TEXAS
COUNTY OF Grimes

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 21st day of ~~August~~ October, 1992,
by Betty Jane Prescott and Shields Prescott

BILLY HARPER
Notary Public
STATE OF TEXAS
My Comm. Exp. Nov. 28, 1994

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by
of
a corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM

TO

Dated _____, 19__

No. Acres _____

_____ County, Texas

Term _____

This instrument was filed for record on the _____ day of _____, 19__, at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office.

_____ County Clerk
By _____, Deputy

When recorded return to

POUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659-3159

Exhibit "A"

11. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure of 1/6 shall be substituted therefor.

12. Notwithstanding any wording in this lease to the contrary, it is hereby agreed between Lessor and Lessee that this lease covers only oil, gas, and all other hydrocarbons and /or substances, whether elements, mixtures or compounds in liquid, gaseous or vaporous forms or states, which can or may be produced through the bore of a well producing oil or gas.

13. If at or after the end of the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such time, promptly execute and deliver to lessor a recordable release in a form acceptable to Lessor as to all such lands not included within such units. If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

Signed for Identification: Shirley Prescott

Betty Jane Prescott

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

POUND PRINTING & STATIONERY COMPANY
FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

498917

FILED

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CO. CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS
DEPUTY

OIL, GAS AND MINERAL LEASE.

THIS AGREEMENT made this 24th day of August 1992, between Mildred Prescott Beard, herein leasing her sole and separate property

Lessor (whether one or more), whose address is: Route 3, Box 35, Navasota, Texas 77868

and Lometa Petroleum Corporation, 400 Graham, College Station, Texas 77845 Lessee, WITNESSETH:

1. Lessor in consideration of Ten and other valuable consideration Dollars ($10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

168.5 acres, more or less, described as First Tract of 52.5 acres, out of the Thomas H. Mays Survey, A-161, and as Second Tract of 116 acres, out of the A. D. Houston Survey, A-133, being the same land described in that certain Deed dated May 5, 1947, from P. P. Prescott to Thomas H. Edwards, Sr., recorded in Volume 130, Page 162, Deed Records of Brazos County, Texas.

See Exhibit "A" attached hereto and made a part hereof for additional lease provisions of this lease.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the First National Bank at Navasota, Texas or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

Mildred Prescott Beard [redacted]
Mildred Prescott Beard SS#

STATE OF TEXAS
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 25th day of August, 19 92,
by Mildred Prescott Beard

JOY MARTIN CAMP
NOTARY PUBLIC,
STATE OF TEXAS
Commission Expires 7-31-95

Jay Martin Camp
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by
of
a corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

VOL 1582 PAGE 117

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM

TO

Dated _____, 19 ___

No. Acres _____

Term _____

This instrument was filed for record on the _____ day of _____, 19 ___, at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office.

_____ County Clerk
By _____, Deputy

When recorded return to

POUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659-3199

5. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

David Ewing Prescott

David Ewing Prescott SS[redacted]

ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF GRIMES

This instrument was acknowledged before me on the 25th day of August, 1992,
by David Ewing Prescott

TERESA MORALES
Notary Public
STATE OF TEXAS
My Comm. Exp. 1-18-95

Teresa Morales

Notary Public, State of Texas
Notary's name (printed): TERESA MORALES
Notary's commission expires: 1-18-95

ACKNOWLEDGMENT

COUNTY OF

This instrument was acknowledged before me on the day of , 19 ,
by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

CORPORATE ACKNOWLEDGMENT

STATE OF
COUNTY OF

This instrument was acknowledged before me on the day of , 19 ,
by
of
a corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

VOL 1582 PAGE 120

No. _____

Oil, Gas and Mineral Lease

FROM

TO

Dated _____, 19 ____

No. Acres _____

Term _____

This instrument was filed for record on the _____ day of _____, 19 ____, at _____ o'clock _____ M., and duly recorded in _____ Book _____, Page _____ of the _____ records of this office.

_____ County, Texas

_____ County Clerk

By _____, Deputy

When recorded return to

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

POUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659-3159

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

OUND PRINTING & STATIONERY COMPANY
FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

498918

OIL, GAS AND MINERAL LEASE

FILED
92 AUG 25 PM 2:12
COUNTY CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS
BY
DEPUTY

THIS AGREEMENT made this 25th day of August 19 92, between David Ewing Prescott, herein leasing his sole and separate property

Lessor (whether one or more), whose address is: 200-A, North LaSalle, Navasota, Texas 77868,

and Lometa Petroleum Corporaiton, 400 Graham, College Station, Texas 77845 Lessee, WITNESSETH:

1. Lessor in consideration of Ten and other valuable consideration Dollars ($ 100.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

168.5 acres, more or less, described as First Tract of 52.5 acres, out of the Thomas H. Mays Survey, A-161, and as Second Tract of 116 acres, out of the A. D. Houston Survey, A-133, being the same land described in that certain Deed dated May 5, 1947, from P. P. Prescott to Thomas H. Edwards, Sr., recorded in Volume 130, Page 162, Deed Records of Brazos County, Texas.

See Exhibit "A" attached hereto and made a part hereof for additional lease provisions of this lease.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the Bank of Navasota Bank at Navasota, Texas or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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.

Exhibit "A"

11. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure of 1/6 shall be substituted therefor.

12. Notwithstanding any wording in this lease to the contrary, it is hereby agreed between Lessor and Lessee that this lease covers only oil, gas, and all other hydrocarbons and /or substances, whether elements, mixtures or compounds in liquid, gaseous or vaporous forms or states, which can or may be produced through the bore of a well producing oil or gas.

13. If at or after the end of the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such time, promptly execute and deliver to lessor a recordable release in a form acceptable to Lessor as to all such lands not included within such units. If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

Signed for Identification: Mildred Prescott Beard

Exhibit "A"

11. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure of 1/6 shall be substituted therefor.

12. Notwithstanding any wording in this lease to the contrary, it is hereby agreed between Lessor and Lessee that this lease covers only oil, gas, and all other hydrocarbons and /or substances, whether elements, mixtures or compounds in liquid, gaseous or vaporous forms or states, which can or may be produced through the bore of a well producing oil or gas.

13. If at or after the end of the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such time, promptly execute and deliver to lessor a recordable release in a form acceptable to Lessor as to all such lands not included within such units. If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

Signed for Identification: David Ewing Pearsall

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

SOUND PRINTING & STATIONERY COMPANY
FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

500505

FILED

OIL, GAS AND MINERAL LEASE

92 SEP -9 AM 8:16

THIS AGREEMENT made this 25th day of August 1992, between

Daniel Lee Prescott, herein leasing his sole and separate property

Kay Lou Ward CO. CLERK

BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS

BY Jo Della DEPUTY

Lessor (whether one or more), whose address is: P. O. Box 347, Anderson, Texas 77830

and Lometa Petroleum Corporation, 400 Graham, College Station, Texas 77845 Lessee, WITNESSETH:

1. Lessor in consideration of Ten and other valuable consideration Dollars ($ 10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

168.5 acres, more or less, described as First Tract of 52.5 acres, out of the Thomas H. Mays Survey, A-161, and as Second Tract of 116 acres, out of the A. D. Houston Survey, A-133, being the same land described in that certain Deed dated May 5, 1947, from P. P. Prescott to Thomas H. Edwards, Sr., recorded in Volume 130, Page 162, Deed Records of Brazos County, Texas.

See Exhibit "A" attached hereto and made a part hereof for additional lease provisions of this lease.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the Guaranty Federal Bank F. S. B.

Bank at 600 E. Washington Navasota Tx. 77868 or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

Daniel Lee Prescott

Daniel Lee Prescott SS[redacted]

STATE OF TEXAS
COUNTY OF GRIMES

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 31st day of August, 1992,
by Daniel Lee Prescott.

MARY HELEN STEELE
NOTARY PUBLIC
STATE OF TEXAS
Commission Expires 05-01-93

Mary Helen Steele
Notary Public, State of Texas
Notary's name (printed): MARY HELEN STEELE
Notary's commission expires:

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by
of
a corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

VOL 1594 PAGE 119

Producers 88 (4-76) Revised Paid Up
With 640 Acres Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM

TO

Dated _____, 19 ____

No. Acres _____

_____ County, Texas

Term _____

This instrument was filed for record on the _____ day of _____, 19 ____, at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office.

_____ County Clerk
By _____, Deputy

When recorded return to

POUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659-3159

Exhibit "A"

11. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure of 1/6 shall be substituted therefor.

12. Notwithstanding any wording in this lease to the contrary, it is hereby agreed between Lessor and Lessee that this lease covers only oil, gas, and all other hydrocarbons and /or substances, whether elements, mixtures or compounds in liquid, gaseous or vaporous forms or states, which can or may be produced through the bore of a well producing oil or gas.

13. If at or after the end of the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such time, promptly execute and deliver to lessor a recordable release in a form acceptable to Lessor as to all such lands not included within such units. If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

Signed for Identification: Daniel Lee Pruett

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

SOUND PRINTING & STATIONERY COMPANY
HANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

500506

FILED

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CO. CLERK

BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS

BY [signature] DEPUTY

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 25th day of August 19 92, between Diane Elaine Prescott Cassel, herein leasing her sole and separate property

Lessor (whether one or more), whose address is: 4607 O'Connor Court, Irving, Texas 75062

and Lometa Petroleum Corporation, 400 Graham, College Station, Texas 77845 Lessee, WITNESSETH:

1. Lessor in consideration of Ten and other valuable consideration Dollars ($10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

168.5 acres, more or less, described as First Tract of 52.5 acres, out of the Thomas H. Mays Survey, A-161, and as Second Tract of 116 acres, out of the A. D. Houston Survey, A-133, being the same land described in that certain Deed dated May 5, 1947, from P. P. Prescott to Thomas H. Edwards, Sr., recorded in Volume 130, Page 162, Deed Records of Brazos County, Texas.

See Exhibit "A" attached hereto and made a part hereof for additional lease provisions of this lease.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the First Gibraltar Bank, FSB Bank at Irving, Texas or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

Diane Elaine Prescott Cassel

Diane Elaine Prescott Cassel SS# [redacted]

STATE OF TEXAS
COUNTY OF GRIMES

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 31st day of August, 1992,
by Diane Elaine Prescott Cassel

MARY HELEN STEELE
NOTARY PUBLIC
STATE OF TEXAS
Commission Exp. 05-31-93

Mary Helen Steele
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by
of
a corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

VOL. 453 PAGE 122

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM _____

TO _____

Dated _____, 19__

No. Acres _____

Term _____

This instrument was filed for record on the _____ day of _____, 19__, at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office.

_____ County Clerk
By _____, Deputy

When recorded return to

POUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659-3159

Exhibit "A"

11. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure of 1/6 shall be substituted therefor.

12. Notwithstanding any wording in this lease to the contrary, it is hereby agreed between Lessor and Lessee that this lease covers only oil, gas, and all other hydrocarbons and /or substances, whether elements, mixtures or compounds in liquid, gaseous or vaporous forms or states, which can or may be produced through the bore of a well producing oil or gas.

13. If at or after the end of the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such time, promptly execute and deliver to lessor a recordable release in a form acceptable to Lessor as to all such lands not included within such units. If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

Signed for Identification: Rene Elaine Prescott Cassell

Producers 88 (4/76) Revised Paid Up
With 640 Acre Pooling Provision

FOUND PRINTING & STATIONERY COMPANY
5 FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

496430

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 18th day of July 92 JUL 27 1992, between Louise Weddington Porter, a widow, dealing in her sole and separate property

BRAZOS COUNTY

Lessor (whether one or more), whose address is: 804 Lee Hollow, Bryan, Texas 77801

and Lometa Petroleum Corporation, 400 Graham, College Station, Texas 77845, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and other valuable consideration Dollars ($ 10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

314 acres, more or less, out of the J. M. Barrera Survey, A-68, and being the same 344 acres described in that certain Warranty Deed, dated December 12, 1940, from O. W. Goolsbee to John H. Binney, recorded in Volume 105, Page 295, Deed Records of Brazos County, Texas, LESS AND EXCEPT, 30 acres, more or less, and being the same land described in that certain Mineral Deed, dated July 11, 1952, from O. W. Goolsbee to Glenn E. Edling, recorded in Volume 155, Page 200, Deed Records, Brazos County, Texas.

See Exhibit "A" attached hereto and made part hereof for additional lease provisions of this lease.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of 30 months from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the First City Bank at Bryan, Texas or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis – that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

Louise Weddington Porter

Louise Weddington Porter SS# [redacted]

STATE OF TEXAS
COUNTY OF BRAZOS

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 20 day of July, 1992,
by Louise Weddington Porter

BRENDA LEA VICKERY
Notary Public, State of Texas
My Commission Expires
OCT 7, 1995

Brenda Lea Vickery
Notary Public, State of Texas
Notary's name (printed): Brenda Lea Vickery
Notary's commission expires: Oct. 7, 1995

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by
of
a corporation, on behalf of said corporation.

VOL 1557 PAGE 203

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

Producers 88 (4-76) Revised Paid Up
With 640 Acres Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM

TO

Dated _____, 19 ___

No. Acres _____

_____ County, Texas

Term _____

This instrument was filed for record on the _____ day of _____, 19 ___, at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office

_____ County Clerk
By _____, Deputy

When recorded return to

POUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659-3159

Exhibit "A"

11. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure 1/6 shall be substituted thereof.

12. It is expressly understood and agreed that this lease covers oil and gas only along with the products and by products thereof, including uranium, thorium and other fissionable materials, iron ore, copper, coal or any minerals of any type, it being understood this lease shall is made for oil and gas purposes only.

13. Except taxes attributable thereto, Lessor's royalty shall never bear, either directly or indirectly, any costs whatsoever, including but not limited to, costs and expenses of production, gathering, dehydration, transportation, from the leased premises, nor any cost of construction, operations, or depreciation of any plant or any other facilities or equipment for processing oil or gas products produced from the leased premises.

14. It is understood and agreed, notwithstanding anything to the contrary herein, that with ninety (90) days after this lease has expired or any portion thereof have been forfeited, Lessee shall furnish Lessors, their heirs or assigns with a recordable release of this lease or such portions which have been forfeited by Lessee under the terms of this lease agreement.

15. All royalties that may become due hereunder shall be paid to Lessor by mailing a check to each of the Lessors promptly after the sale of such production and not later then ninety (90) days following the month of sale or use thereof.

16. In the event Lessee elects to plug and abandon any well drilled on this lease, Lessee shall first make a good faith effort to notify the Lessor fifteen (15) days prior to such intended plugging of a well, except if drilling rig is on location, personally or by telephone, of such election; and agree to plug and abandon such well is accordance with the rules and regulations provided by any state regulatory agency and the Railroad Commission of Texas.

17. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option my discharge any, tax, mortgage or other lien upon said land, either in whole or in part, and in the event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply rentals and royalties accuring hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, delay rental, and other monies accuring from any part as to which this lease covers less that 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. Failure of Lessee to reduce rental paid hereunder shall not impair the right of Lessee to reduce royalties.

18. If at or after the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to for a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such lands. Lessee shall, at such time promptly execute and deliver to Lessor a recordable release in form acceptable to Lessor as to all such lands not included within such units. If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

Signed for Identification: Louise A. Wedding Porter

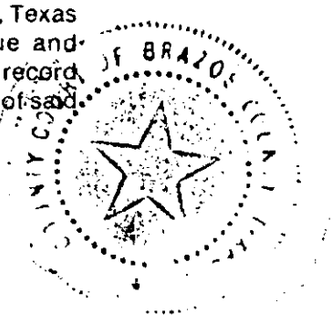
E STATE OF TEXAS)
COUNTY OF BRAZOS)

I, Mary Ann Ward, County Clerk of Brazos County, Texas do hereby certify that the foregoing is a true and correct copy of the original as the same appears of record in Vol. 1557, Page 205 in Official Records of said County on file in my office.

ATTEST 1-29-93

Mary Ann Ward, County Clerk
Brazos County, Texas

Jo Gillon, Deputy



496431

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 18th day of July 92 JUL 27 1992 1:07 between

Ruth Weddington Peattie, a widow, dealing in her sole and separate property

BRAZOS COUNTY COURTHOUSE

Lessor (whether one or more), whose address is: 712 Chevy Chase, Bryan, Texas 77801

and Lometa Petroleum Corporation, 400 Graham, College Station, Texas 77845, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and other valuable consideration Dollars ($ 10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

314 acres, more or less, out of the J. M. Barrera Survey, A-68, and being the same 344 acres described in that certain Warranty Deed, dated December 12, 1940, from O. W. Goolsbee to John H. Binney, recorded in Volume 105, Page 295, Deed Records of Brazos County, Texas, LESS AND EXCEPT, 30 acres, more or less, and being the same land described in that certain Mineral Deed, dated July 11, 1952, from O. W. Goolsbee to Glenn E. Edling, recorded in Volume 155, Page 200, Deed Records of Brazos County, Texas.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of 30 months from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the First City Bank at Bryan, Texas or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

Ruth Weddington Peattie

Ruth Weddington Peattie SS# [redacted]

STATE OF TEXAS
COUNTY OF BRAZOS

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 20 day of July, 1992

by Ruth Weddington Peattie

BRENDA LEA VICKERY
Notary Public, State of Texas
My Commission Expires
OCT 7, 1995

Brenda Lea Vickery

Notary Public, State of Texas
Notary's name (printed): Brenda Lea Vickery
Notary's commission expires: Oct. 7, 1995

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19

by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19

by

of

a corporation, on behalf of said corporation.

VOL 1757 PAGE 219

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM _____

TO _____

Dated _____, 19__

No. Acres _____

_____ County, Texas

Term _____

This instrument was filed for record on the _____ day of _____, 19__, at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office.

_____ County Clerk
By _____, Deputy

When recorded return to

POUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659 3159

Exhibit "A"

11. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure 1/6 shall be substituted thereof.

12. It is expressly understood and agreed that this lease covers oil and gas only along with the products and by products thereof, including uranium, thorium and other fissionable materials, iron ore, copper, coal or any minerals of any type, it being understood this lease shall is made for oil and gas purposes only.

13. Except taxes attributable thereto, Lessor's royalty shall never bear, either directly or indirectly, any costs whatsoever, including but not limited to, costs and expenses of production, gathering, dehydration, transportation, from the leased premises, nor any cost of construction, operations, or depreciation of any plant or any other facilities or equipment for processing oil or gas products produced from the leased premises.

14. It is understood and agreed, notwithstanding anything to the contrary herein, that with ninety (90) days after this lease has expired or any portion thereof have been forfeited, Lessee shall furnish Lessors, their heirs or assigns with a recordable release of this lease or such portions which have been forfeited by Lessee under the terms of this lease agreement.

15. All royalties that may become due hereunder shall be paid to Lessor by mailing a check to each of the Lessors promptly after the sale of such production and not later then ninety (90) days following the month of sale or use thereof.

16. In the event Lessee elects to plug and abandon any well drilled on this lease, Lessee shall first make a good faith effort to notify the Lessor fifteen (15) days prior to such intended plugging of a well, except if drilling rig is on location, personally or by telephone, of such election; and agree to plug and abandon such well is accordance with the rules and regulations provided by any state regulatory agency and the Railroad Commission of Texas.

17. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option my discharge any, tax, mortgage or other lien upon said land, either in whole or in part, and in the event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply rentals and royalties accuring hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, delay rental, and other monies accuring from any part as to which this lease covers less that 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. Failure of Lessee to reduce rental paid hereunder shall not impair the right of Lessee to reduce royalties.

18. If at or after the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to for a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such lands. Lessee shall, at such time promptly execute and deliver to Lessor a recordable release in form acceptable to Lessor as to all such lands not included within such units. If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

Signed for Identification: Ruth Weddington for Pratt

Producers 88 (4-76) Revised Paid Up
With 640 Acres Pooling Provision

POUND PRINTING & STATIONERY COMPANY
3 FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

497747

FILED

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 18th day of July 92 AUG 11 PM 1:17 19 92, between

Betty Jeanne Greer, a single woman, dealing in her sole and separate property

Deputy Clerk CO. CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS
Karen McLean DEPUTY

Lessor (whether one or more), whose address is: 830 St. Clair B, Grosse Point, ~~Michigan~~ 48230, and Lometa Petroleum Corporation, 400 Graham, College Station, Texas 77845 Lessee, WITNESSETH:

1. Lessor in consideration of Ten and other valuable consideration Dollars ($ 10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

314 acres, more or less, out of the J. M. Barrera Survey, A-68, and being the same 344 acres described in that certain Warranty Deed, dated December 12, 1940, from O. W. Goolsbee, to John H. Binney, recorded in Volume 105, Page 295, Deed Records of Brazos County, Texas, LESS AND EXCEPT, 30 acres, more or less, and being the same land described in that certain Mineral Deed, dated July 11, 1962, from O. W. Goolsbee to Glenn E. Edling, recorded in Volume 155, Page 200, Deed Records of Brazos County, Texas.

See Exhibit "A" attached hereto and made part hereof for additional lease provisions of this lease.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of 30 months ~~years~~ from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the Standard Federal Bank at St. Clair Shores, Michigan or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

Richard Gowran
Richard Gowran

Laura Turkaly
Laura Turkaly

Betty Jeanne Greer
Betty Jeanne Greer SS# [redacted]

STATE OF MICHIGAN
COUNTY OF MACOMB

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 24th day of July, 19 92,
by Betty Jeanne Greer

ROBERT C. EAVES
NOTARY PUBLIC

Robert C Eaves
Notary Public, State of Texas
Notary's name (printed): Robert C. Eaves
Notary's commission expires: 4-10-93

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by
of
a corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

Producers 88 (4-76) Revised Paid Up
With 640 Acres Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM

TO

Dated _____, 19 ____

Acres _____

_____ County, Texas

Term _____

This instrument was filed for record on the _____ day of _____, 19 ____, at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office.

_____ County Clerk
By _____, Deputy

When recorded return to

POUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659 3159

11. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure 1/6 shall be substituted thereof.

12. It is expressly understood and agreed that this lease covers oil and gas only along with the products and by products thereof, including uranium, thorium and other fissionable materials, iron ore, copper, coal or any minerals of any type, it being understood this lease shall is made for oil and gas purposes only.

13. Except taxes attributable thereto, Lessor's royalty shall never bear, either directly or indirectly, any costs whatsoever, including but not limited to, costs and expenses of production, gathering, dehydration, transportation, from the leased premises, nor any cost of construction, operations, or depreciation of any plant or any other facilities or equipment for processing oil or gas products produced from the leased premises.

14. It is understood and agreed, notwithstanding anything to the contrary herein, that with ninety (90) days after this lease has expired or any portion thereof have been forfeited, Lessee shall furnish Lessors, their heirs or assigns with a recordable release of this lease or such portions which have been forfeited by Lessee under the terms of this lease agreement.

15. All royalties that may become due hereunder shall be paid to Lessor by mailing a check to each of the Lessors promptly after the sale of such production and not later then ninety (90) days following the month of sale or use thereof.

16. In the event Lessee elects to plug and abandon any well drilled on this lease, Lessee shall first make a good faith effort to notify the Lessor fifteen (15) days prior to such intended plugging of a well, except if drilling rig is on location, personally or by telephone, of such election; and agree to plug and abandon such well is accordance with the rules and regulations provided by any state regulatory agency and the Railroad Commission of Texas.

17. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option my discharge any, tax, mortgage or other lien upon said land, either in whole or in part, and in the event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply rentals and royalties accuring hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, delay rental, and other monies accuring from any part as to which this lease covers less that 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. Failure of Lessee to reduce rental paid hereunder shall not impair the right of Lessee to reduce royalties.

18. If at or after the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to for a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such lands. Lessee shall, at such time promptly execute and deliver to Lessor a recordable release in form acceptable to Lessor as to all such lands not included within such units. If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

Signed for Identification: Betty Jeanne Hess

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

497750

© POUND PRINTING & STATIONERY COMPANY
2325 FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

FILED

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 28th day of July 92 AUG 11 PM 1:19 92, between
William David Smith, Trustee of the Smith Family Mineral Trust

Mary Lou Ward, CO. CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS

Lessor (whether one or more), whose address is: Route 8, Box 175, Texarkana, Arkansas 75502
and Lometa Petroleum Corporation, 400 Graham, College Station, Texas 77845 Lessee, WITNESSETH:

1. Lessor in consideration of Ten and other valuable consideration Dollars
($ 10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

30 acres, more or less, out of the J. M. Barrera Survey, A-68, and being the same land described in that certain Deed dated January 27, 1981, from Robert F. Smith and wife, Beatrice Smith to William David Smith, Trustee of the Smith Family Mineral Trust, recorded in Volume 472, Page 706, Deed Records of Brazos County, Texas.

See Exhibit "A" attached hereto and made a part hereof for additional lease provisions of this lease.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the State First National Bank at Texarkana, Arkansas or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis – that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

William David Smith, trustee of the Smith Family Mineral Trust

William David Smith, Trustee of the Smith Family Mineral Trust SS# [redacted]

ACKNOWLEDGMENT

STATE OF ARKANSAS
COUNTY OF MILLER

This instrument was acknowledged before me on the 31st day of July, 1992,
by William David Smith, Trustee of the Smith Family Mineral Trust

Carol Ann Sanderson
Notary Public, State of ~~Texas~~ Arkansas
Notary's name (printed): Carol Ann Sanderson
Notary's commission expires: My Commission Expires June 15, 1994

ACKNOWLEDGMENT

STATE OF
COUNTY OF

This instrument was acknowledged before me on the day of , 19 ,
by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

CORPORATE ACKNOWLEDGMENT

STATE OF
COUNTY OF

This instrument was acknowledged before me on the day of , 19 ,
by
of
a corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

Producers 88 (4-76) Revised Paid Up
With 640 Acres Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM

TO

_____, 19____

_____ res _____

Term _____ County, Texas

This instrument was filed for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office.

_____ County Clerk
By _____, Deputy

When recorded return to

POUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659-3159

11. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure of 1/6 shall be substituted therefor.

12. Notwithstanding any wording in this lease to the contrary, it is hereby agreed between Lessor and Lessee that this lease covers only oil, gas, and all other hydrocarbons and /or substances, whether elements, mixtures or compounds in liquid, gaseous or vaporous forms or states, which can or may be produced through the bore of a well producing oil or gas.

13. If at or after the end of the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such time, promptly execute and deliver to lessor a recordable release in a form acceptable to Lessor as to all such lands not included within such units. If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

Signed for Identification: William David Smith, trustee

E STATE OF TEXAS)
COUNTY OF BRAZOS)

I, Mary Ann Ward, County Clerk of Brazos County, Texas do hereby certify that the foregoing is a true and correct copy of the original as the same appears of record in Vol. 1571, Page 53 in Official Records of said County on file in my office.

ATTEST 1-29-97

Mary Ann Ward, County Clerk
Brazos County, Texas

_____, Deputy

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

UND PRINTING & STATIONERY COMPANY
FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

508548

OIL, GAS AND MINERAL LEASE

FILED

THIS AGREEMENT made this 2nd day of November 1992, between Thousand Oaks Development Company Joint Venture

92 DEC 22 AM 9:16

Mary Lou Ward, CO. CLERK

BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS

Lessor (whether one or more), whose address is: 5300 Memorial Drive, Suite 800, Houston, Texas 77007 and Dale Resources, Inc., 400 North Saint Paul Street, Dallas, Texas 75201, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and other valuable consideration Dollars ($ 10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

26.76 acres, more or less, out of the J. M. Barrera Survey, A-68, and being the same 30 acres described in that certain Deed dated January 10, 1956, from Robert F. Smith and wife, Beatrice Smith to Reed E. Greenwood, recorded in Volume 172, Page 313, LESS AND EXCEPT, 3.24 acres, more or less, out of the J. M. Barrera Survey, A-68, and being the same land described in that certain Deed dated July 9, 1990, from Brazos Coal, Limited to Crystal Chen Wiseman 90 Trust and Christina Chen Wiseman 90 Trust, recorded in Volume 1197, Page 657, Deed Records of Brazos County, Texas, leaving 26.76 acres, more or less.

See Exhibit "A" attached hereto and made a part hereof for additional lease provisions of this lease.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the First Interstate Bank of Texas Bank at Houston, Texas or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

Tax I. D. No.

Thousand Oaks Development Company Joint Ventur
By Thousand Oaks Development Corp.
Managing Partner
By: E. Lynn Hill
E. Lynn Hill
Vice President & Treasurer

STATE OF TEXAS
COUNTY OF HARRIS

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of November, 19 92,
by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF TEXAS
COUNTY OF HARRIS

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the 9th day of November, 19 92,
by E. Lynn Hill, Vice President & Treasurer
of Thousand Oaks Development Company Joint Venture by Thousand Oaks Development Corp, Managing Partner
~~corporation~~, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

SHARON A. DIVIN
NOTARY PUBLIC
State of Texas
Comm. Exp. 10-03-95

Producers 88 (4-76) Revised Paid Up
W 640 Acres Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM

TO

Dated _____, 19__

No. Acres _____ County, Texas

Term _____

This instrument was filed for record on the _____ day of _____, 19__, at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office.

County Clerk, _____ County

By _____, Deputy

When recorded return to

POLUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659-3159

ADDENDUM TO OIL AND GAS LEASE

Attached to and made a part of that certain Oil, Gas and Mineral Lease dated November 2, 1992, by and between Dale Resources, Inc. as Lessor and Thousand Oaks Development Company Joint Venture as Lessee.

11. Notwithstanding anything contained to the contrary in the foregoing Oil, Gas and Mineral Lease, it is understood and agreed that the following terms and provisions shall be incorporated into and shall become a part of said Oil, Gas and Mineral Lease, and if the terms and provisions of this Addendum are in conflict with the terms and provisions of the foregoing Oil, Gas and Mineral Lease, then the terms and provisions of this Addendum shall control and take precedence.

12. At the expiration of the primary term hereof, this lease shall terminate as to all acreage not included within a producing unit and shall further terminate as to all depths 100 feet below the deepest depths drilled.

13. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize for oil and/or gas, then Lessee must unitize the entirety of the herein leased tracts.

14. Lessee agrees to furnish Lessor with a notice, (including a plat and all pooling information) of the designated pooled unit simultaneously with filing of the pooled unit.

15. In no event shall a pooled unit contain more than 640 acres.

16. In the event a well or wells producing minerals is brought in on adjoining acreage within four hundred sixty-seven (467) feet of the lease boundary or is otherwise draining the leased premises, Lessee, upon obtaining any knowledge of such well, agrees to immediately notify Lessor in writing of such producing well and shall provide Lessor with all pertinent data at Lessee's disposal with respect to such well. Within one hundred and twenty (120) days of receipt by Lessee of a written request by Lessor, Lessee shall i) commence drilling operations of a well on the leased premises and drill such well to at least the depth from which the offset well is producing, or ii) immediately execute and deliver to Lessee a release of this lease in recordable form, except as to any acreage then held by production.

17. This lease covers and includes only oil, gas and associated minerals (including sulfur) produced with the hydrocarbon stream.

18. While there is a gas well capable of producing commercial quantities on the leased premises, or on acreage pooled therewith, but gas is not being sold and royalties paid to Lessor, Lessee shall pay or tender as royalty on or before ninety (90) days of the date on which i) said well is shut-in, or ii) the land covered hereby on any portion thereof is included in a pooled unit on which a paying well is located and shut-in, a shut-in gas payment of $1,000.00 and thereafter at semi-annual intervals on or before each six months after the date of the previous payment a sum equal to $1,000.00. If such payment is made or tendered, this lease shall not terminate and it will be considered that gas is being produced from this lease in paying quantities; provided, however, such payments shall not operate to maintain this lease in force and effect for a period in excess of two (2) consecutive years, or for shorter terms at various intervals not to exceed, in the aggregate, two (2) years in all. The payment of shut-in royalty shall not be further proportionately reduced.

19. All royalty payments for oil or gas actually produced, sold or used off the premises, or land pooled therewith, shall be promptly paid in a diligent manner within ninety (90) days on the initial production and sixty (60) days for production thereafter from the last day of the calendar month in which the proceeds from the sale of production of oil and/or gas prodeced from the lease premises or lands pooled therewith. Lessee agrees that it will use its best efforts to make immediate and prompt payment of such proceeds.

20. Lessee shall be responsible for and pay for all damages caused by Lessee's opertions hereunder to any crops, grass, livestock, water wells, and improvements on said land, whether due to negligence or not, including damages to the top soil and surface of the land, and including any damage done by pipelines or gathering systems and whether or not owned or operzted by Lessor.

21. Lessee contracts and agrees to promptly furnish Lessor, upon written request, true and correct copies of all tests and surveys conducted on the leased premises or on acreage pooled therewith not including, but limited to, all seismic surveys, drill stem tests, bottom hole pressure tests, production tests, electrical well log surveys, core analyses, and all other written matter of a non-interpretive nature of every kind and character prepared or obtained by Lessee in connection with the drilling; testing, completing, reworking or plugging of all wells drilled on the lease premises or on acreage pooled therewith or with the surveying of such lands. Lessee will furnish Lessor with copies of any regulatory agency filings requested by Lessor. Lessor shall keep confidential all such information that Lessee furnishes until such time as Lessee has released said information to others, said information has become public, or this lease has expired. Lessor shall have access to any drilling location at any time on lands covered by this lease or on lands intended to be pooled with this lease.

22. No gas or by-product shall be sold to an affiliate of Lessee without prior written consent of Lessor. The term "affiliate of Lessee", as used herein, shall mean and include any person, firm or corporation that at the time in question is a subsidiary, sister or parent company of Lessee, or in which Lessee or any subsidiary, sister or parent company or Lessee owns as much as ten percent (10%) of any class of the capital stock.

23. Lessee shall have the right, within ninety (90) days after the expiration of this lease, to remove all property and fixtures, placed by Lessee on the leased premises, including the right to draw and remove casing if the same can be done without damaging Lessor's subsurface fresh waters or causing any depletion of Lessor's subsurface fresh water. Any of Lessee's property not removed within said ninety (90) day period may, at Lessor's option, be treated by Lessor as its property and it shall become Lessor's property, or Lessor may have said property removed and the land restored to its original condition at Lessee's expense.

24. Lessee shall immediately provide Lessor with a copy of any abstract obtained for use on any of the leased premises, provided, however, that Lessee shall not be in any manner whatsoever responsible or liable for the contents thereof. Lessee shall also immediately provide Lessor with a copy of any Title Opinion or supplement thereto which it obtains affecting the leased premises.

25. The lease shll not be assigned by Lessee to any other party or parties save and except Dale's Working Interest Owners, without Lessor's express written consent, which shall not be unreasonably withheld.

26. Notwithstanding anything contained herein to the contrary, all royalties as provided for in this lease shall be 1/5 (one-fifth).

27. Notwithstanding anything contained herein to the contrary, this lease is executed by Lessor without warranty of any kind, either express or implied.

28. The surface of this tract may not be used for any reason without Lessor's express written consent.

Signed for Identification: Thousand Oaks Development Company Joint Venture

By: _____

E STATE OF TEXAS)
COUNTY OF BRAZOS)

I, Mary Ann Ward, County Clerk of Brazos County, Texas do hereby certify that the foregoing is a true and correct copy of the original as the same appears of record in Vol. 1675, Page 306 in Official Records of said County on file in my office.

ATTEST 1-29-93

Mary Ann Ward, County Clerk
Brazos County, Texas

_____, Deputy

COUNTY CLERK OF BRAZOS COUNTY, TEXAS

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

'UND PRINTING & STATIONERY COMPANY
FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

508546

FILED

92 DEC 22 AM 9:16

Mary Lou Ward CO. CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS
BY Jo Gillar DEPUTY

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 2nd day of November 19 92, between Brazos Coal, Limited

Lessor (whether one or more), whose address is: 5300 Memorial Drive, Suite 800, Houston, Texas 77007, and Dale Resources, Inc., 400 North Saint Paul Street, Dallas, Texas 75201, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and other valuable consideration Dollars ($ 10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

3.24 acres, more or less, out of the J. M. Barrera Survey, A-68, and being the same land described in that certain Deed dated July 9, 1990, from Brazos Coal, Limited to Crystal Chen Wiseman 90 Trust and Christina Chen Wiseman 90 Trust, recorded in Volume 1197, Page 657, Deed Records of Brazos County, Texas.

See Exhibit "A" attached hereto and made a part hereof for additional lease provisions of this lease.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the First Interstate Bank of Texas Bank at Houston, Texas or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis – that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

Tax I. D. No.

Brazos Coal, Limited, a Texas general partnership by Global Natural Resources Corporation of Nevada, its Managing General Partner

By: Kelly M. Barnes, Attorney-in-Fact

STATE OF TEXAS
COUNTY OF HARRIS

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 9th day of November, 19 92, by Kelly M. Barnes

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 , by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF TEXAS
COUNTY OF HARRIS

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the 9th day of November, 19 92, by Kelly M. Barnes, Attorney-in-Fact of Brazos Coal, Limited, a Texas general partnership by Global Natural Resources Corporation of Nevada, its Managing General Partner, a TX general partnership, on behalf of said corporation.

SHARON A. DIVIN
NOTARY PUBLIC
State of Texas
Comm. Exp. 10-03-95

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

No.

Oil, Gas and Mineral Lease

FROM

TO

Dated , 19

Acres

Term

This instrument was filed for record on the day of , 19 , at o'clock M., and duly recorded in , Page , of the records of this office.

County Clerk, County, Texas

By , Deputy

When recorded return to

POUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659-3159

ADDENDUM TO OIL AND GAS LEASE

Attached to and made a part of that certain Oil, Gas and Mineral Lease dated November 2, 1992, by and between Dale Resources, Inc. as Lessor and Brazos Coal Limited as Lessee.

11. Notwithstanding anything contained to the contrary in the foregoing Oil, Gas and Mineral Lease, it is understood and agreed that the following terms and provisions shall be incorporated into and shall become a part of said Oil, Gas and Mineral Lease, and if the terms and provisions of this Addendum are in conflict with the terms and provisions of the foregoing Oil, Gas and Mineral Lease, then the terms and provisions of this Addendum shall control and take precedence.

12. At the expiration of the primary term hereof, this lease shall terminate as to all acreage not included within a producing unit and shall further terminate as to all depths 100 feet below the deepest depths drilled.

13. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize for oil and/or gas, then Lessee must unitize the entirety of the herein leased tracts.

14. Lessee agrees to furnish Lessor with a notice, (including a plat and all pooling information) of the designated pooled unit simultaneously with filing of the pooled unit.

15. In no event shall a pooled unit contain more than 640 acres.

16. In the event a well or wells producing minerals is brought in on adjoining acreage within four hundred sixty-seven (467) feet of the lease boundary or is otherwise draining the leased premises, Lessee, upon obtaining any knowledge of such well, agrees to immediately notify Lessor in writing of such producing well and shall provide Lessor with all pertinent data at Lessee's disposal with respect to such well. Within one hundred and twenty (120) days of receipt by Lessee of a written request by Lessor, Lessee shall i) commence drilling operations of a well on the leased premises and drill such well to at least the depth from which the offset well is producing, or ii) immediately execute and deliver to Lessee a release of this lease in recordable form, except as to any acreage then held by production.

17. This lease covers and includes only oil, gas and associated minerals (including sulfur) produced with the hydrocarbon stream.

18. While there is a gas well capable of producing commercial quantities on the leased premises, or on acreage pooled therewith, but gas is not being sold and royalties paid to Lessor, Lessee shall pay or tender as royalty on or before ninety (90) days of the date on which i) said well is shut-in, or ii) the land covered hereby on any portion thereof is included in a pooled unit on which a paying well is located and shut-in, a shut-in gas payment of $1,000.00 and thereafter at semi-annual intervals on or before each six months after the date of the previous payment a sum equal to $1,000.00. If such payment is made or tendered, this lease shall not terminate and it will be considered that gas is being produced from this lease in paying quantities; provided, however, such payments shall not operate to maintain this lease in force and effect for a period in excess of two (2) consecutive years, or for shorter terms at various intervals not to exceed, in the aggregate, two (2) years in all. The payment of shut-in royalty shall not be further proportionately reduced.

19. All royalty payments for oil or gas actually produced, sold or used off the premises, or land pooled therewith, shall be promptly paid in a diligent manner within ninety (90) days on the initial production and sixty (60) days for production thereafter from the last day of the calendar month in which the proceeds from the sale of production of oil and/or gas prodeced from the lease premises or lands pooled therewith. Lessee agrees that it will use its best efforts to make immediate and prompt payment of such proceeds.

20. Lessee shall be responsible for and pay for all damages caused by Lessee's opertions hereunder to any crops, grass, livestock, water wells, and improvements on said land, whether due to negligence or not, including damages to the top soil and surface of the land, and including any damage done by pipelines or gathering systems and whether or not owned or operzted by Lessor.

21. Lessee contracts and agrees to promptly furnish Lessor, upon written request, true and correct copies of all tests and surveys conducted on the leased premises or on acreage pooled therewith not including, but limited to, all seismic surveys, drill stem tests, bottom hole pressure tests, production tests, electrical well log surveys, core analyses, and all other written matter of a non-interpretive nature of every kind and character prepared or obtained by Lessee in connection with the drilling; testing, completing, reworking or plugging of all wells drilled on the lease premises or on acreage pooled therewith or with the surveying of such lands. Lessee will furnish Lessor with copies of any regulatory agency filings requested by Lessor. Lessor shall keep confidential all such information that Lessee furnishes until such time as Lessee has released said information to others, said information has become public, or this lease has expired. Lessor shall have access to any drilling location at any time on lands covered by this lease or on lands intended to be pooled with this lease.

22. No gas or by-product shall be sold to an affiliate of Lessee without prior written consent of Lessor. The term "affiliate of Lessee", as used herein, shall mean and include any person, firm or corporation that at the time in question is a subsidiary, sister or parent company of Lessee, or in which Lessee or any subsidiary, sister or parent company or Lessee owns as much as ten percent (10%) of any class of the capital stock.

23. Lessee shall have the right, within ninety (90) days after the expiration of this lease, to remove all property and fixtures, placed by Lessee on the leased premises, including the right to draw and remove casing if the same can be done without damaging Lessor's subsurface fresh waters or causing any depletion of Lessor's subsurface fresh water. Any of Lessee's property not removed within said ninety (90) day period may, at Lessor's option, be treated by Lessor as its property and it shall become Lessor's property, or Lessor may have said property removed and the land restored to its original condition at Lessee's expense.

24. Lessee shall immediately provide Lessor with a copy of any abstract obtained for use on any of the leased premises, provided, however, that Lessee shall not be in any manner whatsoever responsible or liable for the contents thereof. Lessee shali also immediately provide Lessor with a copy of any Title Opinion or supplement thereto which it obtains affecting the leased premises.

25. The lease shll not be assigned by Lessee to any other party or parties save and except Dale's Working Interest Owners, without Lessor's express written consent, which shall not be unreasonably withheld.

26. Notwithstanding anything contained herein to the contrary, all royalties as provided for in this lease shall be 1/5 (one-fifth).

27. Notwithstanding anything contained herein to the contrary, this lease is executed by Lessor without warranty of any kind, either express or implied.

28. The surface of this tract may not be used for any reason without Lessor's express written consent.

Signed for Identification: Brazos Coal Limited

By: _____

E STATE OF TEXAS)
COUNTY OF BRAZOS)

I, Mary Ann Ward, County Clerk of Brazos County, Texas do hereby certify that the foregoing is a true and correct copy of the original as the same appears of record in Vol. 1675, Page ___, in Official Records of said County on file in my office.

ATTEST 1-29-93

Mary Ann Ward, County Clerk
Brazos County, Texas

By Jo Ellen Mau, Deputy

COUNTY COURT OF BRAZOS COUNTY

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

497748

POUND PRINTING & STATIONERY COMPANY
325 FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

FILED

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 18th day of July 92 AUG 11 PM 1:18 19 92, between
James Edward Greer, Jr., dealing in his sole and separate property

Mary Lund Edwards CO. CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS

Lessor (whether one or more), whose address is: 50357 Vinecrest Lane, New Baltimore, Michigan 48047,
and Lometa Petroleum Corporation, 400 Graham, College Station, Texas 77845, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and other valuable consideration Dollars
($10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

314 acres, more or less, out of the J. M. Barrera Survey, A-68, and being the same 344 acres described in that certain Warranty Deed, dated December 12, 1940, from O. W. Goolsbee to John H. Binney, recorded in Volume 105, Page 295, Deed Records of Brazos County, Texas, LESS AND EXCEPT, 30 acres, more or less, and being the same land described in that certain Mineral Deed, dated July 11, 1962, from O. W. Goolsbee to Glenn E. Edling, recorded in Volume 155, Page 200, Deed Records of Brazos County, Texas.

See Exhibit "A" attached hereto and made part hereof for additional lease provisions of this lease.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of 30 months from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the Unity Credit Union / First Federal Savings Bank at New Baltimore, Warren, Michigan or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

Betty J. Greer

Mary A. Finton

James Edward Greer, Jr.

James Edward Greer, Jr. SS [redacted]

STATE OF MICHIGAN
COUNTY OF MACOMB

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 24th day of July, 1992.

by James Edward Greer, Jr.

Betty J. Greer
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

BETTY J. GREER
Notary Public, Wayne County, Michigan
Acting in Macomb County
My Commission Expire July 23, 1994

STATE OF Michigan
COUNTY OF Macomb

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 .

by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 .

by
of
a corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM

TO

Dated _____, 19 ___

No. Acres _____

_____ County, Texas

Term _____

Instrument was filed for record on the _____ day of _____, 19 ___, at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office

_____ County Clerk
By _____, Deputy

When recorded return to

PIONEER PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659-3159

Exhibit "A"

11. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure 1/6 shall be substituted thereof.

12. It is expressly understood and agreed that this lease covers oil and gas only along with the products and by products thereof, including uranium, thorium and other fissionable materials, iron ore, copper, coal or any minerals of any type, it being understood this lease shall is made for oil and gas purposes only.

13. Except taxes attributable thereto, Lessor's royalty shall never bear, either directly or indirectly, any costs whatsoever, including but not limited to, costs and expenses of production, gathering, dehydration, transportation, from the leased premises, nor any cost of construction, operations, or depreciation of any plant or any other facilities or equipment for processing oil or gas products produced from the leased premises.

14. It is understood and agreed, notwithstanding anything to the contrary herein, that with ninety (90) days after this lease has expired or any portion thereof have been forfeited, Lessee shall furnish Lessors, their heirs or assigns with a recordable release of this lease or such portions which have been forfeited by Lessee under the terms of this lease agreement.

15. All royalties that may become due hereunder shall be paid to Lessor by mailing a check to each of the Lessors promptly after the sale of such production and not later then ninety (90) days following the month of sale or use thereof.

16. In the event Lessee elects to plug and abandon any well drilled on this lease, Lessee shall first make a good faith effort to notify the Lessor fifteen (15) days prior to such intended plugging of a well, except if drilling rig is on location, personally or by telephone, of such election; and agree to plug and abandon such well is accordance with the rules and regulations provided by any state regulatory agency and the Railroad Commission of Texas.

17. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option my discharge any, tax, mortgage or other lien upon said land, either in whole or in part, and in the event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply rentals and royalties accuring hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, delay rental, and other monies accuring from any part as to which this lease covers less that 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. Failure of Lessee to reduce rental paid hereunder shall not impair the right of Lessee to reduce royalties.

18. If at or after the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to for a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such lands. Lessee shall, at such time promptly execute and deliver to Lessor a recordable release in form acceptable to Lessor as to all such lands not included within such units. If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

Signed for Identification: James Edward Lee, Jr.

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

497746

POUND PRINTING & STATIONERY COMPANY
325 FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

OIL, GAS AND MINERAL LEASE

FILED

THIS AGREEMENT made this 18th day of July 19 92, between

John Weddington Greer, dealing in his sole and separate property

92 AUG 11 PM 1:18

Kerry Lund Ward, CO. CLERK

BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS

Lessor (whether one or more), whose address is: 50357 Vinecrest Lane, New Baltimore, Michigan 48047

and Lometa Petroleum Corporation, 400 Graham, College Station, Texas 77845, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and other valuable consideration Dollars

($ 10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Brazos County, Texas, to-wit:

314 acres, more or less, out of the J. M. Barrera Survey, A-68, and being the same 344 acres described in that certain Warranty Deed, dated December 12, 1940, from O. W. Goolsbee to John H. Binney, recorded in Volume 105, Page 295, Deed Records of Brazos County, Texas, LESS AND EXCEPT, 30 acres, more or less, and being the same land described in that certain Mineral Deed, dated July 11, 1962, from O. W. Goolsbee to Glenn E. Edling, recorded in Volume 155, Page 200, Deed Records of Brazos County, Texas.

See Exhibit "A" attached hereto and made part hereof for additional lease provisions of this lease.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of 30 months ~~years~~ from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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 one dollar ($1.00) for each acre of land then covered hereby. 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 the Standard Federal Bank at St. Clair Shores, Michigan or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, 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 shut-in royalty, in the manner above 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 the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 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 at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

Eric Semenjuk

Betty J. Greer

John Weddington Greer S[redacted]

By: Harland E. Cohen, his Conservator

STATE OF MICHIGAN
COUNTY OF ~~MACOMB~~ OAKLAND

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 28th day of July, 19 92,
by HARLAND E. COHEN John Weddington Greer's CONSERVATOR

Notary Public, State of Texas
Notary's name (printed): ROBERT F. ESSICK
Notary's commission expires: 9/17/94

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the day of , 19 ,
by
of
a corporation, on behalf of said corporation.

Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM

TO

Dated _____, 19 ___

No. Acres _____

_____ County, Texas

Term _____

This instrument was filed for record on the _____ day of _____, 19 ___, at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office.

_____ County Clerk
By _____, Deputy

When recorded return to

POUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659-3159

Exhibit "A"

11. As relates to Royalty in Paragraph 3 of said Lease, wherever the figure 1/8 appears, the figure 1/6 shall be substituted thereof.

12. It is expressly understood and agreed that this lease covers oil and gas only along with the products and by products thereof, including uranium, thorium and other fissionable materials, iron ore, copper, coal or any minerals of any type, it being understood this lease shall is made for oil and gas purposes only.

13. Except taxes attributable thereto, Lessor's royalty shall never bear, either directly or indirectly, any costs whatsoever, including but not limited to, costs and expenses of production, gathering, dehydration, transportation, from the leased premises, nor any cost of construction, operations, or depreciation of any plant or any other facilities or equipment for processing oil or gas products produced from the leased premises.

14. It is understood and agreed, notwithstanding anything to the contrary herein, that with ninety (90) days after this lease has expired or any portion thereof have been forfeited, Lessee shall furnish Lessors, their heirs or assigns with a recordable release of this lease or such portions which have been forfeited by Lessee under the terms of this lease agreement.

15. All royalties that may become due hereunder shall be paid to Lessor by mailing a check to each of the Lessors promptly after the sale of such production and not later then ninety (90) days following the month of sale or use thereof.

16. In the event Lessee elects to plug and abandon any well drilled on this lease, Lessee shall first make a good faith effort to notify the Lessor fifteen (15) days prior to such intended plugging of a well, except if drilling rig is on location, personally or by telephone, of such election; and agree to plug and abandon such well is accordance with the rules and regulations provided by any state regulatory agency and the Railroad Commission of Texas.

17. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option my discharge any, tax, mortgage or other lien upon said land, either in whole or in part, and in the event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply rentals and royalties accuring hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, delay rental, and other monies accuring from any part as to which this lease covers less that 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. Failure of Lessee to reduce rental paid hereunder shall not impair the right of Lessee to reduce royalties.

18. If at or after the end of the primary term, a portion of the land herein leased is pooled or unitized with other land so as to for a pooled unit or units, operations or production from such unit or units shall maintain this lease in force only as to the land included in such unit or units. All land not included within a pooled unit and/or production unit at the end of the primary term shall be automatically released and/or this lease is automatically terminated as to such lands. Lessee shall, at such time promptly execute and deliver to Lessor a recordable release in form acceptable to Lessor as to all such lands not included within such units. If a pooled unit is formed for horizontal completion, meaning an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof, said unit may be formed with as much acreage as necessary to allow the drilling of the well at a regular location and also obtain maximum allowable jurisdiction to do so and, once formed, such unit may be amended by Lessee at any time and from time to time for the purpose of conforming, as set out above, with applicable rules and regulations of such government authority.

Signed for Identification: _____

MF MM-95228
Item Leases 28
To
From
Date 1-29-93

LOMETA PETROLEUM CORPORATION

400 GRAHAM
COLLEGE STATION, TEXAS 77845
409-690-0225
FAX: 409-690-0391

April 22, 1993

X 100.00

Mr. Garry Mauro
Commissioner of the General Land Office
of the State of Texas
Stephen F. Austin Building
1700 North Congress
Austin, Texas 78701

93048913

Re: Oil and Gas Lease #M-95228
General Land Office
Austin, Texas

129

Mr. Mauro:

Please be advised that in accordance with Paragraph 11 of the referenced lease that Lessee, Lometa Petroleum Corporation, has as of April 22, 1993, assigned the referenced lease to Dale Resources, Inc., whose address is Hartford Building, Suite 1040, 400 North St. Paul Street, Dallas, Texas 75201. A certified copy of the Assignment of Oil, Gas and Mineral Lease is included herewith, further pursuant to Paragraph 11 of the referenced lease. Also enclosed is a check in the amount of $100.00 to cover the required filing fee.

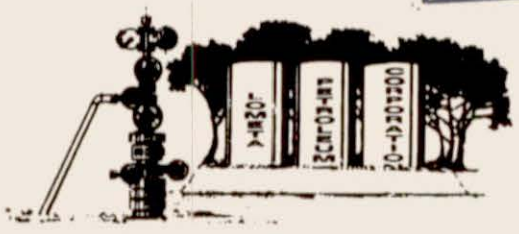
Best regards,

Lynn Elliott

LE/dk

Enclosures

RECEIVED
APR 23 1993
ENERGY RESOURCES



MF 95228
ITEM Ltr.
TO
FROM Lometa Pet. Corp.
DATE 4/22/93

518733
FILED
93 APR 22 PM 12:48
Mary Anne Eckert CO. CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS
BY _____ DEPUTY

ASSIGNMENT OF OIL, GAS AND MINERAL LEASE

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

WHEREAS, **LOMETA PETROLEUM CORPORATION**, a Texas Corporation, whose address is 400 Graham, College Station, Texas 77845 (hereinafter referred to as Assignor), is the owner of the Oil, Gas and Mineral Lease (the "Lease") set forth on Exhibit "A" attached hereto and made a part hereof, and

WHEREAS, Assignor desires to assign the Lease and the oil, gas and mineral leasehold estates created thereunder to **DALE RESOURCES, INC.**, whose address is Hartford Building, Suite 1040, 400 North Saint Paul Street, Dallas, Texas 75201 (hereinafter referred to as "Assignee") subject to an overriding royalty reservation as hereinafter provided:

NOW, THEREFORE, for and in consideration of the Ten & No/100 Dollars ($10.00) cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the reservation of the overriding royalty hereinafter set forth, Assignor does hereby GRANT, BARGAIN, SELL, CONVEY, AND ASSIGN unto the Assignee its successors and assigns, the Lease described on Exhibit "A", and the oil, gas and mineral leasehold estates created thereunder. The difference between the existing royalty burdens and 21.00%, same being a 1% overriding royalty interest, of 8/8ths, of all the oil, gas and other minerals that may be produced, saved and marketed under and by virtue of the Lease and the current lease royalty burdens are hereby reserved and retained by Assignor as an OVERRIDING ROYALTY INTEREST of all the oil and gas produced, saved and marketed from the land described in the Lease, and said Overriding Royalty Interest shall apply to any extensions or renewals of lease on the herein described acreage in which assignee or agents may secure within one year from the expiration of the lease described in Exhibit "A".

Oil and/or gas produced for the credit of said overriding royalty interest shall be delivered to Assignor's credit in the pipelines to which the well or wells on said lands may be connected free of all costs save and except said interest shall bear it proportionate part of production, severance excise and ad valorem taxes. Payment for gas produced for the credit of said overriding royalty interest shall be based upon the price received for the sales of said gas. Fuel oil and gas for operating the premises shall be deducted before computing said overriding royalty interest. The overriding royalty interest herein reserved and retained may be pooled or unitized to the same extent and in the same manner as Lessor's royalty under the provisions of the Lease or any of them or any amendment thereof which may hereafter be obtained.

If all or a portion of the Lease cover less than all of the oil, gas and other minerals in the land described in the Lease, then the interest herein assigned and reserved shall be reduced proportionately.

TO HAVE AND TO HOLD unto the said Assignee, its successors and assigns forever, in accordance with the terms of the Lease. Assignor for itself, its successors and assigns, covenants and warrants that Assignor is the owner of the Lease, and of all the leasehold rights which the Lease purports to create, with full right to convey the same; that the Lease is now unencumbered, valid and in full force and effect in accordance with its terms.

Assignor hereby warrants title by, through and under Assignor but not otherwise.

In witness hereof, this instrument is executed this 22nd day of April, 1993.

LOMETA PETROLEUM CORPORATION

BY: _____
Lynn Elliott, President

STATE OF TEXAS

COUNTY OF BRAZOS

This instrument was acknowledged before me on this 22nd day of April, 1993 by Lynn Elliott, President of LOMETA PETROLEUM CORPORATION, a Texas Corporation, on behalf of said corporation.

DONNA GEORGE
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
OCT. 15, 1994

Donna George
Notary Public in and for the
State of Texas

EXHIBIT "A"

TO THAT CERTAIN ASSIGNMENT OF OIL, GAS AND MINERAL LEASE DATED THE 22nd DAY OF APRIL, 1993 BETWEEN LOMETA PETROLEUM CORPORATION AS ASSIGNOR AND DALE RESOURCES, INC. AS ASSIGNEE.

1.

LESSOR:	Commissioner of the General Land Office
LESSEE:	Lometa Petroleum Corporation
LEASE DATE:	4-4-93
RECORDING:	Brazos County Clerk File #518481
DESCRIPTION:	47.36 acres of land, more or less,situated in the J.M. Barrera Survey, A-68; the H.G. Hudson Survey, A-140; the Andrew Miller Survey, A-165; and the A.D. Houston Survey, A-133.

GENERAL LAND OFFICE FILE #M-95228

13

MF 95228
ITEM Assignment
TO
FROM
DATE 4/23/93

#518733

STATE OF TEXAS)
COUNTY OF BRAZOS)

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

ATTEST 4-22-93
Mary Ann Ward, County Clerk
Brazos County, Texas
By Catherine Engleman Deputy

Texas General Land Office
Garry Mauro, Commissioner

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

May 12, 1993

LYNN ELLIOTT
LOMETA PETROLEUM CORPORATION
400 GRAHAM
COLLEGE STATION, TEXAS 77845

RE: ASSIGNMENT FILING

Dear Ms. ELLIOTT:

The General Land Office received the following instrument on April 23, 1993, and has been filed in Mineral File No. M-95228.

Assignment of Oil and Gas Lease dated April 22, 1993, from LOMETA PETROLEUM CORPORATION to DALE RESOURCES, INC., recorded in BRAZOS County, Texas.

Filing Fee:	$25.00
Late Fee :	$0.00
Total Fee :	$25.00

The total amount of the fees received for the filing of the instruments listed above is $25.00, the receipt of which is acknowledged by the General Land Office. A refund in the amount $75.00 is being processed for overpayment of filing fees.

Sincerely,

Mary Helen Ruiz
Gas Contract Administrator
Lease Administration
Energy Resources
(512) 475-1532

MHR/mhr

Printed on recycled paper with soybean ink

14

MF 95228
ITEM Ltr.
TO Lonestar Ref. Corp
FROM
DATE 5/12/93

Unit #2290
03-146240

DO NOT DESTROY

GLO-36-10-84 -MEMO-

Operator Snyder Oil Corporation

Unit Name Eureka Unit #1

County Brazos

Effective Date 9/3/93 or 1st production

Unitized for: Oil ___ Gas ___ Oil & Gas X

1. M.F. No. 95228

Area H.R.O.W Tr. ___

H.G. Hudson A-140

Sec. ___ Blk. ___ Survey A.D. Houston A-133 etc.

9.80
306.00 x 1/4 00.6405 %
.032026 .20 .006405

2. M.F. No. ___

Area ___ Tr. ___

Sec. ___ Blk. ___ Survey ___

___ x ___ ___. ___ %

3. M.F. No. ___

Area ___ Tr. ___

Sec. ___ Blk. ___ Survey ___

___ x ___ ___. ___ %

4. M.F. No. ___

Area ___ Tr. ___

Sec. ___ Blk. ___ Survey ___

___ x ___ ___. ___ %

REMARKS: H.R.O.W

KEYED, GIS: ~~YES~~ 5/7/02

Jebc
12/7/94
9/29/95

Snyder Oil Corporation

777 Main Street, Suite 2500
Fort Worth, Texas 76102
817 / 338-4043

M95228
ut # 2290

July 26, 1995

Lillie Gamble
Texas General Land Office
1700 N. Congress Avenue
Stephen F. Austin Building
Austin, TX 78701

Re: Lometa #1 Unit
Property No. 106626-001
Brazos County, Texas

Dear Ms. Gamble:

Enclosed as you requested is a copy of the Amended and Restated Designation of Unit for the Lometa #1 Unit.

If you should have any questions, or require additional information, please feel free to contact me at 817-882-5810.

Very truly yours,

Maurine Cozart

Maurine Cozart
Property Analyst

RECEIVED
JUL 28 1995
ENERGY RESOURCES

561164

FILED

94 AUG 11 AM 8:41

Mary Louise Garza, CO. CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS
BY _____ DEPUTY

557209

FILED

94 JUN 28 PM 1:56

Mary Louise Garza, CO. CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS
BY Darlene Whaley DEPUTY

AMENDED AND RESTATED DESIGNATION OF UNIT

LOMETA #1 UNIT

STATE OF TEXAS }

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF BRAZOS }

The undersigned, being all of the owners of the valid and subsisting oil, gas and mineral leases, as described on Exhibit "A", attached hereto and made a part hereof, in and to the land described on Exhibit "B", attached hereto and made a part hereof, do, by virtue of their ownership rights or by virtue of the authority conferred by the terms of such oil, gas and mineral leases and all amendments and corrections thereto or other agreements affecting their interests, hereby pool, consolidate, combine and unitize said oil, gas and mineral leases and other interests therein and thereunder, for the purpose of drilling for, development and production of oil, gas and liquid hydrocarbons (including condensate, distillate and other liquids), insofar and only insofar as the leases and the interests incident thereto cover and include that certain correlative geological interval known as the Austin Chalk formation (hereinafter called "Pooled Interval") which occurs at log depths from 11,400 feet to 11,620 feet on that certain Electric Log from the C.R.L. Resources , M.P. Walker #1 Well located in the A.D. Houston Survey, A-133 of Brazos County, Texas. The unit (hereinafter "Unit") shall be comprised of the land described on the attached Exhibit "B", as depicted on the Plat attached hereto as Exhibit "C".

If at any time any tract of land or interest within the Unit is not properly pooled or unitized hereby or is not otherwise committed to the Unit, such fact shall not affect, terminate, impair, or invalidate the Unit as to any interest properly pooled or unitized hereby or otherwise.

This Designation of Unit covers all production from the land and depths described on the attached Exhibit "B" which is produced from any well drilled to the Pooled Interval underlying the Unit area. Production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion which the number of surface acres in each of such tracts bears to the total number of surface acres in the Unit, such tract participation in production being set forth in Exhibit "C" hereto.

The undersigned reserve the right to amend this Designation of Unit from time to time and at any time, in order to correct any error herein or to include in this Unit any newly acquired interests within the Unit boundaries or to enlarge the Unit area in accordance with the applicable rules and regulations of any governmental regulatory body or agency having jurisdiction insofar as such right is granted in the subject leases and other agreements, by appropriate amendments or instruments correcting or committing any such interest to this Unit.

By execution of this Designation of Unit, the undersigned do not exhaust their right to pool the leases and lands hereinabove described with other leases and lands as to any other minerals, horizon or strata covered thereby, and the undersigned expressly reserve unto themselves, their assignees or successors in interest, the right and power to pool or unitize the above described leases and lands with any other leases, lands, horizons or strata in the vicinity and so far as the power, right and authority to do so is granted in the subject leases and various agreements and so long as such power and authority is exercised in accordance with applicable rules and regulations of any governmental regulatory body or agency having jurisdiction. This Unit may not be ratified or joined in by any party who is not named hereinbelow without the consent of the parties hereto.

The Unit hereby created shall become effective as of the date of first production from the Unit, and shall remain in force as long as the pooled minerals are being produced from the Unit, or so long as the leases covering the Unit are maintained in force by payment or tender of shut-in royalties or by other means, in accordance with the terms of said leases. This Designation of Unit may be executed in counterparts and, if so executed, shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. In the event counterparts of this Designation of Unit are executed, for purposes of facilitating recording Dale Resources, Inc. (or its assigns) is authorized to remove the signatory pages together with the appropriate acknowledgment pages from the individual counterparts and combine them with the other pages so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

This Designation of Unit amends and restates in its entirety that certain Revised Pooling Agreement and Unit Designation dated September 3, 1993, and recorded at Volume 1927, Page 69, Official Records, Brazos County, Texas.

IN WITNESS WHEREOF, this Designation of Unit is executed on this 22nd day of June, 1994.

DALE RESOURCES, INC.

Lawrence B. Dale
President

DALE OPERATING COMPANY

F. Paul Lecocke
Secretary

CPC DALE HORIZONTAL DRILLING
PROGRAM NO. 6

By: CPC Dale Petroleum Company,
General Partner

By:
Royal W. Carson III
President

CARSON RESOURCES, INC.

Royal W. Carson III
President

LOMETA PETROLEUM CORPORATION

LYNN ELLIOTT
President

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on this the 22nd day of June, 1994 by Lawrence B. Dale, President of Dale Resources, Inc., a Texas corporation on behalf of said corporation.

ANN F. VANDENBERG
Notary Public, State of Texas
My Commission Expires 2-13-97

Ann Vandenberg
Notary Public
State of Texas

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on this the 22nd day of June, 1994 by F. Paul Lecocke, Secretary of Dale Operating Company, a Texas corporation on behalf of said corporation.

ANN F. VANDENBERG
Notary Public, State of Texas
My Commission Expires 2-13-97

Ann Vandenberg
Notary Public
State of Texas

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on this the 22nd day of June, 1994 by Royal W. Carson III, President of CPC Dale Petroleum Company, a Texas corporation and general partner of CPC Dale Horizontal Drilling Program No. 6, a Texas limited partnership, on behalf of said corporation and said limited partnership.

ANN F. VANDENBERG
Notary Public, State of Texas
My Commission Expires 2-13-97

Ann Vandenberg
Notary Public
State of Texas

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on this the 22nd day of June, 1994 by Royal W. Carson III, President of Carson Resources, Inc., a Texas corporation on behalf of said corporation.

ANN F. VANDENBERG
Notary Public, State of Texas
My Commission Expires 2-13-97

Ann Vandenberg
Notary Public
State of Texas

STATE OF TEXAS

COUNTY OF BRAZOS

This instrument was acknowledged before me on this the 27 day of June, 1994 by Lynn Elliott, President of Lometa Petroleum Corporation, a Texas corporation on behalf of said corporation.

Bet Batchelor
Notary Public
State of Texas

EXHIBIT "A"

DESCRIPTION OF LEASES

1. LESSOR: Dorothy Jane McCallum Ward
   LESSEE: Dale Resources, Inc.
   LEASE DATE: 9-1-92
   RECORDING: Volume 1634, Page 152
   DESCRIPTION: 193.10 acres of land, more or less, located in the A. Miller Survey, A-165

2. LESSOR: Mary Edwards Allen
   LESSEE: Dale Resources, Inc.
   LEASE DATE: 8-27-92
   RECORDING: Volume 1634, Page 129
   DESCRIPTION: 193.10 acres of land, more or less, located in the A. Miller Survey, A-165.

3. LESSOR: Thomas J. McCallum, Jr.
   LESSEE: Dale Resources, Inc.
   LEASE DATE: 8-28-92
   RECORDING: Volume 1634, Page 140
   DESCRIPTION: 193.10 acres of land, more or less. located in the A. Miller Survey, A-165

4. LESSOR: Charlotte Edwards Strawn
   LESSEE: Dale Resources, Inc.
   LEASE DATE: 8-27-92
   RECORDING: Volume 1634, Page 148
   DESCRIPTION: 193.10 acres of land, more or less, located in the A. Miller Survey, A-165

5. LESSOR: Margie R. McCallum Shepperd
   LESSEE: Dale Resources, Inc.
   LEASE DATE: 8-28-92
   RECORDING: Volume 1634, Page 144
   DESCRIPTION: 193.10 acres of land, more or less, located in the A. Miller Survey, A-165

6. LESSOR: John Godfrey and Sally Godfrey
   LESSEE: Dale Resources, Inc.
   LEASE DATE: 8-21-92
   RECORDING: Volume 1634, Page 133
   DESCRIPTION: 193.10 acres of land, more or less, located in the A. Miller Survey, A-165

7. LESSOR: Arthur J. Edwards, Jr., Jane Edwards and William Irvin Edwards
   LESSEE: Dale Resources, Inc.
   LEASE DATE: 9-30-92
   RECORDING: Volume 1656, Page 74
   DESCRIPTION: 193.10 acres of land, more or less, located in the A. Miller Survey, A-165

8. LESSOR: Lucille Stousland Lyons
   LESSEE: Lometa Petroleum Corporation
   LEASE DATE: 4-23-93
   RECORDING: Volume 1789, Page 93
   DESCRIPTION: 3.70 acres of land, more or less, located in the T.H. Mays Survey, A-161

9. LESSOR: Lawrence G. Fraser, etux.
   LESSEE: Lometa Petroleum Corporation
   LEASE DATE: 1-25-93
   RECORDING: Volume 1716, Page 240
   DESCRIPTION: 97.02 acres of land, more or less, located in H.G. Hudson Survey, A-140, Andrew Miller Survey, A-165, and the Clement Rainey Survey, A-201

10. LESSOR: William T. Fleming, Jr., etux.

LESSEE: Lometa Petroleum Corporation
LEASE DATE: 1-28-93
RECORDING: Volume 1720, Page 44
DESCRIPTION: 160.0 acres of land, more or less, located in the J.M. Barrera Survey, A-68, C. Rainey Survey, A-201, A. Miller Survey, A-165, and the H.G. Hudson Survey, A-140

11. LESSOR: Shields Prescott and wife, Betty Jane Prescott
LESSEE: Lometa Petroleum Coproation
LEASE DATE: 8-24-92
RECORDING: Volume 1631, Page 283
DESCRIPTION: 168.50 acres of land, more or less, located in the Thomas H, Mays Survey, A-161 and in the A.D.Houston Survey, A-133

12. LESSOR: Daniel Lee Prescott
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 8-25-92
RECORDING: Volume 1594, Page 118
DESCRIPTION: 168.50 acres of land, more or less, located in the Thomas H. Mays Survey, A-161 and in the A.D. Houston Survey, A-133

13. LESSOR: David Ewing Prescott
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 8-25-92
RECORDING: Volume 1582, Page 119
DESCRIPTION: 168.50 acres of land, more or less, located in the Thomas H. Mays Survey, A-161 and in the A.D. Houston Survey, A-133

14. LESSOR: Diane Elaine Prescott Cassel
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 8-25-92
RECORDING: Volume 1594, Page 121
DESCRIPTION: 168.50 acres of land, more or less, located in the Thomas H. Mays Survey, A-161 and in the A.D. Houston Survey, A-133

15. LESSOR: Mildred Prescott Beard
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 8-24-92
RECORDING: Volume 1582, Page 116
DESCRIPTION: 168.50 acres of land, more or less, located in the Thomas H. Mays Survey, A-161 and in the A.D. Houston Survey, A-133

16. LESSOR: Lewis Taplin
LESSEE: Lometa Petroleum Coporation
LEASE DATE: 7-17-92
RECORDING: Volume 1557, Page 133
DESCRIPTION: 64.00 acres of land, more or less, located in the A.D. Houston Survey, A-133 and the T.H. Mays Survey A-161

17. LESSOR: Alton Ray Hayes, etux.
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 2-9-93
RECORDING: File #512720 Volume 1717 Page 319
DESCRRIPTION: 5.582 acres of land, more or less, located in the T.H. Mays Survey, A-161 and in the A.D. Houston Survey, A-133

18. LESSOR: Commissioner of the General Land Office
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 4-4-93
RECORDING: Brazos County Clerk File #518481 Volume 1773 Page 15
DESCRIPTION: 47.36 acres of land, more or less, situated in the J.M. Barrera Survey, A-68; the H.G. Hudson Survey, A-140; the Andrew Miller Survey, A-165; and the A.D. Houston Survey, A-133

19. LESSOR: Laverta Bradley
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 1-3-93
RECORDING: Volume1690, Page 64
DESCRIPTION: 66.152 and 25 acres of land, more or less, located in the Andrew D. Houston Survey, A-133 and Henry G. Hudson Survey, A-140 and the Andrew Miller Survey, A-165

20. LESSOR: John I. Uhr
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 8-6-92
RECORDING: Volume1607, Page 103
DESCRIPTION: 86.00 acres of land, more or less, located in the A.D. Houston Survey, A- 133

21. LESSOR: Brooks G. Bradford, etux.
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 8-6-92
RECORDING: Volume1577, Page 347
DESCRIPTION: 86.00 acres of land, more or less, located in the A.D. Houston Survey, A-133

22. LESSOR: Grace B. Bay
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 8-3-92
RECORDING: Volume1571, Page 56
DESCRIPTION: 86.00 acres of land, more or less, located in the A.D. Houston Survey, A- 133

23. LESSOR: Lometa Petroleum Corporation
LESSEE: Dale Resources, Inc
LEASE DATE: 9-1-93
RECORDING: Volume 1919, Page 179
DESCRIPTION: 86.00 acres of land, more or less, located in the A.D. Survey, A-133

24.. LESSOR: Clifford P. Dodson, Jr.
LESSEE: K.D. Taylor
LEASE DATE: January 3, 1992
RECORDING: Volume 1444, Page 268
DESCRIPTION: 50 acres of land, more or less, located in the Henry G. Hudson, A-140 and Andrew Miller, A-165 Surveys, Brazos County, Texas

25. LESSOR: Wayne Batten Enterprise Inc.
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 5-29-94
RECORDING: Volume2140, Page 199
DESCRIPTION: 64.00 acres of land, more or less, located in the A.D. Houston A-133 Survey and T.H. May Survey A-161

26. LESSOR: Lometa Petroleum Corporation
LESSEE: Dale Resources Inc.
LEASE DATE: 8-3-94
RECORDING: File Number 560577
DESCRIPTION: 25.00 acres of land, more or less, located in the Henry G. Hudson, A-140 and Andrew Miller Survey, A-165

EXHIBIT " B "
FIELD NOTES
DALE RESOURCES, INC.
LOMETA NO. 1 WELL UNIT
BRAZOS COUNTY, TEXAS
JULY 6, 1993

All that certain lot, tract or parcel of land being 306.00 acres and being called the DALE RESOURCES, INC. - LOMETA NO. 1 WELL UNIT situated in the H. G. HUDSON SURVEY, Abstract No. 140, A. MILLER SURVEY, Abstract No. 165, ANDREW HOUSTON SURVEY, Abstract No. 133, JESSE EVANS SURVEY, Abstract No. 110, and the THOS. MAYS SURVEY, Abstract No. 161, Brazos County, Texas, said 306.00 acre tract being all or a part of the following described tracts:

1. Being the Laverta Bradley 15.74 mineral acre tract, same being a part of that certain Called 99.228 acre tract as described in Volume 1329, Page 191;
2. Being the Lawrence Frazer et al 2.34 mineral acre tract, same being a part of that certain Called 80.31 acre tract as described in Volume 959, Page 261;
3. Being the Jane Edwards 113.23 mineral acre tract, same being a part of that certain Called 193.10 acre tract as described in Volume 64, Page 327;
4. Being the State of Texas 9.80 mineral acre tract, same being a part of that certain Called 47.36 acre tract as described in Volume 1773, Page 15;
5. Being the John Uhr et al 89.02 mineral acre tract, same being all of that certain Called 86.0 acre tract as described in Volume 317, Page 214;
6. Being the Lewis Taplin 66.64 mineral acre tract, same being all of that certain Called 64.0 acre tract as described in Volume 1317, Page 278;
7. Being the Alton Hayes 5.58 mineral acre tract, same being all of that certain 5.58 acre tract as described in Volume 270, Page 809;
8. Being the Prescott Heirs 0.11 mineral acre tract, same being a part of that certain Called 52.50 acre tract as describe in Volume 130, Page 162;
9. Being the Lucille Lyons 3.54 mineral acre tract, same being all of that certain Called 3.70 acre tract as described in Volume 299, Page 61;

all being Deed or Official records of Brazos County, Texas, said 306.00 acre tract being more particularly described by metes and bounds as follows;

BEGINNING at a 1/2" Iron Rod found at the intersection of the centerline of Peach Creek and the centerline of Peach Creek Road for the most northerly northeast corner, same being the northeast corner of said John Uhr tract;

THENCE along the centerline of said PEACH CREEK ROAD the following calls;

S 2°16'35" E a distance of 220.16 feet;
S 1°10'55" W a distance of 1601.21 feet; and
S 0°24'47" E a distance of 1215.92 feet to a point for the northwest corner of said Lucille Lyons Mineral Tract;

THENCE EAST along the north line of said Lyons Tract a distance of 492.18 feet to a 1/2" Iron Rod found for an exterior corner, same being the northeast corner of said Lyons tract;

THENCE SOUTH along the east line of said Lyons tract a distance of 534.12 feet to a point for an exterior corner, same being located in the Original northeast right-of-way line of STATE HIGHWAY NO. 6;

THENCE N 48°04'14" W along said northeast line a distance of 799.32 feet to a point for corner, same being the northwest corner of said Prescott Heirs tract;

THENCE WEST a distance of 182.98 feet to a point for an interior corner, same being the northeast corner of said Alton Hayes tract;

THENCE S 0°12'07" W along the east line of said Hayes tract a distance of 825.40 feet to a 1/2" Iron Rod found for an exterior corner, same being the southeast corner of said Hayes tract;

THENCE S 89°40'43" W along the south line of said Hayes tract and the Lewis Taplin tract respectively, a distance of 1952.80 feet to a 1/2" Iron Rod set for an interior corner, same being the southwest corner of said Taplin tract;

THENCE SOUTH along the east line of said Jane Edwards mineral tract a distance of 590.04 feet to a point for the most southerly southeast corner, same being the southeast corner of said Edwards tract;

THENCE WEST along the south line of said Edwards tract a distance of 1250.00 feet to a point for the most southerly southwest corner, same being the most southerly southwest corner of said Edwards tract;

THENCE NORTH along the west line of said Edwards tract a distance of 1862.50 feet to a 1/2" Iron rod found for an interior corner;

THENCE WEST along the most northerly south line of said Edwards tract a distance of 1271.39 feet to a 1/2" Iron Rod set for the most westerly corner;

THENCE N 65°06'35" E a distance of 2376.81 feet to a point for an interior corner;

THENCE N 23°38'48" W a distance of 1713.51 feet to a point for an exterior corner;

THENCE N 66°21'12" E a distance of 1200.00 feet to a point for the most northerly corner;

THENCE S 23°38'48" E a distance of 1174.33 feet to a point in the centerline of PEACH CREEK for corner;

THENCE along the centerline of PEACH CREEK the following calls;

N 84°38'16" E - 46.66 feet;
N 27°06'42" E - 44.30 feet;
N 47°43'49" W - 36.00 feet;
N 8°10'43" W - 117.90 feet;
N 24°12'10" E - 64.39 feet;
N 49°28'43" E - 36.18 feet;
S 89°06'11" E - 40.04 feet;
S 70°02'44" E - 72.29 feet;
N 78°39'56" E - 39.26 feet;
N 29°46'47" E - 48.75 feet;
N 38°05'01" E - 149.09 feet;
S 86°56'34" E - 39.13 feet;
S 36°09'26" E - 37.06 feet;
S 22°43'10" E - 95.35 feet;

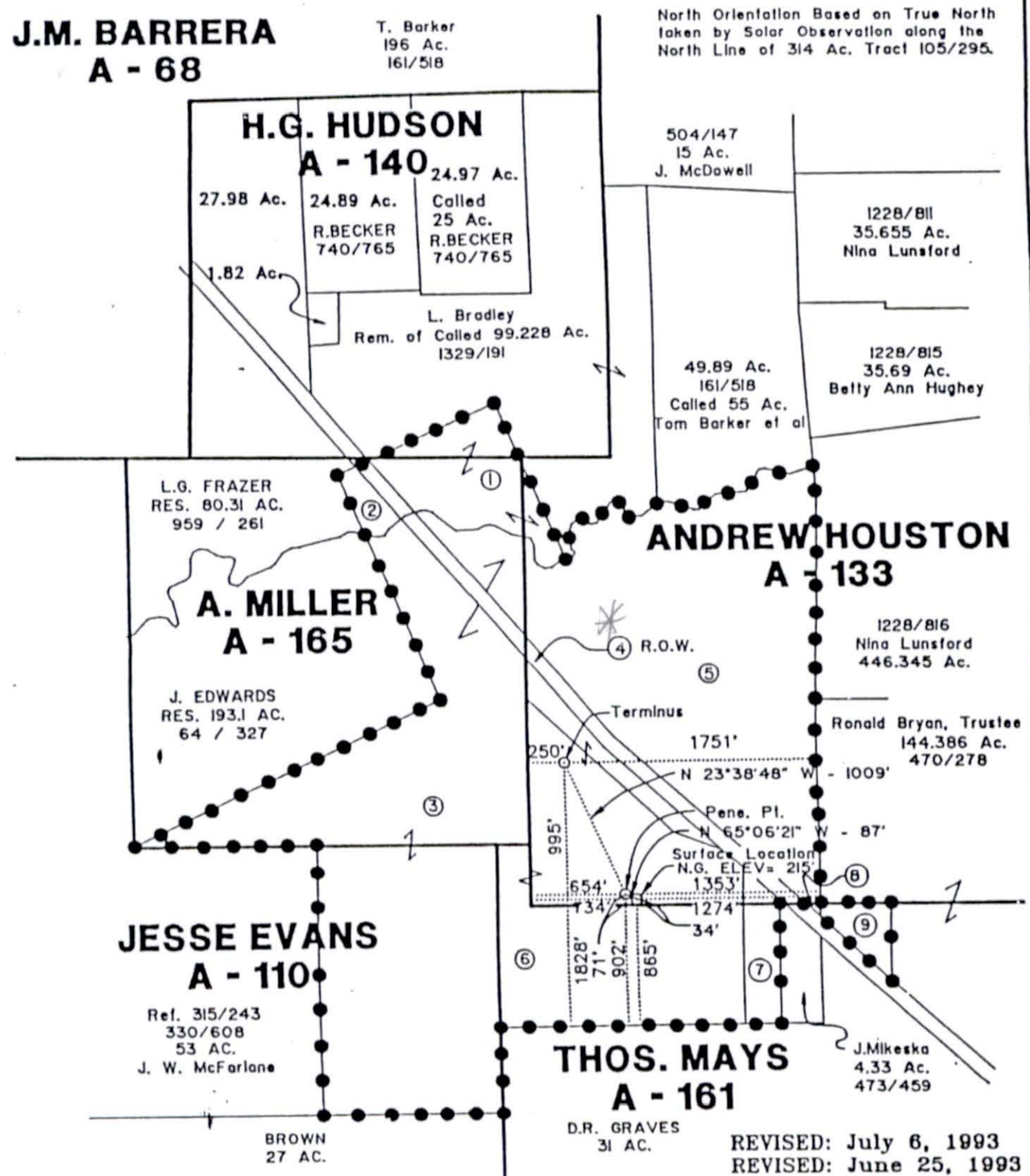
N 84°49'34" E - 98.97 feet;
N 53°21'16" E - 157.55 feet;
S 85°37'09" E - 68.73 feet;
S 71°57'05" E - 173.54 feet;
N 87°54'51" E - 39.31 feet;
N 35°45'57" E - 67.59 feet;
N 57°31'47" E - 93.31 feet;
N 85°49'02" E - 210.16 feet;
N 46°47'45" E - 57.06 feet;
N 27°46'05" E - 48.14 feet;
N 17°52'34" E - 48.59 feet;
N 41°34'58" E - 30.20 feet;
N 84°35'43" E - 39.56 feet;
S 72°46'59" E - 137.86 feet;
N 85°23'15" E - 43.47 feet;
N 70°09'35" E - 48.52 feet;
N 72°47'12" E - 38.82 feet;
N 82°12'08" E - 36.32 feet;
N 62°27'41" E - 37.10 feet, and
N 72°44'37" E a distance of 11.41 feet to the PLACE OF BEGINNING AND CONTAINING AN AREA OF 306.00 MINERAL ACRES OF LAND MORE OR LESS, according to a survey prepared for the purposes of a well unit during the month of February 1993, under the supervision of H. Curtis strong, Registered Professional Land Surveyor No. 4961.



EXHIBIT " C "

	MINERAL OWNER	CALLED ACREAGE	ACTUAL ACREAGE	VOL/PG
1	LAVERTA BRADLEY	PART OF 99.228	15.74	1329/191
2	LAWRENCE FRAZER et al	PART OF 80.31	2.34	959/261
3	JANE EDWARDS	PART OF 193.1	113.23	64/327
4	STATE OF TEXAS	PART OF 47.36	9.80	1773/15
5	JOHN UHR et al	86	89.02	317/214
6	LEWIS TAPLIN	64	66.64	1317/278
7	ALTON HAYES	5.58	5.58	270/809
8	PRESCOTT HEIRS	PART OF 52.5	0.11	130/162
9	LUCILLE LYONS	3.7	3.54	299/61

TOTAL 306.00 ACRES



REVISED: July 6, 1993
REVISED: June 25, 1993

I, H. CURTIS STRONG, REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4961, DO HEREBY CERTIFY THAT THE WELL LOCATION AS SHOWN WAS STAKED ON THE GROUND AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

STATE OF TEXAS
REGISTERED
HORACE CURTIS STRONG
4961
PROFESSIONAL
LAND SURVEYOR

H. CURTIS STRONG, R.P.L.S. NO. 4961

VOL 2145 PAGE 228

DALE RESOURCES, INC.

LOMETA NO. 1

H.G. HUDSON, A.D. HOUSTON,
A. MILLER, J. EVANS, AND
THOS. MAYS SURVEYS
BRAZOS COUNTY, TEXAS

Scale: 1" = 1000' May 11, 199

PREPARED BY: Garrett Engineering
Bryan , Tx. 77802 Ph. (409) 846 - 2688

15

M95228

Amended & Restated Designation

from Snyder Oil Corp.

Date: 7-26-95

Texas General Land Office
Garry Mauro, Commissioner

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

October 2, 1995

Maurine Cozart
Snyder Oil Corporation
777 Main Street, Suite 2500
Fort Worth, Tx 76102-9799

Re: Mineral File No. M-095228
Property No. 420152000100
Lometa no. 1 Unit

Dear Ms. Cozart:

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

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

If you should have any questions, please feel free to call me at (512) 475-1462.

Sincerely,

Lillie Gamble

Lillie Gamble
Accounts Examiner
Royalty and Revenue Processing
Energy Resources

/lrg

Printed on recycled paper with soybean ink

M95228 ut # 2290

Snyder Oil Corporation

777 Main Street, Suite 2500
Fort Worth, Texas 76102
817 / 338-4043

October 26, 1994

RE: LOMETA #1 UNIT
BRAZOS COUNTY, TEXAS

Dear Interest Owner:

Enclosed are Division Orders covering the above-referenced property. Please execute according to the enclosed instructions and return one copy to my attention, keeping one for your records. Thank you.

Sincerely yours,

Judy Slimp

~~Judy Slimp~~ Maurine Cozart

Property Analyst

Enclosures

DIVISION ORDER

TO: Snyder Oil Corporation (Payor)
777 Main Street, Suite 2500
Fort Worth, TX 76135

PROPERTY NO.: 420152000100
EFFECTIVE DATE: (7:00 AM) JUNE 1, 1994

The undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the gas/oil/NGL produced from the property described below:

OPERATOR: SNYDER OIL CORPORATION

PROPERTY NAME: LOMETA NO. 1 UNIT

COUNTY: BRAZOS

STATE: TEXAS

LEGAL DESCRIPTION:

306.00 ACRES, H. G. HUDSON, A-140, A. MILLER, A-165, ANDREW HOUSTON, A-133, JESSE EVANS, A-110, AND THOMAS MAYS, A-161, SURVEYS, BRAZOS COUNTY, TEXAS (THE "SUBJECT LANDS"), LIMITED, HOWEVER, TO THE DEPTH INTERVAL OF 10,400 FEET SUBSURFACE 11,620 FEET SUBSURFACE.

Until further written notice you are hereby authorized to give credit for all proceeds derived from the gas/oil/NGL sold from or used off said property as follows:

CREDIT TO	DIVISION OF INTEREST	ADDRESS

YOUR COPY

00660660
TEXAS GENERAL LAND OFFICE
1700 N. CONGRESS AVE.
AUSTIN TX 78701
INTEREST: R .00640520
SS# OR TAX I.D.#: [redacted]

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF GAS/OIL/NGL.

The following provisions apply to each interest owner ("owner") who executes this agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interests set out above. The payor shall pay all parties at the price agreed to by the operator for gas/oil/NGL to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities.

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for gas/oil/NGL run during the preceding calendar month from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than $25 may be accrued before disbursement until the total amount equals $25 or more, or until December 31 of each year, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

INDEMNITY: The owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney fees or judgment in connection with any suit that affects the owner's interest to which payor is made a party.

DISPUTE; WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the owner, written notice shall be given to payor by the owner together with a copy of the complaint or petition filed. In the event of a claim or dispute that affects title to the division of interest credited herein, payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

TERMINATION: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice or termination is received by either party.

NOTICES: The owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time.

No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor.

Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of this division order, an owner may have certain statutory rights under the laws of this state.

WITNESS:

_____

_____

SIGNATURE OF INTEREST OWNER:

BY: _____

NAME: _____

ADDRESS:

_____

_____

_____

SOCIAL SECURITY/TAX I.D. NO.: _____

Failure to furnish your Social Security/Tax I. D. number will result in 31 percent withholding tax in accordance with federal law and any tax withheld will not be

INSTRUCTION SHEET
FOR
DIVISION OR TRANSFER ORDERS

FROM:
SNYDER OIL CORPORATION
777 MAIN ST STE 2500
FT WORTH TX 76102

Dear Interest Owner:

If you are claiming the interest credited to you and the interest has been correctly stated on the Division or Transfer Order form, please execute in accordance with the applicable instructions.

I. SIGNATURE:

A. BY INDIVIDUAL

1. Sign your name as shown on the form. Any corrections of spelling of your name should be made in ink and your initials placed above the correction.
2. Have your signature witnessed by two (2) adults.

B. BY SECOND PARTY

1. Agents, attorneys-in-fact, guardians or any party other than the named interest owner may sign if evidence of right to do so is provided.
2. Have the signature witnessed by two (2) adults.

C. BY CORPORATION

1. Have the title of the signatory party shown.
2. Affix a corporate seal.
3. Have the signature attested.

D. BY GENERAL PARTNERSHIP

1. All members of a partnership must sign with evidence that the signatory parties constitute all of the Partners, or
2. One member may sign if evidence of right to do so is provided.
3. Have the signature witnessed if the Partner is an individual. (See Instruction I.A).
4. Have signature attested if the Partner is a corporation. (See Instruction I.C).

E. BY LIMITED PARTNERSHIP

1. ALL General Partners must sign with evidence that the signatory parties constitute all of the General Partners, or
2. The Managing General Partner may sign if evidence of right to do so is provided.
3. Have signature witnessed if the General Partner is an individual. (See Instruction I.A).
4. Have the signature attested if the General Partner is a corporation. (See Instruction I.C).

II. TAXPAYER'S IDENTIFICATION OR SOCIAL SECURITY NUMBER

1. Place your number in the space provided. Federal law requires that an identifying number be furnished.

III. PAYMENT MAILING ADDRESS:

1. Print or type the address to which payments are to be mailed if different than the mailing address on the form.
2. Include zip code.

IV. PROPERTY NUMBER:

1. The number assigned to this property can be found in the upper right corner of the form.
2. The number will be used to designate this property on your revenue check.
3. Refer to the property number when corresponding.

V. CHANGES:

A. ADDRESS

1. Furnish in writing any change of address information and include your signature.

B. INTEREST OWNERSHIP

1. Furnish certified copies of properly filed and recorded legal documents affecting title of interest ownership under which payment is made.
2. Provide an accompanying letter describing effect of change.

For proper payment please return one (1) fully executed instrument and retain one copy for your files.

M-95228 16.
Division Order
10-2-95

Seneca Resources Corporation

a National Fuel Gas System company

Unit # 2349

M95228 ✓ M95380

August 8, 1994

General Land Office
1700 North Congress Street
Room 600
Austin, Texas 78701
Attention: Ms. Robin Olson

Re: Barrera No. 2 Well
N.E. Millican Prospect
Brazos County, Texas

Dear Ms. Olson:

Pursuant to our conversation regarding the tract participation of the State of Texas lease No. M-95380 located in the referenced unit, please be advised that based on a re-survey of the Barrera No. 2 unit, the State of Texas lease is now shown to cover 1.9 acres and the unit now contains 561.97 acres. The calculations that you discussed with Marion Smith of our office may be associated with the State Lease owned by Dale Operating on another portion of this right-of -way in which Seneca is not involved.

For your review, enclosed please find the following documentation describing Seneca's State Lease and its tract participation in the referenced well:.

1. State of Texas Lease No. M-95380 dated November 2, 1993 - Originally showed 3.00 acres, re-surveyed to 1.90 acres with a 3/16ths royalty. (See M95380)
2. A portion of the field notes describing the entire State of Texas gross leased acreage in the unit (This would include Dale and Seneca leases)
3. A copy of the final re-survey of the Barrera No. 2 Unit containing 561.97 acres, including a larger scale plat of the 1.90 acre lease in the unit.
4. A copy of a portion of the Original Division Order Title Opinion by Robert E. Jack dated February 4, 1994 showing the calculations for the tracts located in the entire unit, including the 1.90 acre tract.

RECEIVED
AUG 10 1994
ENERGY RESOURCES

J2468

333 CLAY STREET/SUITE 4150/HOUSTON, TEXAS 77002/(713) 658-0191

5. A copy of a portion of the First Supplemental Division Order Title Opinion by Jackson & Walker dated April 5, 1994 covering 57.46 acres and confirming the royalty calculations for the Seneca lease.

Consequently, the tract participation factor would be 1.90/561.97 = .0033809. .0033809 X 3/16 royalty = .0006339 interest as shown on our division order for the referenced well.

If you wish to discuss this matter further or require any additional information, please do not hesitate to call me at 713-658-0191.

Sincerely,

SENECA RESOURCES CORPORATION

Jeanette Rossi

Jeanette Rossi
Division Order Analyst

713 658-2644

Enclosures

J2468

FIELD NOTES
DALE RESOURCES, INC.
BARRERA NO. 2 WELL UNIT
BRAZOS COUNTY, TEXAS
DECEMBER 20, 1993

All that certain lot, tract or parcel of land being 561.97 acres and being called the DALE RESOURCES, INC. - BARRERA NO. 2 WELL UNIT situated in the J. M. BARRERA SURVEY, Abstract No. 68, H. G. HUDSON SURVEY, Abstract No. 140, C. RAINEY SURVEY, Abstract No. 201, A. MILLER SURVEY, Abstract No. 165, and the A. HOUSTON SURVEY, Abstract No. 133, Brazos County, Texas, said 561.97 acre unit being all or a part of the following described tracts;

1. Being the Louise Porter et al 34.26 Mineral acre tract, same being a part of that certain Called 314 acre tract out of a 344 acre tract as described in Volume 105, Page 295;
2. Being the Dale Resources 63.21 Mineral acre tract, same being a part of that certain Called 130.00 acre tract as described in Volume 75, Page 107;
3. Being the First American Bank of Bryan 2.15 Mineral acre tract, same being all of that certain Called 3.00 acre tract as described in Volume 1163, Page 701;
4. Being the N. M. Greer et ux 2.14 Mineral acre tract, same being all of that certain Called 3.00 acre tract as described in Volume 304, Page 159;
5. Being the Frank Thurman, Jr. et al 0.97 Mineral acre tract, same being all of that certain Called 0.303 acre tract and that certain Called 0.734 acre tract as described in Volume 1057, Page 348 and Volume 994, Page 350, respectively;
6. Being the W. D. Fitch 2.63 Mineral acre tract, same being all of that certain Called 2.741 acre tract as described in Volume 1010, Page 519;
7. Being the Emilio Ayche et al 37.84 Mineral acre tract, same being a part of that certain Called 60.00 acre tract as described in Volume 1163, Page 647;
8. Being the Lawrence Fraser 37.19 Mineral acre tract, same being a part of that certain Called 16.71 acre tract and a part of that certain Called 80.31 acre tract as described in Volume 856, Page 629, and Volume 959, Page 388, respectively;
9. Being the STATE OF TEXAS 15.62 Mineral acre tract, same being a part of that certain Called 47.36 acre tract and all of that certain State right-of-way tract out of 17 acres as described in Volume 1773, Page 15 and Volume 81, Page 242, respectively;
10. Being the Jane Edwards 66.70 Mineral acre tract, same being a part of that certain Called 193.10 acre tract as described in Volume 64, Page 327;
11. Being the J. B. Daugherty et al 21.94 Mineral acre tract, same being all of that certain Called 17.0 acre tract as described in Volume 151, Page 397;
12. Being the Mills P. Walker Estate and D. Mike 33.62 Mineral acre tract, same being a part of that certain Called 1541 acre tract as described in Volume 29, Page 525;
13. Being the Robert Becker et al 28.64 Mineral acre tract, same being all of that certain Called 28.10 acre tract as described in Volume 292, Page 552;

1. JR
2. DOTO F/C
Barrera #2

ROBERT E. JACK, ATTORNEY AT LAW

FAX TRANSMITTAL FORM

DATE: February 15, 1994

TO: Mr. Robert C. Williams, Land Manager, Seneca Resources Corp.

FAX NUMBER: 713/655-2240

FROM: **Robert E. Jack, Attorney at Law**
P. O. Box 1257
Cameron, Texas 76520
Telephone Number: (Voice) 817/697-4130
Telephone Number: (Fax) 817/697-2626

NUMBER OF PAGES, INCLUDING THIS TRANSMITTAL SHEET: 3 PAGE(S) SENT

IF YOU ARE NOT RECEIVING CLEARLY, OR IF YOU HAVE ANY PROBLEM WITH THIS TRANSMISSION, PLEASE CALL US BACK IMMEDIATELY AT 817/697-4130.

COMMENTS:
Dear Mr. Williams:

As requested by you during the course of our telephone conversation on February 14, 1994, following this cover sheet you will find a copy of the revised plat of the Barrera No. 2 Unit. The most important changes were the removal of part of Tract 8 from the Unit, and a correction of the size of the State Right-of-Way where it crosses the easternmost boundary of Tract 19.

Also, following this cover sheet you will find a copy of a separate plat prepared for me by the surveyor which shows the actual amount of acreage in the original State Right-of-Way between Tracts 11 and 12. (Due to the number of mineral boundaries which do not coincide with each other, and the small physical size of the paper used for recording the Unit Plat, the Surveyor had to omit many boundary lines for the sake of clarity.) Please recall that the acreage in the State ROW which you have under lease is the original 100' ROW conveyed to the State in the early 1930's and is **NOT** the ROW as presently evidenced on the ground.

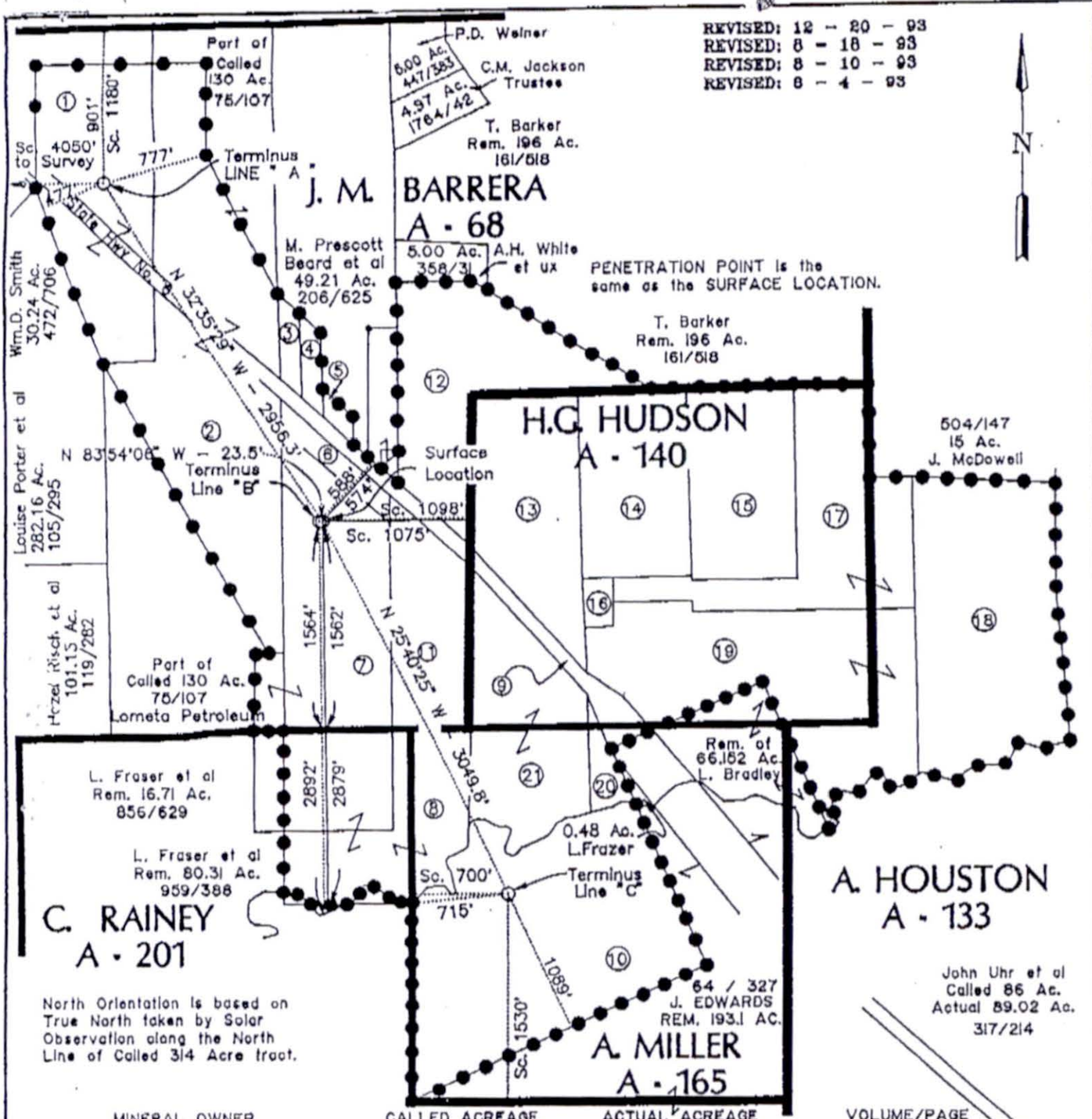
Additionally, and as discussed with you, I have been asked to prepare (and should have out this week) a revised Unit Declaration. However, as indicated in Exhibit "C" to the opinion letter, there are many individuals and entities who appear (from the public record) to have the right to control whether or not their undivided interest are pooled into the unit. Conversely, you indicated to me that you had unrecorded documents which, in many instances, placed such right in Seneca's name. Obviously I cannot comment on such documents as they have not been available to me, nor have I been asked to review same. However, I am sure Dale will be interested in such documentation as it would allow that company to make the necessary legal and business decisions as to whether or not the failure to join all the record title owners of interests in the minerals in the execution of the unit designation could lead, at a later date, to litigation and claims for damages.

Very truly yours,

Robert E. Jack

REJ/pb

REVISED: 12 - 20 - 93
REVISED: 8 - 18 - 93
REVISED: 8 - 10 - 93
REVISED: 8 - 4 - 93



North Orientation is based on True North taken by Solar Observation along the North Line of Called 314 Acre tract.

	MINERAL OWNER	CALLED ACREAGE	ACTUAL ACREAGE	VOLUME/PAGE
1	Louise Porter, et al	Part of 314.0 out of 344.0	34.26	105/295
2	Dale Resources	Part of 130.0	63.21	75/107
3	1st American Bank	3.00	2.15	1163/701
4	N.M. Grear et ux	3.00	2.14	304/159
5	Frank Thurman,Jr.et al	1.037	0.97	1057/348 & 994/350
6	W. D. Fitch	2.741	2.63	1010/519
7	Emilio Ayche et al	Part of 60.0	37.84	1163/647
8	Lawrence Fraser et al	Part of 16.71 & Part of 80.31	37.19	856/629 & 959/388
9	STATE OF TEXAS et al	Part of 47.36 & Res.17.0	15.62	1773/15 & 81/242
10	Jane Edwards	Part of 193.1	66.70	64/327
11	J.B. Daugherty et al	17.0	21.94	151/397 Ref.30/428
12	Est.of Mills P. Walker & D.Mike	5.64 & Part of 196.0	33.62	161/518 Ref.29/525 & 30/432
13	Robert Becker et al	28.10	28.64	292/552
14	Robert Becker et al	25.0	24.88	193/423
15	Robert Becker et al	25.0	24.97	740/765
16	Gus Bradley, Jr. et al	1.81	1.82	452/897
17	Lawrence Bradley et al	33.076	33.076	1329/191
18	Tom Barker et al	55.0	49.88	161/518
19	J.D. Langley et ux	Part of 66.152	51.874	1329/191 Ref.1461/276
20	Lawrence Fraser et al	Part of 3.0	3.07	264/353
21	J. W. Sims et al	20.4	25.49	226/107

TOTAL 561.97 ACRES

I, H. CURTIS STRONG, REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4961, DO HEREBY CERTIFY THAT THE WELL LOCATION AS SHOWN WAS STAKED ON THE GROUND AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

H. Curtis Strong

H. CURTIS STRONG, REGISTERED PROFESSIONAL LAND SURVEYOR

STATE OF TEXAS
HORACE CURTIS STRONG
4961
REGISTERED PROFESSIONAL LAND SURVEYOR

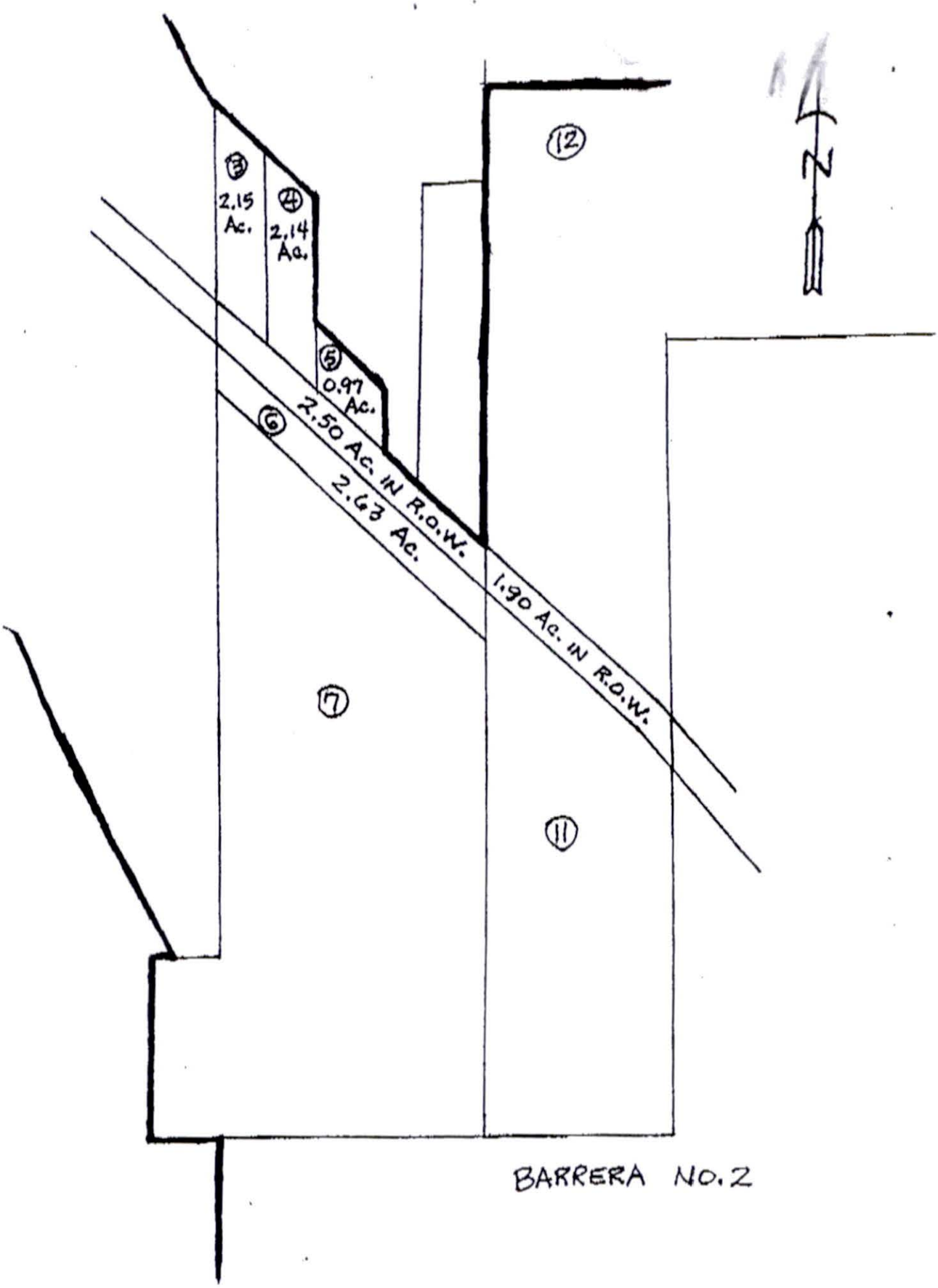
DALE OPERATING COMPANY

BARRERA NO. 2

H.G. HUDSON, J.M. BARRERA, A. MILLER, C. RAINEY, & A. HOUSTON SURVEYS
BRAZOS COUNTY, TEXAS

Scale: 1" = 1000' May 11, 1993

PREPARED BY: Garrett Engineering
Bryan, Tx. 77802 Ph. (409) 846 - 2888



BARRERA NO. 2

ROBERT E. JACK
ATTORNEY AT LAW
706 NORTH TRAVIS
P. O. BOX 1257
CAMERON, TEXAS 76520

817/697-4130

Rockdale # 512-446-5332

Fax 817/697-2520

February 4, 1994

DIVISION ORDER TITLE OPINION

Dale Resources, Inc.
Dale Operating Company
Hartford Building, Suite 1040
400 N. St. Paul Street
Dallas, Texas 75201

Reference: Proposed Dale Resources, Inc. Barrera #2 Unit covering 561.97 acres, Brazos County, Texas,

Dear Sirs:

At your request, I have examined the record title to the propety intended to be included within the above referenced unit. A copy of the surveyor's plat of the proposed unit provided to this office is attached hereto as Exhibit "A" and incorporated herein by reference.

Based upon my examination of the record title, as described hereinafter, I am of the opinion that the parties named in Exhibit "B" attached hereto and incorporated herein by reference are the owners of the oil and gas mineral estate in the property described in Exhibit "A" and own the minerals in such unit, under the terms of the leases, the instrument creating such unit, and other instruments of record affecting such leases and unit, in the shares indicated.

The foregoing opinion as to ownership is subject to the comments, requirements, and limitations as contained in Exhibit "C" attached hereto and incorporated herein by reference.

Thank you for allowing this office to be of assistance to you in this matter.

Very truly yours,

Robert E. Jack

REJ/pb
cc: Lometa Petroleum Corporation
400 Graham Road
College Station, Texas 77845

EXHIBIT "B"

OWNERSHIP INTERESTS

Barrera #2

H. Kempner Uninc.
Address unknown
.0261098 X .0095682 .0002498

21 - J. W. Sims
1409 Caudill
College Station, Texas 77840
1/2 X 25.49/561.97 X 1/6 = .0037798

9 - General Land Office of The State of Texas
Stephen F. Austin Building
1700 North Congress
Austin, Texas 78701
8.39/561.97 X 1/5 = .0029859
+
7/8 X 2.50/561.97 X 1/5 = .0007785
+
1/8 X 2.83/561.97 = .0006295
+
1.90/561.97 X 3/16 = .0006339

Total for State of Texas .0050278

10 - Dorothy Jane McCallum Ward
627 Robindale Lane
Fairfield, Texas 75840
1/12 X 66.70/561.97 X .17 .0016814

10 - Mary Edwards Allen
P. O. Box 160
La Pryor, Texas 78872
1/12 X 66.70/561.97 X .17 .0016814

JACKSON & WALKER, L.L.P.
ATTORNEYS AND COUNSELORS
1100 LOUISIANA, SUITE 4200
P.O. BOX 4771
HOUSTON, TEXAS 77210-4771
TELEPHONE (713) 752-4200

TELECOPIER (713) 752-4221
TELEX 79-1932

OTHER LOCATIONS
DALLAS
FORT WORTH
SAN ANTONIO

April 5, 1994

Seneca Resources Corporation
333 Clay Street
Suite 4150
Houston, Texas 77002

Attention: Mr. Robert C. Williams

Re: Mills P. Walker et al. Leases
Dale Resources, Inc.-Barrera No. 2 Unit
57.46 Acres
José Maria Barrera Survey, A-68,
Brazos County, Texas
Our Firm File No. 002507.00170

Gentlemen:

FIRST SUPPLEMENTAL DIVISION ORDER TITLE OPINION

DESCRIPTION OF LAND

57.46 acres, more or less, out of the José Maria Barrera Survey, A-68, Brazos County, Texas, being the same lands identified as Tracts 11 and 12 in that certain Pooling Agreement and Unit Designation for the Dale Resources, Inc.-Barrera No. 2 Unit, filed August 16, 1993, recorded in Volume 1878, Page 320, Official Records, Brazos County, Texas.

Tract 1:

33.62 acres, more or less, out of the José Maria Barrera Survey, A-68, Brazos County, Texas, being that portion of that certain 1,185-acre tract described in that certain Mineral Deed from M. P. Walker to D. Mike dated January 16, 1932, recorded in Volume 81, Page 242, Deed Records, Brazos County, Texas, situated within the boundary lines of the Dale Resources, Inc.-Barrera No. 2 Unit, described in that certain Pooling Agreement and Unit Designation filed August 16, 1983, recorded in Volume 1878, Page 320, Official Records, Brazos County, Texas.

Tract 2:

21.94 acres (resurvey of 17.00 acres), more or less, out of the José Maria Barrera Survey, A-68, Brazos County, Texas, being that portion of the lands described in that certain Mineral Deed from M. P. Walker to D. Mike dated January 16, 1932, recorded in Volume 81, Page 242, Deed Records, Brazos County, Texas, situated south of State Highway 6.

Tract 3:

1.90 acres, (resurvey of 3.00 acres), more or less, out of the José Maria Barrera Survey, A-68, Brazos County, Texas, being the land described in that certain Deed dated July 7, 1931, from the Federal Trust Company, Independent Executor and Trustee of the R.N. Little Estate, to the State of Texas, recorded in Volume 80, Page 532, Deed Records, Brazos County, Texas.

Said tracts, outlined on the plat attached as Exhibit A to our Original Division Order Title Opinion, are hereinafter referred to as the "Subject Property."

* * * * * * *

DOCUMENTS AND RECORDS EXAMINED

11. Photocopy of plat prepared by Garrett Engineering indicating the acreage contained in Tract 3 of the Subject Property.

12. Photocopy of revised plat for the Barrera No. 2 Unit, prepared by Garrett Engineering.

13. Photocopy of letter dated March 25, 1994, from Robert E. Jack, to Dale Resources, Inc., regarding the Division Order Title Opinion prepared by Jack covering the Barrera No. 2 Unit, together with photocopies of revised pages 31 and 32 of said opinion.

* * * * * * *

This Opinion supplements our Original Division Order Title Opinion dated February 14, 1994, covering the Subject Property (called 55.58 acres) and is issued after examination of the Additional Documents and Records described above. Based solely upon examination of such Additional Documents and Records, and

subject to the disposition of the Comments and Requirements stated in our Original Division Order Title Opinion as set forth below, we find title to that portion of the oil, gas and liquid hydrocarbons produced from the Dale Resources, Inc.-Barrera No. 2 Well attributable to the Subject Property vested as of October 28, 1993, at 5:00 p.m., as hereinafter set forth.

Unit Participation Factor: 57.46/561.97 = .1022475

Royalty and Overriding Royalty:

First Bank & Trust, Bryan, Texas, Trustee under Trust Agreement dated December 8, 1981 1/8 of 1/2 of 33.62/561.97, or	.0037391 RI*
Lucille Dougherty 3/16 of 85% of 1/2 of 33.62/561.97, plus 3/16 of 21.94/561.97, or	.0120875 RI
John M. Lawrence, III 3/16 of 5.25% of 1/2 of 33.62/561.97, or	.0002945 RI
William S. Thornton 3/16 of 3.675% of 1/2 of 33.62/561.97, or	.0002061 RI
Billy M. Payne 3/16 of 3.375% of 1/2 of 33.62/561.97, or	.0001893 RI
Jay Don Watson 3/16 of 2.7% of 1/2 of 33.62/561.97, or	.0001514 RI
State of Texas 3/16 of 1.90/561.97, or	.0006339 RI
F. L. Pool 1/2 of 1/64, of 33.62/561.97, or	.0004674 ORRI
J. J. McCauley, Inc. 1/2 of 3.625% of 33.62/561.97, less 1/2 of .78125% of 33.62/561.97, or	.0008506 ORRI
Alice M. Reese, Individually and as Independent Executrix of the Estate of R.L. Reese, Deceased 1/2 of 2.0625% of 33.62/561.97, plus 1/2 of .78125% of 33.62/561.97, or	.0008506 ORRI

(17) M95228 (8-9-94)
Field notes, Division order
Title Opinion; Ownership
Interests exhibit "B"

M95228
Unit No. 2290

MURPHY MAHON KEFFLER & FARRIER, L.L.P.

ATTORNEYS AND COUNSELORS AT LAW

1810 Bank One Tower
500 Throckmorton Street
Fort Worth, Texas 76102
Telephone 817/877-3666
Telecopy 817/877-3668

J. Patrick Murphy
817/877-3352

File No.
194.12

June 8, 1994

Snyder Oil Corporation
777 Main Street, Suite 2500
Fort Worth, Texas 76102

Attention: Mr. Terry L. Savage

35

ACQUISITION TITLE OPINION
(LOMETA NO. 1 UNIT)

Acquisition Title Opinion (Lometa No. 1 Unit) covering the leasehold interests owned by Dale Operating Company, Dale Resources, Inc., CPC Dale Horizontal Drilling Program No. 6 and Carson Resources, Inc. (collectively the "Dale Group") in the Dale Resources, Inc. Lometa No. 1 Unit, 306.00 acres, H. G. Hudson, A-140, A. Miller, A-165, Andrew Houston, A-133, Jesse Evans, A-110, and Thomas Mays, A-161, Surveys, Brazos County, Texas (the "Subject Lands"), limited, however, to the depth interval of 11,400 feet subsurface to 11,620 feet subsurface. The Subject Lands are described by metes and bounds on Exhibit "A" attached hereto and a plat depicting the location of the Subject Lands is set forth on Exhibit "B" attached hereto.

Gentlemen:

At your request and for the purposes of rendering an Acquisition Title Opinion covering the leasehold interests of the Dale Group in the Subject Lands we have examined the following:

MATERIALS EXAMINED

1. Division Order Title Opinion dated September 13, 1993, rendered by Robert E. Jack to Dale Resources, Inc. and Dale Operating Company, certifying title to the Subject Lands (no certification date for such opinion is provided) (such opinion is herein called the "Division Order Opinion").

2. Oil and Gas Title Opinion dated April 30, 1993, rendered by Robert E. Jack to Dale Resources, Inc., certifying title to the Becker-Edwards Prospect, containing 9 tracts which include Tracts 6, 5, 7, 3, 1 and 4 of the Subject Lands (no certification date of such opinion is provided) (such opinion is herein called the "Prior Opinion A").

3. Oil and Gas Title Opinion dated June 10, 1993, rendered by Robert E. Jack to Dale Resources, Inc., certifying title to the Jordan Heirs 150-acre tract and the Lawrence G.

DESCRIPTION: 86.00 acres of land, more or less, located in the A. D. Houston Survey, A-133. (Tracts 5 and 8)
PRIMARY TERM: 3 years

21. LESSOR: Brooks G. Bradford, et ux.
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 8-6-92
RECORDING: Volume 1577, Page 347
DESCRIPTION: 86.00 acres of land, more or less, located in the A. D. Houston Survey, A-133. (Tracts 5 and 8)
PRIMARY TERM: 3 years

22. LESSOR: Grace B. Bay
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 8-3-92
RECORDING: Volume 1571, Page 56
DESCRIPTION: 86.00 acres of land, more or less, located in the A. D. Houston Survey, A-133. (Tracts 5 and 8)
PRIMARY TERM: 3 years

23. LESSOR: Lometa Petroleum Corporation
LESSEE: Dale Resources, Inc.
LEASE DATE: September 1, 1993
RECORDING: Volume 1919, Page 179
DESCRIPTION: 86.00 acres of land more or less, located in the A. D. Houston Survey, A-133. (Tracts 5 and 9)
PRIMARY TERM: 3 years

24. LESSOR: Clifford P. Dodson, Jr.
LESSEE: K. D. Taylor
LEASE DATE: January 3, 1992
RECORDING: Volume 1444, Page 268
DESCRIPTION: 50 acres of land, more or less, located in the Henry G. Hudson, A-140 and Andrew Miller, A-165 Surveys, Brazos County, Texas. (Tract 3)
PRIMARY TERM: 3 years

UNIT DESIGNATION

The Subject Lands have been pooled pursuant to a Revised Pooling Agreement and Unit Designation (the "Unit Designation") for the Dale Resources, Inc. Lometa No. 1 Unit dated September 3, 1993, executed by Dale Resources, Inc., and recorded at Volume 1927, Page 70,

Official Records, Brazos County, Texas. By virtue of the Unit Designation (but subject to Comment No. 1), the Subject Lands and the oil and gas leases described above have been pooled as to the correlative geological interval known as the Austin Chalk Formation which occurs from 11,400 feet to 11,620 feet as correlated on that certain electrical log from the C.R.L. Resources #1 M.P. Walker Well located in the A. D. Houston Survey, A-133, Brazos County, Texas. There are certain defects to the Unit Designation which must be corrected in order to effectively pool the Subject Lands, as more particularly set forth in Comment No. 1 below.

LIENS AND ENCUMBRANCES

None effecting the leasehold interests of the Dale Group. However, as set forth in Schedules I and II hereto, there are certain liens which affect the interest of certain lessors within the Subject Lands which must be released or subordinated.

TAXES

We have not examined any evidence concerning the status of ad valorem taxes assessed against the Dale Group's interest in the oil and gas leasehold estate in the Subject Lands.

COMMENTS AND REQUIREMENTS

COMMENT NO. 1:

The Unit Designation covering the Subject Lands, as set forth above under the heading "Unit Designation", is defective because Dale Operating Company, CPC Dale Horizontal Drilling Program No. 6, and Carson Resources, Inc., who own working interests in the Subject Lands, have not executed the Unit Designation and, pursuant to the oil and gas leases which cover the Subject Lands, their execution of the Unit Designation is necessary in order to create and perfect a pooled unit covering the Subject Lands.

REQUIREMENT NO. 1:

The parties set forth above who have not executed the Unit Designation should execute or ratify such Unit Designation, and the Unit Designation, and any ratifications thereof by such parties, should be filed for record in the Official Records of Brazos County, Texas.

COMMENT NO. 2:

We note that the mineral interest of the heirs of Lee Andrew Edwards in the Subject Lands is unleased. In the Division Order Opinion, such unleased interest was unreduced by unit acreage since such interest is not leased and is in the drillsite.

(18) M95228 6-8-94
Attorneys at Law
Re: Acquisition. Title Opinion;
+ Unit Designation
Lometa No. 1 Unit

Unit #12349

03-146859

DO NOT DESTROY

GLO-36-10-84 -MEMO-

Operator Snyder Oil Corp

Unit Name Barnes Unit #2

County Kings County

Effective Date 9/93 or 1st production
Amended: 3-16-94

Unitized for: Oil ___ Gas ___ Oil & Gas X

---

1. M.F. No. 095028

Area ___ Tr. ___

Sec. ___ Blk. ___ Survey H.G. Hudson A-140 AD Preston A-133; J.M. Ellis A-93; A. Miller A-165

(13.72 surf acres) (561.97 unit acres) x ___ . ___ %

.021970 .20 .004394

---

2. M.F. No. 095380

Area ___ Tr. ___

Sec. ___ Blk. ___ Survey JM Ellis A-93

(1.4) (.0117) x ___ . ___ %

.001321 .1875 .000248

---

3. M.F. No. ___

Area ___ Tr. ___

Sec. ___ Blk. ___ Survey ___

___ x ___ . ___ %

---

4. M.F. No. ___

Area ___ Tr. ___

Sec. ___ Blk. ___ Survey ___

___ x ___ . ___ %

REMARKS: H.K.O.U.

* TPF for M95028 = total net lease royalty interest (excluding M95350): .0029859
.0007785
+ .0006295
.004394
÷ .20
= .021970 TPF
M95028 Tract

* See Exhibit "B" Ownership attached for ownership in the drilling Section: Page 17

Snyder Oil Corporation

777 Main Street, Suite 2500
Fort Worth, Texas 76102 - 5328
817 / 338-4043

July 27, 1995

M95228 ✓
M95380
GL #2349

Lillie Gamble
General Land Office
1700 N. Congress
Stephen F. Austin Building
Austin, TX 78701

RE: Barrera #2 ✶
Property No. 106620-001
Brazos County, Texas

Dear Ms. Gamble:

Enclosed as you requested is a copy of the Amended Pooling Agreement and Unit Designation for the captioned well.

If I can be of further assistance, please let me know.

Very truly yours,

Maurine Cozart

Maurine Cozart
Property Analyst

Enclosure

RECEIVED
JUL 28 1995
ENERGY RESOURCES

AMENDED
POOLING AGREEMENT

AND

UNIT DESIGNATION

DALE RESOURCES, INC.

BARRERA #2 UNIT

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

WHEREAS, the undersigned, being the owners of the interests of the Lessees in and to those valid and subsisting oil, gas and mineral leases listed on Exhibit "A", attached hereto and incorporated herein by reference, including all amendments and corrections thereto, and further being the owners of certain other rights in and to the minerals underlying the property described in Exhibit "B" attached hereto and incorporated herein by reference, which other rights include the right to pool or unitize such other interests into a unit or units for the production of oil, gas or other minerals from such property, desire to form a pooled unit for the production of oil and gas from the Austin Chalk Formation pursuant to such rights. Now therefore, in consideration of foregoing premises, the mutual covenants and agreements herein contained, and as authorized by the various leases described in such Exhibit "A", and as authorized by various other instruments which pertain to the property described in such Exhibit "B", the undersigned parties hereby agree and declare as follows:

1. The undersigned parties do hereby pool, combine and unitize the oil, gas and mineral leases listed on Exhibit "A" attached hereto and all other rights owned by them to form a pooled unit for the production of oil and gas in and under the lands described on the attached Exhibit "B", which lands are hereinafter referred to as "Unit Acreage". The interests included within this unit shall include, without limitation, all working interests, royalty interests, overriding royalty interests, non-participating royalty interests, rights to production payments, future interests, and any other mineral interests pertaining to oil and gas in the Unit Acreage, insofar and only insofar as the leases and such other interests cover and include (or are located within) that certain correlative geological interval known as the Austin Chalk Formation

(hereinafter called "Pooled Interval") which occurs from 11,350 feet to 11,600 feet as correlated on that certain Electric Log from the CRL # 1 M.P. Walker well located in the A. Houston Survey, A-133, Brazos County, Texas. The pooled unit created by this instrument shall be known as the Dale Resources, Inc. Barrera #2 Unit (hereinafter referred to as "Unit"), and shall contain a total Unit Acreage of 561.97 acres, more or less, as described on Exhibit "B" and shown by Exhibit "C".

2. The production of oil or gas from the Pooled Interval from a well on any part of the Unit Acreage shall constitute production from all of the leases contained in such Unit. Drilling or reworking operations or other operations conducted on any portion of the Unit Acreage for the production of oil or gas from the Pooled Interval shall constitute such operations for the production of oil or gas on all lands and leases included within the Unit.

3. All oil or gas produced from the Pooled Interval from any well in such Unit shall be allocated proportionately among all the tracts within such Unit in the proportion that the number of surface acres in each of such tracts which are included in the Unit bears to the total number of surface acres in such Unit, and the share of production to which each interest owner is entitled shall be computed on the basis of such owner's respective interest in each tract within the Unit.

4. It is the intention of the undersigned to include, and they do hereby include in said Unit, all leases and other mineral or royalty interests which may be here after acquired by the undersigned, covering all or any part of the Unit Acreage during the time said Unit remains effective.

5. The Unit described herein shall be deemed to have been effective as of the date of the first production. To that end, the filing of this instrument in the Official Records of Brazos County, Texas, shall be deemed to amend a certain previous Unit Designation filed for record in Volume 1878, Page 321, of the Official Records of Brazos County, Texas as of such date of first production. The failure or refusal of any interest owner to sign this agreement shall not render ineffective this Agreement as to the interest of any owners who have signed this Agreement.

6. This Agreement shall not limit or restrict the rights of the Lessees to form other

pooled units containing the property covered by the leases described on the attached Exhibit "A" or to amend this Unit in the future. That is, the pooled Unit formed by this Agreement may be amended, expended, reduced, reformed, changed in configuration, or dissolved in any manner and at any time and from time to time, at the election of Dale Resources, Inc. when, in its sole judgment, it deems it necessary to properly explore or develop the lands covered by, and in the immediate vicinity of, the Unit, provided, that the pooled Unit may not be expanded in excess of 640 acres plus 10% tolerance. Each signatory hereto specifically grants to Dale Resources, Inc. the authority necessary to carry out the intents and purposes of this paragraph.

7. This Agreement may be executed in counterparts and, if so executed, shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. In the event multiple counterparts of this Agreement are executed, and for recording purposes, Dale Resources, Inc. is authorized to remove the signatory pages together with the appropriate acknowledgment pages from the individual counterparts, combine them with the other pages of this Agreement and with the other signatory and acknowledgment pages so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

8. This Agreement is binding upon the parties hereto, their heirs, successors and assigns.

EXECUTED this 16TH day of MARCH, 1994.

DALE RESOURCES, INC.

By: _____
Lynn Elliott, Executive
Vice President

DALE OPERATING COMPANY

By: _____
Lynn Elliott, Executive
Vice President

SENECA RESOURCES CORPORATION

By: _____
William M. Petmecky, General
Manager, Land and Legal

_____
R. S. SHAWELL

STATE OF TEXAS, §
§
COUNTY OF BRAZOS §

This instrument was acknowledged before me on the 16th day of March, 1994, by Lynn Elliott, Executive Vice President, of Dale Resources, Inc., a Texas Corporation, on behalf of said corporation.

NOVELLA KRANNIG
MY COMMISSION EXPIRES
December 4, 1996

Novella Krannig
Notary Public, State of Texas

STATE OF TEXAS, §
§
COUNTY OF BRAZOS. §

This instrument was acknowledged before me on the 16th day of March, 1994, by Lynn Elliott, Executive Vice President, of Dale Operating Company, a Texas Corporation, on behalf of said corporation.

NOVELLA KRANNIG
MY COMMISSION EXPIRES
December 4, 1996

Novella Krannig
Notary Public, State of Texas

STATE OF TEXAS, §
§
COUNTY OF HARRIS. §

This instrument was acknowledged before me on the _____ day of _____, 1994, by William M. Petmecky, General Manager, Land and Legal, of Seneca Resources Coporation, a Pennsylvania Corporation, on behalf of said corporation.

_____
Notary Public, State of Texas

STATE OF TEXAS, §
§
COUNTY OF _____. §

This instrument was acknowledged before me on the _____ day of _____, 1994, by R.S. Shawell.

_____
Notary Public, State of Texas

EXHIBIT "A"

BARRERA #2 DESCRIPTION OF LEASES

1. LESSOR: Louise Weddington Porter
LESSEE: Lometa Petroleum Corporation
LEASE DATE: July 18, 1992
RECORDING: Volume 1557, Page 205, Official Records of Brazos County, Texas
DESCRIPTION: 314 acres, J. M. Barrera Survey, A-68, Brazos County, Texas (344 acres SAVE AND EXCEPT 30 acres)

2. A LESSOR: Ruth Weddington Peattie
LESSEE: Lometa Petroleum Corporation
LEASE DATE: July 18, 1992
RECORDING: Volume 1557, Page 209, Official Records of Brazos County, Texas
DESCRIPTION: 314 acres, J. M. Barrera Survey, A-68, Brazos County, Texas (344 acres SAVE AND EXCEPT 30 acres)

3. B LESSOR: Betty Jeanne Greer
LESSEE: Lometa Petroleum Corporation
LEASE DATE: July 18, 1992
RECORDING: Volume 1571, Page 41, Official Records of Brazos County, Texas
DESCRIPTION: 314 acres, J. M. Barrera Survey, A-68, Brazos County, Texas (344 acres SAVE AND EXCEPT 30 acres)

4. C LESSOR: James Edward Greer, Jr.
LESSEE: Lometa Petroleum Corporation
LEASE DATE: July 18, 1992
RECORDING: Volume 1571, Page 45, Official Records of Brazos County, Texas and re-recorded in Volume 1804, Page 206, Official Records of Brazos County, Texas
DESCRIPTION: 314 acres, J. M. Barrera Survey, A-68, Brazos County, Texas (344 acres SAVE AND EXCEPT 30 acres)

5. D LESSOR: John Weddington Greer
LESSEE: Lometa Petroleum Corporation
LEASE DATE: July 18, 1992
RECORDING: Volume 1571, Page 49, Official Records of Brazos County, Texas
DESCRIPTION: 314 acres, J. M. Barrera Survey, A-68, Brazos County, Texas (344 acres SAVE AND EXCEPT 30 acres)

6. 2 LESSOR: Dale Resources, Inc.
LESSEE: Dale Operating Company — Texaco
LEASE DATE: July 7, 1993
RECORDING: Volume 1900, Page 334, Official Records of Brazos County, Texas
DESCRIPTION: 130 acres, J. M. Barrera Survey, A-68, Brazos County, Texas

7. 3 LESSOR: First American Bank
LESSEE: Lometa Petroleum Corporation
LEASE DATE: May 27, 1993
RECORDING: Volume 1813, Page 197, Official Records of Brazos County, Texas
DESCRIPTION: 3.0 acres, J. M. Barrera Survey, A-68, Brazos County, Texas

8. 4 LESSOR: N. M. Greer and wife, Mattie M. Greer
LESSEE: Lometa Petroleum Corporation
LEASE DATE: February 2, 1993
RECORDING: Volume 1725, Page 302, Official Records of Brazos County, Texas
DESCRIPTION: 3.0 acres, J. M. Barrera Survey, A-68, Brazos County, Texas

9. LESSOR: Frank Thurmond, Jr. and wife, Bettie Thurmond
LESSEE: Lometa Petroleum Corporation
LEASE DATE: February 26, 1993
RECORDING: Volume 1734, Page 16, Official Records of Brazos County, Texas
DESCRIPTION: 0.303 acres, J. M. Barrera Survey, A-68, Brazos County, Texas

10. LESSOR: William D. Fitch
LESSEE: Lometa Petroleum Corporation
LEASE DATE: June 11, 1993
RECORDING: Volume 1819, Page 240, Official Records of Brazos County, Texas
DESCRIPTION: 2.741 acres, J. M. Barrera Survey, A-68, Brazos County, Texas

11. LESSOR: Emilio Ayache
LESSEE: Lometa Petroleum Corporation
LEASE DATE: February 16, 1993
RECORDING: Volume 1732, Page 294, Official Records of Brazos County, Texas
DESCRIPTION: 40.54 acres, J. M. Barrera Survey, A-68, Brazos County, Texas

12. LESSOR: Lawrence G. Fraser and wife, Barbara R. Fraser
LESSEE: Lometa Petroleum Corporation
LEASE DATE: January 25, 1993
RECORDING: Volume 1716, Page 240, Official Records of Brazos County, Texas
DESCRIPTION: 97.02 acres, H. G. Hudson Survey, A-140, Andrew Miller Survey, A-165 and Clement Rainey Survey, A-201, Brazos County, Texas

13. LESSOR: William T. Fleming, Jr. and wife, Kathryn Fleming
LESSEE: Lometa Petroleum Corporation
LEASE DATE: January 28, 1993
RECORDING: Volume 1720, Page 44, Official Records of Brazos County, Texas
DESCRIPTION: 160 Acres, J. M. Barrera Survey, A-68, C. Rainey Survey, A-201, A. Miller Survey, A-165 and H. G. Hudson Survey, A-140, Brazos County, Texas

14. LESSOR: J. W. Sims
LESSEE: Lometa Petroleum Corporation
LEASE DATE: March 10, 1992
RECORDING: Volume 1463, Page 66, Official Records of Brazos County, Texas
DESCRIPTION: 20.4 acres, H. G. Hudson Survey, A-140, A. Miller Survey, A-165, Brazos County, Texas

15. LESSOR: The Commissioner of the General Land Office of the State of Texas
LESSEE: Lometa Petroleum Corporation
LEASE DATE: April 4, 1993
RECORDING: Volume 1773, Page 15, Official Records of Brazos County, Texas
DESCRIPTION: 47.36 acres, J. M. Barrera Survey, A-68, H. G. Hudson Survey, A-140, Andrew Miller Survey, A-165, and A. D. Houston Survey, A-133, Brazos County, Texas

16. LESSOR: The Commissioner of the General Land Office of the State of Texas
LESSEE: Seneca Resources Corporation
LEASE DATE: November 2, 1993
RECORDING: Volume 2019, Page 237, Official Records of Brazos County, Texas
DESCRIPTION: 3.00 acres, J. M. Barrera Survey, A-68, Brazos County, Texas

17. LESSOR: Virginia Ryman Larsson, Trustee of the Virginia Ryman Larsson Trust
LESSEE: Lometa Petroleum Corporation
LEASE DATE: January 19, 1993
RECORDING: Volume 1704, Page 112, Official Records of Brazos County, Texas
DESCRIPTION: 150 acres, J. M. Barrera Survey, A-68, Clement Rainey Survey, A-201 and Andrew Miller Survey, A-165, Brazos County, Texas

18. LESSOR: Barbara Ryman Degnan and James H. Degnan, Co-Trustees of Barbara R. Degnan Marital Trust UTA dated July 20, 1989
LESSEE: Lometa Petroleum Corporation
LEASE DATE: January 19, 1993
RECORDING: Volume 1724, Page 330, Official Records of Brazos County, Texas
DESCRIPTION: 150 acres, J. M. Barrera Survey, A-68, Clement Rainey Survey, A-201 and Andrew Miller Survey, A-165, Brazos County, Texas

19. LESSOR: Julia Ryman Holmes
LESSEE: Lometa Petroleum Corporation
LEASE DATE: January 19, 1993
RECORDING: Volume 1705, Page 225, Official Records of Brazos County, Texas
DESCRIPTION: 150 acres, J. M. Barrera Survey, A-68, Clement Rainey Survey, A-201 and Andrew Miller Survey, A-165, Brazos County, Texas

20. LESSOR: Eldridge Dickinson Ryman
LESSEE: Lometa Petroleum Corporation
LEASE DATE: January 19, 1993
RECORDING: Volume 1720, Page 55, Official Records of Brazos County, Texas
DESCRIPTION: 150 acres, J. M. Barrera Survey, A-68, Clement Rainey Survey, A-201 and Andrew Miller Survey, A-165, Brazos County, Texas

21. LESSOR: Dorothy Jane McCallum Ward
LESSEE: Dale Resources, Inc.
LEASE DATE: September 1, 1992
RECORDING: Volume 1634, Page 152, Official Records of Brazos County, Texas
DESCRIPTION: 193.1 acres Andrew Miller Survey, A-165, Jesse Evans Survey, A-110 and T. H. Mays Survey, A-161, Brazos County, Texas

22. LESSOR: Mary Edwards Allen
LESSEE: Dale Resources, Inc.
LEASE DATE: August 27, 1992
RECORDING: Volume 1634, Page 129, Official Records of Brazos County, Texas
DESCRIPTION: 193.1 acres Andrew Miller Survey, A-165, Jesse Evans Survey, A-110 and T. H. Mays Survey, A-161, Brazos County, Texas

23. LESSOR: Thomas J. McCallum, Jr.
LESSEE: Dale Resources, Inc.
LEASE DATE: August 28, 1992
RECORDING: Volume 1634, Page 140, Official Records of Brazos County, Texas
DESCRIPTION: 193.1 acres Andrew Miller Survey, A-165, Jesse Evans Survey, A-110 and T. H. Mays Survey, A-161, Brazos County, Texas

24. LESSOR: Charlotte Edwards Strawn
LESSEE: Dale Resources, Inc.
LEASE DATE: August 27, 1992
RECORDING: Volume 1634, Page 148, Official Records of Brazos County, Texas
DESCRIPTION: 193.1 acres Andrew Miller Survey, A-165, Jesse Evans Survey, A-110 and T. H. Mays Survey, A-161, Brazos County, Texas

25. LESSOR: Margie R. McCallum Shepperd
LESSEE: Dale Resources, Inc.
LEASE DATE: August 28, 1992
RECORDING: Volume 1634, Page 144, Official Records of Brazos County, Texas
DESCRIPTION: 193.1 acres Andrew Miller Survey, A-165, Jesse Evans Survey, A-110 and T. H. Mays Survey, A-161, Brazos County, Texas

26. LESSOR: John Godfrey and Sarah Godfrey
LESSEE: Dale Resources, Inc.
LEASE DATE: August 21, 1992
RECORDING: Volume 1634, Page 133, Official Records of Brazos County, Texas
DESCRIPTION: 193.1 acres Andrew Miller Survey, A-165, Jesse Evans Survey, A-110 and T. H. Mays Survey, A-161, Brazos County, Texas

27. LESSOR: Arthur I. Edwards, Jr., Jane Edwards and William Irvin Edwards
LESSEE: Dale Resources, Inc.
LEASE DATE: September 30, 1992
RECORDING: Volume 1656, Page 74, Official Records of Brazos County, Texas
DESCRIPTION: 193.1 acres Andrew Miller Survey, A-165, Jesse Evans Survey, A-110 and T. H. Mays Survey, A-161, Brazos County, Texas

28. LESSOR: John B. Dougherty and Lucille Dougherty
LESSEE: Wm. C. Richardson
LEASE DATE: February 15, 1978
RECORDING: Volume 30, Page 428, Oil & Gas Lease Records of Brazos County, Texas
DESCRIPTION: 1826 acres, multiple surveys, Brazos County, Texas

29. LESSOR: Mills P. Walker
LESSEE: R. L. Reese
LEASE DATE: December 16, 1977
RECORDING: Volume 29, Page 528, Oil & Gas Lease Records of Brazos County, Texas
DESCRIPTION: 1558 acres, multiple surveys, Brazos County, Texas

30. LESSOR: John M. Lawrence, III, Trustee
LESSEE: William C. Richardson
LEASE DATE: February 15, 1978
RECORDING: Volume 30, Page 432, Oil & Gas Lease Records of Brazos County, Texas
DESCRIPTION: 1809 acres, multiple surveys, Brazos County, Texas

31. LESSOR: Robert Dee Becker and wife, Dorothy Nell Becker
LESSEE: Kenneth Taylor
LEASE DATE: December 5, 1991
RECORDING: Volume 1444, Page 245, Official Records of Brazos County, Texas
DESCRIPTION: 78.1 acres H. G. Hudson Survey, A-140, in three tracts described as Tract 1- 25 acres; Tract II - 25 acres; and Tract III - 28.1 acres, Brazos County, Texas

32. LESSOR: Ruby Symns Howell
LESSEE: Kenneth D. Taylor
LEASE DATE: January 3, 1992
RECORDING: Volume 1444, Page 249, Official Records of Brazos County, Texas
DESCRIPTION: 25 acres, H. G. Hudson Survey, A-140, Brazos County, Texas

33. LESSOR: Pauline Symns
LESSEE: Kenneth D. Taylor
LEASE DATE: January 3, 1992
RECORDING: Volume 1444, Page 251, Official Records of Brazos County, Texas
DESCRIPTION: 25 acres, H. G. Hudson Survey, A-140, Brazos County, Texas

34. LESSOR: Thelma C. Symns
LESSEE: Kenneth D. Taylor
LEASE DATE: January 3, 1992
RECORDING: Volume 1444, Page 253, Official Records of Brazos County, Texas
DESCRIPTION: 25 acres, H. G. Hudson Survey, A-140, Brazos County, Texas

35. LESSOR: Jerry L. Symns
LESSEE: Kenneth D. Taylor
LEASE DATE: January 3, 1992
RECORDING: Volume 1444, Page 259, Official Records of Brazos County, Texas
DESCRIPTION: 25 acres, H. G. Hudson Survey, A-140, Brazos County, Texas

36. LESSOR: Jerry L. Symns, Independent Executor under the Will of Philip Williams Symns, Terri Symns Martin and Deana F. Symns
LESSEE: Kenneth D. Taylor
LEASE DATE: January 3, 1992
RECORDING: Volume 1444, Page 261, Official Records of Brazos County, Texas
DESCRIPTION: 25 acres, H. G. Hudson Survey, A-140, Brazos County, Texas

37. LESSOR: Larry Symns
LESSEE: Kenneth D. Taylor
LEASE DATE: January 3, 1992
RECORDING: Volume 1444, Page 255, Official Records of Brazos County, Texas
DESCRIPTION: 25 acres, H. G. Hudson Survey, A-140, Brazos County, Texas

38. LESSOR: Phylis Symns Knox
LESSEE: Kenneth D. Taylor
LEASE DATE: January 3, 1992
RECORDING: Volume 1444, Page 257, Official Records of Brazos County, Texas
DESCRIPTION: 25 acres, H. G. Hudson Survey, A-140, Brazos County, Texas

39. LESSOR: Laverta I. Bradley
LESSEE: Kenneth D. Taylor
LEASE DATE: January 3, 1992
RECORDING: Volume 1444, Page 264, and in Volume 1690, Page 64, Official Records of Brazos County, Texas
DESCRIPTION: First Tract: 66.152 acres (various surveys)
Second Tract: 25 acres, H. G. Hudson Survey, A-140, Brazos County, Texas

40. LESSOR: Gus S. Bradley, Jr. and wife, Emma Bauer Bradley
LESSEE: Kenneth D. Taylor
LEASE DATE: January 3, 1992
RECORDING: Volume 1444, Page 266, Official Records of Brazos County, Texas
DESCRIPTION: 33.076 acres, Andrew D. Houston Survey, A-133 and the Henry B. Hudson Survey, A-140 and 1.81 acres, Henry G. Hudson Survey, A-140, Brazos County, Texas

41. LESSOR: Clifford P. Dodson, Jr.
LESSEE: K. D. Taylor
LEASE DATE: February 29, 1992
RECORDING: Volume 1444, Page 268, Official Records of Brazos County, Texas
DESCRIPTION: 25.0 acres, H. G. Hudson Survey, A-140, Brazos County, Texas

42. LESSOR: Tom Barker and wife, Ina Mae Barker
LESSEE: Lometa Petroleum Corporation
LEASE DATE: August 3, 1992
RECORDING: Volume 1582, Page 125, Official Records of Brazos County, Texas
DESCRIPTION: 55 acres, A. D. Houston, Survey-A-133, Brazos County, Texas

EXHIBIT "B"

FIELD NOTES
DALE RESOURCES, INC.
BARRERA NO. 2 WELL UNIT
BRAZOS COUNTY, TEXAS
DECEMBER 20, 1993

All that certain lot, tract or parcel of land being 561.97 acres and being called the DALE RESOURCES, INC. - BARRERA NO. 2 WELL UNIT situated in the J. M. BARRERA SURVEY, Abstract No. 68, H. G. HUDSON SURVEY, Abstract No. 140, C. RAINEY SURVEY, Abstract No. 201, A. MILLER SURVEY, Abstract No. 165, and the A. HOUSTON SURVEY, Abstract No. 133, Brazos County, Texas, said 561.97 acre unit being all or a part of the following described tracts;

1. Being the Louise Porter et al 34.26 Mineral acre tract, same being a part of that certain Called 314 acre tract out of a 344 acre tract as described in Volume 105, Page 295;
2. Being the Dale Resources 63.21 Mineral acre tract, same being a part of that certain Called 130.00 acre tract as described in Volume 75, Page 107;
3. Being the First American Bank of Bryan 2.15 Mineral acre tract, same being all of that certain Called 3.00 acre tract as described in Volume 1163, Page 701;
4. Being the N. M. Greer et ux 2.14 Mineral acre tract, same being all of that certain Called 3.00 acre tract as described in Volume 304, Page 159;
5. Being the Frank Thurman, Jr. et al 0.97 Mineral acre tract, same being all of that certain Called 0.303 acre tract and that certain Called 0.734 acre tract as described in Volume 1057, Page 348 and Volume 994, Page 350, respectively;
6. Being the W. D. Fitch 2.63 Mineral acre tract, same being all of that certain Called 2.741 acre tract as described in Volume 1010, Page 519;
7. Being the Emilio Ayche et al 37.84 Mineral acre tract, same being a part of that certain Called 60.00 acre tract as described in Volume 1163, Page 647;
8. Being the Lawrence Fraser 37.19 Mineral acre tract, same being a part of that certain Called 16.71 acre tract and a part of that certain Called 80.31 acre tract as described in Volume 856, Page 629, and Volume 959, Page 388, respectively;
9. Being the STATE OF TEXAS 15.62 Mineral acre tract, same being a part of that certain Called 47.36 acre tract and all of that certain State right-of-way tract out of 17 acres as described in Volume 1773, Page 15 and Volume 81, Page 242, respectively;
10. Being the Jane Edwards 66.70 Mineral acre tract, same being a part of that certain Called 193.10 acre tract as described in Volume 64, Page 327;
11. Being the J. B. Daugherty et al 21.94 Mineral acre tract, same being all of that certain Called 17.0 acre tract as described in Volume 151, Page 397;
12. Being the Mills P. Walker Estate and D. Mike 33.62 Mineral acre tract, same being a part of that certain Called 1541 acre tract as described in Volume 29, Page 525;
13. Being the Robert Becker et al 28.64 Mineral acre tract, same being all of that certain Called 28.10 acre tract as described in Volume 292, Page 552;

14. Being the Robert Becker et al 24.88 Mineral acre tract, same being all of that certain Called 25.0 acre tract as described in Volume 193, Page 423;
15. Being the Robert Becker et al 24.97 Mineral acre tract, same being all of that certain Called 25.0 acre tract as described in Volume 740, Page 765;
16. Being the Gus Bradley, Jr. et ux 1.82 Mineral acre tract, same being all of that certain Called 1.81 acre tract as described in Volume 452, Page 897;
17. Being the Gus Bradley, Jr. et ux 33.076 Mineral acre tract, same being all of that certain Called 33.076 acre tract as described in Volume 1329, Page 191;
18. Being the Tom Barker et al 49.88 Mineral acre tract, same being all of that certain Called 55.0 acre tract as described in Volume 161, Page 518;
19. Being the J. D. Langley et ux 51.874 Mineral acre tract, same being a part of that certain Called 66.152 acre tract as described in Volume 1329, Page 191;
20. Being the Lawrence Fraser et al 3.07 Mineral acre tract, same being a part of that certain Called 3.0 acre tract as described in Volume 284, Page 853;
21. Being the J. W. Sims et al 25.49 Mineral acre tract, same being all of that certain Called 20.4 acre tract as described in Volume 226, Page 107;

all being Deed or Official Records of Brazos County, Texas, said 561.97 acre unit being more particularly described by metes and bounds as follows;

BEGINNING at a railroad spike found in the centerline of PEACH CREEK ROAD for the most easterly northeast corner, same being the northeast corner of said Tom Barker Called 55 acre tract;

THENCE along the centerline of said PEACH CREEK ROAD and the east line of said Called 55 acre tract the following calls;

S 0°03'54" W a distance of 810.07 feet; and,

S 4°42'26" E a distance of 1091.20 feet to a point at the intersection of PEACH CREEK and the centerline of PEACH CREEK ROAD for the southeast corner, same being the southeast corner of said Called 55 acre tract;

THENCE along the south line of said Called 55 acre tract and said 66.152 acre tract with the centerline of said PEACH CREEK the following calls;

S 72°44'37" W a distance of 11.41 feet;
S 62°27'41" W a distance of 37.10 feet;
S 82°12'08" W a distance of 36.32 feet;
S 72°47'12" W a distance of 38.82 feet;
S 70°09'35" W a distance of 48.52 feet;
S 85°23'15" W a distance of 43.47 feet;
N 72°46'59" W a distance of 137.86 feet;
S 84°35'43" W a distance of 39.56 feet;
S 41°34'58" W a distance of 30.20 feet;
S 17°52'34" W a distance of 48.59 feet;
S 27°46'05" W a distance of 48.14 feet;
S 46°47'45" W a distance of 57.06 feet;
S 85°49'02" W a distance of 210.16 feet;
S 57°31'47" W a distance of 93.31 feet;
S 35°45'57" W a distance of 67.59 feet;
S 87°54'51" W a distance of 39.31 feet;
N 71°57'05" W a distance of 173.54 feet;

N 85°37'09" W a distance of 68.73 feet;
S 53°21'16" W a distance of 157.55 feet;
S 84°49'34" W a distance of 98.97 feet;
N 22°43'10" W a distance of 95.35 feet;
N 36°09'26" W a distance of 37.05 feet;
N 86°56'34" W a distance of 39.13 feet;
S 38°05'01" W a distance of 149.09 feet;
S 29°46'47" W a distance of 48.75 feet;
S 78°39'56" W a distance of 39.26 feet;
N 70°02'44" W a distance of 72.29 feet;
N 89°06'11" W a distance of 40.04 feet;
S 49°28'43" W a distance of 36.18 feet;
S 24°12'10" W a distance of 64.39 feet;
S 8°10'43" E a distance of 117.90 feet;
S 47°43'49" E a distance of 36.00 feet;
S 27°06'42" W a distance of 44.30 feet ; and
S 84°38'16" W a distance of 46.66 feet to a point for an exterior corner;

THENCE N 23°38'48" W a distance of 1174.33 feet to a point for an interior corner;

THENCE S 66°21'12" W a distance of 1200.00 feet to a point for an interior corner;

THENCE S 23°38'48" E a distance of 1713.51 feet to a point for an exterior corner;

THENCE S 65°06'35" W a distance of 2376.81 feet to a point for an exterior corner;

THENCE NORTH a distance of 1462.31 feet to a point in the centerline of said PEACH CREEK, said point being located in the south line of that certain Called 150 acre tract as described in Volume 206, Page 307, and also being located in the south line of before mentioned 80.31 acre tract;

THENCE WEST along the south line of said 150 acre tract a distance of 43.88 feet to a point in the centerline of said Peach Creek, same being located in the south line of said 80.31 acre tract;

THENCE along the centerline of said PEACH CREEK with the south line of said 80.31 acre tract the following calls;

N 63°32'57" W a distance of 147.80 feet;
N 46°50'43" W a distance of 84.23 feet;
N 74°51'18" W a distance of 58.14 feet;
N 88°59'54" W a distance of 32.46 feet;
S 47°08'43" W a distance of 22.61 feet;
S 9°41'54" W a distance of 51.73 feet;
S 48°49'14" W a distance of 98.85 feet; and,
S 75°13'16" W a distance of 30.36 feet to a point in the centerline of Peach Creek for corner, same being located in the south line of said Called 150 acre tract;

THENCE WEST along said south line of 150 acre tract a distance of 257.56 feet to a point in the centerline of Peach Creek, same being located in the south line of said 80.31 acre tract;

THENCE along the centerline of said PEACH CREEK with the south line of said 80.31 acre tract the following calls;

N 51°03'48" W a distance of 57.07 feet;

N 36°22'18" W a distance of 24.07 feet;

N 50°37'21" W a distance of 30.45 feet; and,

N 79°54'52" W a distance of 107.11 feet to a point in the centerline of creek, same being the intersection of the south line of said 80.31 acre tract and the west line of said Called 150 acre tract;

THENCE NORTH along the west line of said 150 acre tract a distance of 1162.34 feet to a point for an interior corner, same being an interior corner of said 150 acre tract, and also being located in the north line of the before mentioned 16.71 acre tract;

THENCE S 89°38'51" W along the north line of said 16.71 acre tract a distance of 211.65 feet to a 1/2" Iron Rod found for an exterior corner, same being an exterior corner of said 150 acre tract, and also being the southeast corner of before mentioned 130 acre tract;

THENCE N 1°29'15" E along the west line of said 150 acre tract and the east line of said 130 acre tract, a distance of 581.11 feet to a 3/4" Iron Bolt found for an exterior corner, same being an exterior corner of said 150 acre tract, and also being an interior corner of said 130 acre tract;

THENCE EAST along a south line of said 130 acre tract a distance of 91.75 feet to a point for corner;

THENCE N 28°41'17" W a distance of 2457.14 feet to a 3/8" Iron Rod in Concrete found for an exterior corner, same being an easterly interior corner of that certain Called 344 acre tract as described in Volume 105, Page 295;

THENCE N 21°44'40" W a distance of 1390.45 feet to a 3/8" Iron Rod found for an exterior corner, same being the most easterly corner of the William David Smith Called 30.00 acre tract as described in Volume 472, Page 706;

THENCE NORTH a distance of 928.17 feet to a point for the most northerly northwest corner;

THENCE EAST a distance of 1253.16 feet to a point for the most northerly northeast corner;

THENCE SOUTH a distance of 700.00 feet to a point for an interior corner;

THENCE S 27°09'54" E a distance of 1150.85 feet to a 1/2" Iron Rod found for an interior corner, same being the most westerly south corner of that certain Called 49.50 acre tract as described in Volume 206, Page 625, and also being the most northerly corner of said First American Bank Called 3.00 acre tract;

THENCE S 47°23'54" E along the south line of said 49.50 acre tract and the northeast line of said First American Bank tract and the N. M. Greer tract a distance of 421.19 feet to a 1/2" Iron Rod found for an exterior corner, same being the northeast corner of said N. M. Greer tract;

THENCE S 1°40'08" E along the east line of said Greer tract a distance of 415.00 feet to a point for corner;

THENCE S 47°10'08" E a distance of 291.67 feet to a point for corner;

THENCE S 1°40'08" E a distance of 199.25 feet to a point in the Original right-of-way line of State Highway No. 6;

THENCE S 47°59'36" E along said Original right-of-way line a distance of 428.51 feet to a point for corner, same being the southeast corner of a certain Called 5.00 acre tract described as a 4.00 acre tract and a 1.00 acre tract as described in Volume 449, Page 4, and Volume 403, Page 389, respectively;

THENCE N 0°01'18" E a distance of 1131.57 feet to a 1/2" Iron Rod found for corner, same being the northeast corner of said Called 5.00 acre tract;

THENCE N 1°45'42" W along the east line of said Called 49.50 acre tract a distance of 327.30 feet to a 3/8" Iron Rod found for corner;

THENCE EAST a distance of 550.00 feet to a point for corner;

THENCE S 58°20'20" E a distance of 1537.75 feet to a point for corner;

THENCE N 88°53'57" E along the north line of said Robert Becker 24.88 acre tract, and the Robert Becker 24.97 acre tract, a distance of 1020.43 feet to a 1/2" Iron Rod found for corner, same being the northeast corner of said 24.97 acre tract;

THENCE S 89°31'49" E along the north line of said 33.076 acre tract a distance of 543.51 feet to a 1/2" Iron Rod found for a northeast corner, same being the northeast corner of said 33.076 acre tract;

THENCE S 0°28'58" E along a east line of said 33.076 acre tract a distance of 677.59 feet to a 1/2" Iron Rod found for an interior corner;

THENCE N 89°25'58" E along the north line of said 33.076 acre tract a distance of 301.07 feet to a 3/4" Iron Pipe found for the most easterly northeast corner of said 33.076 acre tract, and the northwest corner of said Called 55 acre tract;

THENCE S 86°44'39" E along the north line of said 55 acre tract a distance of 1031.99 feet to the PLACE OF BEGINNING AND CONTAINING AN AREA OF 561.97 ACRES OF LAND MORE OR LESS for the purposes of a well unit, according to a survey prepared during the months of February through July 1993 under the supervision of H. Curtis Strong, Registered Professional Land Surveyor No. 4961.



(19) Amended Pooling Agreement & Unit Agreement #95228, Lot 2349 (Snyder) 95380

7-31-95

Texas General Land Office
Garry Mauro, Commissioner

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

March 12, 1997

Rosewood Resources
Attn: Janet Hambright
Suite 300
200 Crescent Court
Dallas, Tx 75201-9990

Re: Mineral File No. M- 94821, 95228, 95380

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

Metha Kester
Accounts Examiner
Royalty and Revenue Processing
Energy Resources

/mrg

Enclosures

Printed on recycled paper with soybean ink

ROSEWOOD
RESOURCES

S: 3/24/97

RECEIVED
97 MAR -7 PM 2:12
ENERGY RESOURCES

February 27, 1997

TO ALL INTEREST OWNERS

Re: **New Division Orders covering Snyder Acquisition**
D/O 5800 thru 5841; 5844, 5848, 5851, & 5862; Austin Chalk Area
Burleson, Brazos, Fayette, Grimes, Lee, & Washington Counties, Texas

Dear Interest Owner:

Rosewood Resources, Inc. has acquired all of the interest owned by Snyder Oil Corporation in approximately 64 wells in the Austin Chalk Area of Texas. Rosewood took over operations of the 40 wells previously operated by Snyder effective as of January 1, 1997.

As a result of our acquisition, Rosewood will take over all revenue disbursements presently being made by Snyder, beginning with January, 1997, production. Rosewood's revenue checks covering the January, 1997, production will be issued around the 25th of March, 1997.

Enclosed are Rosewood's Division Orders for your execution, which detail only your specific interest in the captioned group of wells. Please follow the directions on the enclosed Division Order Instruction Sheet and return one signed division order to the undersigned in the return envelope provided.

The decimals shown on your Exhibit A cover the exact interests previously paid to you by Snyder. If you notice any well name listed twice, but with different tract numbers--then Rosewood has a disbursement responsibility that differs according to whether the product is oil or gas. In this situation, Rosewood's "Tract 0000" covers oil and "Tract 0001" covers gas.

Please give this your prompt attention. We would like to have your signed division order back in our office no later than March 14th. If you should have any questions or require additional information, feel free to call me at (214) 871-5718. Thank you.

Sincerely,

ROSEWOOD RESOURCES, INC.

Janet Hambright
Paralegal

Enclosures

Rosewood Resources, Inc.
Suite 500
100 Crescent Court
Dallas, Texas 75201
214 871 5700

OIL AND GAS DIVISION ORDER

EFFECTIVE DATE: January 1, 1997 production

DIVISION ORDER NUMBER(S): 5800 et al
(Snyder Acq. - See Attachment)

TO: ROSEWOOD RESOURCES, INC.
100 Crescent Court, Suite 500
Dallas, Texas 75201

DATE: February 27, 1997

The undersigned severally and jointly certifies it is the legal owner of the interest listed below, of all the oil, gas, and related hydrocarbons produced from the Austin Chalk properties located in Burleson, Brazos, Fayette, Grimes, Lee, or Washington Counties, Texas, as described on the attached Exhibit A.

(Type of Interest Codes on Exhibit A: 10=WI, 20=RI, 30=ORRI)

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The provisions listed on the next page apply to each owner ("Owner") who executes this agreement. In addition to the legal rights provided by all of the terms and provisions of this division order, each owner may have certain statutory rights under laws of this state.

WITNESSES: **(There must be two witnesses to each signature.)**

WITNESSES SIGN BELOW	OWNER(S) SIGN BELOW	SOCIAL SECURITY OR TAX ID NUMBER
X _____	X _____	X _____
X _____	Printed Name: _____	Date: _____

IMPORTANT: **PLEASE INCLUDE YOUR TAX ID NUMBER OR SOCIAL SECURITY NUMBER IN THE SPACE PROVIDED ABOVE. FAILURE TO PROVIDE TAX ID NUMBER OR SOCIAL SECURITY NUMBER WILL SUBJECT PAYMENTS MADE TO YOU TO BACKUP WITHHOLDING UNDER SECTION 3406 OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED, AND ANY TAX WITHHELD WILL NOT BE REFUNDABLE.**

O/N 131650
STATE OF TEXAS
C/O COMMISSIONER OF THE
GENERAL LAND OFFICE
STEPHEN F. AUSTIN BLDG.
1700 N. CONGRESS AVE., RM #640
AUSTIN TX 78701

DATE: February 27, 1997 DIVISION ORDER NO.: 5800 et al - Snyder Acq.

1. **VALUATION AND TERMS OF SALE:** The undersigned will be paid in accordance with the division of interests set out in Exhibit A. Rosewood Resources, Inc. ("Payor") shall pay all parties at the price agreed to by the operator for oil, gas and related hydrocarbons to be sold pursuant to this division order. The purchaser of the oil and gas products ("Purchaser") shall compute quantity and make corrections for gravity and temperature and make deductions for impurities. Unless otherwise expressly provided in Owner's lease(s): (1) Payor is authorized to deduct gathering, transportation, testing, dehydration, compression and other similar post-production charges incurred in connection with readying gas for market; and (2) Settlement on all oil sold shall be based on the net proceeds realized by Payor at the well from such sale, after deducting any costs for gathering, transporting or treating the oil for delivery.

2. **PAYMENT:** From the effective date, payment is to be made monthly by Payor's check, based on this division of interest (1) for oil and its products within sixty (60) days after the end of the calendar month in which oil production is sold; and (2) for gas and its products within ninety (90) days after the end of the calendar month in which gas production is sold, from the property described above, less taxes required by law to be deducted and remitted by Purchaser. Payments of less than $25.00 may be accrued before disbursement until the total amount equals $25.00 or more, or until December 31 of each year, whichever occurs first. Owner agrees to refund to Payor any amounts attributable to an interest or part of an interest that Owner does not own.

3. **INDEMNITY:** Owner agrees to indemnify and hold Payor harmless from all liability resulting from payments made to the Owner in accordance with such division of interest, including but not limited to attorney fees of judgments in connection with any suit that affects the Owner's interest to which Payor is made a party.

4. **DISPUTE; WITHHOLDING OF FUNDS:** If a suit is filed that affects the interest of the Owner, written notice shall be given to Payor by the Owner together with a copy of the complaint or petition filed. In the event a claim or dispute arises that affects title to the division of interest credited herein, Payor is authorized to withhold payments accruing to such interest, without interest, unless otherwise required by applicable statute, until the claim or dispute is settled.

5. **TERMINATION:** Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

6. **NOTICES:** (1) The Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. (2) No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs. (3) Any change of interest shall be made effective on the first day of the month following receipt of such notice by Payor. (4) Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party.

EXHIBIT A
Rosewood Resources, Inc.
Owner Number Cross-Reference to D.O.

Prepared: 2/27/97

131650 STATE OF TEXAS
C/O COMMISSIONER OF THE
GENERAL LAND OFFICE
STEPHEN F. AUSTIN BLDG.
1700 N. CONGRESS AVE., RM #640
AUSTIN TX 78701

Company	D.O.	Tract	Well Name/Description	Status	Type	Decimal
214	5801	0000	BARRERA #1 566.59 ACRES IN THE STERRETT D. SMITH SURVEY, A-210, AND THE J.M. BARRERA SURVEY, A-68 -- LIMITED TO THE SUBSURFACE DEPTH INTERVAL FROM 10,800 FEET TO 11,330 FEET. BRAZOS COUNTY, TEXAS. ~~MF 94881~~ MF 95228	01	20	.00126017
214	5802	0000	BARRERA #2 (OIL) 561.97 ACRES, AS DESCRIBED IN THAT CERTAIN POOLING AGREEMENT AND UNIT DESIGNATION, AS AMENDED, DATED MARCH 16, 1994, RECORDED IN VOLUME 2113, PAGE 24, BRAZOS COUNTY, TEXAS. MF 95228	01	20	.00502780
214	5802	0001	BARRERA #2 (GAS) 561.97 ACRES, AS DESCRIBED IN THAT CERTAIN POOLING AGREEMENT AND UNIT DESIGNATION, AS AMENDED, DATED MARCH 16, 1994, RECORDED IN VOLUME 2113, PAGE 24, BRAZOS COUNTY, TEXAS. 95380	01	20	.00502780
214	5824	0000	LOMETA #1 306 ACRES OUT OF THE H.G. SUDSON SURVEY, A-140; THE A. MILLER SURVEY, A-165; THE ANDREW HOUSTON SURVEY, A-133; THE JESSEE EVANS SURVEY, A-110; AND THE THOMAS MAYS SURVEY, A-161--LIMITED TO SUBSURFACE DEPTHS FROM 10,400' TO 11,620', BRAZOS COUNTY, TEXAS. MF 95228	01	20	.00640520

.004394
.000639

ROBERTSON & CORBUT
1235 Antoine Drive
Houston, Texas 77055
(713) 688-6266 • Fax (713) 688-6566

Jeffrey H. Robertson, CPL
Stephen A. Corbut, CPL

RECEIVED
98 OCT 19 PM 3:19

October 15, 1998

Mr. Drew Reid
TEXAS GENERAL LAND OFFICE
Stephen F. Austin Building
1700 N. Congress Ave., Room 600
Austin, Texas 78701

Re: State of Texas Oil and Gas Lease No. M-95228 Rosewood
47.36 acres State Highway 6 (ROW)
Lometa No. 1 Unit, 306 acres
Amendment of Pooled Unit
Brazos County, Texas

Dear Drew:

As I stated in our conversation of yesterday, I represent Rosewood Resources, Inc. of Dallas, Texas. Rosewood is the current operator of the above captioned unit in which a portion of State Lease No. M-95228 has been pooled (9.8 net and gross acres). Rosewood intends to re-drill the well but will not expand or contract the size of the unit, therefore, the State's interest will remain the same. The amendment is to perfect the unit prior to drilling.

Originally the lease was purchased by Lometa Petroleum Corporation on April 4, 1993. Dale Operating Company et al were the original operators of the unit and subsequently assigned all their working interest to Snyder Oil Corporation. Snyder conveyed all their interest to Rosewood in December of 1996. The well is currently producing, however, production has been declining.

I have enclosed the amendment for your review (and a copy of same for your files) as well as a return self-addressed metered envelope. I appreciate your help in this matter.

Should you have any questions or comments please contact me at 713/688-6266.

Yours very truly,

Stephen Corbut

Stephen Corbut

enc.

STATE OF TEXAS

COUNTY OF BRAZOS

AMENDMENT OF POOLED UNIT - LOMETA NO. 1 UNIT

RECITALS

WHEREAS, the undersigned are the owners of all interests (inclusive of leasehold interests, overriding royalty interests and royalty interests) in and to those certain oil, gas and mineral leases described on Exhibit "A" attached hereto (the "Leases"); and

WHEREAS, pursuant to those certain Amended Pooling Agreements and Designation of Oil Unit dated June 22, 1993, as recorded in Volume 2145, Page 217 of the Official Records of Brazos County, Texas, and Volume 2181, Page 306 of the Official Records of Brazos County, Texas, which amended and restated in its entirety that certain Revised Pooling Agreement and Unit Designation dated September 3, 1993, and recorded at Volume 1927, Page 69 of the Official Records of Brazos County, Texas, the owners of the leasehold interest in the Leases formed and established the Lometa No. 1 Unit, such Unit being comprised of those lands outlined on Exhibit "B" attached hereto; and

WHEREAS, Rosewood Resources, Inc. has succeeded to the interest of Dale Operating Company, Dale Resources, Inc., CPC Dale Horizontal Drilling Program No. 6 and Carson Resources, Inc. (collectively the "Dale Group") in the Lometa No. 1 Unit; and

WHEREAS, Rosewood Resources, Inc. desires to perfect the Pooling Agreement and Designation of Unit covering the Lometa No. 1 Unit and correct any defects contained therein; and

WHEREAS, it is the desire of the undersigned, being the owners of all of the oil, gas and interests in the Leases and/or the lands covered thereby, including owners of all royalty, overriding royalty and leasehold interest therein, by virtue of their ownership rights or by virtue of the authority conferred by the terms of the Leases and any and all amendments, modifications and corrections thereto, to hereby join in and perfect the Pooling Agreement and Designation of Unit covering the Lometa No. 1 Unit. Therefore, the undersigned do hereby agree to pool, consolidate, combine and unitize the Leases, including all leasehold rights, royalty, overriding royalty interest and other interest therein and thereunder, for development and production of oil, gas and liquid hydrocarbons as to and only as to those lands included in the existing Lometa No. 1 Unit as more particularly described on Exhibit "B" attached hereto and made a part hereof for all purposes, INSOFAR AND ONLY INSOFAR as to depths from the surface down to the subsurface depth equal to 100 feet beneath the total depth drilled in the Lometa No. 1 Unit. The undersigned hereby agree that all Leases listed on Exhibit "A" attached are hereby in full force and effect, and hereby grant, lease and let exclusively to Rosewood Resources, Inc. in proportion to their leasehold ownership reflected of record, those lands more particularly described on Exhibit "B" attached hereto and made part hereof for all purposes. Production from the Unit shall be allocated proportionately among all of the tracts within

COPY

the Unit in the proportion which the number of surface acres in each of such tracts bears to the total number of surface acres in the Unit.

The undersigned do hereby amend and restate in its entirety the Designation of Unit with the same effect and in like manner as if the Amended Units had been established and designated pursuant to the terms of the Designation of Unit rather than and in lieu of the Existing Unit.

If at any time any tract of land or interest within the Amended Unit is not properly pooled or unitized hereby or is not otherwise committed to the Amended Unit, such fact shall not effect, terminate, impair or invalidate the Amended Unit as to any interest properly pooled or unitized hereby or otherwise.

The undersigned reserves the right to amend this Amendment of Pooled Unit from time to time, and at any time, in order to correct any error herein or to include in the Amended Unit any newly acquired interests within the Amended Unit boundaries or to enlarge the Amended Unit area in accordance with the applicable rules and regulations of any governmental regulatory body or agency having jurisdiction insofar as such right is granted in the subject leases and other agreements, by appropriate amendments or instruments correcting or committing any such interest in the Amended Unit. Any such amendment or correction may be executed by the Operator of the Amended Unit, on behalf of the undersigned, provided that such amendment or correction will not change the interest of the owner in the Amended Unit.

By execution of this Amendment of Pooled Unit, the undersigned do not exhaust their right to pool the Leases and lands hereinabove described with other leases and lands as to any other minerals, horizon or strata covered thereby, and they expressly reserve to themselves, their assignees or successors in interests, the right and power to pool or unitize the above described leases and lands with any other leases, lands, horizons or strata in the vicinity and so far as the power, right and authority to do so is granted in the subject leases and various agreements and so long as such power and authority is exercised in accordance with applicable rules and regulations of any governmental regulatory body or agency having jurisdiction.

The Unit hereby created shall be deemed to be effective as of date of first production from the Unit and shall remain in force as long as the pooled minerals are being produced from the Unit, or so long thereafter as the leases covering the Unit are maintained in force by payment or tender of shut-in royalties or by other means, in accordance with the terms of said leases. This instrument may be executed as one document signed by all parties, or parties named herein may join herein by execution of a counterpart of this instrument or ratification of this instrument, with the same effect as if all parties executed this instrument. The failure of any one or more persons owning an interest in the Amended Unit to execute this instrument or a counterpart or ratification thereof shall not in any manner affect the validity of same as to the parties who do execute this instrument.

COPY

In WITNESS WHEREOF, this Amendment of Pooled Unit is executed on the _____ day of _____, 1998.

_____
Mary Edwards Allen

_____
Grace B. Bay

_____
Mildred Prescott Beard

_____
Brooks G. Bradford

_____
Sandra L. Bradford

_____
John B. Carter

_____
John Mason Carter

_____
Diane Elaine Prescott Cassel

COPY

Dale Resources, Inc.

By: _____
Name: _____
Title: _____

_____
Arthur I. Edwards, Jr.

_____
Addie Jane Edwards

_____
William T. Fleming, Jr.

_____
Katheryn B. Fleming

_____
Barbara R. Fraser

_____
Lawrence G. Fraser

_____
John Godfrey

_____
Sarah Godfrey

COPY

H. Kempner Trust Association

By: _____
Name: _____
Title: _____

_____
Ann O. Hamilton

_____
Daniel W. Hamilton

_____
Rachel A. Hamilton

_____
Lena Levon Hayes

_____
Diane Bailey

_____
Doris Wooten

_____
Leroy Kristek

_____
Carroll L. Kempner

_____
James C. Kempner

COPY

James C. Kempner, II

Arthur K. King III

Kellis Landrum

J. D. Langley

Lucille Stousland Lyons

Lometa Petroleum Corporation

By: _____
Name: _____
Title: _____

Catherine Carter Malone

Victoria L. Marchand

Thomas J. McCallum, Jr.

COPY

_____

Regions Bank, Independent Executor of the
Estate of Faye W. McFarlane, Deceased and
as Independent Executor of the Estate of J.
W. McFarlane, Deceased
By: Joseph E. Hand, Jr.
Title: Vice President and Oil and Gas Manager

_____

J. E. McFarlane

John E. McFarlane Family Trust

By: _____
Name: _____
Title: _____

Millican Petroleum Corporation

By: _____
Name: _____
Title: _____

_____

Betty Jane Prescott

_____

Daniel Lee Prescott

_____

David Ewing Prescott

COPY

_____
Shields Prescott

_____
Fred Rosenblath

Rosewood Resources, Inc.

By: _____
Name: _____
Title: _____

_____
Margie R. McCallum Shepperd

State of Texas
Commissioner of the General Land Office

By: _____
Name: _____
Title: _____

_____
Charlotte Edwards Strawn

_____
Neeley C. Lewis, Independent Executor of the Estate of Lewis Taplin, Deceased

_____
Unice Jeane Thomas

COPY

William E. Thomason

Felipe Thorndike

John I. Uhr Individually and as Trustee of the John I. Uhr, Trust

Dorothy Jane McCallum Ward, Individually and as Co-Trustee of The Revocable Living Trust of Guy R. Ward, and Dorothy Jane McCallum a/k/a The Guy R. Ward and Dorothy J. Ward Revocable Living Trust

Guy R. Ward, Individually and as Co-Trustee of The Revocable Living Trust of Guy R. Ward, and Dorothy Jane McCallum a/k/a The Guy R. Ward and Dorothy J. Ward Revocable Living Trust

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Mary Edwards Allen.

Notary Public, State of Texas

COPY

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Grace B. Bay.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Mildred Prescott Beard.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Brooks G. Bradford and Sandra L. Bradford, husband and wife.

_____
Notary Public, State of Texas

COPY

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by John B. Carter.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by John Mason Carter.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Diane Elaine Prescott Cassel.

_____
Notary Public, State of Texas

COPY

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by _____ as _____ of Dale Resources, Inc., on behalf of said corporation.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Arthur I. Edwards and Addie Jane Edwards, husband and wife.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by William T. Fleming, Jr. and Katheryn B. Fleming, husband and wife.

_____
Notary Public, State of Texas

COPY

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Lawrence G. Fraser and Barbara R. Fraser, husband and wife.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by John Godfrey and Sarah Godfrey, husband and wife.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF GALVESTON

This instrument was acknowledged before me on the ____ day of _____, 1998, by _____ as _____ of H. Kempner Trust Association, Inc., on behalf of said Trust.

_____
Notary Public, State of Texas

COPY

DISTRICT OF COLUMBIA

_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Ann O. Hamilton.

_____
Notary Public, District of Columbia

DISTRICT OF COLUMBIA

_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Daniel W. Hamilton.

_____
Notary Public, District of Columbia

DISTRICT OF COLUMBIA

_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Rachel A. Hamilton.

_____
Notary Public, District of Columbia

COPY

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Lena Levon Hayes.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Diane Bailey.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Doris Wooten.

_____
Notary Public, State of Texas

COPY

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Leroy Kristek.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Carroll L. Kempner.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, James C. Kempner.

_____
Notary Public, State of Texas

COPY

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by James C. Kempner, II.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Arthur K. King III.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, Kellis Landrum.

_____
Notary Public, State of Texas

COPY

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by J. D. Langley.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Lucille Stousland Lyons.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by _____ as _____ of Lometa Petroleum Corporation, on behalf of said corporation.

_____
Notary Public, State of Texas

COPY

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Catherine Carter Malone.

_____
Notary Public, State of Texas

STATE OF ILLINOIS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Victoria L. Marchand.

_____
Notary Public, State of Illinois

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Thomas J. McCallum, Jr.

_____
Notary Public, State of Texas

COPY

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by J. E. McFarlane.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by _____ as _____ of the John E. McFarlane Family Trust, on behalf of said Trust.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by _____ as _____ of Millican Petroleum Corporation, on behalf of said corporation.

_____
Notary Public, State of Texas

COPY

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Shields Prescott and Betty Jane Prescott, husband and wife.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Daniel Lee Prescott.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by David Ewing Prescott.

_____
Notary Public, State of Texas

COPY

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Joseph E. Hand, Jr. as Vice President and Oil and Gas Manager of Regions Bank, Independent Executor of the Estate of J. W. McFarlane, Deceased, and as Independent Executor of the Estate of Faye W. McFarlane, Deceased, on behalf of said corporation.

_____
Notary Public, State of Texas

STATE OF LOUISIANA

PARISH OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Fred Rosenblath.

_____
Notary Public, State of Louisiana

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by _____ as _____ of Rosewood Resources, Inc., on behalf of said corporation.

_____
Notary Public, State of Texas

COPY

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Margie R. McCallum Shepperd.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged before me on the ____ day of _____, 1998, by _____ as _____ of the General Land Office of the State of Texas, on behalf of said_____.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Charlotte Edwards Strawn.

_____
Notary Public, State of Texas

COPY

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Neeley C. Lewis, Independent Executor of the Estate of Lewis Taplin, Deceased.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Unice Jeane Thomas.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by William E. Thomason.

_____
Notary Public, State of Texas

COPY

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Felipe Thorndike.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by John I. Uhr Individually and as Trustee of the John I. Uhr, Trust.

_____
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF_____

This instrument was acknowledged before me on the ____ day of _____, 1998, by Dorothy Jane McCallum Ward and Guy R. Ward, husband and wife, Individually and as Co-Trustees of The Revocable Living Trust of Guy R. Ward, and Dorothy Jane McCallum a/k/a The Guy R. Ward and Dorothy J. Ward Revocable Living Trust.

_____
Notary Public, State of Texas

COPY

EXHIBIT "A"

DESCRIPTION OF LEASES

1. LESSOR: Dorothy Jane McCallum Ward
   LESSEE: Dale Resources, Inc.
   LEASE DATE: 9-1-92
   RECORDING: Volume 1634, Page 152
   DESCRIPTION: 193.10 acres of land, more or less, located in the A. Miller Survey, A-165

2. LESSOR: Mary Edwards Allen
   LESSEE: Dale Resources, Inc.
   LEASE DATE: 8-27-92
   RECORDING: Volume 1634, Page 129
   DESCRIPTION: 193.10 acres of land, more or less, located in the A. Miller Survey, A-165

3. LESSOR: Thomas J. McCallum, Jr.
   LESSEE: Dale Resources, Inc.
   LEASE DATE: 8-28-92
   RECORDING: Volume 1634, Page 140
   DESCRIPTION: 193.10 acres of land, more or less, located in the A. Miller Survey, A-165

4. LESSOR: Charlotte Edwards Strawn
   LESSEE: Dale Resources, Inc.
   LEASE DATE: 8-27-92
   RECORDING: Volume 1634, Page 148
   DESCRIPTION: 193.10 acres of land, more or less, located in the A. Miller Survey, A-165

5. LESSOR: Margie R. McCallum Shepperd
   LESSEE: Dale Resources, Inc.
   LEASE DATE: 8-28-92
   RECORDING: Volume 1634, Page 144
   DESCRIPTION: 193.10 acres of land, more or less, located in the A. Miller Survey, A-165

6. LESSOR: John Godfrey and Sally Godfrey
   LESSEE: Dale Resources, Inc.
   LEASE DATE: 8-21-92
   RECORDING: Volume 1634, Page 133
   DESCRIPTION: 193.10 acres of land, more or less, located in the A. Miller Survey, A-165

COPY

7.	LESSOR:	Arthur I. Edwards, Jr., Jane Edwards and William Irvin Edwards
	LESSEE:	Dale Resources, Inc.
	LEASE DATE:	9-30-92
	RECORDING:	Volume 1656, Page 74
	DESCRIPTION:	193.10 acres of land, more or less, located in the A. Miller Survey, A-165
8.	LESSOR:	Lucille Stousland Lyons
	LESSEE:	Lometa Petroleum Corporation
	LEASE DATE:	4-23-93
	RECORDING:	Volume 1789, Page 93
	DESCRIPTION:	3.70 acres of land, more or less, located in the T. H. Mays Survey, A-161
9.	LESSOR:	Lawrence G. Fraser, et ux
	LESSEE:	Lometa Petroleum Corporation
	LEASE DATE:	1-25-93
	RECORDING:	Volume 1716, Page 240
	DESCRIPTION:	97.02 acres of land, more or less, located in the H. G. Hudson Survey, A-140, Andrew Miller Survey, A-165, and the Clement Rainey Survey, A-201
10.	LESSOR:	William T. Fleming, Jr. et ux
	LESSEE:	Lometa Petroleum Corporation
	LEASE DATE:	1-28-93
	RECORDING:	Volume 1720, Page 44
	DESCRIPTION:	160.00 acres of land, more or less, located in the J. M. Barrera Survey, A-68, C. Rainey Survey, A-201, A. Miller Survey, A-165, and the H. G. Hudson Survey, A-140
11.	LESSOR:	Shields Prescott and wife, Betty Jane Prescott
	LESSEE:	Lometa Petroleum Corporation
	LEASE DATE:	8-24-92
	RECORDING:	Volume 1631, Page 283
	DESCRIPTION:	168.50 acres of land, more or less, located in the Thomas H. Mays Survey, A-161 and in the A. D. Houston Survey, A-133
12.	LESSOR:	Daniel Lee Prescott
	LESSEE:	Lometa Petroleum Corporation
	LEASE DATE:	8-25-92
	RECORDING:	Volume 1594, Page 118
	DESCRIPTION:	168.50 acres of land, more or less, located in the Thomas H. Mays Survey, A-161 and in the A. D. Houston Survey,

COPY

A-133

13. LESSOR: David Ewing Prescott
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 8-25-92
RECORDING: Volume 1582, Page 119
DESCRIPTION: 168.50 acres of land, more or less, located in the Thomas H. Mays Survey, A-161 and in the A. D. Houston Survey, A-133

14. LESSOR: Diane Elaine Prescott Cassel
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 8-25-92
RECORDING: Volume 1594, Page 121
DESCRIPTION: 168.50 acres of land, more or less, located in the Thomas H. Mays Survey, A-161 and in the A. D. Houston Survey, A-133

15. LESSOR: Mildred Prescott Beard
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 8-24-92
RECORDING: Volume 1582, Page 116
DESCRIPTION: 168.50 acres of land, more or less, located in the Thomas H. Mays Survey, A-161 and in the A. D. Houston Survey, A-133

16. LESSOR: Lewis Taplin
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 7-17-92
RECORDING: Volume 1557, Page 133
DESCRIPTION: 64.00 acres of land, more or less, located in the A. D. Houston Survey, A-133 and the T. H. Mays Survey, A-161

17. LESSOR: Alton Ray Hayes, et ux
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 2-9-93
RECORDING: Volume 1717, Page 319
DESCRIPTION: 5.582 acres of land, more or less, located in the T. H. Mays Survey, A-161 and in the A. D. Houston Survey, A-133

18. LESSOR: Commissioner of the General Land Office
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 4-4-93
RECORDING: Volume 1773, Page 15
DESCRIPTION: 47.36 acres of land, more or less, situated in the J. M.

COPY

Barrera Survey, A-68; the H. G. Hudson Survey, A-140; the Andrew Miller Survey, A-165; and the A. D. Houston Survey, A-133

19. LESSOR: Laverta Bradley
LESSEE: Kenneth D. Taylor
LEASE DATE: 1-3-92
RECORDING: Volume 1690, Page 64
DESCRIPTION: 66.152 and 25 acres of land, more or less, located in the Andrew D. Houston Survey, A-133 and Henry G. Hudson Survey, A-140 and the Andrew Miller Survey, A-165

20. LESSOR: John I. Uhr
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 8-6-92
RECORDING: Volume 1607, Page 103
DESCRIPTION: 86.00 acres of land, more or less, located in the A. D. Houston Survey, A-133

21. LESSOR: Brooks G. Bradford, et ux
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 8-6-92
RECORDING: Volume 1577, Page 347
DESCRIPTION: 86.00 acres of land, more or less, located in the A. D. Houston Survey, A-133

22. LESSOR: Grace B. Bay
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 8-3-92
RECORDING: Volume 1571, Page 56
DESCRIPTION: 86.00 acres of land, more or less, located in the A. D. Houston Survey, A-133

23. LESSOR: Lometa Petroleum Corporation
LESSEE: Dale Resources, Inc.
LEASE DATE: 9-1-93
RECORDING: Volume 1919, Page 179
DESCRIPTION: 86.00 acres of land, more or less, located in the A. D. Houston Survey, A-133

24. LESSOR: Clifford P. Dotson, Jr.
LESSEE: K. D. Taylor
LEASE DATE: 2-29-92
RECORDING: Volume 1444, Page 268
DESCRIPTION: 25 acres of land, more or less, located in the Henry G.

COPY

Hudson, A-140 and Andrew Miller, A-165 Surveys

25. LESSOR: Wayne Batten Enterprises, Inc.
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 5-29-94
RECORDING: Volume 2140, Page 199
DESCRIPTION: 64.00 acres of land, more or less, located in the A. D. Houston Survey, A-133 and the T. H. May Survey, A-161

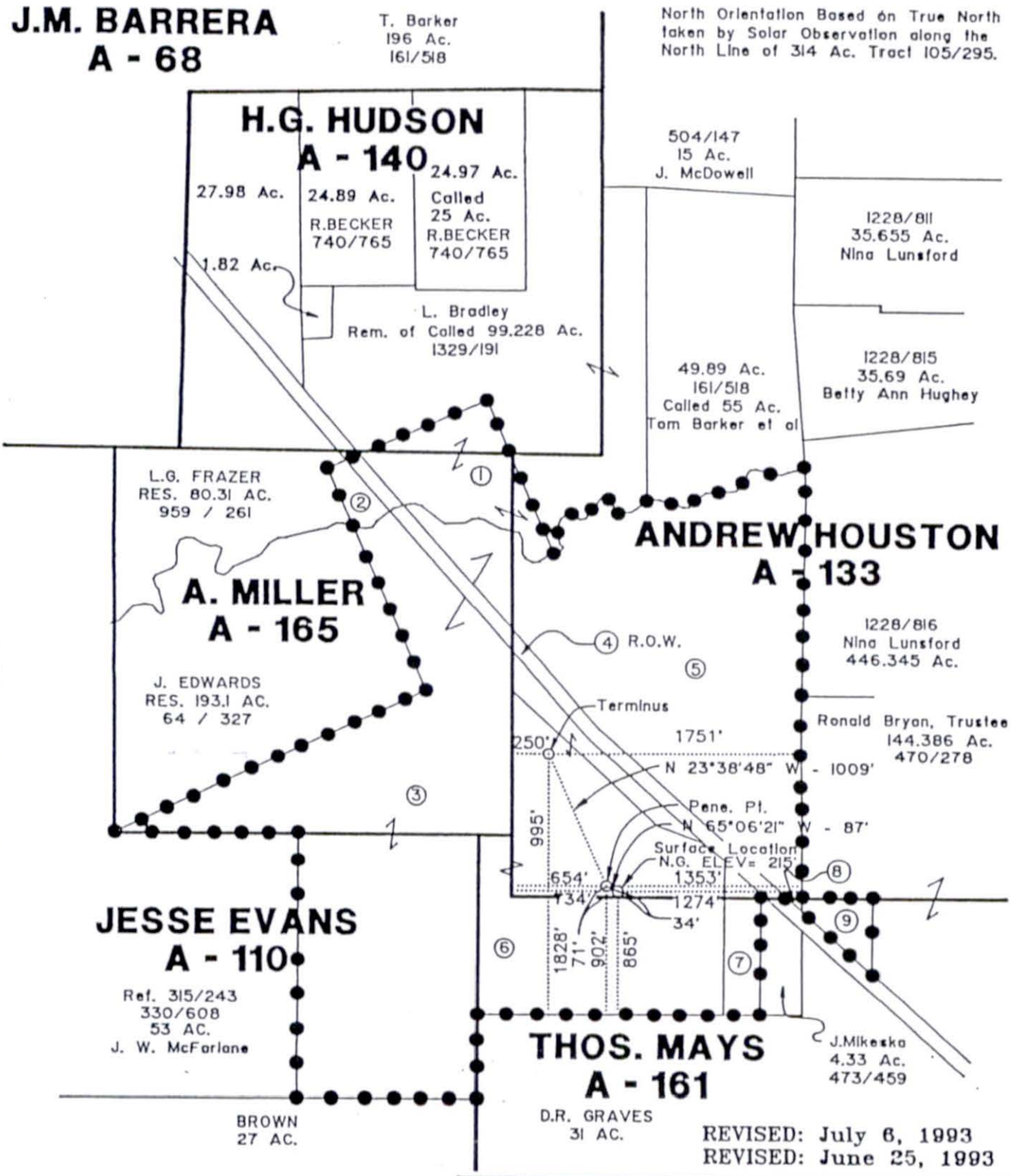
26. LESSOR: Lometa Petroleum Corporation
LESSEE: Dale Resources Inc.
LEASE DATE: 8-3-94
RECORDING: Volume 2176, Page 168
DESCRIPTION: 25.00 acres of land, more or less, located in the Henry G. Hudson Survey, A-140 and the Andrew Miller Survey, A-165

COPY

EXHIBIT "B"

	MINERAL OWNER	CALLED ACREAGE	ACTUAL ACREAGE	VOL/PG
1	LAVERTA BRADLEY	PART OF 99.228	15.74	1329/191
2	LAWRENCE FRAZER et al	PART OF 80.31	2.34	959/261
3	JANE EDWARDS	PART OF 193.1	113.23	64/327
4	STATE OF TEXAS	PART OF 47.36	9.80	1773/15
5	JOHN UHR et al	86	89.02	317/214
6	LEWIS TAPLIN	64	66.64	1317/278
7	ALTON HAYES	5.58	5.58	270/809
8	PRESCOTT HEIRS	PART OF 52.5	0.11	130/162
9	LUCILLE LYONS	3.7	3.54	299/61

TOTAL 306.00 ACRES



REVISED: July 6, 1993
REVISED: June 25, 1993

I, H. CURTIS STRONG, REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4961, DO HEREBY CERTIFY THAT THE WELL LOCATION AS SHOWN WAS STAKED ON THE GROUND AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

STATE OF TEXAS
REGISTERED
H. CURTIS STRONG
4961
PROFESSIONAL
LAND SURVEYOR

H. CURTIS STRONG, R.P.L.S. NO. 4961

COPY

ROSEWOOD RESOURCES, INC.

LOMETA NO. 1

H.G. HUDSON, A.D. HOUSTON,
A. MILLER, J. EVANS, AND
THOS. MAYS SURVEYS
BRAZOS COUNTY, TEXAS

Scale: 1" = 1000' May 11, 1993

PREPARED BY: Garrett Engineering
Bryan , Tx. 77802 Ph. (409) 846 - 2688

M.I. 095228 (21)

Correspondence File
To AMMENDED UNIT
From
Dated 10/5/98

Texas General
Land Office

David Dewhurst
Commissioner

February 29,2000

ROSEWOOD RESOURCES, INC.
CITYPLACE CENTER EASET
2711 N. HASKELL AVE. SUITE 2800
DALLAS, TX 75204-2944

Re: Property Name: Barrera # 2
Mineral File No: M-95228
Property Number:

Dear Sir or Madam:

We have received the division order submitted by your company for the above-referenced lease and added it to 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 is acquiescent 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) 463-5379.

Sincerely,

Mike May

Mike May
Accounts Examiner
Royalty and Revenue Processing
Energy Resources

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

512-463-5001

OIL AND GAS DIVISION ORDER

EFFECTIVE DATE: Dec. 1, 1999 Production

DIVISION ORDER NUMBER:
5802 (Seneca Acquisition)

TO: ROSEWOOD RESOURCES, INC.
2711 N. Haskell, Suite 2800, LB #22
Dallas, Texas 75204-2944

DATE: February 21, 2000

The undersigned severally and jointly certifies it is the legal owner of the interest listed below, of all the oil, gas, and related hydrocarbons produced from the below BARRERA #2 well, located in Brazos County, Texas., as being described as follows:

D/O 5802 – BARRERA #2

561.97 acres, as described in that certain Pooling Agreement and Unit Designation, as amended, dated March 16, 1994, recorded in Volume 2113, Page 24, Official Records of Brazos County, Texas.

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

CREDIT TO: **DIVISION OF INTEREST**

SEE ATTACHED EXHIBIT "A" FOR LIST OF OWNERS AND DECIMAL INTERESTS OWNED

*(*All of the "SENECA TOTAL: .10224750 WI" was previously credited to SENECA RESOURCES CORPORATION)*

The provisions listed on the next page apply to each owner ("Owner") who executes this agreement. In addition to the legal rights provided by all of the terms and provisions of this division order, each owner may have certain statutory rights under laws of this state.

WITNESSES: (There must be two witnesses to each signature.)

WITNESSES SIGN BELOW	OWNER(S) SIGN BELOW	SOCIAL SECURITY OR TAX ID NUMBER
X _____	X _____	X _____
X _____	Owner Sign above & Print Name Below: _____	Date: _____

IMPORTANT: PLEASE BE SURE TO INCLUDE YOUR TAX ID NUMBER OR SOCIAL SECURITY NUMBER IN THE SPACE PROVIDED ABOVE.

STATE OF TEXAS
STEPHEN F. AUSTIN BUILDING
1700 N. CONGRESS AVENUE; RM #640
AUSTIN, TX 78701-1495

Your Copy

File No. M-95228
D.O.

Date Filed: 2-29-00

David Dewhurst, Commissioner

By _____

(22)

5-5p-00

Unit # 2291

Inactive eff 2/01/01 CAB

DO NOT DESTROY

GLO-36-10-84 -MEMO-

Operator Snyder Oil Corporation

Unit Name Barrera Unit #1

County Brazos

Effective Date 6/22/94

Unitized for: Oil ___ Gas ___ Oil & Gas ___

1. M.F. No. 095228

Area H.R.O.W. Tr. 1

Sec. ___ Blk. As-210 Survey J.M. BARRERA-A-68 Sterrett D. Smith A-210

357/566.59 = .006301 x 1/5 = .20 00.1260 = .001260 %

2. M.F. No. ___

Area ___ Tr. ___

Sec. ___ Blk. ___ Survey ___

___ x ___ ___ %

3. M.F. No. ___

Area ___ Tr. ___

Sec. ___ Blk. ___ Survey ___

___ x ___ ___ %

4. M.F. No. ___

Area ___ Tr. ___

Sec. ___ Blk. ___ Survey ___

___ x ___ ___ %

REMARKS: H.R.O.W./ Document Control Sheets previously set up as non-unit.

Inactive 2/01 CAB

MS - 3-23-00

Silvi 12/7/94

Snyder Oil Corporation

777 Main Street, Suite 2500
Fort Worth, Texas 76102
817 / 338-4043

October 3, 1995

Lillie Gamble
Texas General Land Office
1700 North Congress Avenue
Austin, TX 78701-1495

RE: Barrera #1
Brazos County, Texas

Dear Lillie:

As you requested, enclosed is a copy of the Amended and Restated Designation of Unit for the Barrera No. 1 Unit.

If I can be of further assistance, please let me know.

Very truly yours,

Maurine Cozart

Maurine Cozart

mc

Enclosure

OCT 1995

2145/202
557207

FILED

01 JUN 28 PM 1:55

COUNTY CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS
BY_____
DEPUTY

AMENDED AND RESTATED DESIGNATION OF UNIT

BARRERA NO. 1 UNIT

STATE OF TEXAS }

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF BRAZOS }

The undersigned, being all of the owners of the valid and subsisting oil, gas and mineral leases, as described on Exhibit "A", attached hereto and made a part hereof, in and to the land described on Exhibit "B", attached hereto and made a part hereof, do, by virtue of their ownership rights or by virtue of the authority conferred by the terms of such oil, gas and mineral leases and all amendments and corrections thereto or other agreements affecting their interests, hereby pool, consolidate, combine and unitize said oil, gas and mineral leases and other interests therein and thereunder, for the purpose of drilling for, development and production of oil, gas and liquid hydrocarbons (including condensate, distillate and other liquids), insofar and only insofar as the leases and the interests incident thereto cover and include that certain correlative geological interval known as the Austin Chalk formation (hereinafter called "Pooled Interval") which occurs at log depths from 10,800 feet to 11,330 feet on that certain Electric Log from the Keith Graham, Texas Speedway A #1 Well located in the S.D. Smith Survey, A-210 of Brazos County, Texas. The unit (hereinafter "Unit") shall be comprised of the land described on the attached Exhibit "B", as depicted on the Plat attached hereto as Exhibit "C".

If at any time any tract of land or interest within the Unit is not properly pooled or unitized hereby or is not otherwise committed to the Unit, such fact shall not affect, terminate, impair, or invalidate the Unit as to any interest properly pooled or unitized hereby or otherwise.

This Designation of Unit covers all production from the land and depths described on the attached Exhibit "B" which is produced from any well drilled to the Pooled Interval underlying the Unit area. Production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion which the number of surface acres in each of such tracts bears to the total number of surface acres in the Unit, such tract participation in production being set forth in Exhibit "C" hereto.

The undersigned reserve the right to amend this Designation of Unit from time to time and at any time, in order to correct any error herein or to include in this Unit any newly acquired interests within the Unit boundaries or to enlarge the Unit area in accordance with the applicable rules and regulations of any governmental regulatory body or agency having jurisdiction insofar as such right is granted in the subject leases and other agreements, by appropriate amendments or instruments correcting or committing any such interest to this Unit.

By execution of this Designation of Unit, the undersigned do not exhaust their right to pool the leases and lands hereinabove described with other leases and lands as to any other minerals, horizon or strata covered thereby, and the undersigned expressly reserve unto themselves, their assignees or successors in interest, the right and power to pool or unitize the above described leases and lands with any other leases, lands, horizons or strata in the vicinity and so far as the power, right and authority to do so is granted in the subject leases and various agreements and so long as such power and authority is exercised in accordance with applicable rules and regulations of any governmental regulatory body or agency having jurisdiction. This Unit may not be ratified or joined in by any party who is not named hereinbelow without the consent of the parties hereto.

The Unit hereby created shall become effective as of the date of first production from the Unit, and shall remain in force as long as the pooled minerals are being produced from the Unit, or so long as the leases covering the Unit are maintained in force by payment or tender of shut-in royalties or by other means, in accordance with the terms of said leases. This Designation of Unit may be executed in counterparts and, if so executed, shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. In the event counterparts of this Designation of Unit are executed, for purposes of facilitating recording Dale Resources, Inc. (or its assigns) is authorized to remove the signatory pages together with the appropriate acknowledgment pages from the individual counterparts and combine them with the other pages so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

This Designation of Unit amends and restates in its entirety that certain Revised Pooling Agreement and Unit Designation dated August 3, 1993, and recorded at Volume 1868, Page 115, Official Records, Brazos County, Texas.

IN WITNESS WHEREOF, this Designation of Unit is executed on this 22nd day of June, 1994.

DALE RESOURCES, INC.

Lawrence B. Dale
President

DALE OPERATING COMPANY

F. Paul Lecocke
Secretary

CPC DALE HORIZONTAL DRILLING
PROGRAM NO. 6

By: CPC Dale Petroleum Company,
General Partner

By:
Royal W. Carson, III
President

CARSON RESOURCES, INC.

Royal W. Carson, III
President

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on this the 22nd day of June, 1994 by Lawrence B. Dale, President of Dale Resources, Inc., a Texas corporation on behalf of said corporation.

ANN F. VANDENBERG
Notary Public, State of Texas
My Commission Expires 2-13-97

Ann Vandenberg
Notary Public
State of Texas

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on this the 22nd day of June, 1994 by F. Paul Lecocke, Secretary of Dale Operating Company, a Texas corporation on behalf of said corporation.

ANN F. VANDENBERG
Notary Public, State of Texas
My Commission Expires 2-13-97

Ann Vandenberg
Notary Public
State of Texas

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on this the 22nd day of June, 1994 by Royal W. Carson III, President of CPC Dale Petroleum Company, a Texas corporation and general partner of CPC Dale Horizontal Drilling Program No. 6, a Texas limited partnership, on behalf of said corporation and said limited partnership.

ANN F. VANDENBERG
Notary Public, State of Texas
My Commission Expires 2-13-97

Ann Vandenberg
Notary Public
State of Texas

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on this the 22nd day of June, 1994 by Royal W. Carson III, President of Carson Resources, Inc., a Texas corporation on behalf of said corporation.

ANN F. VANDENBERG
Notary Public, State of Texas
My Commission Expires 2-13-97

Ann Vandenberg
Notary Public
State of Texas

EXHIBIT "A"

AMENDED AND RESTATED
DESIGNATION OF UNIT

BARRERA #1 UNIT

1.	LESSOR:	Paul Emola and Johnny F. Lyon
	LESSEE:	Lometa Petroleum Corporation
	LEASE DATE:	2-9-93
	RECORDING:	Volume 1713, Page 323
	DESCRIPTION:	8.287 acres of land, more or less, located in the S.D. Smith Survey, A-210
2.	LESSOR:	Eva J. Robinson, a widow
	LESSEE:	Lometa Petroleum Corporation
	LEASE DATE:	1-6-93
	RECORDING:	Volume 1705, Page 228
	DESCRIPTION:	8.287 acres of land, more or less, located in the S.D. Smith Survey, A-210
3.	LESSOR:	Wm. S. Thornton, Sr. and Bobby Kurten
	LESSEE:	Lometa Petroleum Corporation
	LEASE DATE:	7-17-92
	RECORDING:	Volume 1575, Page 38
	DESCRIPTION:	7.51 acres of land, more or less, located in the Sterrett D. Smith Survey, A-210
4.	LESSOR:	J.E. Mooney
	LESSEE:	Lometa Petroleum Corporation
	LEASE DATE:	9-21-92
	RECORDING:	Volume 1618, Page 19
	DESCRIPTION:	24.999 acres of land, more or less, located in the Sterrett D. Smith Survey, A-210
5a.	LESSOR:	Louise Weddington Porter
	LESSEE:	Lometa Petroleum Corporation
	LEASE DATE:	7-18-92
	RECORDING:	Volume 1557, Page 205
	DESCRIPTION:	344.00 acres of land, more or less, located in the J.M. Barrera Survey, A-68
5b.	LESSOR:	Ruth Weddington Peattie
	LESSEE:	Lometa Petroleum Corporation
	LEASE DATE:	7-18-92
	RECORDING:	Volume 1557, Page 209
	DESCRIPTION:	344.00 acres of land, more or less, located in the J.M. Barrera Survey, A-68
5c.	LESSOR:	Betty Jean Greer
	LESSEE:	Lometa Petroleum Corporation
	LEASE DATE:	7-18-92
	RECORDING:	Volume 1571, Page 41
	DESCRIPTION:	344.00 acres of land, more or less, located in the J.M. Barrera Survey, A-68
5d.	LESSOR:	James Edward Greer, Jr.
	LESSEE:	Lometa Petroleum Corporation
	LEASE DATE:	7-18-92
	RECORDING:	Volume 1571, Page 45
	DESCRIPTION:	344.00 acres of land, more or less, located in the J.M. Barrera Survey, A-68
5e.	LESSOR:	John Weddington Greer
	LESSEE:	Lometa Petroleum Corporation
	LEASE DATE:	7-18-92
	RECORDING:	Volume 1571, Page 49
	DESCRIPTION:	344.00 acres of land, more or less, located in the J.M. Barrera Survey, A-68
6a.	LESSOR:	Wm. David Smith Trustee
	LESSEE:	Lometa Petroleum Corporation
	LEASE DATE:	7-28-92
	RECORDING:	Volume 1571, Page 53
	DESCRIPTION:	30.00 acres of land, more or less, located in the J.M. Barrera Survey, A-68
6b.	LESSOR:	Thousand Oaks Development Company Joint Venture
	LESSEE:	Dale Resources, Inc.
	LEASE DATE:	11-2-92
	RECORDING:	Volume 1675, Page 306
	DESCRIPTION:	26.76 acres of land, more or less, located in J.M. Barrera Survey, A-68

6c. LESSOR: Brazos Coal, Limited
LESSEE: Dale Resources, Inc.
LEASE DATE: 11-2-92
RECORDING: Volume 1675, Page 301
DESCRIPTION: 3.24 acres of land, more or less, located in the J.M. Barrera Survey, A-68

7. LESSOR: Commissioner of the General Land Office
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 4-4-93
RECORDING: Brazos County Clerk File #518481, Volume 1773, Page 15; General Land Office File #M-95228
DESCRIPTION: 47.36 acres of land, more or less, located in the J.M. Barrera Survey, A-68; the H.G. Hudson Survey, A-140; the Andrew Miller Survey, A-165; and the A.D. Houston Survey, A-133

8. LESSOR: Dale Resources, Inc.
LESSEE: Dale Operating Company
LEASE DATE: 7-7-93
RECORDING: Volume 1900, Page 334
DESCRIPTION: 130.00 acres of land, more or less, located in the J.M. Barrera Survey, A-68

9a. LESSOR: David Ewing Prescott
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 1-21-93
RECORDING: Volume 1716, Page 245
DESCRIPTION: 49.50 acres of land, more or less, located in the J.M. Barrera Survey, A-68

9b. LESSOR: Mildred Prescott Beard
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 1-21-93
RECORDING: Volume 1710, Page 218
DESCRIPTION: 49.50 acres of land, more or less, located in the J.M. Barrera Survey, A-68

9c. LESSOR: Diane Elaine Prescott Cassel
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 1-21-93
RECORDING: Volume 1710, Page 223
DESCRIPTION: 49.50 acres of land, more or less, located in the J.M. Barrera Survey, A-68

9d. LESSOR: Shields Prescott and wife, Betty Prescott
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 1-21-93
RECORDING: Volume 1728, Page 245
DESCRIPTION: 49.50 acres of land, more or less, located in the J.M. Barrera Survey, A-68

9e. LESSOR: Daniel Lee Prescott
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 1-21-93
RECORDING: Volume 1705, Page 222
DESCRIPTION: 49.50 acres of land, more or less, located in the J.M. Barrera Survey, A-68

10a. LESSOR: Eliborio T. Perez and wife, Elena Perez
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 2-2-93
RECORDING: Volume 1727, Page 211
DESCRIPTION: 5.00 acres of land, more or less, located in the J.M. Barrera Survey, A-68

10b. LESSOR: F.L. Pool
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 3-8-93
RECORDING: Volume 1764, Page 140
DESCRIPTION: 1.00 acres of land, more or less, located in the J.M. Barrera Survey, A-68

11. LESSOR: Hazel Hearn Risch
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 7-18-92
RECORDING: Volume 1557, Page 193
DESCRIPTION: 100.00 acres of land, more or less, located in the J.M. Barrera Survey, A-68

12. LESSOR: Minnie R. Cole
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 7-14-92
RECORDING: Volume 1557, Page 201
DESCRIPTION: 100.00 acres of land, more or less, located in the J.M. Barrera Survey, A-68

13. LESSOR: Martha J. Whitmore
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 7-18-92
RECORDING: Volume 1557, Page 197
DESCRIPTION: 100.00 acres of land, more or less, located in the J.M. Barrera Survey, A-68

9-12a. LESSOR: Virginia Ryman Larsson, Trustee for the Virginia Ryman Larsson Trust
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 1-19-93
RECORDING: Volume 1704, Page 112
DESCRIPTION: 150.00 acres of land, more or less, located in the J.M. Barrera Survey, A-68; in the Clement Rainey Survey, A-201; and in the Andrew Miller Survey, A-165

9-12b. LESSOR: Julia Ryman Holmes
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 1-19-93
RECORDING: Volume 1705, Page 225
DESCRIPTION: 150.00 acres of land, more or less, located in the J.M. Barrera Survey, A-68; in the Clement Rainey Survey, A-201; and in the Andrew Miller Survey, A-165

9-12c. LESSOR: Eldridge Dickinson Ryman
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 1-19-93
RECORDING: Volume 1720, Page 55
DESCRIPTION: 150.00 acres of land, more or less, located in the J.M. Barrera Survey, A-68; in the Clement Rainey Survey, A-201; and in the Andrew Miller Survey, A-165

9-12d. LESSOR: Barbara Ryman Degnan
LESSEE: Lometa Petroleum Corporation
LEASE DATE: 1-19-93
RECORDING: Volume 1724, Page 330
DESCRIPTION: 150.00 acres of land, more or less, located in the J.M. Barrera Survey, A-68; in the Clement Rainey Survey, A-201; and in the Andrew Miller Survey, A-165

EXHIBIT " B "

FIELD NOTES
DALE RESOURCES, INC.
BARRERA NO. 1 WELL UNIT
BRAZOS COUNTY, TEXAS
MAY 28, 1993
REVISED AUGUST 2, 1993

All that certain lot, tract or parcel of land being 566.59 acres and being called the DALE RESOURCES, INC. - BARRERA NO. 1 WELL UNIT situated in the J. M. BARRERA SURVEY, Abstract No. 68, STERRITT D. SMITH SURVEY, Abstract No. 210, C. RAINEY SURVEY, Abstract No. 201, and the A. MILLER SURVEY, Abstract No. 165, Brazos County, Texas, said 566.59 acre unit being all or a part of the following described tracts:

1. Being the Paul Emola et al 8.26 Mineral acre tract, same being all of that certain Lot 9 and the adjoining one-half of Lot 10 of the Deerpark Subdivision as described in Volume 507, Page 541;
2. Being the Eva J. Robinson et al 8.29 Mineral acre tract, same being all of that certain Lot 11 and one-half of Lot 10 of the Deerpark Subdivision and being Called 8.287 acres as described in Volume 1190, Page 384;
3. Being the Bobby Kurten et al 7.54 Mineral acre tract, same being all of that certain Called Lot 12 of Deerpark Subdivision as described in Volume 495, Page 33;
4. Being the J. E. Mooney 8.83 Mineral acre tract, same being a part of that certain Called 24.99 acre tract as described in Volume 236, Page 445;
5. Being the Louise W. Porter et al 282.16 Mineral acre tract, same being a part of that certain Called 344 acre tract as described in Volume 105, Page 295;
6. Being the William David Smith et al 30.24 Mineral acre tract, same being all of that certain Called 30.00 acre tract as described in Volume 472, Page 706;
7. Being the State of Texas 3.57 Mineral acre tract, same being a part of that certain Called 47.36 acre tract as described in Volume 1773, Page 15;
8. Being the Lometa Petroleum et al 62.31 Mineral acre tract, same being a part of that certain Called 130 acre tract as described in Volume 75, Page 107;
9. Being the Mildred Prescott Beard et al 49.21 Mineral acre tract, same being all of that certain Called 49.50 acre tract as described in Volume 206, Page 625;
10. Being the Elibrorio T. Perez et ux 5.03 Mineral acre tract, same being all of that certain Called 4.00 acre tract and that certain Called 1.00 acre tract as described in Volume 449, Page 4 and Volume 403, Page 389 respectively;

11. Being the Hazel Hearn Risch et al 101.15 acre tract, same being all of that certain Called 100.00 acre tract as described in Volume 119, Page 282;

all being Deed or Official Records of Brazos County, Texas, said 566.59 acre unit being more particularly described by metes and bounds as follows;

BEGINNING at a 1/2" Iron Rod in Concrete found for the northwest corner, same being the northwest corner of said 344 acre tract;

THENCE N 38°03'28" E a distance of 830.89 feet to a 1/2" Iron Rod found for an exterior corner, same being the most westerly corner of said Paul Emola tract;

THENCE N 42°16'24" E along the northwest line of said Emola tract a distance of 799.54 feet to a point in the Old right-of-way line of STATE HIGHWAY NO. 6 for the most northerly corner, same being the original most northerly corner of said Emola tract;

THENCE S 47°48'02" E along said Old right-of-way line a distance of 450.00 feet to the most easterly corner of said Emola tract and the most northerly corner of said Eva J. Robinson tract;

THENCE S 47°44'34" E continuing along said right-of-way line a distance of 349.36 feet to a concrete monument found at an angle point in said right-of-way line;

THENCE S 31°05'07" E continuing along said right-of-way line a distance of 104.40 feet to a concrete monument found for corner, said corner being the most easterly corner of said Robinson tract and the most northerly corner of said Bobby Kurten tract;

THENCE S 47°43'05" E continuing along said right-of-way line a distance of 832.34 feet to a concrete monument found for an interior corner, same being the most easterly corner of said Kurten tract and also being located in the north line of said Called 344 acre tract;

THENCE N 89°03'14" E along north line of said 344 acre tract a distance of 2126.03 feet to a 1/2" Iron Rod found for an exterior corner, same being the northeast corner of said 344 acre tract and the northwest corner of said Called 130 acre tract;

THENCE N 89°22'27" E along the north line of said 130 acre tract a distance of 864.21 feet to a 3/8" Iron Rod found for corner, same being the northeast corner of said 130 acre tract and the northwest corner of said Mildred Prescott Called 49.50 acre tract;

THENCE N 88°55'10" E along the north line of said 49.50 acre tract a distance of 856.68 feet to a 3/8" Iron Rod found for the northeast corner, same being the northeast corner of said 49.50 acre tract;

THENCE along the east line of said 49.50 acre tract the following calls;

S 1°13'02" E a distance of 631.25 feet to a 3/8" Iron Rod found;

S 3°31'16" E a distance of 358.33 feet to a 3/8" Iron Rod found;

S 0°43'45" E a distance of 594.90 feet to a 5/8" Iron Rod found;

S 2°59'57" E a distance of 87.59 feet to a 3/8" Iron Rod found;

S 1°03'10" E a distance of 288.85 feet to a 3/8" Iron Rod found;

and S 1°45'42" E a distance of 327.30 feet to a 1/2" Iron Rod found for corner, same being the most easterly southeast corner of said 49.50 acre tract and also being the northeast corner of said Elibrorio T. Perez Called 5.00 acre tract;

THENCE S 0°1'18" W along the east line of said 5.00 acre tract a distance of 1131.57 feet to a point for an exterior corner, same being the most southerly corner of said 5.00 acre tract and also being in the northeast line of the Original right-of-way line of said STATE HIGHWAY NO. 6;

THENCE N 47°59'36" W along said Original right-of-way line a distance of 428.52 feet to a point for corner;

THENCE N 1°40'08" W a distance of 199.25 feet to a point for corner;

THENCE N 47°10'08" W a distance of 291.67 feet to a point for corner;

THENCE N 1°40'08" W along a west line of said 49.50 acre tract a distance of 415.00 feet to a 1/2" Iron Rod found for an interior corner;

THENCE N 47°23'54" W along a south line of said 49.50 acre tract a distance of 421.19 feet to a 1/2" Iron Rod found for an exterior corner, same being the most westerly south corner of said 49.50 acre tract;

THENCE N 27°09'54" W a distance of 1150.85 feet to a point for corner;

THENCE NORTH a distance of 700.00 feet to a point for corner;

THENCE WEST a distance of 1253.16 feet to a point for corner;

THENCE SOUTH a distance of 928.17 feet to a 3/8" Iron Rod found for an interior corner, same being the most easterly corner of said William David Smith Called 30.00 acre tract;

THENCE S 21°44'40" E a distance of 1390.45 feet to a 3/8" Iron Rod in concrete found for corner, same being an easterly interior corner of said 344 acre tract and also being a westerly exterior corner of said 130.00 acre tract;

THENCE S 27°51'49" E a distance of 2451.15 feet to a point for an exterior corner;

THENCE S 1°53'53" E a distance of 569.21 feet to a point for an interior corner, same being the most southerly southeast corner of said 130.00 acre tract;

THENCE S 89°38'51" W along the south line of said 130.00 acre tract a distance of 91.75 feet to a 1/2" Iron Rod found for corner;

THENCE S 86°38'30" W along the south line of said 130.00 acre tract a distance of 347.97 feet to a 1/2" Iron Rod found for corner;

THENCE S 81°01'25" W continuing along said south line a distance of 147.39 feet to a 1/2" Iron Rod found for corner;

THENCE S 89°54'07" W continuing along said south line a distance of 539.00 feet to an Iron Rod found in Concrete for corner, same being the southwest corner of said 130.00 acre tract, and also being the most easterly southeast corner of said Hazel Hearn Risch Called 100 acre tract;

THENCE S 89°09'38" W along the south line of said 100.00 acre tract a distance of 677.78 feet to a point for corner;

THENCE S 0°50'22" E a distance of 138.89 feet to a point for corner;

THENCE S 89°09'38" W a distance of 2251.72 feet to the southwest corner of said 100.00 acre tract for a southwest corner;

THENCE N 0°43'06" W along the west lines of said 100.00 acre tract and 344 acre tract respectively a distance of 2652.62 feet to a concrete monument found for an interior corner, same being an interior corner of said 344 acre tract;

THENCE S 89°18'03" W along a south line of said 344 acre tract a distance of 723.89 feet to a concrete monument found for corner;

THENCE N 88°04'34" W continuing along said south line a distance of 400.79 feet to a 1/2" Iron Rod in concrete found for the most westerly

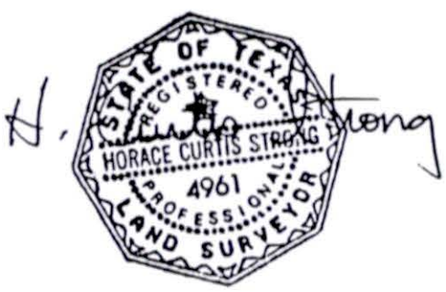
southwest corner, same being the most westerly southwest corner of said 344 acre tract;

THENCE along the west line of said 344 acre tract the following calls;

N 1°06'32" W a distance of 1946.23 feet to a 1/2" Iron found;

N 1°11'00" W a distance of 29.62 feet to a 1/2" Iron Rod found;

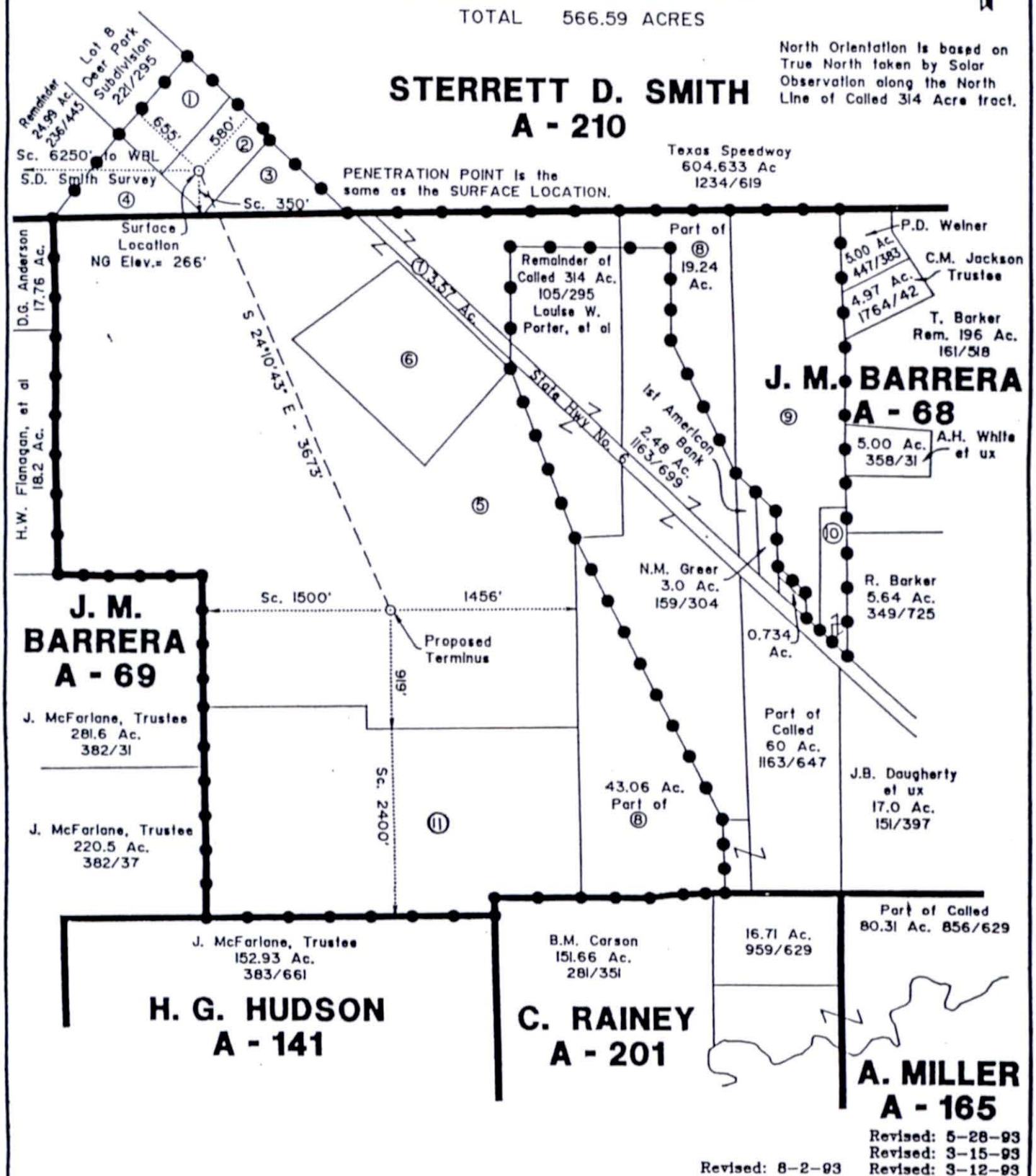
and N 1°07'39" W a distance of 740.42 feet to the PLACE OF BEGINNING AND CONTAINING AN AREA OF 566.59 ACRES OF LAND MORE OR LESS, according to a survey performed for the purposes of a well unit during the month of February 1993, under the supervision of H. Curtis Strong, Registered Professional Land Surveyor No. 4961.



	MINERAL OWNER	LLED ACREAGE	ACTUAL ACREAGE	VOLUME/PAGE
1	Paul Emola, et al	8.287	8.26	507/541
2	Elsa J Robinson, et al	8.287	8.29	1190/384
3	Bobby Kurten, et al	7.51	7.54	495/33
4	J.E. Mooney	Part of 24.99	8.83	236/445
5	Louise W. Porter, et al	Part of 314.0 out of 344.0	282.16	105/295
6	Wm. David Smith, et al	30.00	30.24	472/706
7	State of Texas	Part of 47.36	3.57	1773/15
8	Lometa Petroleum, et al	Part of 130 Ac.	62.31	75/107
9	Mildred Prescott Beard, et al	49.50	49.21	206/625
10	Elbrorio T. Perez, et ux	5.00	5.03	449/4 & 403/389
11	Hazel Hearn Risch, et al	100.00	101.15	119/282

TOTAL 566.59 ACRES

North Orientation is based on True North taken by Solar Observation along the North Line of Called 314 Acre tract.



Revised: 5-28-93
Revised: 3-15-93
Revised: 8-2-93 Revised: 3-12-93

I, H. Curtis Strong, Registered Professional Land Surveyor No. 4961, do hereby certify that the well location as shown was staked on the ground and is true and correct to the best of my knowledge.

H. CURTIS STRONG, R.P.L.S. NO. 4961

STATE OF TEXAS REGISTERED HORACE CURTIS STRONG III 4961 PROFESSIONAL LAND SURVEYOR

DALE RESOURCES, INC.

BARRERA NO. 1

566.59 ACRES
STERRITT D. SMITH, A - 210, AND
J. M. BARRERA, A - 68, SURVEYS
BRAZOS COUNTY, TEXAS

Scale: 1" = 1000' February 22, 1993

PREPARED BY: Garrett Engineering
Bryan , Tx. 77802 Ph. (409) 846 - 2688

M-95228 (23)

Amended/Restated Designation
Of Unit
Barrera #1
Snyder Oil Corp.

TEXAS GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

December 2, 2005

Susanne Derrigan
Leelannau Ventures, LLC
13561 West Bay Shore Dr., Suite 3000
Traverse City, Michigan 49684

RE: Assignment filing; GLO ID 5262

Dear Ms. Derrigan,

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 Conveyance (2), executed September 12th, 2005 from Leelanau Ventures, LLC, as Assignor, to Bruce E. Broyles, as Assignee and Carver Energy Corp, as Assignee. Each receiving GWI 3.6015000% and NRI 2.70112500%. State Lease 095228, Brazos County, Texas. Lometa Unit #1, GLO Unit #2290.

Filing fees of $250.00 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

Beverly Boyd
Mineral Leasing
Energy Resources
512-463-6521

Exhibit "A"

GLO ID	*County*	*Lease*
5262	*Brazos*	MF095228

9-12-05

MF095228

Lomita Unit #2290

ASSIGNMENT AND CONVEYANCE

STATE OF TEXAS)
)ss
COUNTY OF BRAZOS)

KNOW ALL PERSONS BY THESE PRESENTS:

THIS ASSIGNMENT AND CONVEYANCE (hereinafter called the "Assignment") is made between **Leelanau Ventures L.L.C.,** a Michigan limited liability company, of 13561 W. Bay Shore Dr., Suite 3000, Traverse City, Michigan 49684 (hereinafter called Assignor) and **Carver Energy Corporation,** a Texas corporation, of 1700 Alma Drive, Suite 460, Plano, TX 75075 (hereinafter called Assignee).

In consideration of the mutual promises made between Assignor and Assignee and other good and valuable consideration, and pursuant to the terms of a Joint Venture Agreement dated August 27, 1999 (the "Joint Venture Agreement") Assignor hereby SELLS, CONVEYS, ASSIGNS, TRANSFERS AND DELIVERS unto Assignee with a special warranty of title, for claims made by, through or under Assignor, but not otherwise, unto **Carver Energy Corporation,** the specific Gross Working Interest and Net Revenue Interest set forth on Exhibit B, in and to the leases described on Exhibit A and in and to the wells described on B, which shall include, to the extent associated with or appurtenant to the property described in said exhibits, a similar interest in all of Assignor's interest in the following, which are collectively herein referred to as the "Property":

(a) *Leases* Leasehold interests in oil, gas or other minerals, including working interests, carried working interests, rights of assignment, and other interests under or in oil, gas or mineral leases, and interests in rights to explore for and produce oil, gas and other minerals.

(b) *Fee Interests* Fee interests to the surface and in oil, gas or other minerals, including rights under mineral deeds, conveyances or assignments.

(c) *Rights in Production* Royalties, overriding royalties, production payments, rights to take royalties in kind, or other interests in production of oil, gas or other minerals.

(d) *Contracts; Working Interests* Rights and interests in or derived from pooling agreements, orders or decisions of state and federal regulatory authorities establishing units, joint operating agreements, farmout agreements and farmin agreements, seismic options, drilling agreements, exploration agreements, production marketing agreements and area of mutual interest agreements.

(e) *Easements* Rights-of-way, surface or ground leases and easements acquired or used in connection with operations for the exploration and production of oil, gas or other minerals.

(f) *Permits* Permits and licenses of any nature owned, held or operated in connection with operations for the exploration and production of oil, gas or other minerals, to the extent such permits and licenses are transferable.

(g) *Wells* Producing, non-producing and shut-in oil and gas wells, injection wells and water wells.

(h) *Facilities* All facilities, buildings, improvements, gas plants, and gathering lines.

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos, County, Texas.
Thereby certify, on 10-28-05

Karen McQueen
County Clerk:
Brazos County, Texas

This Assignment shall be subject to the following terms, conditions and exceptions:

1. This Assignment shall at all times be subject to the terms, conditions, exceptions, and reservations contained in the Joint Venture Agreement . The Joint Venture Agreement shall not be deemed to be preempted by this Assignment, but rather shall at all times govern the rights of the parties in the Property, and all interested parties are hereby given notice of the existence.

2. This Assignment shall at all times be subject to the provisions of the "Leases" and "Contracts" as defined in said Joint Venture Agreement.

3. This Assignment shall at all times be subject to all valid rules, regulations, orders and proceedings of each Federal and State regulatory body having jurisdiction of the Property.

4. Assignor assigns and transfers all personal property, Equipment and Facilities included in the Property "AS IS, WHERE IS", WITHOUT ANY EXPRESS, STATUTORY OR IMPLIED WARRANTY, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Additionally, this Assignment is made without any representation that the Assignee will be designated as operator of any well or property.

5. Assignee assumes and agrees to perform and discharge his proportionate share of all obligations and duties relating to the Property attributable to the period of time from and after the Effective Date.

This Assignment is made with full substitution and subrogation of Assignee in and to all covenants and warranties by persons or parties other than Assignor heretofore given or made in respect to the Property or any part thereof.

EXECUTED July 15, 2005, but effective January 1, 2005.

Assignor:
Leelanau Ventures L.L.C.

By: _____
Gregory W. Blanche
Its: Attorney-in-Fact

This Assignment and related terms, conditions or exceptions are accepted this by the Assignee on the date below:

Assignee:

Carver Energy Corporation

By: _____
Ronald J. Carver
Its: PRESIDENT

Date: 9/12/05

Return recorded original to:
EMERALD OPERATING CO., INC.
1700 Alma
Suite 460
Plano, TX 75075

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos, County, Texas.
Thereby certify, on 10-28-05

County Clerk:
Brazos County, Texas

STATE OF MICHIGAN)
COUNTY OF LEELANAU)

The foregoing instrument was acknowledged before me this 15th day of July, 2005, by Gregory W. Blanche, Attorney-in-Fact for Howard Energy Co., Inc., a Delaware corporation, acting in its capacity as sole member of Leelanau Ventures, L.L.C., a Michigan limited liability company.

My commission expires:
September 25, 2006

Susanne Derrigan
Notary Public for
Leelanau County, Michigan

STATE OF TEXAS)
COUNTY OF Collin)

The foregoing instrument was acknowledged before me this 12th day of September, 2005, by Ronald J. Carver, President of Carver Energy Corporation.

My commission expires:

NOEL BLACKBURNE
MY COMMISSION EXPIRES
OCTOBER 10, 2005

Notary Public

E:\wp50\LVLLC\BrazosCarverEnergy.wpd

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos, County, Texas.
Thereby certify, on 10-28-05

County Clerk
Brazos County, Texas

11·18·05

Doc 00904317 Bk OR Vol 6930 Pg 230

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos, County, Texas.
Thereby certify, on 10-28-2005
Karen McQueen
County Clerk:
Brazos County, Texas

EXHIBIT A
ATTACHED TO AND MADE A PART OF THAT CERTAIN ASSIGNMENT AND CONVEYANCE BETWEEN
LEELANAU VENTURES, L.L.C., AS ASSIGNOR AND CARVER ENERGY CORPORATION, AS ASSIGNEE,
DATED JULY 15, 2005, EFFECTIVE JANUARY 1, 2005
BRAZOS COUNTY, TEXAS

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
LOMETA #1 UNIT					
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 & SONDRA L 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
TX028312-6	ARTHUR J EDWARDS JR JANE EDWARDS & WLM I 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
TX028309-1	LOMETA PETROLEUM CORPORATION LYNN ELLIOTT PRESIDENT	DALE RESOURCES INC	08/03/94	2176	168
TX028316-4	LOMETA PETROLEUM CORPORATION LYNN ELLIOTT 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

11-18-05

Doc 00904317 Bk OR Vol 6930 Pg 231

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

WALDORF-POOL #1 RE UNIT

TX028359-2	CHARLES ALLEN	LOMETA PETROLEUM CORPORATION	04/23/91	1253	743
TX028361-0	BILLIE LAVERNE MOORE BAILEY	LOMETA PETROLEUM CORPORATION	05/31/91	1285	285
TX028358-4	TOMMY BANKS	LOMETA PETROLEUM CORPORATION	07/30/91	1323	277
TX028365-A4	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 ETAL	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	073
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 DREWEY	LOMETA PETROLEUM CORPORATION	02/25/91	1408	219
TX028358-5	BOBBY JOE GRAYS	LOMETA PETROLEUM CORPORATION	07/31/91	1349	03
TX028358-9	HULEN GRAYS	LOMETA PETROLEUM CORPORATION	07/31/91	1323	238
TX028358-2	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	LOMETA PETROLEUM CORPORATION	04/30/92	1498	258
TX028487-0	JOHN FREDERICK GRIFFITHS ETUX HENRY E BOHNE ETUX	ROSEWOOD RESOURCES INC	12/14/99	3735	265

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos, County, Texas.
Thereby certify, on 10-28-05
Karen McQueen
County Clerk:
Brazos County, Texas

11-18-05

Doc 00904317 Bk OR Vol 6930 Pg 232

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
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 ET AL	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	LOMETA PETROLEUM CORPORATION	05/17/91	1271	151
TX028345-0	ROBERT CHARLES THOMAS FLLOYD PRATT JR MICHALE PRATT	LOMETA PETROLEUM CORPORATION	01/29/92	1428	249
TX028347-0	TYREE & DARLTON THOMAS	LOMETA PETROLEUM CORPORATION	05/20/91	1271	178
TX028351-0	JACKSON WAYNE WAGNER AND FLORENCE O WAGNER	LOMETA PETROLEUM CORPORATION	04/08/91	1271	145

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos, County, Texas.
Thereby certify, on 10-28-2005

Karen McQueen
County Clerk:
Brazos County, Texas

11-18-05

Doc 00904317 Bk OR Vol 6930 Pg 233

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

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas.
Thereby certify, on 10-28-2005
Karen McQueen
County Clerk,
Brazos County, Texas

It is the intent of this exhibit to describe all of Assignor's leasehold contained within the exterior boundaries of the following will units:

LOMETA #1 UNIT as described in that certain **Amendment of Pooled Unit recorded at Vol. 3373, Page 80**
WALDORF-POOL #1 RE UNIT as described in that certain **Second Amended Unit Designation recorded at Vol. 4000, Page 326**

Assignor intends to assign to Assignee the interest set forth on Exhibit B, regardless of the omission of any lease or leases, errors in description, any incorrect or misspelled names or any transcribed or incorrect recording references.

E:\wp50\LVLLC\exhAbrazosCarver.wpd

END OF EXHIBIT A

EXHIBIT B

Doc 00904317 Bk OR Vol 6930 Pg 234

Attached to and made a part of that certain Assignment and Conveyance
between Leelanau Ventures, L.L.C., as Assignor, and
Carver Energy Corporation, as Assignee,
dated July 15, 2005, effective January 1, 2005

Well Name	Gross Working Interest %	Net Revenue Interest %
LOMETA #1	3.6015000%	2.70112500%
WALDORF-POOL #1 RE	5.3930625%	4.11042356%

State

Filed for Record in:
BRAZOS COUNTY

On: Sep 15,2005 at 12:46P

As a
Recordings

Document Number: 00904317

Amount 39.00

Receipt Number - 275222
By,
Susie Cohen

STATE OF TEXAS COUNTY OF BRAZOS
I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the volume and page of the named records of:
BRAZOS COUNTY
as stamped hereon by me.

Sep 15,2005

HONORABLE KAREN MCLEERN, COUNTY CLERK
BRAZOS COUNTY

End of Exhibit B

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos, County, Texas.
Thereby certify, on 10-28-05

Karen McLeern
County Clerk:
Brazos County, Texas

20-01-11

File No. _____

_____

_____

Date Filed: _____

Jerry E. Patterson, Commissioner

By _____

TEXAS GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

December 2, 2005

Susanne Derrigan
Leelannau Ventures, LLC
13561 West Bay Shore Dr., Suite 3000
Traverse City, Michigan 49684

RE: Assignment filing; GLO ID 5262

Dear Ms. Derrigan,

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 Conveyance (2), executed September 12th, 2005 from Leelanau Ventures, LLC, as Assignor, to Bruce E. Broyles, as Assignee and Carver Energy Corp, as Assignee. Each receiving GWI 3.6015000% and NRI 2.70112500%. State Lease 095228, Brazos County, Texas. Lometa Unit #1, GLO Unit #2290.

Filing fees of $250.00 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

Beverly Boyd
Mineral Leasing
Energy Resources
512-463-6521

Exhibit "A"

GLO ID	*County*	*Lease*
5262	*Brazos*	MF095228

9-12-05

Lomita Unit
2290

MF095228

ASSIGNMENT AND CONVEYANCE

STATE OF TEXAS)
)ss
COUNTY OF BRAZOS)

KNOW ALL PERSONS BY THESE PRESENTS:

THIS ASSIGNMENT AND CONVEYANCE (hereinafter called the "Assignment") is made between **Leelanau Ventures L.L.C.**, a Michigan limited liability company, of 13561 W. Bay Shore Dr., Suite 3000, Traverse City, Michigan 49684 (hereinafter called Assignor) and **Bruce E. Broyles**, a married man, of 1700 Alma Drive, Suite 460, Plano, TX 75075 (hereinafter called Assignee).

In consideration of the mutual promises made between Assignor and Assignee and other good and valuable consideration, and pursuant to the terms of a Joint Venture Agreement dated August 27, 1999 (the "Joint Venture Agreement") Assignor hereby SELLS, CONVEYS, ASSIGNS, TRANSFERS AND DELIVERS unto Assignee with a special warranty of title, for claims made by, through or under Assignor, but not otherwise, unto **Bruce E. Broyles**, the specific Gross Working Interest and Net Revenue Interest set forth on Exhibit B, in and to the leases described on Exhibit A and in and to the wells described on B, which shall include, to the extent associated with or appurtenant to the property described in said exhibits, a similar interest in all of Assignor's interest in the following, which are collectively herein referred to as the "Property":

(a) *Leases* Leasehold interests in oil, gas or other minerals, including working interests, carried working interests, rights of assignment, and other interests under or in oil, gas or mineral leases, and interests in rights to explore for and produce oil, gas and other minerals.

(b) *Fee Interests* Fee interests to the surface and in oil, gas or other minerals, including rights under mineral deeds, conveyances or assignments.

(c) *Rights in Production* Royalties, overriding royalties, production payments, rights to take royalties in kind, or other interests in production of oil, gas or other minerals.

(d) *Contracts; Working Interests* Rights and interests in or derived from pooling agreements, orders or decisions of state and federal regulatory authorities establishing units, joint operating agreements, farmout agreements and farmin agreements, seismic options, drilling agreements, exploration agreements, production marketing agreements and area of mutual interest agreements.

(e) *Easements* Rights-of-way, surface or ground leases and easements acquired or used in connection with operations for the exploration and production of oil, gas or other minerals.

(f) *Permits* Permits and licenses of any nature owned, held or operated in connection with operations for the exploration and production of oil, gas or other minerals, to the extent such permits and licenses are transferable.

(g) *Wells* Producing, non-producing and shut-in oil and gas wells, injection wells and water wells.

(h) *Facilities* All facilities, buildings, improvements, gas plants, and gathering lines.

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos, County, Texas.
Thereby certify, on 10-28-05

Karen McQueen
County Clerk:
Brazos County, Texas

This Assignment shall be subject to the following terms, conditions and exceptions:

1. This Assignment shall at all times be subject to the terms, conditions, exceptions, and reservations contained in the Joint Venture Agreement . The Joint Venture Agreement shall not be deemed to be preempted by this Assignment, but rather shall at all times govern the rights of the parties in the Property, and all interested parties are hereby given notice of the existence.

2. This Assignment shall at all times be subject to the provisions of the "Leases" and "Contracts" as defined in said Joint Venture Agreement.

3. This Assignment shall at all times be subject to all valid rules, regulations, orders and proceedings of each Federal and State regulatory body having jurisdiction of the Property.

4. Assignor assigns and transfers all personal property, Equipment and Facilities included in the Property "AS IS, WHERE IS", WITHOUT ANY EXPRESS, STATUTORY OR IMPLIED WARRANTY, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Additionally, this Assignment is made without any representation that the Assignee will be designated as operator of any well or property.

5. Assignee assumes and agrees to perform and discharge his proportionate share of all obligations and duties relating to the Property attributable to the period of time from and after the Effective Date.

This Assignment is made with full substitution and subrogation of Assignee in and to all covenants and warranties by persons or parties other than Assignor heretofore given or made in respect to the Property or any part thereof.

EXECUTED July 15, 2005, but effective January 1, 2005.

Assignor:
Leelanau Ventures L.L.C.

By: _____
Gregory W. Blanche
Its: Attorney-in-Fact

This Assignment and related terms, conditions or exceptions are accepted this by the Assignee on the date below:

Assignee:

_____
Bruce E. Broyles, a married man

Date: 9/12/2005

Return recorded original to.

EMERALD OPERATING CO., INC.
1700 Alma
Suite 460
Plano, TX 75075

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos, County, Texas.
Thereby certify, on 10-28-05

County Clerk:
Brazos County, Texas

STATE OF MICHIGAN)
COUNTY OF LEELANAU)

The foregoing instrument was acknowledged before me this 15th day of July, 2005, by Gregory W. Blanche, Attorney-in-Fact for Howard Energy Co., Inc., a Delaware corporation, acting in its capacity as sole member of Leelanau Ventures, L.L.C., a Michigan limited liability company.

My commission expires:
September 25, 2006

Susanne Derrigan
Notary Public for
Leelanau County, Michigan

STATE OF TEXAS)
COUNTY OF Collin)

The foregoing instrument was acknowledged before me this 12th day of September 2005, by Bruce E. Broyles, Individual.

My commission expires:

NOEL BLACKBURNE
MY COMMISSION EXPIRES
OCTOBER 10, 2005

Noel Blackburne
Notary Public

E:\wp50\LVLLC\BrazosBruce.wpd

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos, County, Texas.
Thereby certify, on 10-28-05

County Clerk
Brazos County, Texas

11-18-05

Doc 00904316 Bk OR Vol 6930 Pg 222

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos, County, Texas.
Thereby certify, on 12-28-05
Karen McQueen
County Clerk:
Brazos County, Texas

EXHIBIT A
ATTACHED TO AND MADE A PART OF THAT CERTAIN ASSIGNMENT AND CONVEYANCE BETWEEN LEELANAU VENTURES, L.L.C., AS ASSIGNOR AND BRUCE E. BROYLES, AS ASSIGNEE, DATED JULY 15, 2005, EFFECTIVE JANUARY 1, 2005
BRAZOS COUNTY, TEXAS

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
LOMETA #1 UNIT					
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 & SONDRA L 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
TX028312-6	ARTHUR J EDWARDS JR JANE EDWARDS & WLM I 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
TX028309-1	LOMETA PETROLEUM CORPORATION LYNN ELLIOTT PRESIDENT	DALE RESOURCES INC	08/03/94	2176	168
TX028316-4	LOMETA PETROLEUM CORPORATION LYNN ELLIOTT 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

MF095228

11-18-05

Doc 00904316 Bk OR 6930 Vol 223 Pg

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

WALDORF-POOL #1 RE UNIT

TX028359-2	CHARLES ALLEN	LOMETA PETROLEUM CORPORATION	04/23/91	1253	743
TX028361-0	BILLIE LAVERNE MOORE BAILEY	LOMETA PETROLEUM CORPORATION	05/31/91	1285	285
TX028358-4	TOMMY BANKS	LOMETA PETROLEUM CORPORATION	07/30/91	1323	277
TX028365-A4	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 ETAL	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	073
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 DREWEY	LOMETA PETROLEUM CORPORATION	02/25/91	1408	219
TX028358-5	BOBBY JOE GRAYS	LOMETA PETROLEUM CORPORATION	07/31/91	1349	03
TX028358-9	HULEN GRAYS	LOMETA PETROLEUM CORPORATION	07/31/91	1323	238
TX028358-2	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	LOMETA PETROLEUM CORPORATION	04/30/92	1498	258
TX028487-0	JOHN FREDERICK GRIFFITHS ETUX HENRY E BOHNE ETUX	ROSEWOOD RESOURCES INC	12/14/99	3735	265

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos, County, Texas.
Thereby certify, on 10-28-05
Karen McQueen
County Clerk:
Brazos County, Texas

11-18-05

Doc 00304316 Bk OR Vol 6930 Pg 224

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
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 ET AL	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	LOMETA PETROLEUM CORPORATION	05/17/91	1271	151
TX028345-0	ROBERT CHARLES THOMAS FLLOYD PRATT JR MICHALE PRATT	LOMETA PETROLEUM CORPORATION	01/29/92	1428	249
TX028347-0	TYREE & DARLTON THOMAS	LOMETA PETROLEUM CORPORATION	05/20/91	1271	178
TX028351-0	JACKSON WAYNE WAGNER AND FLORENCE O WAGNER	LOMETA PETROLEUM CORPORATION	04/08/91	1271	145

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos, County, Texas.
Thereby certify, on 10-28-05
Karen McQueen
County Clerk:
Brazos County, Texas

11-18-05

Doc 00904316 Bk OR Vol 6930 Pg 225

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

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos, County, Texas
Thereby certify, on 10-28-05
Karen McQueen
County Clerk:
Brazos County, Texas

It is the intent of this exhibit to describe all of Assignor's leasehold contained within the exterior boundaries of the following will units:

LOMETA #1 UNIT as described in that certain **Amendment of Pooled Unit recorded at Vol. 3373, Page 80**
WALDORF-POOL #1 RE UNIT as described in that certain **Second Amended Unit Designation recorded at Vol. 4000, Page 326**

Assignor intends to assign to Assignee the interest set forth on Exhibit B, regardless of the omission of any lease or leases, errors in description, any incorrect or misspelled names or any transcribed or incorrect recording references.

E:\wp50\LVLLC\exhAbrazosBroyles.wpd

END OF EXHIBIT A

EXHIBIT B

Doc 00904316 Bk OR Vol 6930 Pg 226

Attached to and made a part of that certain Assignment and Conveyance between Leelanau Ventures, L.L.C., as Assignor, and Bruce E. Broyles, as Assignee, dated July 15, 2005, effective January 1, 2005

Well Name	Gross Working Interest %	Net Revenue Interest %
LOMETA #1	3.6015000%	2.70112500%
WALDORF-POOL #1 RE	5.3930625%	4.11042356%

State

Filed for Record in:
BRAZOS COUNTY

On: Sep 15,2005 at 12:46P

As a
Recordings

Document Number: 00904316

Amount 39.00

Receipt Number - 275222
By,
Susie Cohen

STATE OF TEXAS COUNTY OF BRAZOS
I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the volume and page of the named records of:
BRAZOS COUNTY
as stamped hereon by me.

Sep 15,2005

HONORABLE KAREN MCLEEN, COUNTY CLERK
BRAZOS COUNTY

End of Exhibit B

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

Thereby certify, on 10-28-05

Karen McLeen

County Clerk:
Brazos County, Texas

20-81-11

File No. MF 095338 24.

Assignment

Date Filed: 12/2/05

Jerry E. Patterson, Commissioner

By

TEXAS GENERAL LAND OFFICE
JERRY PATTERSON, COMMISSIONER

January 31, 2006

Susanne Derrigan
Leelanau Ventures, LLC
13561 West Bay Shore
Traverse City, Michigan 49684

RE: Assignment filing; GLO ID 5353

Dear Ms. Derrigan,

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, executed September 29th, 2005, from Leelanau Ventures, LLC, as Assignor, to Emerald Operating Co. Inc., as Assignee. MF095228.

Filing fees of $150.00 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

Beverly Boyd
Mineral Leasing
Energy Resources
512-463-6521

Exhibit "A"

GLO ID	*County*	*Lease*
5353	*Brazos*	MF095228

Doc 00906549 Bk OR Vol 6969 Pg 114

After recording, return to:
Paul D. Bradford
HARRIS, FINLEY & BOGLE, P.C.
777 Main Street, Suite 3600
Fort Worth, Texas 76102

5353

9/29-05

ASSIGNMENT

THIS ASSIGNMENT is made between LEELANAU VENTURES, L.L.C., a Michigan limited liability company, of P. O. Box 2410, Traverse City, MI 49685-2410 ("Assignor"), and EMERALD OPERATING COMPANY, INC., a Texas corporation, of 1700 Alma Drive, Suite 460, Plano, TX 75075 ("Assignee").

In consideration of the mutual promises made between Assignor and Assignee and other good and valuable consideration, and pursuant to the terms of a Purchase and Sale Agreement effective September 1, 2005, Assignor hereby sells, conveys, assigns, transfers and delivers unto Assignee with a special warranty of title, by, through and under Assignor, but not otherwise, all of Assignor's right, title and interest in and to the leases and wells described in Exhibit "A", which shall include, to the extent associated with or appurtenant to the property described in said exhibits, a similar interest in all of Assignor's interest in the following, which are collectively herein referred to as the "Property";

(a) *Leases*. Leasehold interest in oil, gas or other minerals, including working interests, carried working interests, rights of assignments and reassignments, and other interests under or in oil, gas or mineral leases, and interests in rights to explore for and produce oil, gas and other minerals.

(b) *Fee Interests*. Fee interests to the surface and in oil, gas or other minerals, including rights under mineral deeds, conveyances or assignments.

(c) *Right in Production*. Royalties, overriding royalties, production payments, rights to take royalty in kind, or other interests in production of oil, gas or other minerals.

(d) *Contracts; Working Interest.* Rights and interests in or derived from pooling agreements, orders or decisions of state and federal regulatory authorities establishing units, joint operating agreements, farmout agreements and farmin agreements, seismic options, drilling agreements, exploration agreements, production marketing agreements and area of mutual interest agreements.

(e) *Easements.* Rights-of-way, surface or ground leases and easements acquired or used in connection with operations for the exploration and production of oil, gas or other minerals.

(f) *Permits.* Permits and licenses of any nature owned, held or operated in connection with operations for the exploration and production of oil, gas or other minerals, to the extent such permits and licenses are transferable.

(g) *Wells.* Producing, non-producing and shut-in oil and gas wells, and water wells.

(h) *Facilities.* All facilities, buildings, improvements, gas plants and gathering lines.

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas
Thereby certify, on 01-18-06

Karen McQueen
County Clerk
Brazos County, Texas

90.TE.T

This Assignment shall be subject to the following terms, conditions or exceptions:

1. This Assignment shall at all times be subject to the terms, conditions, exceptions, and reservations contained in the Purchase and Sale Agreement. The unrecorded Purchase and Sale Agreement shall not be deemed to be preempted by this Assignment, but rather shall at all times govern the rights of the parties of the Property, and all interested parties are hereby given notice of its existence.

2. This Assignment shall at all times be subject to the provisions of the "Leases" and "Contracts" as defined in said Purchase and Sale Agreement.

3. This Assignment shall at all times be subject to all valid rules, regulations, orders and proceedings of each Federal and State regulatory body having jurisdiction of the Property.

4. Assignor assigns and transfers all personal property, Equipment and Facilities included in the Property "AS IS, WHERE IS"; WITH ALL FAULTS AND DEFECTS, AND WITH NO WARRANTY OF ANY KIND WHATSOEVER, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

5. Assignee assumes and agrees to perform and discharge its proportionate share of all obligations and duties relating to the Property attributable to the period of time from and after the effective date.

This Assignment is made with full substitution and subrogation of Assignee in and to all covenants and warranties by person or parties other than Assignor heretofore given or made in respect to the Property or any part thereof.

DATED this 27th day September, 2005, but effective September 1, 2005.

ASSIGNOR:

LEELANAU VENTURES, L.L.C.
Acting by and thru its sole member

HOWARD ENERGY CO., INC.

By:_____
David B. Howard
Executive Vice President

This Assignment and related terms, conditions or exceptions are accepted by Assignee on the date show below:

ASSIGNEE:

EMERALD OPERATING COMPANY, INC.

By:_____

Its:_____

Dated:_____

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas
Thereby certify, on 01-18-06
Karen McQueen
County Clerk

90.00

This Assignment shall be subject to the following terms, conditions or exceptions:

1. This Assignment shall at all times be subject to the terms, conditions, exceptions, and reservations contained in the Purchase and Sale Agreement. The unrecorded Purchase and Sale Agreement shall not be deemed to be preempted by this Assignment, but rather shall at all times govern the rights of the parties of the Property, and all interested parties are hereby given notice of its existence.

2. This Assignment shall at all times be subject to the provisions of the "Leases" and "Contracts" as defined in said Purchase and Sale Agreement.

3. This Assignment shall at all times be subject to all valid rules, regulations, orders and proceedings of each Federal and State regulatory body having jurisdiction of the Property.

4. Assignor assigns and transfers all personal property, Equipment and Facilities included in the Property "AS IS, WHERE IS"; WITH ALL FAULTS AND DEFECTS, AND WITH NO WARRANTY OF ANY KIND WHATSOEVER, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

5. Assignee assumes and agrees to perform and discharge its proportionate share of all obligations and duties relating to the Property attributable to the period of time from and after the effective date.

This Assignment is made with full substitution and subrogation of Assignee in and to all covenants and warranties by person or parties other than Assignor heretofore given or made in respect to the Property or any part thereof.

DATED this_____ day of _____, 2005, but effective September 1, 2005.

ASSIGNOR:
LEELANAU VENTURES, L.L.C.
Acting by and thru its sole member

HOWARD ENERGY CO., INC.

By:_____
David B. Howard
Executive Vice President

This Assignment and related terms, conditions or exceptions are accepted by Assignee on the date show below:

ASSIGNEE:
EMERALD OPERATING COMPANY, INC.

By: Bruce Boyles

Its: President

Dated: 9/30/2005

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas
I hereby certify, on 01-18-06

Karen McQueen
County Clerk
Brazos County, Texas

90.TE.T

Brazos County, Texas

STATE OF MICHIGAN
COUNTY OF LEELANAU

This instrument was acknowledged before me on this 27th day of September, 2005, by David B. Howard, Executive Vice President of Howard Energy Co., Inc., a Delaware corporation, acting in its capacity as sole member of Leelanau Ventures, L.L.C., a Michigan limited liability company.

Susanne Derrigan, Notary Public
State of Michigan, County of Leelanau
Acting in the County of Leelanau
Notary Expires: September 25, 2006

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on this ___ day of _____, 2005, by _____

_____

_____

My commission expires: Notary Public

Prepared by: Howard Energy Co., Inc.
Attn: Susanne Derrigan
P.O. Box 2410
Traverse City, MI 49685-2410

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas.
I hereby certify, on 11-18-06 at 2:00
Karen McQueen
County Clerk
Brazos County, Texas

STATE OF MICHIGAN
COUNTY OF LEELANAU

This instrument was acknowledged before me on this _____ day of _____2005, by David B. Howard, Executive Vice President of Howard Energy Co., Inc., a Delaware corporation, acting in its capacity as sole member of Leelanau Ventures, L.L.C., a Michigan limited liability company.

_____
Susanne Derrigan, Notary Public
State of Michigan, County of Leelanau
Acting in the County of Leelanau
Notary Expires: September 25, 2006

STATE OF Texas
COUNTY OF Collin

This instrument was acknowledged before me on this 30th day of September, 2005, by Bruce E. Brayles, President of Emerald Operating Company, Inc.

Noel Blackburne
Notary Public

My commission expires:

NOEL BLACKBURNE
MY COMMISSION EXPIRES
October 10, 2009

Prepared by: Howard Energy Co., Inc.
Attn: Susanne Derrigan
P. O. Box 2410
Traverse City, MI 49685-2410

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas
I hereby certify, on 01-18-06
Karen McQueen
County Clerk
Brazos County, Texas

30-12-1

EXHIBIT A

ATTACHED TO AND MADE A PART OF THE ASSIGNMENT BETWEEN
LEELANAU VENTURES, L.L.C. ("ASSIGNOR"), AND EMERALD OPERATING COMPANY, INC. ("ASSIGNEE")
DATED SEPTEMBER 27, 2005, AND EFFECTIVE SEPTEMBER 1, 2005

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...	REC 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 & SONDRA L 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
TX028312-6	ARTHUR J EDWARDS JR JANE EDWARDS & WLM I 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
TX028309-1	LOMETA PETROLEUM CORPORATION LYNN ELLIOTT PRESIDENT	DALE RESOURCES INC	08/03/94	2176	168
TX028316-4	LOMETA PETROLEUM CORPORATION LYNN ELLIOTT 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

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas.
I hereby certify, on 01-18-06
Karen McQueen
County Clerk
Brazos County, Texas

Doc 00906549 Bk OR Vol 6969 Pg 119

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

COUNTY: **BRAZOS**
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...	REC BOOK	PAGE
TX028359-2	CHARLES ALLEN	LOMETA PETROLEUM CORPORATION	04/23/91	1253	743
TX028361-0	BILLIE LAVERNE MOORE BAILEY	LOMETA PETROLEUM CORPORATION	05/31/91	1285	285
TX028358-4	TOMMY BANKS	LOMETA PETROLEUM CORPORATION	07/30/91	1323	277
TX028365-A4	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 ETAL	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	073
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 DREWEY	LOMETA PETROLEUM CORPORATION	02/25/91	1408	219

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas
I hereby certify, on 01-18-06
Karen McQueen
County Clerk
Brazos County, Texas

Doc 00906549 Bk OR Vol 6969 Pg 120

TX028358-5	BOBBY JOE GRAYS	LOMETA PETROLEUM CORPORATION	07/31/91	1349	03
TX028358-9	HULEN GRAYS	LOMETA PETROLEUM CORPORATION	07/31/91	1323	238
TX028358-2	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	LOMETA PETROLEUM CORPORATION	04/30/92	1498	258
TX028487-0	JOHN FREDERICK GRIFFITHS ETUX HENRY E BOHNE 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 ET AL	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	LOMETA PETROLEUM CORPORATION	04/16/91	1250	385

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas
I hereby certify on 01-18-06
Karen McQueen
County Clerk
Brazos County, Texas

Doc 00096549 Bk OR Vol 6969 Pg 121

	TAYLOR DAY ET AL				
TX028362-0	ELLA MARIE MOORE THOMAS	LOMETA PETROLEUM CORPORATION	05/31/91	1271	170
TX028350-0	JAMES T THOMAS	LOMETA PETROLEUM CORPORATION	05/17/91	1271	151
TX028345-0	ROBERT CHARLES THOMAS FLLOYD PRATT JR MICHALE PRATT	LOMETA PETROLEUM CORPORATION	01/29/92	1428	249
TX028347-0	TYREE & DARLTON THOMAS	LOMETA PETROLEUM CORPORATION	05/20/91	1271	178
TX028351-0	JACKSON WAYNE WAGNER AND FLORENCE O WAGNER	LOMETA PETROLEUM CORPORATION	04/08/91	1271	145
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

COUNTY: **BURLESON COUNTY AND LEE COUNTY, TEXAS**
WELL UNIT: **FALKENBERG A-3 RE** as described in that certain **Designation of Unit recorded at Vol. 811, Page 124,Lee Co., TX and at Vol. 264, Page 42, Burleson Co., TX**

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028634-2	DOROTHY MARIE FALKENBERG	ZONERY INC	10/18/78	302	134 (LEE)
				45	256 (Burl)
TX028634-1	SPENCER O FALKENBERG AND LILLIAN L FALKENBERG	ZONERY INC	10/18/78	302	130 (LEE)
				45	252 (Burl)

COUNTY: **BURLESON COUNTY AND LEE COUNTY, TEXAS**
WELL UNIT: **FALKENBERG A-4 #4**

LEASE	LESSOR	LEASE

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas
I hereby certify, on 01-18-06 Zac
Karen McQueen
County Clerk
Brazos County, Texas

Doc 00906549 Bk OR Vol 6969 Pg 122

NUMBER....	NAME.....	LESSEE NAME.....	DATED...	REC BOOK	PAGE
TX028635-1	DOROTHY MARIE FALKENBERG	UNION PACIFIC RES CO.	06/09/97	804	120 (LEE)
				262	26 (Burl)
TX028635-2	WAYNE FALKENBERG ET AL	UNION PACIFIC RES CO.	06/09/97	804	188 (LEE)
				262	38 (Burl)

COUNTY: **BURLESON COUNTY AND LEE COUNTY, TEXAS**
WELL UNIT: **BH-2H and BH-4H** as described in that certain **Pooled Unit Designation and Ratification recorded at Vol. 720, Page 300, Lee Co., TX and at Vol. 228, Page 889, Burleson Co., TX**

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028632-0	CAROLYN FALKENBERG	SNYDER OIL CORPORATION	03/27/93	692	492 (Lee)
				213	857 (Burl)
TX028633-2	DOROTHY MARIE FALKENBERG	SNYDER OIL CORPORATION	11/01/93	692	502 (Lee)
				213	867 (Burl)
TX028634-2	DOROTHY MARIE FALKENBERG	ZONERY INC	10/18/78	302	134 (Lee)
				45	252 (Burl)
TX028633-3	LILLIAN FALKENBERG IND & EXEC ESTATE OF SPENCER O FALKENBERG	SNYDER OIL CORPORATION	11/01/93	692	486 (Lee)
				213	851 (Burl)
TX028634-1	SPENCER O FALKENBERG AND LILLIAN L FALKENBERG	ZONERY INC	10/18/78	302	130 (Lee)
				45	256
TX028633-1	WAYNE FALKENBERG	SNYDER OIL CORPORATION	11/01/93	692	497 (Lee)
				213	862
TX028631-2	CAROLYN FALKENBERG	SNYDER OIL CORPORATION	08/01/94	246	613 (Lee)

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas
I hereby certify, on 07-18-2006
Karen McLean
County Clerk
Brazos County, Texas

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TX028631-4	DOROTHY M FALKENBERG	SNYDER OIL CORPORATION	08/01/94	246	631 (Lee)
TX028631-3	LILLIAN FALKENBERG IND & EXEC ESTATE OF SPENCER O FALKENBERG	SNYDER OIL CORPORATION	08/01/94	246	625 (Lee)
TX028631-1	WAYNE FALKENBERG	SNYDER OIL CORPORATION	08/01/94	246	619 (Lee)

COUNTY: **FAYETTE**
WELL UNIT: **BAKER #1-H UNIT** as described in that certain **Designation of Unit recorded at Vol 375, Page 645, Fayette Co., TX**

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028404-1	THOMAS J BAKER JR AND BARBARA ANN BAKER	ENERGY SEARCH CO	07/14/83	203	916
TX028406-1	GASTON F HEFFINGTON TRUSTEE	ENERGY SEARCH CO	07/30/84	221	250
TX028409-1	KERR-MCGEE CORPORATION	SNYDER OIL CORPORATION	08/19/93	362	834
TX028407-1	FRANK LENICH JR IND AND EXEC ESTATE OF DORIS LENICH	ENERGY SEARCH CO	09/07/84	225	56
TX028410-0	CHARLIE SCHELLBERG AND MINNIE SCHELLBERG	UNION PACIFIC RESOURCES CO	11/03/92	344	288
TX028405-1	TEXAS OSAGE ROYALTY POOL INC	ENERGY SEARCH CO	08/14/84	221	501
TX028408-1	TEXAS OSAGE ROYALTY POOL INC	SNYDER OIL CORPORATION	08/02/93	360	016

COUNTY: **FAYETTE**
WELL UNIT: **BELL #1-H UNIT RE** as described in that certain **Designation of Unit recorded at Vol. 1009, Page 764, Fayette Co., TX**

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas
I hereby certify on 01-18-06 A.D.
Karen McQueen
County Clerk
Brazos County Texas

Doc 00906549 Bk OR Vol 6969 Pg 124

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028493-0	EVA M BELL	ROSEWOOD RESOURCES INC	04/18/97	989	68
TX028496-1	DEVON ENERGY CORPORATION	ROSEWOOD RESOURCES INC	09/26/97	1008	532
TX028494-2	ARRETTIA LOVINGS JAMES A LOVINGS CEDELL A LOVINGS	ROBERT M EDSEL	02/01/82	176	811
TX028494-1	TILMON LLOYD LOVINGS SR THELMA LOVINGS	ROBERT M EDSEL	05/05/82	18	600
TX028492-1	BETTY BOSWORTH NEUHAUS	WCS PETROLEUM COMPANY	02/21/84	214	687
TX028495-1	TEXAS OSAGE ROYALTY POOL INC	WCS OIL & GAS	05/01/84	217	311

COUNTY: **FAYETTE**
WELL UNIT: **BROTHERS OIL UNIT #1** as described in that certain **Designation of Unit recorded at Vol 369, Page 370, Fayette Co., TX**

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028449-0	RALPH BALASCO	TANA OIL AND GAS CORPORATION	03/20/92	331	201
TX028446-1	BEN Y BAY	TANA OIL AND GAS CORPORATION	09/29/93	365	624
TX028447-0	LILLIAN A BROTHERS AND CLARENCE BROTHERS	SIMPSON-MANN OIL PRODUCERS	08/25/77	124	627
TX028448-0	MICHAEL L COX	TANA OIL AND GAS CORPORATION	10/01/93	367	725
TX028443-1	DUANE KLEINFELT	TANA OIL AND GAS CORPORATION	06/18/93	359	392
TX028445-1	RAYMOND A & DRUCILLA M POWELL	TANA OIL AND GAS CORPORATION	07/28/93	361	586
TX028444-0	EDWARD L & MONETTE L TAYLOR	TANA OIL AND GAS CORPORATION	10/01/93	368	338
TX028442-1	WILLIAM A BROWN IND AND EXE EST OF OLIVIA BROWN MORRISON	TANA OIL AND GAS CORPORATION	05/11/92	337	891

COUNTY: **FAYETTE**

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas
I hereby certify on 01-18-06
Karen McLeon
County Clerk
Brazos County, Texas

Doc 00906549 Bk OR Vol 6989 Pg 125

WELL UNIT: BROWN-MORGAN UNIT #1 as described in that certain that certain Designation of Unit recorded at Vol 983, Page 403, Fayette Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028588-0	H T BROWN ET AL C/O JOSEPH C BROWN	ROSEWOOD RESOURCES INC	09/01/96	963	693
TX028591-1	CAL FARLEY'S BOYS RANCH FOUNDATION	ROSEWOOD RESOURCES INC	08/01/96	965	353
TX028589-1	JOHN EDWARD MORGAN JR AND SARA MOERS MORGAN	ROSEWOOD RESOURCES INC	06/21/96	966	743
TX028590-1	TEXAS A&M UNIVERSITY DEV FOUND	ROSEWOOD RESOURCES INC	07/24/96	965	358

COUNTY: FAYETTE
WELL UNIT: BROWN OIL UNIT #2 as described in that certain Designation of Unit recorded at Vol 399, Page 1, Fayette Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028509-0	HENRY TRUEHEART BROWN MARY HILL BROWN WHITCOMB ET AL	TANA OIL AND GAS CORPORATION	11/01/91	318	796
TX028497-0	EDWIN E WILDNER IND AND AIF ALMA W FLORY ET AL	JOHN C THOMAS	03/28/91	311	18

COUNTY: FAYETTE
WELL UNIT: BUSH #1 RE UNIT as described in that certain Oil and Gas Lease between PATRICIA ANN BUSH AND EMERALD OPERATING CO., INC.

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas
I hereby certify on 01-12-06
County Clerk
Brazos County, Texas

Doc 0090549 Bk OR Vol 6969 Pg 126

DATED 04/19/00 recorded at Vol 1097, Page 280, Fayette Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028948-0	PATRICIA ANN BUSH	EMERALD OPERATING CO., INC.	04/19/00	1097	280

COUNTY: FAYETTE
WELL UNIT: CASTLEMAN #1-H UNIT as described in that certain Designation of Unit recorded at Vol 998, Page 625, Fayette Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028595-1	JOE L & GEORGIA BELOTA	ROSEWOOD RESOURCES INC	02/13/97	988	24
TX028603-1	ROBERT L & AUDREY BELOTA	ROSEWOOD RESOURCES INC	02/24/97	988	28
TX028604-0	ROBERT L & AUDREY BELOTA	ROSEWOOD RESOURCES INC	04/28/97	991	207
TX028599-3	LILLIAN BERGER	ROSEWOOD RESOURCES INC	02/22/97	989	697
TX028591-1	CAL FARLEY'S BOYS RANCH FOUNDATION	ROSEWOOD RESOURCES INC	08/01/96	965	353
TX028607-1	PEGGY JOYCE EDWARDS	PRIGGE TAUSEND AND WINNE INC	04/04/96	951	694
TX028602-1	A N EVANS JR AND FAY EVANS	PRIGGE TAUSEND AND WINNE INC	04/16/96	951	688
TX028593-1	ESTATE OF NED GILL JR DECEASED BY CHARLES H ATKINS IND EXEC	ROSEWOOD RESOURCES INC	05/28/97	996	770
TX028588-0	H T BROWN ET AL C/O JOSEPH C BROWN	ROSEWOOD RESOURCES INC	09/01/96	963	693
RW028598-0	LEON A & BETTY J SCHNELL	ROSEWOOD RESOURCES INC	04/11/97	988	23
TX028600-1	MARY JANE HARDING AND LYNN B HARDING	HOUSTON OIL & MINERALS CORP	10/20/77	124	689
TX028594-1	DAVID MACHALA AND BRUCE HEINRICH	ROSEWOOD RESOURCES INC	05/28/97	996	773
TX028606-1	ROBERT F MARGERUM	PRIGGE TAUSEND AND WINNE INC	04/12/96	951	691
TX028596-1	MELVIN MENKING	ROSEWOOD RESOURCES INC	10/04/96	972	719

Doc 00906549 Bk Vol 6969 Pg 12

I hereby certify that this instrument was filed in File Number sequence on the date and at the time stamped hereon by me and was duly recorded in the appropriate volume and page of the named records of Brazos County, Texas.

Date 01-18-06 Time

Karen McQueen
County Clerk
Brazos County, Texas

TX028589-1	JOHN EDWARD MORGAN JR AND SARA MOERS MORGAN	ROSEWOOD RESOURCES INC	06/21/96	966	743
TX028605-0	PARKER FARMS A PRNTSHP BY TYSON L PARKER ET UX	ROSEWOOD RESOURCES INC	03/19/96	951	681
TX028597-1	ELEANORA RAINOSEK	ROSEWOOD RESOURCES INC	04/01/97	989	693
TX028592-1	JULIO & DORA RAMIREZ	ROSEWOOD RESOURCES INC	07/01/97	997	830
TX028608-1	JIM & BETTY J SCHNELL	PRIGGE TAUSEND AND WINNE INC	04/18/96	951	697
TX028601-1	W E & ELFRIEDA SCHWEINLE	PRIGGE TAUSEND AND WINNE INC	04/11/96	951	685
TX028590-1	TEXAS A&M UNIVERSITY DEV FOUND	ROSEWOOD RESOURCES INC	07/24/96	965	358
TX028599-1	LARRY VASEK	ROSEWOOD RESOURCES INC	02/22/97	989	700
TX028599-2	TOMMY VASEK	ROSEWOOD RESOURCES INC	02/22/97	989	703

COUNTY: **FAYETTE**
WELL UNIT: **CEDAR CREEK "F" #6 UNIT** as described in that certain **Pooled Unit Designation recorded at Vol 217, Page 150, Fayette Co., TX**

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028587-0	CLARA HERMES DOKOS IND AND EXEC MYRTA HERMES ET AL	ENERGY SEARCH CO	09/30/83	211	145
TX028585-0	GARDENIA E JANSSEN	ENERGY SEARCH CO	10/21/83	208	898
TX028586-0	HERBERT T JANSSEN SR	ENERGY SEARCH CO	05/25/83	206	334

COUNTY: **FAYETTE**
WELL UNIT: **EDNA UNIT #1-H UNIT** as described in that certain **Designation of Unit recorded at Vol 365, Page 332, Fayette Co., TX**

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028374-0	BLANCA S AZIOS MD	ENERGY SEARCH CO	05/15/84	218	627
TX028371-0	EDWIN F & ESTELLA A GAU	ENERGY SEARCH CO	12/06/83	211	395

I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the volume and page of the named records of Brazos County, Texas.
Kara McKinney
County Clerk, Brazos County, Texas

STATE OF TEXAS
COUNTY OF BRAZOS
I hereby certify that this is a true and correct copy as the same is duly recorded in the appropriate records of Brazos County, Texas.
Kara McKinney
County Clerk, Brazos County, Texas

Doc 00906549 Bk OR Vol 6969 Pg 128

TX028376-0	ELMER LEE HACKEBEIL SR AND GERTRUDE K HACKEBEIL	ENERGY SEARCH CO	11/29/83	210	754
TX028373-0	DAVEY FAY JACKS AKA DAVEY FAY WATKINS	ENERGY SEARCH CO	05/16/84	218	671
TX028369-0	CLARENCE E & FRANCES D KOLBE C CARL KOLBE ET AL	ENERGY SEARCH CO	12/20/83	212	77
TX028372-0	JOHN WALTER KOLBE JR IND & AIF HATTIE KOLBE EULA MAE SCHADLEY	ENERGY SEARCH CO	09/29/83	208	890
TX028379-0	STEPHEN C LARUE JAMES P LARUE ETAL R J SIMON TRUSTEE	ENERGY SEARCH CO	05/09/84	221	284
TX028380-6	CORRIE LEE PEERCE	ENERGY SEARCH CO	05/24/84	220	814
TX028375-0	HARRY & MARILYN M PERRY	ENERGY SEARCH CO	01/10/84	212	072
TX028377-0	WILBURN & GLORIA REUTER LAVERN & VERNA MAE REUTER ETAL	ENERGY SEARCH CO	06/20/83	202	889
TX028370-0	FRANK & DOROTHY SCHAEFER	ENERGY SEARCH CO	04/27/84	217	628
TX028380-4	CALVIN WESSELS	ENERGY SEARCH CO	05/24/84	218	674
TX028378-0	CALVIN & DORINE WESSELS	ENERGY SEARCH CO	10/28/83	210	250
TX028380-5	ENOS WESSELS	ENERGY SEARCH CO	05/24/84	219	92
TX028380-3	MARVIN J WESSELS	ENERGY SEARCH CO	05/24/84	219	10
TX028380-1	REGINA WESSELS LYNN WESSELLS	ENERGY SEARCH CO	05/24/84	219	07
TX028380-2	WILBURN WESSELS GLEN ROY WESSELS ET AL	ENERGY SEARCH CO	05/24/84	219	04

COUNTY: **FAYETTE**

WELL UNIT: **FREYTAG OIL UNIT #1 UNIT** as described in that certain **Corrected Designation of Unit recorded at Vol 356, Page 586, Fayette Co., TX**

LEASE NUMBER	LESSOR NAME	LESSEE NAME	LEASE DATED	REC BOOK	PAGE
TX028442-1	WILLIAM A BROWN IND AND EXE EST OF OLIVIA BROWN MORRISON	TANA OIL AND GAS CORPORATION	05/11/92	337	891
TX028387-0	F D & VLASTA B BUSH	LARRY J LYNN	08/05/77	123	972

I hereby certify that this instrument was filed on the date and at the time stamped hereon by me and was duly recorded in the appropriate records of Brazos County, Texas

01-18-06

Karen McQueen
County Clerk,
Brazos County, Texas

Doc 00906549 Bk OR Vol 6969 Pg 129

TX028399-0	HOLLY CHAMBERLIN AND CLAYTON MOORE CHAMBERLIN	TANA OIL AND GAS CORPORATION	11/11/91	323	113
TX028400-0	CLYDE L FREYTAG DANIEL FREYTAG GENEVA CASTILLO ET VIR ET AL	MERIDIAN OIL INC	02/13/90	297	478
TX028402-0	HORTENSE M JAMES	TANA OIL AND GAS CORPORATION	03/24/92	329	725
TX028394-1	ELBERT M & CAROLE A MARSHALL	TANA OIL AND GAS CORPORATION	03/15/93	351	692
TX028395-1	ELBERT M & CAROLE A MARSHALL	TANA OIL AND GAS CORPORATION	03/15/93	351	696
TX028403-1	VINCENT C & LINDA W ORLANDO	TANA OIL AND GAS CORPORATION	03/15/93	351	685
TX028397-0	DAVID J & ANNIE C SMITH	TANA OIL AND GAS CORPORATION	03/15/93	351	711
TX028398-0	VICTOR L SPONENBERG J KATHARINE SPONENBERG	TANA OIL AND GAS CORPORATION	03/15/93	351	715
TX028396-1	JUDY M STEPHENS	TANA OIL AND GAS CORPORATION	03/15/93	351	703
TX028396-2	CARL J STEPHENS	TANA OIL AND GAS CORPORATION	03/15/93	351	707
TX028401-0	LEROY & CINDY WEBER	TANA OIL AND GAS CORPORATION	02/17/93	349	338

COUNTY: **FAYETTE**
WELL UNIT: **GARTH BATES OIL UNIT #1** as described in that certain **Reduction of Pooled Unit recorded at Vol 1002, Page 574, Fayette Co., TX**

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028574-0	GARTH BATES AND NANCY STEWARD BATES	TANA OIL AND GAS CORPORATION	02/21/91	309	853
TX028571-0	THOMAS J HOLMES	TANA OIL AND GAS CORPORATION	03/08/93	349	638
TX028572-0	HRBACEK OIL CORPORATION V A HRBACEK PRESIDENT	STEPHEN HRBACEK	02/28/87	262	521
TX028570-0	MISSOURI PACIFIC RAILROAD CO	TANA OIL AND GAS CORPORATION	07/13/93	358	67

COUNTY: **FAYETTE**

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas
I hereby certify, on 01-18-06
Karen McQueen
County Clerk
Brazos County

Doc 00906549 Bk OR Vol 6969 Pg 130

WELL UNIT: **GARTH BATES OIL UNIT #2** as described in that certain
Reduction of Designated Unit rec Vol 1002, Page 609, Fayette Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028574-0	GARTH BATES AND NANCY STEWARD BATES	TANA OIL AND GAS CORPORATION	02/21/91	309	853

COUNTY: **FAYETTE**
WELL UNIT: **GARTH BATES OIL UNIT #2RE** as described in that certain
Pooling Agreement and Designation of Unit, amended, rec Vol 1002, Page 668, Fayette Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028573-0	GARTH BATES AND NANCY STEWARD BATES	ROSEWOOD RESOURCES INC	07/08/96	962	522
TX028574-0	GARTH BATES AND NANCY STEWARD BATES	TANA OIL AND GAS CORPORATION	02/21/91	309	853

COUNTY: **FAYETTE**
WELL UNIT: **GAULKE OIL UNIT #1 RE** as described in that certain
Dissolution of Unit and Designation of Unit rec Vol 1147, Page 836, Fayette Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028950-0	PATRICIA ANN BUSH	EMERALD OPERATING COMPANY INC	04/19/00	1097	274
TX028321-1	GERDA E GAULKE	COASTAL OIL & GAS CORPORATION	03/22/90	295	313
TX028949-0	VAUGHN HALL	EMERALD OPERATING COMPANY INC	05/09/01	1134	526
TX028320-0	HORTENSE M JAMES	MERIDIAN OIL INC	04/21/90	300	236
TX028319-0	ANNE W PRATT CO-TRSTE PRATT 1991 TRUST ET AL	TANA OIL AND GAS CORPORATION	02/01/92	323	660
TX028321-2	HENRY J & RUTH SCHOVAJSA	COASTAL OIL & GAS CORPORATION	03/23/90	296	505

STATE OF TEXAS
I hereby certify that this instrument was FILED in the File Number sequence on the date and at the time stamped hereon by me; and was duly RECORDED, in the Official Public Records of Brazos County, Texas
01-18-06
Karen McLean
County Clerk
Brazos County, Texas
Doc 00096549 Bk OR Vol 6969 Pg 131

TX028318-0	HARRY & EVELYN VOGT	SIMPSON-MANN OIL PRODUCERS	09/15/77	124	801

COUNTY: **FAYETTE**
WELL UNIT: **GIESE OIL UNIT #1** as described in that certain
Designation of Unit recorded at Vol 343, Page 2775, Fayette Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028387-0	F D & VLASTA B BUSH	LARRY J LYNN	08/05/77	123	972
TX028389-1	H C GIESE H CLIFFORD GIESE ET UX ET AL	MERIDIAN OIL INC	04/25/90	301	883
TX028388-0	GUS J MENGER JR AND CAROL F MENGER	MERIDIAN OIL INC	03/14/90	301	920
TX028386-1	DOROTHY F WILLIAMS IND & EXEC ESTATE OF GRANT H WILLIAMS	MERIDIAN OIL INC	04/24/90	301	905

COUNTY: **FAYETTE**
WELL UNIT: **HACKEBEIL UNIT #1** as described in that certain
Designation of Unit recorded at Vol 191, Page 757, Fayette Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028560-0	ROLAND A & BEVERLY M BOEHM	KENNETH C NELSON	06/21/82	186	152
TX028558-1	ELMER LEE HACKEBEIL JR IND AND TSTEE ELMER LEE HACKEBEIL	ENERGY SEARCH CO	05/20/82	182	112
TX028562-0	FRANK J & ANNE LIDIAK AND EDWARD G LIDIAK	RIAL OIL COMPANY	01/16/80	142	473
TX028559-0	HARRY L & LEONIDE PLAGENS	KENNETH C NELSON	06/23/82	186	150
TX028556-0	VASTINE & ELSIE SCHELLBERG	RIAL OIL COMPANY	01/17/80	140	65
TX028561-1	TEXAS OSAGE ROYALTY POOL INC	ENERGY SEARCH CO	06/15/82	187	259
TX028557-0	BENNIE J & JAROL J VASEK	KENNETH C NELSON	06/24/82	186	154

I, Timothy Cerny, on 01-18-06 Fee
Karen McLean
County Clerk
Brazos County, Texas
I certify that this was filed in the file number sequence on the date and at the time stamped hereon by me and was duly recorded in the appropriate records of Brazos County, Texas.
STATE OF TEXAS
COUNTY OF BRAZOS
I hereby certify that this instrument was FILED in the file number sequence on the date and at the time stamped hereon by me; and was duly RECORDED, in the Official Public Records of Brazos County, Texas.
Doc 00906549 Bk OR Vol 6969 Pg 132

COUNTY: **FAYETTE**
WELL UNIT: **JAMES OIL UNIT #1** as described in that certain
Designation of Oil Unit recorded at Vol 332, Page 431, Fayette Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028383-1	JOSEPH MERVYN BAUER AND ALICE A BAUER	MERIDIAN OIL INC	04/21/90	300	242
TX028382-1	JOHN VICTOR JAMES AND MARTHA J JAMES	MERIDIAN OIL INC	04/21/90	302	474
TX028384-0	BURDETTE W KEELAND JR TRUSTEE	MERIDIAN OIL INC	02/26/90	302	93
TX028381-1	BARNEY C & HAZEL JOYCE KLUTTS	MERIDIAN OIL INC	04/21/90	304	127
TX028385-1	BARNEY C & HAZEL JOYCE KLUTTS	MERIDIAN OIL INC	03/15/90	297	561

COUNTY: **FAYETTE**
WELL UNIT: **KEELAND OIL UNIT #2** as described in that certain
Corrected Designation of Oil Unit recorded at Vol 351, Page 249, Fayette Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028384-0	BURDETTE W KEELAND JR TRUSTEE	MERIDIAN OIL INC	02/26/90	302	93
TX028417-0	DR L D & KAREN MAYER	KENNETH STEVENSON TRUSTEE	12/11/90	306	537
TX028419-1	AUDRIE J TOWNSEND	BENNIE JAEHNS TRUSTEE	05/16/91	312	700
TX028418-2	DORIS JEAN WARREN	TANA OIL AND GAS CORPORATION	04/08/94	380	795
TX028418-1	GILBERT WAYNE WETJEN C/O H D YATES & ASSOC	TANA OIL AND GAS CORPORATION	04/08/94	381	018
TX028418-3	LEROY B WETJEN JULIAN WETJEN CARRIE MAE REED ET AL	JOHN WETJEN	08/23/90	302	509
TX028419-2	PAUL T & IVY G YATES	BENNIE JAEHNS TRUSTEE	05/16/91	312	704

COUNTY: **FAYETTE**

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas
I hereby certify, on 01-18-06 Rec
Karen McQueen
County Clerk
Brazos County, Texas

Doc 0096549 Bk OR Vol 6969 Pg 133

WELL UNIT: KELLY #1 RE UNIT as described in that certain
Designation of Unit recorded at Vol 1195, Page 168, AS AMENDED, Fayette Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX029026-0	WILLIAM H KELLY	EMERALD OPERATING CO., INC.	01/15/02	1160	723
TX029034-0	FRANKLIN H KASPER ETUX	EMERALD OPERATING CO., INC.	01/08/02	1160	718
TX029025-0	VAUGHN E HALL & RENATE HALL	EMERALD OPERATING CO., INC.	01/31/02	1165	758
TX029028-0	LUCILLE NICHOLSON	EMERALD OPERATING CO., INC.	04/10/02	1169	499
TX029029-0	NELSON PARKS, JR. AS AMENDED 1177-89	EMERALD OPERATING CO., INC.	04/23/02	1169	313
TX029030-0	JAVIER VILLEGAS ETUX	EMERALD OPERATING CO., INC.	04/19/02	1169	393
TX029024-0	GUSSIE LEE GRANT DAVIS	EMERALD OPERATING CO., INC.	02/15/02	1168	101
TX029033-3	LILLY ANN SMITH ETAL	EMERALD OPERATING CO., INC.	02/15/02	1168	106
TX029033-1	PAULETTE ADAMS ELLIS	EMERALD OPERATING CO., INC.	04/16/01	1170	359
TX029032-0	LARRY R. VASEK ETUX	EMERALD OPERATING CO., INC.	06/10/02	1176	474
TX029031-0	MERCEDES G RIOJAS ETUX	EMERALD OPERATING CO., INC.	06/10/02	1176	379
TX029035-1	DORIS G KOENIG ETVIR	WCS OIL AND GAS CORPORATION	04/17/02	1168	605
TX029035-2	ANNETTE G BINNING	WCS OIL AND GAS CORPORATION	04/17/02	1168	604
TX029035-3	H C GIESE	WCS OIL AND GAS CORPORATION	04/17/02	1168	690
TX029027-4	DAVID GENE FORMAN ETUX	RME PETROLEUM COMPANY	04/24/02	1171	221
TX029027-5	RUSSELL S FORMAN ETUX	RME PETROLEUM COMPANY	04/24/02	1171	215
TX029027-6	DOUGLAS RAY FORMAN ETUX	RME PETROLEUM COMPANY	04/24/02	1171	218
TX029027-3	SHARON BYLER MILLER	RME PETROLEUM COMPANY	04/24/02	1171	206
TX029027-2	SIDNEY ELDRED BYLER	RME PETROLEUM COMPANY	04/24/02	1171	209
TX029027-1	IRMA WALLACE PAUL ETVIR	RME PETROLEUM COMPANY	04/24/02	1171	212
TX029023-1	DENA N THOMAS ETAL	EMERALD OPERATING CO., INC.	06/18/02	1185	644
TX029033-2	FRANK JAMES ADAMS	EMERALD OPERATING CO., INC.	04/16/01	1169	152
TX029022-0	JIM ELLIS ETAL	EMERALD OPERATING CO., INC.	12/11/02	1197	133

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas
Thereby certify, on 01-10-06
Karen McQueen
County Clerk
Brazos County, Texas

Doc 00906549 Bk OR Vol 6969 Pg 134

COUNTY: FAYETTE
WELL UNIT: KERN #2-H UNIT as described in that certain
Pooled Unit Designation and Ratification recorded at Vol 369, Page 641, Fayette Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028576-0	KERN 1988 TRUSTS BY JACK C KERN JR TUSTEE ET AL	PATTERSON PETROLEUM INC	07/01/88	274	856
TX028575-0	STATE OF TEXAS M95386	PATTERSON PETROLEUM INC	11/02/93	368	586

COUNTY: FAYETTE
WELL UNIT: MCMURRY UNIT #1-H as described in that certain
Designation of Unit recorded at Vol 390, Page 405, Fayette Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028566-1	ROYCE K & ELVA A KEILERS	SNYDER OIL CORPORATION	03/16/94	380	868
TX028567-1	KERR MCGEE CORPORATION	SNYDER OIL CORPORATION	08/08/94	387	71
TX028865-0	EVERETT DEMEL MCMURRY TRUST FIRST NAT'L BANK OF LA GRANGE	SNYDER OIL CORPORATION	02/08/94	385	770
TX028569-1	TEXAS OSAGE ROYALTY POOL INC	SNYDER OIL CORPORATION	08/16/94	389	8

COUNTY: FAYETTE
WELL UNIT: NIEMEYER OIL UNIT #1 as described in that certain
Designation of Unit recorded at Vol 340, Page 754, Fayette Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028478-0	HELEN NIEMEYER EXEC OF EST EDWIN A NIEMEYER	MERIDIAN OIL INC	03/09/90	301	876

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas
Thereby certify, on 01-18-06
Karen McQueen
County Clerk,
Brazos County, Texas

Doc 00906549 Bk OR Vol 6969 Pg 135

TX028318-0	HARRY & EVELYN VOGT	SIMPSON-MANN OIL PRODUCERS	09/15/77	124	801
TX028479-0	ROBERT H & VICTORIA G WEEREN	MERIDIAN OIL INC	02/21/90	295	806

COUNTY: **FAYETTE**
WELL UNIT: **ROZNOV GAS UNIT #1 RE** as described in that certain
Designation of Gas Unit recorded at Vol. 380, Page 787, Fayette Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028610-11	MAXINE ALRED	TANA OIL AND GAS CORPORATION	04/29/93	360	876
TX028610-10	PAULINE ANDERSON WANDINE TEAGUE ET AL	TANA OIL AND GAS CORPORATION	04/29/93	360	869
TX028610-25	JULIA H BERNSHAUSEN	TANA OIL AND GAS CORPORATION	04/29/93	362	795
TX028610-22	BEVERLY ANN BULS AND RONALD L BULS	TANA OIL AND GAS CORPORATION	04/29/93	362	511
TX028610-19	MARCIA LEE CARPER	TANA OIL AND GAS CORPORATION	04/29/93	362	110
TX028610-33	WILLIAM A & JAUNELL CARPER	TANA OIL AND GAS CORPORATION	04/29/93	367	131
TX028610-28	CHESTER F CORDES	TANA OIL AND GAS CORPORATION	04/29/93	364	462
TX028610-16	ED HARVEY CORDES BY JACKIE N CORDES AIF	TANA OIL AND GAS CORPORATION	04/29/93	360	907
TX028610-15	GLADYS G CORDES	TANA OIL AND GAS CORPORATION	04/29/93	360	901
TX028610-14	ONEY C & VERNA CORDES	TANA OIL AND GAS CORPORATION	04/29/93	360	895
TX028610-8	GARY DROLL	TANA OIL AND GAS CORPORATION	04/29/93	359	560
TX028610-9	LORETTA D FELDERHOFF	TANA OIL AND GAS CORPORATION	04/29/93	361	1
TX028610-30	LINDA KAY FOX MICHAEL D FOX JAMES E CORDES	TANA OIL AND GAS CORPORATION	04/29/93	364	474
TX028610-2	BEN M HALAMICEK AKA BENNIE H HALAMICEK	TANA OIL AND GAS CORPORATION	04/29/93	356	575
TX028610-1	CLARENCE JOHN HALAMICEK ET UX ET AL	TANA OIL AND GAS CORPORATION	04/29/93	356	567
TX028610-4	EMMA F HALAMICEK C/O KAY LEWIS	TANA OIL AND GAS CORPORATION	04/29/93	358	055
TX028610-6	J A HALAMICEK TRUST JOHN T	TANA OIL AND GAS CORPORATION	04/29/93	358	366

I hereby certify that this instrument was filed in File Number Sequence on the date and at the time stamped hereon by me; and was duly recorded in the Official Public Records of Brazos County, Texas.
01-18-08
County Clerk, Brazos County, Texas
I hereby certify, on 01-18-08 that the foregoing is a true and correct copy as the same is of record in the appropriate records of Brazos County, Texas.
County Clerk, Brazos County, Texas
00906549 OR Vol 6989 Pg 136

TX028610-5	HALAMICEK ET AL CO-TRSTES MATILDA LUCILLE HALAMICEK BY EDDY P HALAMICEK AIF	TANA OIL AND GAS CORPORATION	04/29/93	358	360
TX028610-12	WILLIAM A & DORIS HALAMICEK	TANA OIL AND GAS CORPORATION	04/29/93	360	882
TX028610-18	CHARLES J HAVLIK JR LUELLA HAVLIK	TANA OIL AND GAS CORPORATION	04/29/93	362	116
TX028610-20	LADIMIR J & JETTA A HAVLIK	TANA OIL AND GAS CORPORATION	04/29/93	362	104
TX028610-13	LAWRENCE HAVLIK IND & CO-EXEC ESTATE OF JULIA E HAVLIK ETAL	TANA OIL AND GAS CORPORATION	04/29/93	360	888
TX028610-21	ANITA H HAVRAN	TANA OIL AND GAS CORPORATION	04/29/93	362	122
TX028610-27	LILLIE MAE KEILERS	TANA OIL AND GAS CORPORATION	04/29/93	362	801
TX028610-32	OLIVER P KOPECKY LANDIS H KOPECKY ET AL	TANA OIL AND GAS CORPORATION	04/29/93	366	896
TX028610-7	BERTHA H LANCASTER BILLIE KATHRYN BUTLER ET AL	TANA OIL AND GAS CORPORATION	04/29/93	359	162
TX028610-3	ALBINA HILSHER TRUST ELEANORA HILSHER LANGE ETAL CO-TRUSTEES	TANA OIL AND GAS CORPORATION	04/29/93	357	035
TX028610-17	PATRICE GLYNDON LEEPER WAYNE LEEPER	TANA OIL AND GAS CORPORATION	04/29/93	360	913
TX028616-0	STERLING B MCCALL AND MARIANNE O MCCALL	UNION PACIFIC RESOURCES CO	11/09/92	347	88
TX028610-24	MARTHA H SIBEY	TANA OIL AND GAS CORPORATION	04/29/93	362	789
TX028611-0	JOHN E STANLEY IND & CO EXE ESTATE OF JERRY A STANLEY	TANA OIL AND GAS CORPORATION	11/11/93	371	736
TX028618-0	JOHN EDWARD STANLEY CONSTANCE JEAN STANLEY	TANA OIL AND GAS CORPORATION	02/28/94	377	21
TX028610-23	HENRY TEPLICEK JR TRUST BANK OF THE WEST SAN ANGELO	TANA OIL AND GAS CORPORATION	04/29/93	366	243
TX028610-31	JAMES & BEVERLY TEPLICEK	TANA OIL AND GAS CORPORATION	04/29/93	366	917
TX028610-29	ALICE A WISELY	TANA OIL AND GAS CORPORATION	04/29/93	364	468
TX028617-0	ROGER L WUNDERLICH SHARON K	UNION PACIFIC RESOURCES CO	03/19/93	354	655

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas.
I hereby certify, on 01-18-06

Doc 00906549 Bk OR Vol 6969 Pg 137

COUNTY: FAYETTE
WELL UNIT: ROZNOV GAS UNIT #2 as described in that certain
Designation of Gas Unit recorded at Vol. 383, Page 722, Fayette Co., TX

LEASE NUMBER	LESSOR NAME	LESSEE NAME	LEASE DATED	REC BOOK	PAGE
TX028612-1	LANNY E & DEBORAH J CONWAY	TANA OIL AND GAS CORPORATION	10/19/93	371	733
TX028613-1	FRANCIS E & PATRICIA L DIEBEL	TANA OIL AND GAS CORPORATION	10/19/93	372	414
TX028615-1	CLARENCE JOHN HALAMICEK PRACHIT HALAMICEK ET AL	TANA OIL AND GAS CORPORATION	04/29/93	353	508
TX028614-1	WILLIAM E & BRENDA S SCHILHAB	TANA OIL AND GAS CORPORATION	10/19/93	368	382
TX028610-11	MAXINE ALRED	TANA OIL AND GAS CORPORATION	04/29/93	360	876
TX028610-10	PAULINE ANDERSON WANDINE TEAGUE ET AL	TANA OIL AND GAS CORPORATION	04/29/93	360	869
TX028610-25	JULIA H BERNSHAUSEN	TANA OIL AND GAS CORPORATION	04/29/93	362	795
TX028610-22	BEVERLY ANN BULS AND RONALD L BULS	TANA OIL AND GAS CORPORATION	04/29/93	362	511
TX028610-19	MARCIA LEE CARPER	TANA OIL AND GAS CORPORATION	04/29/93	362	110
TX028610-33	WILLIAM A & JAUNELL CARPER	TANA OIL AND GAS CORPORATION	04/29/93	367	131
TX028610-28	CHESTER F CORDES	TANA OIL AND GAS CORPORATION	04/29/93	364	462
TX028610-16	ED HARVEY CORDES BY JACKIE N CORDES AIF	TANA OIL AND GAS CORPORATION	04/29/93	360	907
TX028610-15	GLADYS G CORDES	TANA OIL AND GAS CORPORATION	04/29/93	360	901
TX028610-14	ONEY C & VERNA CORDES	TANA OIL AND GAS CORPORATION	04/29/93	360	895

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas
I hereby certify, on 01-18-06
Brazos County, Texas

Doc 00906549 Bk DR Vol 6969 Pg 138

TX028610-8	GARY DROLL	TANA OIL AND GAS CORPORATION	04/29/93	359	560
TX028610-9	LORETTA D FELDERHOFF	TANA OIL AND GAS CORPORATION	04/29/93	361	1
TX028610-30	LINDA KAY FOX MICHAEL D FOX JAMES E CORDES	TANA OIL AND GAS CORPORATION	04/29/93	364	474
TX028610-2	BEN M HALAMICEK AKA BENNIE H HALAMICEK	TANA OIL AND GAS CORPORATION	04/29/93	356	575
TX028610-1	CLARENCE JOHN HALAMICEK ET UX ET AL	TANA OIL AND GAS CORPORATION	04/29/93	356	567
TX028610-4	EMMA F HALAMICEK C/O KAY LEWIS	TANA OIL AND GAS CORPORATION	04/29/93	358	055
TX028610-6	J A HALAMICEK TRUST JOHN T HALAMICEK ET AL CO-TRSTES	TANA OIL AND GAS CORPORATION	04/29/93	358	366
TX028610-5	MATILDA LUCILLE HALAMICEK BY EDDY P HALAMICEK AIF	TANA OIL AND GAS CORPORATION	04/29/93	358	360
TX028610-12	WILLIAM A & DORIS HALAMICEK	TANA OIL AND GAS CORPORATION	04/29/93	360	882
TX028610-18	CHARLES J HAVLIK JR LUELLA HAVLIK	TANA OIL AND GAS CORPORATION	04/29/93	362	116
TX028610-20	LADIMIR J & JETTA A HAVLIK	TANA OIL AND GAS CORPORATION	04/29/93	362	104
TX028610-13	LAWRENCE HAVLIK IND & CO-EXEC ESTATE OF JULIA E HAVLIK ETAL	TANA OIL AND GAS CORPORATION	04/29/93	360	888
TX028610-21	ANITA H HAVRAN	TANA OIL AND GAS CORPORATION	04/29/93	362	122
TX028610-27	LILLIE MAE KEILERS	TANA OIL AND GAS CORPORATION	04/29/93	362	801
TX028610-32	OLIVER P KOPECKY LANDIS H KOPECKY ET AL	TANA OIL AND GAS CORPORATION	04/29/93	366	896
TX028610-7	BERTHA H LANCASTER BILLIE KATHRYN BUTLER ET AL	TANA OIL AND GAS CORPORATION	04/29/93	359	162
TX028610-3	ALBINA HILSHER TRUST ELEANORA HILSHER LANGE ETAL CO-TRUSTEES	TANA OIL AND GAS CORPORATION	04/29/93	357	035
TX028610-17	PATRICE GLYNDON LEEPER WAYNE LEEPER	TANA OIL AND GAS CORPORATION	04/29/93	360	913
TX028610-24	MARTHA H SIREY	TANA OIL AND GAS CORPORATION	04/29/93	362	789
TX028618-0	JOHN EDWARD STANLEY CONSTANCE	TANA OIL AND GAS CORPORATION	02/28/94	377	21

Doc 00906549 Bk Vol 6969 Pg 139

STATE OF TEXAS
COUNTY OF BRAZOS
I hereby certify that this is a true and correct copy as the same appears of record and recorded in the appropriate records of Brazos County, Texas.
Thereby certify, on 01-18-06
County Clerk
Brazos County, Texas

	JEAN STANLEY				
TX028610-23	HENRY TEPLICEK JR TRUST BANK OF THE WEST SAN ANGELO	TANA OIL AND GAS CORPORATION	04/29/93	366	243
TX028610-31	JAMES & BEVERLY TEPLICEK	TANA OIL AND GAS CORPORATION	04/29/93	366	917
TX028610-29	ALICE A WISELY	TANA OIL AND GAS CORPORATION	04/29/93	364	468

COUNTY: **FAYETTE**
WELL UNIT: **SCHWEINLE OIL UNIT #1** as described in that certain **Corrected Designation of Oil Unit recorded at Vol. 345, Page 766, Fayette Co., TX**

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028328-1	R J & PEGGY EDWARDS	HOUSTON OIL & MINERALS CORP	07/12/79	136	575
TX028340-1	FRANCES DUNCAN EGG	TANA OIL AND GAS CORPORATION	03/20/92	330	042
TX028334-1	VELVIA MAE GARNER	TANA OIL AND GAS CORPORATION	04/28/92	334	371
TX028330-1	C E GREENSHIELD JR AND GRACE GREENSHIELD	HOUSTON OIL & MINERALS CORP	07/12/79	134	622
TX028332-1	GARY E & NANCY H GREENSHIELD	TANA OIL AND GAS CORPORATION	02/10/92	326	316
TX028324-1	MARY JANE HARDING AND LYNN B HARDING	HOUSTON OIL & MINERALS CORP	10/20/77	124	689
TX028337-0	C B MALEY TRUSTEE	KENNETH STEVENSON TRUSTEE	08/30/91	316	453
TX028327-1	MELVIN MENKING	HOUSTON OIL & MINERALS CORP	07/12/79	134	625
TX028339-1	LINDA ANN MORGAN	TANA OIL AND GAS CORPORATION	03/24/92	327	418
TX028338-1	WILLIAM KIRK MORGAN	TANA OIL AND GAS CORPORATION	03/24/92	327	414

Doc 00906549 Bk Vol 6969 Pg 1407

I hereby certify, on 01-18-06 at 1:30 PM, that this is a true and correct copy as the same appears in the records and recorded in the appropriate volume and page of Brazos County, Texas
Karen McQueen
County Clerk
Brazos County, Texas

TX028331-1	EDWIN & THERESA MOZOCH WILLIAM F & SUE RHEMAN ET AL	HOUSTON OIL & MINERALS CORP	07/12/79	136	937
TX028329-1	JOHN F RHEMAN WILLIAM F RHEMAN SUE RHEMAN MELVIN MENKING	HOUSTON OIL & MINERALS CORP	07/23/99	134	618
TX028326-1	WILLIAM F & SUE RHEMAN	HOUSTON OIL & MINERALS CORP	07/12/79	134	629
TX028322-0	W E & ELFRIEDA SCHWEINLE	KENNETH STEVENSON TRUSTEE	08/30/91	316	076
TX028323-1	W E & ELFRIEDA SCHWEINLE	KENNETH STEVENSON TRUSTEE	08/30/91	316	072
TX028333-1	EDGAR & MARY E TAYLOR	TANA OIL AND GAS CORPORATION	04/28/92	331	624
TX028325-1	LAWRENCE & EVELYN ULBRICH WILLIAM F & SUE RHEMAN ET AL	HOUSTON OIL & MINERALS CORP	07/12/79	134	633
TX028335-1	ROBERT KIRK WILSON	TANA OIL AND GAS CORPORATION	02/06/92	335	54
RW028336-0	CHARLES B MALEY TSTEE ROSEWOOD	RES INC & MAGNUM HUNTER PROD INC	5/22/96	954	526

COUNTY: **FAYETTE**
WELL UNIT: **SCOTT MORGAN OIL UNIT #1** as described in that certain **Designation of Oil Unit recorded at Vol. 334, Page 396, Fayette Co., TX**

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028424-0	HENRY TRUEHEART BROWN MARY HILL BROWN WHITCOMB ETAL	TANA OIL AND GAS CORPORATION	11/01/91	318	796
TX028420-1	CAL FARLEY'S BOYS RANCH FOUND	TANA OIL AND GAS CORPORATION	04/21/92	329	195
TX028420-3	JOHN EDWARD MORGAN JR AND SARA MOERS MORGAN	TANA OIL AND GAS CORPORATION	04/21/92	329	357
TX028423-0	JOHN EDWARD MORGAN JR AND SARA MOERS MORGAN	TANA OIL AND GAS CORPORATION	10/17/91	322	326
TX028422-0	MAY BELL PARKER TYSON L PARKER SHIRLEY MAE PARKER ET AL	TANA OIL AND GAS CORPORATION	09/12/91	318	437

I hereby certify that this instrument was filed and recorded in the appropriate records of Brazos County, Texas on 01-18-06 at 1:55 PM
Karen McQueen
County Clerk
Brazos County, Texas
I hereby certify that this is a true and correct copy as the same appears of record in my office.

Doc 00906549 Bk Vol 6969 Pg 141

TX028420-2	TEXAS A&M UNIVERSITY DEV FOUND	TANA OIL AND GAS CORPORATION	04/21/92	329	200

COUNTY: **FAYETTE**
WELL UNIT: **SRUBAR OIL UNIT #1** as described in that certain **Corrected Designation of Oil Unit recorded at Vol. 353, Page 498, Fayette Co., TX**

LEASE NUMBER	LESSOR NAME	LESSEE NAME	LEASE DATED	REC BOOK	PAGE
TX028476-1	DARRELL & ANGELA K ADKINS	TANA OIL AND GAS CORPORATION	12/10/92	346	565
TX028468-13	LILLIE DORIS GRANT BONNER	TANA OIL AND GAS CORPORATION	01/27/95	404	253
TX028474-1	R V BORCHERT	TANA OIL AND GAS CORPORATION	07/09/92	340	819
TX028468-7	NOVIA G BROADWAY	TANA OIL AND GAS CORPORATION	05/19/92	335	817
TX028468-2	MARY L & CHARLES K BRYSON	TANA OIL AND GAS CORPORATION	05/19/92	332	481
TX028471-1	DONNIE R & DEBORAH M CHARANZA	MERIDIAN OIL INC	02/21/90	299	169
TX028468-5	GUSSIE LEE DAVIS	TANA OIL AND GAS CORPORATION	05/19/92	332	487
TX028454-0	LELA DIGGS AND JACK DIGGS	TANA OIL AND GAS CORPORATION	02/06/92	329	182
TX028468-12	ADDIE LEE DORNES	TANA OIL AND GAS CORPORATION	01/27/95	404	251
TX028468-3	CALLOWAY R DOTSON	TANA OIL AND GAS CORPORATION	05/19/92	332	436
TX028466-0	MARGARET EWINGS	TANA OIL AND GAS CORPORATION	02/06/92	342	866
TX028455-2	VELVIA MAE GARNER	TANA OIL AND GAS CORPORATION	03/18/92	334	367
TX028477-1	LEONA C GIESE	TANA OIL AND GAS CORPORATION	01/26/93	348	358
TX028456-0	GIESE SR PARTNERSHIP	TANA OIL AND GAS CORPORATION	02/07/92	324	361
TX028470-0	NED GILL JR AND JUDY T GILL	MERIDIAN OIL INC	04/10/90	301	901
TX028468-10	IDA MAE GOFFNER	TANA OIL AND GAS CORPORATION	05/19/92	352	502
TX028468-8	BERTHA GRANT	TANA OIL AND GAS CORPORATION	05/19/92	338	064
TX028468-18	ELVIN GRANT	TANA OIL AND GAS CORPORATION	01/27/95	404	258
TX028468-16	HERMAN GRANT SR	TANA OIL AND GAS CORPORATION	01/27/95	404	262
TX028468-17	LONDELL GRANT	TANA OIL AND GAS CORPORATION	01/27/95	404	260
TX028468-15	MELVIN GRANT SR	TANA OIL AND GAS CORPORATION	01/27/95	404	264
TX028468-14	OTIS GRANT SR	TANA OIL AND GAS CORPORATION	01/27/95	404	266
TX028472-1	TANY W GRANT	MERIDIAN OIL INC	03/19/90	302	503

I hereby certify that this is a true and correct copy as the same is of record and recorded in the appropriate ... of Brazos County, Texas
I hereby certify, on 11-12-06 at ...
Karen McQueen
County Clerk
Brazos County, Texas

Doc 00906549 Bk OR Vol 6969 Pg 142

TX028465-0	TANY W GRANT OR IOMA GRANT	TANA OIL AND GAS CORPORATION	06/10/92	337	607
TX028468-4	ULYSESS GRANT AND FREDDIE MAE GRANT	TANA OIL AND GAS CORPORATION	05/19/92	332	483
TX028458-0	RUTH GRIFFIN	TANA OIL AND GAS CORPORATION	02/06/92	327	403
TX028460-3	HELEN E HARBERS	MERIDIAN OIL INC	02/13/90	297	516
TX028460-2	LENIEL H HARBERS	MERIDIAN OIL INC	02/13/90	297	501
TX028468-1	SHIRLEY M HARDEMAN AND LEWIS HARDEMAN, ET AL	TANA OIL AND GAS CORPORATION	05/19/92	332	438
TX028461-0	WARDELL HOLLIS	MERIDIAN OIL INC	02/12/90	295	757
TX028468-19	ALBERT JACKSON JR	TANA OIL AND GAS CORPORATION	01/27/95	404	256
TX028455-1	EDWARD F JANECKA RECEIVER FOR LUCY LINDSAY SANTOS ET AL	TANA OIL AND GAS CORPORATION	03/18/92	373	380
TX028468-9	EDWARD F JANECKA RECEIVER FOR WARREN GRANT ET AL	TANA OIL AND GAS CORPORATION	05/19/92	373	383
TX028468-6	VERSIE MAE JONES	TANA OIL AND GAS CORPORATION	05/19/92	335	819
TX028462-0	JESSIE MAE LATSON	TANA OIL AND GAS CORPORATION	06/10/92	334	098
TX028460-1	ANTONIO HARBERS LUEDERS	MERIDIAN OIL INC	02/12/90	295	777
TX028469-1	MELVIN MENKING	MERIDIAN OIL INC	04/02/90	297	464
TX028453-0	ALICE MILLER	TANA OIL AND GAS CORPORATION	02/06/92	329	186
TX028464-0	EARNEST POLLARD	TANA OIL AND GAS CORPORATION	06/10/92	335	829
TX028459-0	JAMES & CORRINE POLLARD	TANA OIL AND GAS CORPORATION	02/06/92	327	734
TX028473-1	AUGUST E & MARY ANN SRUBAR	MERIDIAN OIL INC	02/12/90	295	772
TX028475-1	LARRY & KATHY SUPAK	TANA OIL AND GAS CORPORATION	09/30/92	343	178
TX028463-2	DOUGLAS O THOMPSON	TANA OIL AND GAS CORPORATION	06/10/92	332	326
TX028463-1	JOHN H THOMPSON	TANA OIL AND GAS CORPORATION	06/10/92	334	375
TX028463-3	MICHAEL E THOMPSON	TANA OIL AND GAS CORPORATION	06/10/92	335	825
TX028463-4	SHANNON R THOMPSON	TANA OIL AND GAS CORPORATION	06/10/92	335	821
TX028457-0	ODESSA VINSON	TANA OIL AND GAS CORPORATION	02/06/92	327	730
TX028467-0	LOUVELLA WALKER	TANA OIL AND GAS CORPORATION	02/06/92	342	869
TX028468-11	VIRGINIA O WILLIAMS	TANA OIL AND GAS CORPORATION	05/19/92	352	504

COUNTY: FAYETTE

Doc 00906549 Bk OR Vol 6969 Pg 143

I hereby certify, on 01-19-06 at 2:00 PM, that this is a true and correct copy as the same was filed and recorded in the appropriate records of Brazos County, Texas
Karen McLean
County Clerk,
Brazos County, Texas

WELL UNIT: **WAGNER UNIT #2-H** as described in that certain
Corrected Designation of Unit recorded at Vol. 398, Page 454, Fayette Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028565-0	GERALD L & LINDA L BEAVER	SNYDER OIL CORPORATION	11/17/93	376	138
TX028563-0	DONALD THOMAS DONAHUE AND CHRISTINA A DONAHUE	SNYDER OIL CORPORATION	11/17/93	376	143
TX028564-0	MARJORIE CLAIRE SCHILL AND ALFRED JOHN SCHILL	SNYDER OIL CORPORATION	11/23/93	380	873

COUNTY: **FAYETTE**
WELL UNIT: **WEIMAN #3-H UNIT** as described in that certain
Designation of Unit recorded at Vol. 381, Page 156, Fayette Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028510-3	PATRICIA WHITE ALLISON	JAMES W FORBES TRUSTEE	02/21/91	317	882
TX028510-1	SANDRA CRUM	JAMES W FORBES TRUSTEE	02/21/91	317	877
TX028510-2	GLADYS WHITE FLETCHER	JAMES W FORBES TRUSTEE	02/26/91	317	872
TX028511-2	GLADYS O LANG	CZAR RESOURCES INC	06/11/80	158	138
TX028513-0	ALWIN M & LEONORA RAUCH	ENERGY SEARCH CO	02/01/83	196	422
TX028512-1	TEXAS OSAGE ROYALTY POOL INC	ENERGY SEARCH CO	04/26/83	199	282
TX028511-1	VERNON H & INEZ R WEIMAN	CZAR RESOURCES INC	06/05/80	149	370

COUNTY: **FAYETTE**
WELL UNIT: **WESSELS #1-H UNIT** as described in that certain
Amendment to Pooled Unit Designation recorded at Vol. 939, Page 86, Fayette Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028520-0	GILBERT F HARTMANN TRUSTEE	ENERGY SEARCH CO	05/31/84	217	495

STATE OF TEXAS
COUNTY OF BRAZOS
I hereby certify that this is a true and correct copy as the same is of record in my office and recorded in the appropriate records of Brazos County, Texas
Witness my hand and seal of office on 01-18-06
Karen McQueen
County Clerk
Brazos County, Texas

DoB- 00906549 Bk OR Vol 6969 Pg 144

TX028523-1	KERR MCGEE CORPORATION	SNYDER OIL CORPORATION	10/14/94	391	215
TX028518-1	GLADYS A SICK	ENERGY SEARCH CO	05/08/84	217	632
TX028521-0	MARIE H TAYLOR	ENERGY SEARCH CO	06/12/84	220	767
TX028516-1	TEXAS OSAGE ROYALTY POOL INC	ENERGY SEARCH CO	06/12/84	218	630
TX028519-1	TEXAS OSAGE ROYALTY POOL INC	ENERGY SEARCH CO	06/07/84	218	132
TX028522-0	EDWIN H C WESSELS CLARA WESSELS	ENERGY SEARCH CO	04/27/84	217	13
TX028517-1	WILBURN WESSELS GLENN ROY WESSELS LAVERN WESSELS	ENERGY SEARCH CO	12/01/83	211	404

COUNTY: **FAYETTE**
WELL UNIT: **WOOD #1-H UNIT** as described in that certain **Dissolution and Reformation of and Ratification of Pooled Unit Designation recorded at Vol. 358, Page 299, Fayette Co., TX**

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028390-2	E PERRY & SUSAN M CLARKE	ENERGY SEARCH CO	03/22/84	216	184
TX028391-1	LORINE DOMASCHK	PATTERSON PETROLEUM INC	01/15/93	353	684
TX028390-1	KEN & MARCIA HANSON	ENERGY SEARCH CO	03/22/84	216	268
TX028391-2	KERVIN REUTER	PATTERSON PETROLEUM INC	01/15/93	353	688
TX028391-3	LAVERN & VERNA MAE REUTER	PATTERSON PETROLEUM INC	01/15/93	353	692
TX028391-4	WILBURN W & GLORIA REUTER	PATTERSON PETROLEUM INC	01/15/93	353	700
TX028392-2	FRANCIS B & HAZEL L SMITH	ENERGY SEARCH CO	01/20/84	213	414
TX028391-5	WILBURN G & DOLORES WESSELS	PATTERSON PETROLEUM INC	01/11/93	353	696
TX028393-0	WILBURN G WESSELS IND & IND EXE EST OF JOHN FRERICHS	PATTERSON PETROLEUM INC	01/11/93	353	704
TX028392-1	WILLIAM W & SUE E WOOD	ENERGY SEARCH CO	01/25/84	213	404

COUNTY: **GRIMES**
WELL UNIT: **OZELLE DAVIS #1H UNIT** as described in that certain **Correction Pooled Unit Designation recorded at Vol. 786,Page 313, Grimes Co., TX**

I, ... certify that this is a true and correct copy as the same ... and recorded in the appropriate ... Brazos County, Texas.
... County Clerk
... County, Texas
Doc 00906549 Bk OR Vol 6969 Pg 145

LEASE NUMBER	LESSOR NAME	LESSEE NAME	LEASE DATED	REC BOOK	PAGE
TX028547-0	UNA CLEVELAND	O N TREND INC	11/01/91	690	100
TX028532-2	CHARLES E DARBY	O N TREND INC	11/08/90	675	254
TX028532-3	JOHN J DARBY	O N TREND INC	11/08/90	667	306
TX028548-0	SARAH OZELLE COTTON DAVIS	O N TREND INC	06/08/91	672	93
TX028537-0	CARL L DAY MILDRED DAY TEETS MARY DAY MAYNARD ET AL	O N TREND INC	11/05/91	690	90
TX028536-0	LINNIE L DAY TRUST CARL L DAY TRUSTEE	O N TREND INC	11/05/91	696	09
TX028545-0	W B & EVELYN GRIMES	O N TREND INC	11/06/90	667	316
TX028533-1	ALF & GLENNIE MAE GRISSETT	O N TREND INC	11/08/90	667	326
TX028525-0	DANIEL J GRISSETT MARY GRISSETT	O N TREND INC	11/08/90	690	79
TX028528-0	EDWIN RUSSELL GRISSETT	O N TREND INC	11/08/90	675	279
TX028534-1	FAYE K GRISSETT	O N TREND INC	11/08/90	668	532
TX028526-0	RICHARD EARL GRISSETT AND RUBY M GRISSETT	O N TREND INC	11/08/90	667	311
TX028532-1	DORCIE A & JOHN D HENSLEY	O N TREND INC	02/14/91	675	259
TX028538-0	THELMA J HOPKINS	PATTERSON PETROLEUM INC	07/27/94	748	756
TX028531-0	LILLIAN B HOWARD	PATTERSON PETROLEUM INC	06/29/93	723	815
TX028539-0	KENNETH H MCDOUGALD AND ARTIE B MCDOUGALD	O N TREND INC	10/25/90	675	307
TX028540-0	KENNETH H MCDOUGALD AND ARTIE B MCDOUGALD	O N TREND INC	10/25/90	675	292
TX028535-0	DORIS A MOBLEY	O N TREND INC	11/08/90	675	283
TX028529-0	PARKER & PARSLEY DEVELOPMENT	PATTERSON PETROLEUM INC	10/28/94	766	540
TX028530-1	ROY LEE & CAROLINE L PYLE	PATTERSON PETROLEUM INC	07/05/93	723	809
TX028543-0	JAMES L SHYROCK	O N TREND INC	11/02/90	667	291
TX028524-0	RICHARD ORAL SIKES AND IDA RAMONA SIKES	PATTERSON PETROLEUM INC	10/15/94	761	10

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...is a true and correct copy as the same
...and recorded in the appropriate
...Brazos County, Texas
...certify, on 01-10-06 for
Karen McQueen
County Clerk
Brazos County, Texas

TX028542-0	ELMER LEROY & ALICE SNOOK	O N TREND INC	11/04/91	690	104
TX028546-0	JOE BOB & GAIL M SNOOK	O N TREND INC	11/04/91	690	109
TX028541-0	JAMES E & LOTHA A SOLLOCK	O N TREND INC	11/01/90	667	363
TX028544-0	JAMES E & LOTHA A SOLLOCK	O N TREND INC	10/31/90	667	359
TX028527-0	ELLEN BERNICE WALKER AND HOWARD J WALKER	O N TREND INC	11/08/90	667	354

COUNTY: LEE
WELL UNIT: SIMEK #1 UNIT as described in that certain Oil and Gas Lease between VLASTA SIMEK & JOE SIMEK AND BENNIE JAEHNE TRUSTEE dated 06/26/92, Recorded Vol.684, Page 4, Lee Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028855-0	VLASTA SIMEK AND JOE SIMEK	BENNIE JAEHNE TRUSTEE	06/26/92	684	4

COUNTY: LEE
WELL UNIT: VLASTA SIMEK #1 UNIT described in that certain Designation of Unit recorded at Vol. 864, Page 327, Lee Co.,TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028856-0	JOSEPH F KOCUREK	ARROW EXPLORATION COMPANY	01/24/00	856	491
TX028857-0	OLIVETT SHEPPARD	BENNIE JAEHNE TRUSTEE	03/19/93	693	449
TX028855-0	VLASTA SIMEK AND JOE SIMEK	BENNIE JAEHNE TRUSTEE	06/26/92	684	4

COUNTY: MADISON
WELL UNIT: 247 LAND CO. #1 UNIT described in that certain Designation of Unit recorded at Vol. 744, Page 164, Madison Co.,TX

STATE OF TEXAS
COUNTY OF BRAZOS
I hereby certify that the foregoing is a true and correct copy as the same appears on file and of record in the appropriate records of Brazos County, Texas.
01-18-96
County Clerk
Brazos County, Texas

Doc 00090549 Bk OR Vol 6969 Pg 147

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX029301-3	ANDREA LUCILLE W ALLEN,IND/AIF	EMERALD OPERATING COMPANY INC	07/22/03	0674	0255
TX029301-2	ALMA FAY BROOKS	EMERALD OPERATING COMPANY INC	07/22/03	0674	0247
TX029301-6	JO LYNN BURGE	EMERALD OPERATING COMPANY INC	07/22/03	0674	0263
TX029301-3	ELLIS RUDY LTD	EMERALD OPERATING COMPANY INC	06/05/04	0721	076
TX029301-5	THELMA MCDERMOTT	EMERALD OPERATING COMPANY INC	07/22/03	0674	0267
TX029304-1	CHARLES & DOROTHY W MUNSON	EMERALD OPERATING COMPANY INC	07/22/03	0674	0271
TX029302-0	RE SAMUEL JR & MARCELLA SAMUEL ETAL	EMERALD OPERATING COMPANY INC	05/28/04	0721	071
TX029301-1	WILBUR SANCHEZ ET AL	EMERALD OPERATING COMPANY INC	07/22/03	0674	0251
TX029303-0	EDGAR L & CATHERINE TROUTMAN	EMERALD OPERATING COMPANY INC	10/14/04	0727	0254
TX029301-7	W R COFFEY TRUSTEE	EMERALD OPERATING COMPANY INC	09/16/02	0631	0217
TX029304-2	MARGARET JUANITA WALSH	EMERALD OPERATING COMPANY INC	07/22/03	0674	0276
TX029301-4	WRAGE G WILEY JR	EMERALD OPERATING COMPANY INC	07/22/03	0674	0259
ADDITIONAL	**LEASES IN MADISON COUNTY, TEXAS, AND NOT A PART OF THE 247 LAND CO. #1 UNIT**				
TX029320-1	CHARLES & DOROTHY W MUNSON	EMERALD OPERATING COMPANY INC	12/24/04	0742	0247
TX029320-2	EDWARD JOHN WALSH III AIF	EMERALD OPERATING COMPANY INC	12/24/04	0742	0252
TX029321-1	DICKIE RAY MAYFIELD	EMERALD OPERATING COMPANY INC	12/15/04	0742	0257

COUNTY: **WASHINGTON**
WELL UNIT: **CLAY CREEK #1-H UNIT** as described in that certain **Designation of Unit recorded at Vol 802, Page 705**, and **Amendment of Designation of Unit recorded at Vol. 1000, Page 55, Washington Co., TX**

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028879-2	CARISBROOKE FARM INC	EMERALD OPERATING COMPANY INC	06/22/01	1000	053
TX028880-1	E FINNEY CLAY	J KAY BUCHANAN TRUSTEE	11/10/92	685	725
TX028879-1	E FINNEY & RUTH CLAY	EMERALD OPERATING COMPANY INC	06/22/01	1000	050
TX028880-2	DAVID S WOLFF	SENORA RESOURCES INC	11/10/92	685	709

COUNTY: **WASHINGTON**
WELL UNIT: **JILANA JO UNIT** as described in that certain

I hereby certify, on 04-18-06 that this instrument is a true and correct copy as the same is duly recorded in the appropriate records of Brazos County, Texas
Karen McQueen
County Clerk
Brazos County, Texas

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Designation of Unit recorded at Vol. 740, Page 88, Washington Co., TX

LEASE NUMBER	LESSOR NAME	LESSEE NAME	LEASE DATED	REC BOOK	PAGE
TX028584-0	ESTHER BREDHAUER BOBBY L BREDTHAUER AND CLARICE R BREDTHAUER	K & C EXPLORATION INC	05/24/84	477	838
TX028582-0	RUTH C CARROLL	MARK JAEHNE	11/12/93	717	265
TX028581-0	M W & LANELL NEINAST	K & C EXPLORATION INC	05/29/84	477	828
TX028583-0	M W NEINAST IND & TRSTE WILL OF MAMIE NEINAST F/B/O	K & C EXPLORATION INC	05/29/84	477	833

COUNTY: **WASHINGTON**
WELL UNIT: **WILKENING #1 RE UNIT** as described in that certain
Designation of Unit recorded at Vol. 1034, Page 20, Washington Co., TX

LEASE NUMBER	LESSOR NAME	LESSEE NAME	LEASE DATED	REC BOOK	PAGE
TX028982-11	LISA GAY MALKEY BEESON	HAROLD ATKINSON JR	03/01/01	994	687
TX028982-19	RUBY BOYD	HAROLD ATKINSON JR	03/01/01	994	666
TX028982-6	VALARIA M BRADLEY	HAROLD ATKINSON JR	03/01/01	994	696
TX028983-1	GLENDA J CERDA	HAROLD ATKINSON JR	08/01/01	1009	667
TX028982-1	SHERON R CITZLER	HAROLD ATKINSON JR	03/01/01	994	714
TX028982-22	LAVERDA N EBEL	HAROLD ATKINSON JR	03/01/01	994	657
TX028982-3	MYRTLE M EHRIG	HAROLD ATKINSON JR	03/01/01	994	711
TX028982-10	MARCELLA DENISE EVANS	HAROLD ATKINSON JR	03/01/01	994	690
TX028987-1	ANDREA FISCHER DARRELL FISCHER	HAROLD ATKINSON JR	08/01/01	1009	640
TX028989-1	BRIAN A & VIRGINIA FISCHER	HAROLD ATKINSON JR	08/01/01	1009	646
TX028991-1	HOWARD F FISCHER	HAROLD ATKINSON JR	08/01/01	1009	672
TX028985-1	RICKY EDWARD FISCHER	HAROLD ATKINSON JR	08/01/01	1009	662
TX028982-20	ELOIS N GLOVER	HAROLD ATKINSON JR	03/01/01	994	663
TX028986-1	NORA GOLDBERG	HAROLD ATKINSON JR	08/01/01	1009	657
TX028982-5	GENEVA R HERRMANN	HAROLD ATKINSON JR	03/01/01	994	699

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I hereby certify, on 11-19-06 at ... that this instrument was filed in File Number Sequence on the date and at the time stamped hereon by me; and was duly recorded in the appropriate ... of Brazos County, Texas.

BRAZOS
I hereby certify that this instrument is a true and correct copy as the same ... and recorded in the appropriate ... Brazos County, Texas

Karen McQueen
County Clerk
Brazos County, Texas

TX028982-23	ROBERT DUANE HOUSTON	HAROLD ATKINSON JR	03/01/01	994	654
TX028994-1	ORA NELL SCHULENBERG JONS	HAROLD ATKINSON JR	08/01/01	1009	626
TX028982-4	LAURA LEE JURRIES	HAROLD ATKINSON JR	03/01/01	997	494
TX028982-30	DAVID ALLEN KAMMERZELL	HAROLD ATKINSON JR	03/01/01	1017	106
TX028982-29	JACOB KAMMERZELL	HAROLD ATKINSON JR	03/01/01	1017	100
TX028984-1	WILLIAM H KIEL JR JEAN E KIEL	HAROLD ATKINSON JR	08/01/01	1009	632
TX028982-32	SANDRA TONN LOHMAN	HAROLD ATKINSON JR	03/01/01	1021	377
TX028982-2	ELLA MAE LOVE	HAROLD ATKINSON JR	03/01/01	994	717
TX028982-15	BRANT MALKEY	HAROLD ATKINSON JR	03/01/01	994	681
TX028982-12	DAVID C MALKEY	HAROLD ATKINSON JR	03/01/01	994	684
TX028982-31	JULIA P MALKEY	HAROLD ATKINSON JR	03/01/01	997	355
TX028982-8	ROCKSANN R MARBURGER	HAROLD ATKINSON JR	03/01/01	994	705
TX028995-1	MARY HOHLT MENK	HAROLD ATKINSON JR	08/01/01	1009	629
TX028982-21	RUTH NEINAST IND & EXEC OF EST OF CLARANCE W NEINAST	HAROLD ATKINSON JR	03/01/01	994	660
TX028982-14	MARY RANDERMANN	HAROLD ATKINSON JR	03/01/01	994	702
TX028982-24	LENNIS ANN RICHARDSON	HAROLD ATKINSON JR	03/01/01	994	651
TX028982-9	DAVID ROY ROSEBAUM	HAROLD ATKINSON JR	03/01/01	994	708
TX028982-7	SHERWOOD WILLIAM ROSEBAUM JR	HAROLD ATKINSON JR	03/01/01	994	693
TX028982-17	EARL ROSENBAUM	HAROLD ATKINSON JR	03/01/01	994	678
TX028982-16	IRVIN ROSENBAUM	HAROLD ATKINSON JR	03/01/01	994	675
TX028982-13	LONNIE ROSENBAUM	HAROLD ATKINSON JR	03/01/01	994	669
TX028982-33	RAYMOND ROSENBAUM	HAROLD ATKINSON JR	03/01/01	1022	733
TX028993-1	ANNA BELLE SCHULENBERG	HAROLD ATKINSON JR	08/01/01	1009	637
TX028992-1	DOROTHY E SCHULENBERG	HAROLD ATKINSON JR	08/01/01	1021	656
TX028988-1	LINDA J & ROGER SCHULTE	HAROLD ATKINSON JR	08/01/01	1021	458
TX028982-25	NEVA W SCOTT	HAROLD ATKINSON JR	03/01/01	994	645
TX028982-18	JUANITA R SEILHEIMER	HAROLD ATKINSON JR	03/01/01	994	672
TX028990-0	STATE OF TEXAS MF102354	HAROLD ATKINSON JR	02/26/02	1029	626
TX028982-28	KATHERINE LOUISE VESSENES	HAROLD ATKINSON JR	03/01/01	1017	103
TX028982-27	BRUCE M WILKENING	HAROLD ATKINSON JR	03/01/01	994	642
TX028982-26	EDWIN G WILKENING	HAROLD ATKINSON JR	03/01/01	994	648

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I hereby certify, on 01-18-06 at ... that this is a true and correct copy as the same is now on file and recorded in the appropriate ... of Brazos, County, Texas
... County Clerk
Brazos County, Texas

COUNTY: WASHINGTON
WELL UNIT: WOLFF #2-H UNIT as described in that certain
Unit Declaration recorded at Vol. 722, Page 705, Washington Co., TX

LEASE NUMBER....	LESSOR NAME.....	LESSEE NAME.....	LEASE DATED...	REC BOOK	PAGE
TX028880-1	E FINNEY CLAY	J KAY BUCHANAN TRUSTEE	11/10/92	685	725
TX028880-2	DAVID S WOLFF	SENORA RESOURCES INC	11/10/92	685	709

It is the intent of this exhibit to describe all of Assignor's leasehold in which Assignor owns a working interest and, or an overriding royalty interest whether or not contained within the boundaries of the above described well units. Assignor intends to assign to Assignee the interest set forth hereinabove, regardless of the omission of any lease or leases, errors in description, any incorrect or misspelled names or any transcribed or incorrect recording references.

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END OF EXHIBIT A

Doc 00906549 Bk Vol Pg 6969 151

Filed for Record in:
BRAZOS COUNTY
On: Oct 10,2005 at 11:56A
As a
Recordings
Document Number: 00906549
Amount 159.00
Receipt Number - 276660
By:
Lynn Greer

STATE OF TEXAS COUNTY OF BRAZOS
I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the volume and page of the Official Public records of:

BRAZOS COUNTY

as stamped hereon by me.

Oct 10,2005

HONORABLE KAREN MCQUEEN, COUNTY CLERK
BRAZOS COUNTY

STATE OF TEXAS
COUNTY OF BRAZOS
I hereby certify that this instrument is a true and correct copy as the same appears of record in my office and recorded in the appropriate volume and page of the Official Public Records of Brazos County, Texas
Witness my hand and seal of office
Thereby certify, on 01-18-06 Thru

Karen McQueen
County Clerk
Brazos County, Texas

To be filed in Brazos County, Texas

DEED OF TRUST AND SECURITY AGREEMENT
(Oil and Gas)

The undersigned, EMERALD OPERATING COMPANY, INC. ("Mortgagor"), a Texas corporation, 1700 Alma, Suite 380, Plano, Texas 75075, JOHN GIRARD, Trustee (the "Trustee"), and BANK OF TEXAS, N.A. ("Lender"), 5956 Sherry Lane, Suite 1100, Dallas, Texas 75225, agree as follows:

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

ARTICLE 1. - DEFINITIONS.

Section 1.1. Defined Terms. For the purposes of this instrument:

(a) "Code" means the Texas Business and Commerce Code, except with respect to Collateral situated in another state, in which case it means the Uniform Commercial Code of that state.

(b) "Collateral" means Fixture Collateral, Personalty Collateral, and Realty Collateral.

(c) "Effective Date" means the first day of _____, 200__, but if no date is specified, the term means the date of execution of this instrument.

(d) "Fixture Collateral" means all of Mortgagor's interest in and to all Operating Equipment which is or becomes so related to the Oil and Gas Property or any part thereof that an interest in the equipment arises under the real property law of the state in which situated.

(e) "Governmental Authority" means the United States, the state, county, city, or any other political subdivision in which the Mortgagor conducts business or the Collateral is situated, and any other political subdivision, agency, commission, or instrumentality exercising jurisdiction over Mortgagor, the Obligations, or the Collateral or from time to time constituted to regulate the development and operation of the Collateral and the production and sale of Hydrocarbons and other minerals therefrom.

(f) "Governmental Requirements" means all laws, ordinances, rules, regulations, judgments, decrees, orders, permits, grants, franchises, licenses, agreements, or other restrictions of any Governmental Authority applicable to Mortgagor, the Obligations, or the Collateral.

(g) "Hedge Transactions" means all Transactions (as defined in the ISDA Agreement) and any other commodity swap (including price protection for future production of Hydrocarbons or mineral or mining interests and rights therein), commodity option, interest rate swap (including rate hedger products), basis or currency or cross-currency rate swap, forward rate, cap, floor, collar, future rate, forward agreement, spot contract, or other credit, price, foreign exchange, rate, equity, equity index option, bond option, interest rate option, rate protection agreement, currency option, or other option, or commodities derivative,

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... County, Texas
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exchange, risk management, or protection agreement , or commodity, securities, index, market, or price-linked transaction or agreement, or any option with respect to any such transaction or similar transaction, or combination of any of the foregoing, now existing or hereafter entered into by Mortgagor and any other party, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices, indexes, or other financial measures and whether such transactions or combinations thereof are governed by or subject to any ISDA Agreement or other similar agreement or arrangement, including all obligations and liabilities thereunder, and including all renewals, extensions, amendments, and other modifications or substitutions.

(h) "Hydrocarbons" means oil, gas, other liquid or gaseous hydrocarbons, and all products refined therefrom.

(i) "ISDA Agreement" means any International Swap Dealers Association master agreement or any similar agreement (with all related schedules, annexes, exhibits, amendments and confirmations), now existing or hereafter entered into by Mortgagor, as amended, modified, replaced, consolidated, extended, renewed, or supplemented from time to time.

(j) "Land" means all land described in Exhibit A attached, in the Leases, or in any other documents, instruments, or agreements described in Exhibit A.

(k) "Leases" means all oil and gas (or oil, gas, and mineral) leases described in Exhibit A attached or that cover or relate to the Land or any part thereof.

(l) "Loan Agreement" means the restated loan agreement of even date, between Mortgagor and Lender, as amended.

(m) "Obligations" means the aggregate of:

(1) A revolving promissory note of even date, in the principal amount of $15,000,000.00, executed by Mortgagor, payable to the order of Lender, and maturing on December 1, 2007;

(2) A term promissory note of even date, in the principal amount of $7,200,000.00, executed by Mortgagor, payable to the order of Lender, and maturing on September 29, 2008;

(3) Any and all other or additional indebtedness, obligations, or liabilities for which Mortgagor is now or may become liable to Lender under the Loan Agreement;

(4) Any and all other or additional indebtedness or liabilities for which Mortgagor is now or may become liable to Lender in any manner (including without limitation overdrafts in a bank account), whether under this instrument or otherwise, either primarily or secondarily, absolutely or contingently, directly or indirectly, and whether matured or unmatured, regardless of how the indebtedness or liability may have been or may be acquired by Lender; and

(5) All present and future obligations of Mortgagor to Lender (or its affiliate, Bank of Oklahoma, N.A.) under the terms of the ISDA Agreement or any present or future Hedge Transactions (including all confirmations and other transactions consummated thereunder), now existing or hereafter entered into between Mortgagor and Lender (or its affiliate, Bank of Oklahoma, N.A.), and including, without limitation, to the extent such Hedge Transaction is with another financial institution or counter-

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears on file and recorded in the appropriate records of Brazos County, Texas.
I hereby certify, on 01-18-06
Karen McLure
County Clerk
Brazos County, Texas

party, the issuance from time to time by Lender of standby letters of credit for Mortgagor's account in the name of such other counter-party, as beneficiary, in connection with the Hedge Transactions; and

(6) Any and all extensions and renewals of or substitutes for any of the foregoing indebtedness, obligations, and liabilities or any part thereof.

The Obligations secured by this instrument may include future advances to be made by Lender. Although Mortgagor acknowledges that Lender is not obligated to do so, Lender and Mortgagor presently contemplate that Lender may make future loans to Mortgagor which are intended to be Obligations secured by this instrument. The MAXIMUM INDEBTEDNESS secured by this Deed of Trust is $25,000,000.00.

(n) "Oil and Gas Property" means all Mortgagor's interests of whatever nature (including but not limited to all royalties, overriding royalties, mineral interests, working interests, net profits interests, production payments, and other interests), whether now owned or hereafter acquired, in:

(1) The Land;

(2) The Leases;

(3) (i) The properties now or hereafter pooled or unitized with the Leases or the Land; (ii) all presently existing or future unitization agreements, communitization agreements, pooling agreements, and declarations of pooled units and the units created thereby (including, without limitation, all units created under any Governmental Requirement) affecting all or any portion of the Leases or the Land, and including, without limitation, the units which may be described or referred to in Exhibit A; (iii) all operating agreements, contracts, subleases, farmouts, and other agreements which relate to any of the Leases or any part of the Land or which relate to the production, sale, purchase, exchange, or processing of the Hydrocarbons from or attributable to the Leases or the Land; and (iv) the Leases and the Land described in Exhibit A even though Mortgagor's interests therein are incorrectly described or a description of a part or all of the Leases or the Land or Mortgagor's interests therein are omitted; and

(4) All easements, rights-of-way, leases, surface use agreements, road use agreements, and other agreements relating to the Lands or the Leases; and

(5) All unsevered and unextracted Hydrocarbons in, under, or attributable to the Land.

(o) "Operating Equipment" means all surface or subsurface machinery, equipment, facilities, supplies, lines, pipelines, or other property of whatsoever kind or nature now or hereafter located on any of the Oil and Gas Property, which are useful for the production, treatment, storage, or transportation of Hydrocarbons.

(p) "Personalty Collateral" means all of Mortgagor's interest in and to all Operating Equipment, all Hydrocarbons extracted from or attributable to the Oil and Gas Property, all Production Sale Contracts, all as-extracted collateral (as defined in the Code), all Hedge Transactions, including, without limitation, all contracts, contract rights, accounts, accounts receivable, general intangibles, payment intangibles, supporting obligations, or any other rights to the payment of money now or hereafter due or to become due (of whatever type, nature, item, or category and howsoever created) to Mortgagor under any Hedge Transactions, or any monetary or economic benefit or other value added, accrued, created, or arising under, out of, or pursuant to any Hedge Transactions, and all rents, issues, profits, proceeds, products, revenues, and other income from or attributable to the preceding collateral.

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... County, Texas
...ly, on 04-18-06
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County Cl...
Brazos Coun... Texas

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(q) "Proceeds" means whatever is received upon the sale, exchange, collection, or other disposition of the Collateral and from insurance payable by reason of loss or damage to the Collateral.

(r) "Production Sale Contract" means a contract now in effect or hereafter entered into for the sale, purchase, exchange, or processing of Hydrocarbons extracted from or attributable to the Oil and Gas Property.

(s) "Realty Collateral" means all of Mortgagor's interest, now owned or hereafter acquired, in and to the Oil and Gas Property.

Other terms are defined hereafter in this instrument.

ARTICLE 2. - CREATION OF SECURITY.

Section 2.1. Grant. In consideration of Lender's advancing or extending the funds or credit constituting the Obligations, and in consideration of the mutual covenants contained herein, and for the purpose of securing payment and performance of the Obligations, Mortgagor grants, bargains, sells, and conveys the Realty Collateral and Fixture Collateral unto Trustee for the benefit of Lender.

Section 2.2. Creation of Security Interest. In addition to the grant contained in Section 2.1, and for the same consideration, Mortgagor grants to Lender a security interest in all Personalty Collateral and Fixture Collateral, now owned or hereafter acquired by Mortgagor, and all Proceeds.

Section 2.3. Proceeds. The claim of Proceeds shall not be construed to mean that Lender consents to the sale or other disposition of any part of the Collateral other than Hydrocarbons extracted from or attributable to the Oil and Gas Property and sold in the ordinary course of business.

ARTICLE 3. - ASSIGNMENT OF PROCEEDS.

Section 3.1. Lender's Receipt of Production Proceeds. (a) Lender will be entitled to receive all Hydrocarbons (and the Proceeds therefrom) which are extracted from or attributable to the Oil and Gas Property beginning at 7:00 a.m. on the Effective Date. Mortgagor authorizes and directs all parties producing, purchasing, and receiving Hydrocarbons or the Proceeds therefrom to treat Lender as entitled in Mortgagor's place and stead to receive the same; and further those parties will be fully protected in so treating Lender and will be under no obligation to see to the application by Lender of any Proceeds received by it. Until Lender exercises its rights granted under this Article 3 in accordance with the Loan Agreement by providing written notice to parties making payment to Mortgagor of Proceeds of production of Hydrocarbons, all parties making payment to Mortgagor of such proceeds shall continue to make the payments to Mortgagor.

(b) Mortgagor hereby assigns to Lender all liens and security interests of Mortgagor securing payment of proceeds from the sale of Hydrocarbons, including security interests provided by the Code.

Section 3.2. Application of Proceeds. All payments received by Lender pursuant to Section 3.1 above shall be placed in a collateral collection account at Lender and on the 25th day of each month applied as follows:

STATE OF TEXAS
COUNTY OF BRAZOS
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(a) First, toward satisfaction of all costs and expenses incurred in connection with the collection of Proceeds and the payment of any part of the Obligations not represented by a written instrument.

(b) Second, to the payment of all accrued interest on the Obligations.

(c) Third, to the payment of any then due and owing principal constituting part of the Obligations.

(d) The balance, if any, may either be applied against any unmatured principal constituting part of the Obligations (the method of application being wholly in Lender's discretion) or, at Lender's option, may be released to Mortgagor.

Section 3.3. Mortgagor's Payment Duties. Nothing contained herein will limit Mortgagor's absolute duty to make payment on the Obligations when the Proceeds received by Lender pursuant to this Article 3 are insufficient to pay the interest and principal then owing, and the receipt of Proceeds by Lender will be in addition to all other security now or hereafter existing to secure payment of the Obligations.

Section 3.4. Liability of Lender. Lender has no obligation to enforce collection of any Proceeds and is hereby released from all responsibility in connection therewith except the responsibility to account for Proceeds actually received.

Section 3.5. Assignment of Awards and Settlements. All judgments, awards of damages, and settlements hereafter made resulting from condemnation proceedings (or threatened condemnation proceedings) or the taking of all or any part of the Collateral under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to any part of Collateral, or to any rights appurtenant thereto, are hereby assigned by Mortgagor to Lender to be applied to the Obligations.

Section 3.6. Assignment of Hedge Transactions. All Hedge Transactions are hereby assigned by Mortgagor to Lender as additional security for the Obligations. Mortgagor agrees that all Hedge Transactions (i) shall meet the requirements, if any, set forth in the Loan Agreement, (ii) shall expressly provide that they are assignable to Lender as collateral security for the Obligations, and (iii) if and to the extent any Hedge Transaction of Mortgagor is used by Lender in calculation of the Borrowing Base (as defined in the Loan Agreement), such Hedge Transaction cannot be cancelled, liquidated, or "unwound" without the prior written consent of Lender.

ARTICLE 4. - MORTGAGOR'S WARRANTIES AND COVENANTS.

Section 4.1. Payment of Obligations. Mortgagor covenants that Mortgagor shall pay all Obligations when due. If any part of the Obligations is not evidenced by a writing specifying a due date, Mortgagor agrees to pay the same upon demand. All Obligations are payable to Lender at the address shown above.

Section 4.2. Warranties. (a) Mortgagor warrants that:

(1) Mortgagor, to the extent of the interests specified in Exhibit A, has valid and indefeasible title to each property right or interest constituting the Collateral and has a good and legal right to grant and convey same to the Trustee and Lender; and

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(2) Without limitation as to the coverage of this instrument, where an expense interest, a revenue interest, or a royalty interest is shown, Mortgagor's expense interest is not greater than that shown and that its revenue or royalty interest is not less than that shown; and

(3) Mortgagor is receiving payment, on a monthly basis, for its share of production from all wells located on the Land or Leases, or on lands or leases pooled therewith, and, where a revenue interest is shown for a well or wells in Exhibit A, Mortgagor is receiving payment for not less than the share of production shown on the exhibit; and

(4) The oil and gas (or oil, gas, and mineral) leases included in Oil and Gas Property are valid and subsisting and all rentals and royalties due under each of them have been properly and timely paid; and

(5) If any wells are listed in Exhibit A, then those wells are situated on the Land or on the real property covered by the Leases, or on lands or leases pooled therewith; and

(6) No approval or consent of any Governmental Authority is necessary to authorize the execution and delivery of this instrument or of any other written instruments constituting or evidencing the Obligations, or to authorize the observance or performance by Mortgagor of the covenants contained in this instrument or in the other written instruments; and

(7) All information contained in statements furnished or to be furnished Lender by or on behalf of Mortgagor in connection with any of the Obligations or any request made pursuant to this instrument is or will be complete and accurate; and

(8) This instrument creates a first lien and first security interest on the Collateral; and the Collateral is free from all liens, security interests, or other encumbrances except as specifically set forth in Exhibit A; and

(9) Mortgagor is not obligated, by virtue of a prepayment arrangement under any Production Sale Contract containing a "take or pay" clause or similar arrangement, to deliver Hydrocarbons at some future time without then or thereafter receiving full payment therefor; and

(10) No portion of the Collateral is subject to (i) any contractual or other obligation to deliver Hydrocarbons produced from the Collateral to third parties for a price less than the market value thereof (or in the case of an existing gas sales contract, less than the full regular contract price therefor) or (ii) any contractual or other arrangement whereby payment for production from the Collateral will not be received contemporaneously with delivery (i.e., within 30 days after delivery for oil and within 60 days after delivery for gas); and

(11) No part of the Collateral is subject to a gas balancing arrangement under which an imbalance exists with respect to which Mortgagor is in an "overproduced" status and will be required to: (i) permit one or more third parties to take a portion of the production attributable to the Collateral without payment of the full market price thereof (or in the case of an existing Production Sale Contract, full regular contract); or (ii) make payment in cash, in order to correct the imbalance; and

(12) There are no "back in" or "reversionary" interests held by third parties which would reduce the interest of Mortgagor in the Collateral except as set forth in Exhibit A; and

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(13) There are no prior consent rights or preferential purchase rights in third parties affecting any part of the Collateral.

(b) All of the warranties and representations of Mortgagor contained in this instrument are and will be in all respects true and correct both as of the date of execution of this instrument and the Effective Date and as of the date of each extension of credit by Lender to Mortgagor, and the warranties contained in Section 4.2(a)(7) also shall be in all respects true and correct when any item such as referred to therein is furnished to Lender.

(c) Mortgagor warrants and agrees forever to defend the Collateral against every person whomsoever lawfully claiming the same or any part thereof, and Mortgagor shall maintain and preserve the lien and security interest herein created as long as any of the Obligations remain unpaid.

Section 4.3. Further Assurances. Mortgagor agrees to execute and deliver such other and further instruments and do such other and further acts as in the opinion of Lender may be necessary or desirable to carry out more effectively the purposes of this instrument, including, without limiting the generality of the foregoing:

(a) Prompt correction of any defect which may hereafter be discovered in the title to the Collateral, or in the execution and acknowledgment of this instrument, any written instrument constituting or evidencing any of the Obligations, or any other document used in connection herewith; and

(b) Prompt execution and delivery of all division or transfer orders which in Lender's opinion are required to transfer to Lender the proceeds from the sale of all Hydrocarbons severed and extracted from or attributable to the Oil and Gas Property.

Section 4.4. Operation of Mortgaged Property. As long as any of the Obligations remain unpaid, and whether or not Mortgagor is the operator of the Oil and Gas Property, Mortgagor shall (at Mortgagor's own expense):

(a) Do all things necessary to keep Mortgagor's rights in the Collateral unimpaired; and

(b) Not abandon any well or forfeit, surrender, or release any lease, sublease, farmout, or any operating agreement without Lender's prior written consent; and

(c) Cause the Collateral to be maintained, developed, and protected against drainage and continuously operated for the production of Hydrocarbons in a good and workmanlike manner as a prudent operator would in accordance with generally accepted practices, applicable operating agreements, and all Governmental Requirements; and

(d) Promptly pay or cause to be paid when due and owing (and upon request provide Lender with proof of payment) all rentals and royalties payable in respect of the Collateral; all expenses incurred in or arising from the operation or development of the Collateral; and all taxes, assessments, and governmental charges legally imposed upon this instrument, upon the Collateral, and upon the interest of Lender or of the Trustee; and

(e) Cause the Operating Equipment to be kept in good and effective operating condition and cause to be made all repairs, renewals, replacements, additions, and improvements thereof or thereto needful to the production of Hydrocarbons from the Oil and Gas Property; and permit the Trustee and Lender

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(through their agents and employees) to enter upon the Oil and Gas Property for the purpose of investigating and inspecting the conditions and operations of the Collateral; and

(f) Cause the Collateral to be kept free and clear of liens, charges, security interests, and encumbrances of every character other than the lien and security interest created by this instrument; taxes constituting a lien but not due and payable; defects or irregularities in title which are not such as to interfere materially with the development, operation, or value of the Collateral and not such as to affect materially the title thereto; those set forth or referred to in Exhibit A; those being contested in good faith by Mortgagor and which do not, in the judgment of Lender, jeopardize the Trustee's and Lender's rights in and to the Collateral; and those consented to in writing by Lender; and

(g) Carry with standard insurance companies and in amounts satisfactory to Lender the following insurance: workers' compensation insurance and public liability and property damage insurance in respect of all activities in which Mortgagor might incur liability for death or injury or damage to or destruction of property; and to the extent insurance is carried by others engaged in similar undertakings in the same general areas in which the Collateral is located, well damage and blow out insurance and insurance in respect of the Operating Equipment against loss or damage by fire, lightning, hail, tornado, explosion, and other similar risks. All policies of insurance shall provide for not less than ten days prior written notice to Lender of cancellation, and Lender shall be named as a loss payee of all insurance insuring any of the Operating Equipment against loss or damage. Lender may apply any insurance payments which it receives toward part or full satisfaction of any or all of the Obligations whether or not they are then due.

Section 4.5. Recording and Filing. Mortgagor shall pay all costs of filing, registering, and recording this and every other instrument in addition or supplemental thereto, and all financing statements Lender may require, in such offices and places and at such times and as often as may be, in the judgment of Lender, necessary to preserve, protect, and renew the lien and security interest herein created as a first lien and prior security interest on and in the Collateral and otherwise do and perform all matters or things necessary or expedient to be done or observed by reason of any Governmental Requirements for the purpose of effectively creating, maintaining, and preserving the lien and security interest created herein and on the Collateral. Mortgagor shall also pay the costs of obtaining reports from appropriate filing officers concerning financing statement filings in respect of any of the Collateral in which a security interest is granted herein. Mortgagor hereby authorizes Lender to authenticate and file all financing statements or amendments to financing statement in such offices and places and at such times and as often as may be, in the judgment of Lender, necessary to preserve, protect, and renew the security interests herein created in the Collateral.

Section 4.6. Records, Statements, and Reports. (a) Mortgagor shall at all times keep complete and accurate business records in conformity with generally accepted accounting principles consistently applied, and Lender may from time to time have access to and examine and copy such records.

(b) When and to the extent required by Lender, Mortgagor shall furnish to Lender such information concerning the business affairs and financial condition of Mortgagor as Lender may from time to time reasonably request.

(c) All financial information shall be in form, substance, and detail satisfactory to Lender in its sole and absolute discretion and, unless Lender consents in writing, shall be prepared in accordance with generally accepted accounting principles applied on a basis consistent with the preceding year and certified as accurately presenting the financial condition of Mortgagor by a certified public accountant or authorized officer or representative of Mortgagor, acceptable to Lender.

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Section 4.7. Corporation, Partnership, or Other Entity. If Mortgagor is a corporation, partnership, or any other entity, it is, and will continue to be, duly organized, formed, and existing under the laws of the state in which it is incorporated, organized, or formed, duly qualified to transact business in each state where the conduct of its business requires it to be qualified, and duly authorized to execute and deliver the written instruments comprising the Obligations and this instrument and to observe and perform its duties thereunder and hereunder. Mortgagor will not, without the prior written consent of Lender, make any material change in its management or reorganize or consolidate or merge with any other corporation, partnership, or other entity.

Section 4.8. Indemnification. MORTGAGOR AGREES TO INDEMNIFY TRUSTEE, LENDER, AND LENDER'S OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, AGENTS, ATTORNEYS, PARTNERS, AND THEIR RESPECTIVE HEIRS, SUCCESSORS, AND ASSIGNS (COLLECTIVELY "INDEMNIFIED PARTIES") AGAINST, AND TO REIMBURSE INDEMNIFIED PARTIES WITH RESPECT TO, ALL CLAIMS, ACTIONS, LIABILITIES, DAMAGES, LOSSES, AND JUDGMENTS, INCLUDING STRICT LIABILITY CLAIMS (ALL OF WHICH ARE HEREAFTER REFERRED TO AS "CLAIMS"), AND ALL COSTS AND EXPENSES AND OTHER CHARGES OF ANY DESCRIPTION WHATSOEVER, INCLUDING (WITHOUT LIMITATION) ATTORNEYS FEES, COURT COSTS, ADMINISTRATIVE COSTS, COSTS OF APPEAL, AND ALL COSTS AND EXPENSES INCURRED IN INVESTIGATING INTO OR DEFENDING AGAINST ANY CLAIMS, MADE AGAINST OR SUSTAINED OR INCURRED BY INDEMNIFIED PARTIES, ARISING OR RELATED IN ANY WAY TO THE COLLATERAL, THIS INSTRUMENT, OR THE OBLIGATIONS, AND INCLUDING THE ASSERTION, EITHER BEFORE OR AFTER THE PAYMENT IN FULL OF THE OBLIGATIONS, THAT LENDER WRONGFULLY RECEIVED HYDROCARBONS OR PROCEEDS PURSUANT TO THIS INSTRUMENT. Indemnified Parties will have the right to employ attorneys and to defend against Claims; and, unless furnished with reasonable indemnity, Indemnified Parties will have the right to pay or compromise and adjust all Claims. Mortgagor shall indemnify and pay to Indemnified Parties all amounts as may be paid by Indemnified Parties in compromise or adjustment of any Claim or as may be adjudged against Indemnified Parties in respect of any Claim. The liabilities of Mortgagor as set forth in this Section 4.8 will survive the termination of this instrument.

ARTICLE 5. - DEFAULT.

Section 5.1. Events of Default. The term "Event of Default" means the occurrence of any of the following events or the existence of any of the following conditions and the expiration of any notice and cure or grace period required by the Loan Agreement:

(a) Failure by Mortgagor to make punctual payment when due of any of the Obligations or other failure to keep or punctually perform any of the provisions contained herein, in the Loan Agreement, in any other written instrument evidencing any of the Obligations, or in any other agreement with Lender (whether now existing or entered into hereafter); or

(b) Any warranty, representation, or statement by Mortgagor or made or furnished to Lender by or on behalf of Mortgagor in connection with the Obligations is determined by Lender to be untrue in any material respect; or

(c) Any Event of Default under the Loan Agreement; or

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(d) Mortgagor's title to any substantial part of the Collateral becomes the subject matter of litigation which would or might, in Lender's opinion, upon final determination result in substantial impairment or loss of the security provided by this instrument; or

(e) Mortgagor sells, conveys, mortgages, or grants security interests in or otherwise disposes of or encumbers any of the Collateral or any of Mortgagor's right, title, or interest therein (excluding sales of extracted Hydrocarbons in the ordinary course of Mortgagor's business) without first securing Lender's written consent.

Section 5.2. Acceleration upon Default. Upon the occurrence of any Event of Default, or at any time thereafter, Lender may, at its option, declare the entire unpaid principal of and the interest accrued on the Obligations to be forthwith due and payable, without any notice, presentment, notice of intent to accelerate, notice of acceleration, or demand of any kind, all of which are hereby expressly waived.

Section 5.3. Operation of Property. Upon the occurrence of an Event of Default, or at any time thereafter, and in addition to all other rights herein conferred on the Trustee, the Trustee (or any person, firm, or corporation designated by Lender) will have the right and power, but will not be obligated, to enter upon and take possession of all or any part of the Collateral, to exclude Mortgagor therefrom, and to hold, use, administer, manage, and operate the same to the extent that Mortgagor could do so. The Trustee, or any person, firm, or corporation designated by Lender, may operate the property without any liability to Mortgagor in connection with the operations except for bad faith; and the Trustee, or any person, firm, or corporation designated by Lender, will have the right to collect, receive, and receipt for all Hydrocarbons produced and sold from the properties, to make repairs, to purchase machinery and equipment, to conduct workover operations, to drill additional wells, and to exercise every power, right, and privilege of Mortgagor with respect to the Collateral. Providing there has been no foreclosure sale, when and if the expenses of the operation and development (including costs of unsuccessful work-over operations or additional wells) have been paid and the Obligations paid, the properties shall be returned to the Mortgagor.

Section 5.4. Ancillary Rights. Upon the occurrence of an Event of Default, or at any time thereafter, and in addition to all other rights, Lender may proceed by a suit or suits in equity or at law for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, for the appointment of a receiver pending any foreclosure or sale hereunder, or for the enforcement of any other appropriate legal or equitable remedy.

ARTICLE 6. - LENDER'S RIGHTS AS TO REALTY COLLATERAL UPON DEFAULT.

Section 6.1. Judicial Foreclosure. Upon the occurrence of an Event of Default, or at any time thereafter, in lieu of the exercise of the non-judicial power of sale hereafter given, Lender may proceed by suit for foreclosure of its lien and for a sale of the Realty Collateral.

Section 6.2. Non-Judicial Foreclosure (Texas). Upon the occurrence of an Event of Default, or at any time thereafter, the Trustee shall, in response to Lender's request (which Mortgagor agrees will be presumed to have been given), enforce this trust by selling the Realty Collateral situated in Texas in its entirety or in parcels, as the Trustee may elect, to the highest bidder for cash at public auction in accordance with the Texas Property Code, as then amended. Where the Realty Collateral is situated in more than one county, it may be sold in any county in which any part is situated. Notice shall be given in each such county and shall designate the county where the sale is to be made. Notice of the proposed sale shall be given by posting written notice thereof in each county in which the Realty Collateral to be sold is situated and serving written notice of the proposed sale upon each debtor obligated to pay the Obligations according to Lender's

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records in accordance with the Texas Property Code, as then amended. The affidavit of any person having knowledge of the facts to the effect that the posting and service was completed shall be prima facie evidence of those facts. Sale of a part of the Realty Collateral will not exhaust the power of sale, and sales may be made from time to time until all the property is sold or the Obligations are paid in full.

Section 6.3. Non-Judicial Foreclosure (States Other Than Texas). [Intentionally omitted.]

ARTICLE 7. - RIGHTS AS TO PERSONALTY AND FIXTURE COLLATERAL UPON DEFAULT.

Section 7.1. Personalty Collateral. Upon the occurrence of an Event of Default, or at any time thereafter, Lender may, without notice to Mortgagor, exercise its right to declare all Obligations secured by the security interest created herein to be immediately due and payable in which case Lender will have all rights and remedies granted by law and particularly by the Code, including but not limited to, the right to take possession of the Personalty Collateral, and for this purpose Lender may enter upon any premises on which any or all of the Personalty Collateral is situated and take possession of and operate Personalty Collateral or remove it therefrom. Lender may require Mortgagor to assemble the Personalty Collateral and make it available to Lender at a place to be designated by Lender which is reasonably convenient to both parties. Unless the Personalty Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Mortgagor reasonable notice of the time and place of any public sale or of the time after which any private sale or other disposition of the Personalty Collateral is to be made. This requirement of sending reasonable notice will be met if the notice is mailed, postage prepaid, to Mortgagor at the address designated above at least five days before the time of the sale or disposition.

Section 7.2. Sale with Realty Collateral. In the event of foreclosure, whether judicial or non-judicial, at Lender's option it may proceed under the Code as to the Personalty Collateral or it may proceed as to both Realty Collateral and Personalty Collateral in accordance with its rights and remedies in respect of the Realty Collateral.

Section 7.3. Fixture Collateral. Upon the occurrence of an Event of Default, or at any time thereafter, Lender may elect to treat the Fixture Collateral as either Realty Collateral or as Personalty Collateral and proceed to exercise such rights as apply to the type of Collateral selected.

ARTICLE 8. - OTHER PROVISIONS CONCERNING FORECLOSURE.

Section 8.1. Lender as Purchaser. Lender reserves the right to bid and become the purchaser at any foreclosure sale and credit its bid at the sale against the Obligations.

Section 8.2. Certain Aspects of Non-Judicial Foreclosure. Recitals contained in any conveyance to any purchaser at any sale made hereunder will conclusively establish the truth and accuracy of the matters therein stated, including, without limiting the generality of the foregoing, nonpayment of the unpaid principal sum of, and the interest accrued on, the written instruments constituting part or all of the Obligations after the same have become due and payable, advertisement and conduct of the sale in the manner provided herein, and appointment of any successor Trustee hereunder. Any purchaser or purchasers will be provided with a general warranty deed binding Mortgagor. Mortgagor ratifies and confirms all legal acts that the Trustee may do in carrying out the Trustee's duties and obligations under this instrument.

Section 8.3. Effect of Sale. Any sale or sales of the Collateral or any part thereof will operate to divest all right, title, interest, claim, and demand whatsoever either at law or in equity, of Mortgagor in and

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Karen McQueen
County Clerk
Brazos County, Texas

to the premises and the property sold, and will be a perpetual bar, both at law and in equity, against Mortgagor, Mortgagor's heirs, personal representatives, successors, or assigns, and against any and all persons claiming or who shall thereafter claim all or any of the property sold from, through, or under Mortgagor, or Mortgagor's heirs, personal representatives, successors, or assigns. The purchaser or purchasers at the foreclosure sale will receive immediate possession of the property purchased; and if Mortgagor retains possession of the Realty Collateral, or any part thereof, subsequent to sale, Mortgagor will be considered a tenant at sufferance of the purchaser or purchasers.

Section 8.4. Application of Proceeds. (a) The proceeds of any sale of the Collateral or any part thereof, whether judicial or non-judicial, will be applied as follows:

(i) First, to the payment of all expenses incurred by Lender and the Trustee in connection therewith, including, without limiting the generality of the foregoing, court costs, legal fees and expenses, a commission to the Trustee of five percent of the sale price of the Realty Collateral, and expenses of any entry or taking of possession, holding, preparing for sale, advertising, selling, and conveying;

(ii) Second, to the payment of the Obligations; and

(iii) Third, any surplus thereafter remaining will be paid to Mortgagor or Mortgagor's successors or assigns, as their interest may appear.

(b) Mortgagor will remain liable for any deficiency owing on the Obligations after application of the net proceeds of any foreclosure sale.

Section 8.5. Successor Trustees. The Trustee may resign in writing addressed to Lender or be removed at any time with or without cause by an instrument in writing duly executed by Lender. In case of the death, resignation, or removal of the Trustee, a successor Trustee or Co-Trustees may be appointed by Lender or Lender's authorized agent by instrument of substitution complying with any applicable requirements of law, and in the absence of any such requirement, without other formality than an appointment and designation in writing. Any appointment and designation will be full evidence of the right and authority to make the same and of all facts therein recited. Upon the making of any appointment and designation, all the estate and title of the Trustee in all of the Realty Collateral will vest in the named successor Trustee, and the successor will thereupon succeed to all the rights, powers, privileges, immunities, and duties hereby conferred upon the Trustee. All references herein to the Trustee will be deemed to refer to the Trustee from time to time acting hereunder.

ARTICLE 9. - ENVIRONMENTAL.

Section 9.1. General/Definitions. Mortgagor covenants and warrants that its operations and activities at the Land and Mortgagor's and any operator's use of the Collateral will at all times comply, in all material respects, with all applicable Governmental Requirements relating to environment protection, including such Governmental Requirements relating to the transportation, distribution, storage, placement, handling, treatment, manufacture, generation, production, processing, or disposal (collectively "Treatment") of any pollutants, contaminants, chemicals, waste, waste products, petroleum products, radioactive waste, poly-chlorinated biphenyls, asbestos, or any other industrial, toxic, flammable, corrosive, hazardous, or harmful substances (collectively "Waste"), or any emissions, discharges, leakage, venting, exposure, releases, or threatened releases (collectively "Release") of Waste into the environment including, without limitation, ambient air, surface water, ground water, or land (collectively "Applicable Environmental Laws"). Mortgagor further covenants that it will not engage in or permit the operator or any other party to

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engage in any Treatment or Release of Waste in, on, or affecting the Land or the Collateral in violation of Applicable Environmental Laws.

Section 9.2. Environmental Warranties. (a) Mortgagor further warrants that: (i) Mortgagor is not aware and has not received notice of any past or present violations by any party, including prior operators or owners, of Applicable Environmental Laws affecting the Land or the Collateral; (ii) Mortgagor has obtained all material permits, licenses, and authorizations required under Applicable Environmental Laws affecting the Land or the Collateral; (iii) no liens arising under Applicable Environmental Laws affect the Collateral or Mortgagor; (iv) Mortgagor does not have any liability for the Treatment or Release of Waste in violation of Applicable Environmental Laws; (v) neither Mortgagor nor any of the Collateral is the subject of any existing, pending, or threatened claim, action, or investigation for violations of Applicable Environmental Laws; and (vi) all Waste, if any, generated in connection with the Collateral has been transported, treated, and disposed of in accordance with Applicable Environmental Laws.

(b) All warranties set forth above will be deemed to be made by Mortgagor upon each advance under the Obligations.

Section 9.3. Environmental Notice and Inspection. Immediately upon receipt of any notice from any party of a violation of Section 9.1 or if any of the warranties in Section 9.2 become false, Mortgagor shall fully inform Lender of the violation and keep Lender apprised of the status of any efforts to resolve the violation. Mortgagor shall also take all steps necessary and reasonable to resolve or clean up all contamination related to the Treatment or Release of Waste in material violation of Applicable Environmental Laws affecting the Land or the Collateral and fully restore them to their prior condition. Without being liable for any discoveries, Lender has the right, but not the obligation, to inspect and monitor Mortgagor's compliance with the terms of this Article.

Section 9.4. Environmental Indemnity. NOTWITHSTANDING ANY OTHER LIMITATION OF LIABILITY IN THIS OR ANY OTHER AGREEMENT OR INSTRUMENT BETWEEN MORTGAGOR AND LENDER, MORTGAGOR AGREES TO INDEMNIFY INDEMNIFIED PARTIES AGAINST, AND TO REIMBURSE INDEMNIFIED PARTIES WITH RESPECT TO, ALL CLAIMS, INCLUDING CLAIMS FOR BODILY INJURY, PROPERTY DAMAGE, ABATEMENT, REMEDIATION, AND STRICT LIABILITY CLAIMS, AND ALL COSTS AND EXPENSES AND OTHER CHARGES OF ANY DESCRIPTION WHATSOEVER, INCLUDING (WITHOUT LIMITATION) ATTORNEYS FEES, COURT COSTS, ADMINISTRATIVE COSTS, COSTS OF APPEAL, AND ALL COSTS AND EXPENSES INCURRED IN INVESTIGATING INTO OR DEFENDING AGAINST ANY CLAIMS, MADE AGAINST OR SUSTAINED OR INCURRED BY INDEMNIFIED PARTIES ARISING OR RELATED IN ANY WAY TO TREATMENT OR RELEASE OF ANY WASTE IN, ON, OR AFFECTING THE LAND OR THE COLLATERAL, WHETHER OR NOT CAUSED BY MORTGAGOR OR BY THE VIOLATION OF SECTION 9.1.

Section 9.5. Survival and Remedies. (a) Notwithstanding anything in this instrument or any other instrument or agreement between Mortgagor and Lender to the contrary, the undertakings of Mortgagor in this Article shall survive the expiration or termination of this instrument regardless of the means of such expiration or termination. Specifically, the indemnification in Section 9.4 shall run from the actual knowledge of Lender of any Treatment or Release of Waste or other environmental condition covered by this Article.

(b) Upon the receipt by Lender of notice required by this Article, or the discovery by Lender of any Treatment or Release of Waste affecting the Land or Collateral in violation of Applicable

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Brazos County, Texas

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Environmental Laws, Lender may in its discretion, without limitation, (1) rescind the loan, requiring Mortgagor to refund immediately all consideration previously transferred to Mortgagor which has not been repaid, or (2) accelerate the Obligations and seek appointment of a receiver for the Collateral, or (3) take any other action provided by any instrument executed by and between Mortgagor and Lender relating to this transaction. Mortgagor consents to the rescission or receivership in such event.

ARTICLE 10. - OTHER STATE PROVISIONS.

Section 10.1. [Intentionally omitted.]

ARTICLE 11. - MISCELLANEOUS.

Section 11.1. Mortgagor's Waivers. Mortgagor agrees that Mortgagor will not at any time insist upon or plead or in any manner whatever claim the benefit of any appraisement, valuation, stay, extension, or redemption law now or hereafter in force, if it would prevent or hinder the enforcement or foreclosure of this instrument, the absolute sale of the Collateral, or the possession thereof by any purchaser at any sale made pursuant to this instrument or pursuant to the decree of any court of competent jurisdiction. Mortgagor, for Mortgagor and all who may claim through or under Mortgagor, hereby waives the benefit of all such laws and to the extent that Mortgagor may lawfully do so under applicable state law, waives any and all right to have the Realty Collateral marshaled upon any foreclosure of the lien hereof or sold in inverse order of alienation, and Mortgagor agrees that the Trustee may sell the Realty Collateral as an entirety.

Section 11.2. Pooling and Unitization. Mortgagor may not enter into pooling or unitization agreements, or make an election under any applicable forced pooling statute, affecting all or any part of any Oil and Gas Property without the prior written consent of Lender. The interest in any unit attributable to the Oil and Gas Property (or any part thereof) included therein will become a part of the Realty Collateral, the Fixture Collateral, and the Personalty Collateral, as the case may be, and will be subject to the lien and security interest hereof in the same manner and with the same effect as though the unit and the interest of Mortgagor therein were specifically described in Exhibit A.

Section 11.3. Advances by Lender or the Trustee. If Mortgagor fails to perform or keep any of its covenants of whatsoever kind or nature contained in this instrument, Lender, the Trustee, or any receiver appointed hereunder, may, but will not be obliged to, make advances to perform the same in Mortgagor's behalf, and Mortgagor hereby agrees to repay the advanced sums and any attorneys' fees incurred in connection therewith upon demand plus interest at the maximum lawful rate. No advance will be deemed to relieve Mortgagor from any default hereunder.

Section 11.4. Defense of Claims. Mortgagor shall promptly notify the Trustee and Lender in writing of the commencement of any legal proceedings affecting Lender's interest in the Collateral, or any part thereof, and shall take such action, employing attorneys acceptable to the Trustee and Lender, as may be necessary to preserve Mortgagor's, the Trustee's, and Lender's rights affected thereby; and should Mortgagor fail or refuse to take any such action, the Trustee or Lender may take the action in behalf of and in the name of Mortgagor and at Mortgagor's expense. Moreover, Lender or the Trustee on behalf of Lender may take independent action in connection therewith as they may in their discretion deem proper, and Mortgagor hereby agrees to make reimbursement for all sums advanced and all expenses incurred in such actions plus interest at the maximum lawful rate.

Section 11.5. Termination. If all the Obligations are paid in full and the covenants herein contained are well and truly performed, then all of the Collateral will revert to Mortgagor and the entire

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COUNTY OF BRAZOS
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Brazos County, Texas

00.12.1

estate, right, title, and interest of the Trustee and Lender will thereupon cease. In such case Lender shall, upon the request of Mortgagor and at Mortgagor's cost and expense, deliver to Mortgagor proper instruments acknowledging the release of this instrument.

Section 11.6. Renewals, Amendments, and Other Security. Renewals and extensions of the Obligations may be given at any time, amendments may be made to agreements relating to any part of the Obligations or the Collateral, and Lender may take or hold other security for the Obligations without notice to or consent of Mortgagor. The Trustee or Lender may resort first to other security or any part thereof, or first to the security herein given or any part thereof, or from time to time to either or both, even to the partial or complete abandonment of any security, and such action will not be a waiver of any rights conferred by this instrument.

Section 11.7. Effect of Instrument. This instrument shall be deemed and construed to be, and may be enforced as, an assignment of production, a collateral assignment, chattel mortgage or security agreement, contract, deed of trust, financing statement, financing statement filed as a fixture filing, and real estate mortgage, and as any one or more of them if appropriate under applicable state law. This instrument shall also be effective as a financing statement covering "as extracted collateral" (as defined in the Code) to be financed at the wellhead or minehead. This instrument is to be filed in the real estate records of the appropriate jurisdictions and in such other records as Lender may decide.

Section 11.8. Limitations on Interest. Regardless of any provision contained in this instrument, any note representing the Obligations, or any other instrument executed or delivered in connection with the Obligations, it is the express intent of the parties that at no time shall Mortgagor pay interest in excess of the maximum lawful rate (or any other interest amount which might in any way be deemed usurious), and Lender will never be considered to have contracted for or to be entitled to charge, receive, collect, or apply as interest, any amount in excess of the maximum lawful rate (or any other interest amount which might in any way be deemed usurious). In the event that Lender ever receives, collects, or applies as interest any such excess, the amount which would be excessive interest will be applied to the reduction of the principal balance of the Obligations, or if paid in full, any remaining excess shall forthwith be paid to Mortgagor. In determining whether the interest exceeds the maximum lawful rate (or any other interest amount which might in any way be deemed usurious), Mortgagor and Lender shall, to the maximum extent permitted under applicable law: (a) characterize any non-principal payment (other than payments expressly designated as interest) as an expense or fee rather than as interest; (b) exclude voluntary prepayments and the effect thereof; and (c) spread the total amount of interest throughout the entire contemplated term of the Obligations so that the interest rate is uniform throughout the term.

Section 11.9. Unenforceable or Inapplicable Provisions. If any provision hereof or of any of the written instruments constituting part or all of the Obligations is invalid or unenforceable in any jurisdiction, the other provisions hereof and of the written instruments will remain in full force and effect in that jurisdiction, and the remaining provisions hereof will be liberally construed in favor of the Trustee and Lender in order to carry out the provisions hereof. The invalidity of any provision of this instrument in any jurisdiction will not affect the validity or enforceability of any provision in any other jurisdiction. Any reference herein contained to a statute or law of a state in which no part of the Collateral is situated will be deemed inapplicable to, and not used in, the interpretation hereof.

Section 11.10. Rights Cumulative. Each and every right, power, and remedy herein given to the Trustee and Lender, or either of them, or in any other written instrument relating to the Obligations, will be cumulative and not exclusive; and each and every right, power, and remedy whether specifically herein given or otherwise existing may be exercised from time to time and as often and in such order as may be

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COUNTY OF BRAZOS
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County Clerk
Brazos County, Texas

deemed expedient by the Trustee, or Lender, as the case may be, and the exercise, or the beginning of the exercise, of any such right, power, or remedy will not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power, or remedy. A waiver by Lender or the Trustee of any right or remedy on any occasion will not be a bar to the exercise of any right or remedy on any subsequent occasion.

Section 11.11. Non-Waiver. No act, delay, omission, or course of dealing between Lender or Trustee and Mortgagor will be a waiver of any of Lender's or Trustee's rights or remedies. No waiver, change, or modification in whole or in part of this instrument or any other written instrument will be effective unless in a writing signed by Lender.

Section 11.12. Lender's Expenses. Mortgagor agrees to pay in full all reasonable expenses and attorneys fees of Lender which may have been or may be incurred by Lender in connection with the preparation of this instrument and other related documents, the lending hereunder, the collection of the Obligations, and the enforcement of any of Mortgagor's obligations hereunder and under any documents executed in connection with the Obligations.

Section 11.13. **Subrogation.** To the extent that funds advanced as any of the Obligations are used to pay indebtedness secured by any outstanding lien, security interest, charge, or prior encumbrance against the Collateral, such proceeds have been advanced by Lender at Mortgagor's request, and Lender shall be subrogated to any and all such liens, security interests, charges, or encumbrances, irrespective of whether those liens, security interests, charges, or encumbrances are released; provided, however, that the terms and provisions of this instrument shall govern the rights and remedies of Lender and shall supersede the terms, provisions, rights, and remedies under the instruments creating the liens, security interests, charges, or encumbrances to which Lender is subrogated.

Section 11.14. Governing Law/Venue. Except to the extent that the laws of another state must apply to Realty Collateral situated within that state, this instrument shall be governed by the laws of the State of Texas and applicable Federal laws. Mortgagor and Lender irrevocably agree that venue for any action or dispute related to the Collateral or this instrument must be in Dallas County, Texas.

Section 11.15. Interpretation. (a) Article and section headings used in this instrument are intended for convenience only and shall be given no significance whatever in interpreting and construing the provisions of this instrument.

(b) As used in this instrument, "Lender", "Trustee", and "Mortgagor" include their respective heirs, personal representatives, successors, and assigns. Unless context otherwise requires, words in the singular number include the plural and in the plural number include the singular. Words of the masculine gender include the feminine and neuter gender, and words of the neuter gender may refer to any gender.

(c) The term "Mortgagor" includes all persons who execute this instrument as Mortgagor. If more than one person executes this instrument as Mortgagor, their duties and liabilities under this instrument will be joint and several.

(d) This instrument and any and all other agreements and instruments executed in connection herewith are to be liberally construed for the benefit of Lender to ensure the prompt payment of the Obligations in accordance with their terms and to ensure Lender's realization of the benefits intended to be derived from all such agreements and instruments.

STATE OF TEXAS
COUNTY OF BRAZOS
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I hereby certify, on 01-18-06
Karen McLaren
County Clerk
Brazos County, Texas

(e) All documents or items required to be delivered to Lender by Mortgagor must be in form, substance, and detail acceptable to Lender, in its sole and absolute discretion.

Section 11.16. Counterparts. This instrument may be executed in any number of counterparts, each of which will for all purposes be deemed to be an original, and all of which are identical except that, to facilitate recordation, in any particular counterpart portions of Exhibit A which describe properties situated in counties other than the county in which the counterpart is to be recorded may have been omitted. A master counterpart containing all exhibits has been filed in *Fayette County, Texas*, or may be found in the files of Lender.

Section 11.17. Additional Provisions. This Deed of Trust evidences additional collateral provided by Borrower as security for the Obligations; and the Obligations are additionally secured by the Security Documents as defined in the Loan Agreement.

Executed effective on the 29th day of September, 2005.

MORTGAGOR:

EMERALD OPERATING COMPANY, INC.

By: _____
Bruce E. Broyles, President

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 29 day of September, 2005, by Bruce E. Broyles, President of EMERALD OPERATING COMPANY, INC., a Texas corporation, on behalf of the corporation.

_____
NOTARY PUBLIC, STATE OF TEXAS

My Commission expires:

_____

VICTORIA HENNING STINSON
NOTARY PUBLIC
STATE OF TEXAS
COMMISSION EXPIRES
NOVEMBER 7, 2007

(Type or print name)

This Instrument was prepared by and after recording please return to :
Paul D. Bradford
HARRIS, FINLEY & BOGLE, P.C.
777 Main Street, Suite 3600
Fort Worth, Texas 76102-5341
(817) 870-8700

STATE OF TEXAS
COUNTY OF BRAZOS
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I hereby certify, on 01-18-06
County Clerk
Brazos County, Texas

Introduction to Exhibit A to
Deed of Trust and Security Agreement (Oil and Gas)

This instrument covers all of Mortgagor's interest now owned or hereafter acquired in the oil and gas (or oil, gas, and mineral) leases, land, unit declarations, and pooling orders described in Exhibit A (or described in the instruments referred to in Exhibit A), together with all amendments or ratifications affecting any of those leases, unit declarations, or pooling orders. Without limitation as to the coverage of this instrument, Mortgagor warrants that where an expense interest, a revenue interest, or an overriding royalty interest is shown (or similar designations), that Mortgagor's expense interest is not greater than that shown and that Mortgagor's revenue or overriding royalty interest is not less than that shown.

Reference herein to book and page, liber and page, file numbers, film code numbers, or other recording information refer to the recording location of each respective lease in the county where the land covered by the lease is located. Any reference herein to oil or gas wells or land covered is for warranty of interest, administrative convenience, and identification and is not intended to limit or restrict the rights, titles, interests, or properties covered by this instrument.

This instrument may be executed in counterparts. To facilitate recordation, the exhibits which describe properties in counties other than the county in which the counterpart is to be recorded may have been omitted. A complete copy of this instrument may be found at Lender's offices.

In some instances, the "Land Covered" column includes abbreviations indicating the township and range of the county in which the interests are located. For example: "T-27-N, R-10-W" is Township 27 North, Range 10 West. The following abbreviations, and various combinations of the abbreviations, may appear before or after the section number to designate a portion of a section:

N/2 = North Half	NE or NE/4 = Northeast Quarter
S/2 = South Half	SE or SE/4 = Southeast Quarter
E/2 = East Half	NW or NW/4 = Northwest Quarter
W/2 = West Half	SW or SW/4 = Southwest Quarter

If two or more of the above abbreviations appear in sequence, the first abbreviation is that specified portion of the next abbreviation. For example: "SW/4 SW/4 SE/4" is the Southwest Quarter of the Southwest Quarter of the Southeast Quarter of the particular section described.

The abbreviations "WI," "NRI," "ORRI," "BPO," and "APO" are defined as follows:

(a) "WI" is short for "working interest" and represents the expense interest attributable to each well.

(b) "NRI" is short for "net revenue interest" and represents the share of production of oil, gas and other minerals attributable to the working interest or expense interest.

(c) "ORRI" is short for "overriding royalty interest" and represents the overriding royalty attributable to oil and gas production from each well.

(d) "BPO" and "APO" refer to "before payout" and "after payout" respectively, as payout may be defined in agreements affecting the applicable interest or interests.

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Karen McQueen
County Clerk
Brazos County, Texas

Leelanau Ventures
Working & Net Revenue Interest

Lease	Well #	Working Int.	Net Rev. Int.
247 Land Compa	1	50.00000000%	40.51759800%
Baker	1H	47.16297600%	38.11389954%
Garth Bates Oil U	1	44.43959400%	35.88034100%
Garth Bates Oil U	2	40.39564500%	31.91255777%
Garth Bates Oil U	2RE	40.39564500%	32.28849982%
Bell	1H	28.85297500%	21.73040744%
Brothers Oil Unit	1	46.57380000%	35.16675042%
Brown-Morgan U	1	47.52428250%	36.79617832%
Brown Oil Unit #2	1	47.52428250%	36.60039050%
Bush	1	67.17375000%	53.57906250%
Castleman Unit	1	23.76214500%	20.31627385%
Cedar Creek 'F' A	1	18.45448440%	14.49536228%
Clay Creek	1RE	47.68270000%	34.33389828%
Davis, Ozelle	1	16.06875000%	12.37505000%
Edna Unit	1	36.49074300%	29.05960565%
Falkenberg 'A'	3	38.38500000%	28.78875000%
Falkenberg 'A'	4	38.38500000%	28.78875000%
Falkenberg BH U	2H	19.19250000%	14.34375000%
Falkenberg BH U	4H	19.19250000%	14.34375000%
Fortiter	1	0.00000000%	0.00000000%
Freytag Oil Unit	1	46.57380000%	37.04103112%
Gaulke Oil Unit	1	33.12019400%	26.21519953%
Giese Oil Unit	^1	49.28241600%	40.16167787%
Hackbeil Unit	1	30.01237400%	23.70403492%
James Oil Unit	1	46.57380000%	40.24651896%
Jilana Jo Unit	1H	25.95741590%	19.95494000%
Keeland Oil Unit	2	46.57380000%	36.24929102%
Kelly	1	42.65000000%	34.78836133%
Kern	1	22.49625000%	17.11321875%
Lometa	1	41.79700000%	31.34775000%
McMurry Unit	1H	63.97500000%	48.81145997%
Niemeyer Oil Uni	1	48.92765400%	33.69019719%
Roznov	1	47.52428250%	36.53866551%
Roznov Gas Unit	1	46.57380000%	36.76254794%
Schweinle Oil Un	1	31.04920000%	23.36458186%
Scott Morgan Oil	1	46.57380000%	36.41674089%
Simek	1	42.65000000%	31.98750000%
Vlasta Simek Uni	1	34.12000000%	25.59000000%
Srubar Oil Unit	1	46.57380000%	39.25985471%
Wagner Unit	2	25.10315830%	20.08305000%
Waldorf-Pool AR	1	62.58887500%	47.70328289%

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Thereto I hereby certify on 01-18-06
Karen McQueen
County Clerk
Brazos County, Texas

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Weiman	3H	58.54611300%	45.55113980%
Wessels Unit	1	47.31202000%	36.09312762%
Wilkening	1H	21.32500000%	16.42025000%
Wood	1	28.15882608%	22.49422000%

STATE OF TEXAS
COUNTY OF BRAZOS
This is a true and correct copy as the same appears herein and recorded in the appropriate records of said County, Texas.
I hereby certify, on 01-18-06
Karen McQueen
County Clerk
Brazos County, Texas

EXHIBIT A

ATTACHED TO AND MADE A PART OF THAT CERTAIN PURCHASE AND SALE AGREEMENT EFFECTIVE SEPTEMBER 1, 2005, BY AND BETWEEN LEELANAU VENTURES, L.L.C., AND EMERALD OPERATING COMPANY, INC.

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...	REC 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 & SONDRA L 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
TX028312-6	ARTHUR J EDWARDS JR JANE EDWARDS & WLM I 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
TX028309-1	LOMETA PETROLEUM CORPORATION LYNN ELLIOTT PRESIDENT	DALE RESOURCES INC	08/03/94	2176	168
TX028316-4	LOMETA PETROLEUM CORPORATION LYNN ELLIOTT 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

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing instrument is a true and correct copy as the same appears on file and record in the appropriate records of Brazos County, Texas
Thereby certify on _____
County Clerk
Brazos County, Texas

Doc 00700550 Bk OR Vol 6969 Pg 172

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

COUNTY: BRAZOS
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...	REC BOOK	PAGE
TX028359-2	CHARLES ALLEN	LOMETA PETROLEUM CORPORATION	04/23/91	1253	743
TX028361-0	BILLIE LAVERNE MOORE BAILEY	LOMETA PETROLEUM CORPORATION	05/31/91	1285	285
TX028358-4	TOMMY BANKS	LOMETA PETROLEUM CORPORATION	07/30/91	1323	277
TX028365-A4	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 ETAL	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	073
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 CRAYS DICKEY	LOMETA PETROLEUM CORPORATION	07/31/91	1323	274
TX028341-3	ELLA V DREWEY	LOMETA PETROLEUM CORPORATION	02/25/91	1408	219
TX028358-5	BOBBY JOE GRAYS	LOMETA PETROLEUM CORPORATION	07/31/91	1349	03
TX028358-9	HULEN CRAYS	LOMETA PETROLEUM CORPORATION	07/31/91	1323	238

STATE OF TEXAS
COUNTY OF BRAZOS
I hereby certify that this is a true and correct copy as the same is of record in my office and as appears in the official records in the appropriate records in Brazos County, Texas
Witness my hand and seal of office
This the 18th day of Dec 2001
Deputy
County Clerk
Brazos County, Texas

Doc 00906550 Bk OR Vol 6969 Pg 173

TX028358-2	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	LOMETA PETROLEUM CORPORATION	04/30/92	1498	258
TX028487-0	JOHN FREDERICK GRIFFITHS ETUX HENRY E BOHNE 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 ET AL	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	LOMETA PETROLEUM CORPORATION	05/17/91	1271	151
TX028345-0	ROBERT CHARLES THOMAS FLLOYD	LOMETA PETROLEUM CORPORATION	01/29/92	1428	249

STATE OF TEXAS
COUNTY OF [illegible]
I hereby certify that this instrument is a true and correct copy as the same appears on file and of record in the office of the County Clerk of Brazos County, Texas
Witness my hand and seal of office at Bryan, Texas
There, certify on 01-18-06 2pm
County Clerk
Brazos County, Texas

00906550 OR Vol 6969 Pg 174

PRATT JR MICHALE PRATT

TX028347-0	TYREE & DARLTON THOMAS	LOMETA PETROLEUM CORPORATION	05/20/91	1271	178
TX028351-0	JACKSON WAYNE WAGNER AND FLORENCE O WAGNER	LOMETA PETROLEUM CORPORATION	04/08/91	1271	145
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

COUNTY: BURLESON COUNTY AND LEE COUNTY, TEXAS
WELL UNIT: FALKENBERG A-3 RE as described in that certain Designation of Unit recorded at Vol. 811, Page 124, Lee Co., TX and at Vol. 264, Page 42, Burleson Co., TX

LEASE NUMBER	LESSOR NAME	LESSEE NAME	LEASE DATED	REC BOOK	PAGE
TX028634-2	DOROTHY MARIE FALKENBERG	ZONERY INC	10/18/78	302	134 (LEE)
				45	256 (Burl)
TX028634-1	SPENCER O FALKENBERG AND LILLIAN L FALKENBERG	ZONERY INC	10/18/78	302	130 (LEE)
				45	252 (Burl)

COUNTY: BURLESON COUNTY AND LEE COUNTY, TEXAS
WELL UNIT: FALKENBERG A-4 #4

LEASE NUMBER	LESSOR NAME	LESSEE NAME	LEASE DATED	REC BOOK	PAGE
TX028635-1	DOROTHY MARIE FALKENBERG	UNION PACIFIC RES CO.	06/09/97	804	120 (LEE)
				262	26 (Burl)
TX028635-2	WAYNE FALKENBERG ET AL	UNION PACIFIC RES CO.	06/09/97	804	188 (LEE)
				262	38 (Burl)

STATE OF TEXAS
COUNTY OF BRAZOS
I hereby certify that this instrument is a true and correct copy as the same appears on file and of record in my office as appropriate
Recorded in Brazos County, Texas
Witness my hand and seal of office
01-18-06
County Clerk
Brazos County, Texas

Doc BR Vol Pg
00906550 OR 6969 175

Doc Bk Vol Ps
00906550 OR 6969 176

Filed for Record in:
BRAZOS COUNTY

On: Oct 10,2005 at 11:56A

As a
Recordings

Document Number: 00906550

Amount 107.00

Receipt Number - 276660
By,
Lynn Greer

STATE OF TEXAS COUNTY OF BRAZOS
I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the volume and page of the Official Public records of:

BRAZOS COUNTY

as stamped hereon by me.

Oct 10,2005

HONORABLE KAREN MCQUEEN, COUNTY CLERK
BRAZOS COUNTY

STATE OF TEXAS
COUNTY OF BRAZOS
The foregoing is a true and correct copy as the same appears to be duly recorded in the appropriate records of Brazos County, Texas.
I hereby certify, on 01-18-06

County Clerk
Brazos County, Texas

90-12-1

25.

File No. MF095228

Assignment

Date Filed: 1/31/06

Jerry E. Patterson, Commissioner

By

PAYMENT IS MADE UNDER INSTRUMENT DESCRIBED BELOW, PLEASE DEPOSIT AMOUNT OF CHECK TO THE CREDIT OF PARTY OR PARTIES NAMED.
DATE, SIGN AND RETURN THIS RECEIPT ON THE DAY YOU RECEIVE IT.
THIS PAYMENT IS MADE IN A MANNER TO CONFORM TO THE TERMS OF THE INSTRUMENT REFERRED TO WHEREIN YOU ARE NAMED DEPOSITORY.

WHEN SIGNED, PLEASE MAIL TO:

ENERVEST OPERATING, LLC
AS AGENT FOR EEIF X
1001 FANNIN, SUITE 800
HOUSTON, TX 77002-6708
(713) 659-3500

PAYMENT TYPE: Shut-in

AMEGY BANK NA
PORTER, TEXAS

15707582

DATE **Feb-03-2015**

NO. **1086997**

COUNTY	STATE	RECORDED-BOOK	PAGE	DATE OF LEASE	RENTAL PERIOD MONTHS	FROM	TO
BRAZOS	TX	1773	15	04/04/93	12	02/01/15	02/01/16

LEASE NUMBER	PAYEE NUMBER	ORIGINAL LESSOR IDENTIFICATION OR LEASE SERIAL NUMBER	PAY EXACTLY
TX028307-000	53454		***$10.65*

PAY TO THE ORDER OF
STATE OF TEXAS
GENERAL LAND OFFICE
1700 N CONGRESS AVENUE
AUSTIN, TX 78701-1436

RECEIVED ON _____ 20 ____
THE AMOUNT SHOWN ABOVE

NAME OF BANK, CORPORATION OR INDIVIDUAL

BY _____

RECEIPT IS HEREBY ACKNOWLEDGED OF THE AMOUNT STATED WHICH IS IN FULL SETTLEMENT OF RENTAL/SHUT-IN DUE PARTY NAMED COVERING OUR INTEREST IN OIL AND GAS LEASE DESCRIBED HEREIN.

PAYEE WILL PLEASE DATE, SIGN AND RETURN THIS RECEIPT BY NEXT MAIL. OFFICERS SIGNING FOR CORPORATIONS WILL PLEASE GIVE FULL NAME AND TITLE.

TO BE CREDITED TO	RENTAL AMOUNT	BANK CHARGE

STATE OF TEXAS M-95228
Prospect: Deep Giddings

Twp Blk Sec

SMITH S D, A-210
Gr acs: 47.3000 Net acs: 47.3000

MF 095228
Shut in for Lometa #1 Unit
Unit 2290

Shut in payment for Lometa 1 Brazos County, Texas

121

PAYEE: DETACH THIS STATEMENT BEFORE DEPOSITING

DOCUMENT INCLUDES VISIBLE FIBERS, CHEMICAL REACTIVE PROPERTIES AND FEATURES A FOIL HOLOGRAM

ENERVEST

ENERVEST OPERATING CO LLC
WESTERN - 400
1001 FANNIN, SUITE 800
HOUSTON, TX 77002-6708
888-988-3637

AMEGY BANK NA
PORTER, TEXAS

15707582
35-1058
1131 ✓

DATE: **Feb-03-2015** No. **1086997**

COUNTY	STATE	RECORDED-BOOK	PAGE	DATE OF LEASE	RENTAL PERIOD MONTHS	FROM	TO
BRAZOS	TX	1773	15	04/04/93	12	02/01/15	02/01/16

LEASE NUMBER	PAYEE NUMBER	ORIGINAL LESSOR IDENTIFICATION OR LEASE SERIAL NUMBER	PAY EXACTLY
TX028307-000	53454		***$10.65*

PAY EXACTLY $10dols65cts

PAY TO THE ORDER OF
STATE OF TEXAS
GENERAL LAND OFFICE
1700 N CONGRESS AVENUE
AUSTIN, TX 78701-1436

Peggy Schott

TRUE WATERMARK PAPER - HOLD TO LIGHT TO VIEW
HEAT SENSITIVE RED IMAGE DISAPPEARS WITH HEAT

⑈1086997⑈ [redacted] ✓

RRC ONLINE SYSTEM

Production Reports

PR Queries Home | New Lease ID's Built Query

Query Results Production by Lease

Current Operator:	**ENERVEST OPERATING, L.L.C. (252131)**	District:	**03**
Field:	**GIDDINGS (AUSTIN CHALK, GAS)**	**RRC Identifier:**	**146240**
Lease:	**LOMETA**	**Gas Well #:**	**1**
Prod Month Range:	**Jan 2012 - Nov 2015**	**Lease Type:**	**Gas**

Return

Showing: 25 - 36 of **47** results

Oil/Condensate (Whole Barrels)							Gas/Casinghead Gas - MCF		
Prod Month	Commingle Permit No.	On Hand Beginning of Month	Production	Disposition		On Hand End of Month	Formation Production	Disposition	
				Volume	Code			Volume	Code
01/2014		61	81			142	2,314	2,314	02
02/2014		142	22			164	684	684	02
03/2014		164	112	191	01	85	3,230	3,230	02
04/2014		85	74			159	2,357	2,357	02
05/2014		159	66	193	01	32	2,120	2,120	02
06/2014		32	68			100	2,051	2,051	02
07/2014		100	66			166	2,145	2,145	02
08/2014		166	49	181	01	34	1,684	1,684	02
09/2014		34	0			34	0		
10/2014		34	21			55	0		
11/2014		55	13			68	0		
12/2014		68	0			68	0		

Return

[< Previous] [Next >] | Page: 1 2 **3** 4 of 4

Lease Comments

10/16/2005 REC'D RESPONSE TO 9/93 GOR LTR 11/22/93. GIVING TO D.T. 2/22/94. DFL

RRC ONLINE SYSTEM

Production Reports

PR Queries Home | New Lease ID's Built Query

Query Results Production by Lease

Current Operator:	**ENERVEST OPERATING, L.L.C. (252131)**	District:	**03**
Field:	**GIDDINGS (AUSTIN CHALK, GAS)**	**RRC Identifier:**	**146240**
Lease:	**LOMETA**	**Gas Well #:**	**1**
Prod Month Range:	**Jan 2012 - Nov 2015**	**Lease Type:**	**Gas**

Return

Showing: 37 - 47 of 47 results

Oil/Condensate (Whole Barrels)							Gas/Casinghead Gas - MCF		
Prod Month	Commingle Permit No.	On Hand Beginning of Month	Production	Disposition		On Hand End of Month	Formation Production	Disposition	
				Volume	Code			Volume	Code
01/2015		68	0			68	0		
02/2015		68	0			68	0		
03/2015		68	0			68	0		
04/2015		68	0			68	0		
05/2015		68	0			68	0		
06/2015		68	0			68	0		
07/2015		68	0			68	0		
08/2015		68	0			68	0		
09/2015		68	0			68	0		
10/2015		68	0			68	0		
11/2015		NO REPORT ON FILE							

Return

[< Previous] | Page: 1 2 3 **4** of 4

Lease Comments

10/16/2005 REC'D RESPONSE TO 9/93 GOR LTR 11/22/93. GIVING TO D.T. 2/22/94. DFL

File No. ME 095228

Shut in Payment

for Lometa #1 03-14/6240 County unit 2290

Date Filed: 2/10/15

George P. Bush, Commissioner

By SSD

PAYMENT IS MADE UNDER INSTRUMENT DESCRIBED BELOW, PLEASE DEPOSIT AMOUNT OF CHECK TO THE CREDIT OF PARTY OR PARTIES NAMED.
DATE, SIGN AND RETURN THIS RECEIPT ON THE DAY YOU RECEIVE IT.
THIS PAYMENT IS MADE IN A MANNER TO CONFORM TO THE TERMS OF THE INSTRUMENT REFERRED TO WHEREIN YOU ARE NAMED DEPOSITORY.

WHEN SIGNED, PLEASE MAIL TO:

ENERVEST OPERATING, LLC
AS AGENT FOR EEIF X
1001 FANNIN, SUITE 800
HOUSTON, TX 77002-6708
(713) 659-3500

PAYMENT TYPE: Shut-in

AMEGY BANK NA
PORTER, TEXAS
16706400

Page 1 of 1

DATE Jan-18-2016

NO. 1345691

COUNTY	STATE	RECORDED-BOOK	PAGE	DATE OF LEASE	RENTAL PERIOD MONTHS	FROM	TO
BRAZOS	TX	1773	15	04/04/93	12	02/01/16	02/01/17

LEASE NUMBER	PAYEE NUMBER	ORIGINAL LESSOR IDENTIFICATION OR LEASE SERIAL NUMBER	PAY EXACTLY
TX028307-000	74497		***$10.65*

PAY TO THE ORDER OF **TEXAS COMPTROLLER OF PUBLIC**
ACCOUNTS
GENERAL LAND OFFICE
PO BOX 13528
AUSTIN, TX 78711-3528

RECEIVED ON _____ 20 ____
THE AMOUNT SHOWN ABOVE

NAME OF BANK, CORPORATION OR INDIVIDUAL

BY _____

RECEIPT IS HEREBY ACKNOWLEDGED OF THE AMOUNT STATED WHICH IS IN FULL SETTLEMENT OF RENTAL/SHUT-IN DUE PARTY NAMED COVERING OUR INTEREST IN OIL AND GAS LEASE DESCRIBED HEREIN.

PAYEE WILL PLEASE DATE, SIGN AND RETURN THIS RECEIPT BY NEXT MAIL. OFFICERS SIGNING FOR CORPORATIONS WILL PLEASE GIVE FULL NAME AND TITLE.

TO BE CREDITED TO	RENTAL AMOUNT	BANK CHARGE

STATE OF TEXAS M-95228
Prospect: Deep Giddings

Twp Blk Sec

SMITH S D, A-210
Gr acs: 47.3000 Net acs: 47.3000

+ 10.65
121

Shut-in payment for Lometa 1. 42 04131747

Safeguard

PAYEE: DETACH THIS STATEMENT BEFORE DEPOSITING

DOCUMENT CONTAINS VISIBLE ERASER CHEMICAL REACTIVE PROPERTIES AND FEATURES A FOIL HOLOGRAM

16706400

ENERVEST OPERATING CO LLC
WESTERN - 400
1001 FANNIN, SUITE 800
HOUSTON, TX 77002-6708
888-988-3637

ENERVEST

EGY BANK NA
RTER, TEXAS

35-1058
1131

DATE: Jan-18-2016 No. 1345691

COUNTY	STATE	RECORDED-BOOK	PAGE	DATE OF LEASE	RENTAL PERIOD MONTHS	FROM	TO
BRAZOS	TX	1773	15	04/04/93	12	02/01/16	02/01/17

LEASE NUMBER	PAYEE NUMBER	ORIGINAL LESSOR IDENTIFICATION OR LEASE SERIAL NUMBER	PAY EXACTLY
TX028307-000	74497		***$10.65*

PAY EXACTLY $10dols65cts

PAY TO THE ORDER OF **TEXAS COMPTROLLER OF PUBLIC**
ACCOUNTS
GENERAL LAND OFFICE
PO BOX 13528
AUSTIN, TX 78711-3528

Rory Schott

PAPER CONTAINS TONER ADHESION PROPERTIES HEAT SENSITIVE RED IMAGE DISAPPEARS WITH HEAT

⑈1345691⑈

File No. MF 095228

Suit in payment for

County

Lonata #1 Unit 2290

Date Filed: 2/8/16

George P. Bush, Commissioner

By SSD

SAFEGUARD LITHO USA SFHG3 CK7SHG113H

PAYMENT IS MADE UNDER INSTRUMENT DESCRIBED BELOW, PLEASE DEPOSIT AMOUNT OF CHECK TO THE CREDIT OF PARTY OR PARTIES NAMED.
DATE, SIGN AND RETURN THIS RECEIPT ON THE DAY YOU RECEIVE IT.
THIS PAYMENT IS MADE IN A MANNER TO CONFORM TO THE TERMS OF THE INSTRUMENT REFERRED TO WHEREIN YOU ARE NAMED DEPOSITORY.

WHEN SIGNED, PLEASE MAIL TO:

ENERVEST OPERATING, LLC
AS AGENT FOR EEIF X
1001 FANNIN, SUITE 800
HOUSTON, TX 77002-6708
(713) 659-3500

PAYMENT TYPE: Shut-in

AMEGY BANK NA
PORTER, TEXAS 1770637

DATE **Dec-14-2016** NO. **1547193**

COUNTY	STATE	RECORDED-BOOK	PAGE	DATE OF LEASE	RENTAL PERIOD MONTHS	FROM	TO
BRAZOS	TX	1773	15	04/04/93	12	02/01/17	02/01/18

LEASE NUMBER	PAYEE NUMBER	ORIGINAL LESSOR IDENTIFICATION OR LEASE SERIAL NUMBER	PAY EXACTLY
TX028307-000	74497		***$10.65*

PAY TO THE ORDER OF
TEXAS COMPTROLLER OF PUBLIC
ACCOUNTS
GENERAL LAND OFFICE
PO BOX 13528
AUSTIN, TX 78711-3528

RECEIVED ON _____ 20 ____
THE AMOUNT SHOWN ABOVE

_____
NAME OF BANK, CORPORATION OR INDIVIDUAL

BY _____

RECEIPT IS HEREBY ACKNOWLEDGED OF THE AMOUNT STATED WHICH IS IN FULL SETTLEMENT OF RENTAL/SHUT-IN DUE PARTY NAMED COVERING OUR INTEREST IN OIL AND GAS LEASE DESCRIBED HEREIN.

PAYEE WILL PLEASE DATE, SIGN AND RETURN THIS RECEIPT BY NEXT MAIL. OFFICERS SIGNING FOR CORPORATIONS WILL PLEASE GIVE FULL NAME AND TITLE.

TO BE CREDITED TO	RENTAL AMOUNT	BANK CHARGE

STATE OF TEXAS M-95228
Prospect: Deep Giddings
Twp Blk Sec
SMITH S D, A-210
Gr acs: 47.3000 Net acs: 47.3000

121

Shut-in payment for Lometa 1.

PAYEE: DETACH THIS STATEMENT BEFORE DEPOSITING

28.

File No. MF 095228

Shut-in payment County

Date Filed: 1/18/17

George P. Bush, Commissioner

By SSD

1-13-15

PAYMENT IS MADE UNDER INSTRUMENT DESCRIBED BELOW, PLEASE DEPOSIT AMOUNT OF CHECK TO THE CREDIT OF PARTY OR PARTIES NAMED
DATE, SIGN AND RETURN THIS RECEIPT ON THE DAY YOU RECEIVE IT.
THIS PAYMENT IS MADE IN A MANNER TO CONFORM TO THE TERMS OF THE INSTRUMENT REFERRED TO WHEREIN YOU ARE NAMED DEPOSITORY.

18706245

WHEN SIGNED, PLEASE MAIL TO:
ENERVEST OPERATING, LLC
1001 FANNIN, SUITE 800
HOUSTON, TX 77002-6708
713-659-3500

PAYMENT TYPE: SHUT-IN PAYMENT

AMEGY BANK NA
PORTER, TEXAS

DATE Jan 05, 2018

CHECK NO. 013601

COUNTY	STATE	RECORDED-BOOK PAGE	DATE OF LEASE	RENTAL PERIOD MONTHS	FROM	TO
BRAZOS	TX		04-APR-93	12	02/01/18	02/01/19

LEASE NUMBER	PAYEE NUMBER	ORIGINAL LESSOR IDENTIFICATION OR LEASE SERIAL NUMBER	PAY EXACTLY
10081671/000	1124477-02		***$10.65*

PAY TO THE ORDER OF
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS
ACCOUNTS
GENERAL LAND OFFICE
AUSTIN, TX 78711-3528

RECEIVED ON _____ 20____
THE AMOUNT SHOWN ABOVE

NAME OF BANK, CORPORATION OR INDIVIDUAL

BY _____

RECEIPT IS HEREBY ACKNOWLEDGED OF THE AMOUNT STATED WHICH IS IN FULL SETTLEMENT OF RENTAL/SHUT-IN DUE PARTY NAMED COVERING OUR INTEREST IN OIL AND GAS LEASE DESCRIBED HEREIN.

PAYEE WILL PLEASE DATE, SIGN AND RETURN THIS RECEIPT BY NEXT MAIL. OFFICERS SIGNING FOR CORPORATIONS WILL PLEASE GIVE FULL NAME AND TITLE.

LEGAL DESCRIPTION	AMOUNT	BANK CHARGE
STATE OF TEXAS M-95228 PROSPECT: DEEP GIDDINGS ^ TX025 STERRETT D SMITH ABST/ID# 210 Grantee S.D. SMITH		

121

SHUT-IN PAYMENT FOR LOMETA 1.

Safeguard LITHO USA SPHG3 04/SHG1T13H

DETACH AND RETAIN FOR TAX PURPOSES

DOCUMENT INCLUDES VISIBLE FIBERS, CHEMICAL REACTIVE PROPERTIES AND FEATURES A FOIL HOLOGRAM

ENERVEST

ENERVEST OPERATING, LLC
1001 FANNIN, SUITE 800
HOUSTON, TX 77002-6708
713-659-3500

AMEGY BANK NA
PORTER, TEXAS

35-1058
1131

No. 13601
18706245

VOID AFTER 180 DAYS

CHECK NUMBER	DATE	PAY EXACTLY
13601	Jan-05-2018	***$10.65*

PAY EXACTLY $10dols65cts

TO THE ORDER OF
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS
ACCOUNTS
GENERAL LAND OFFICE
AUSTIN, TX 78711-3528

Roger Schott

TRUE WATERMARK PAPER - HOLD TO LIGHT TO VIEW | PAPER CONTAINS TONER-REPELLENT CHEMICALS | HEAT-SENSITIVE RED IMAGE DISAPPEARS WITH HEAT

⑈013601⑈ ⑆[redacted]

TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

January 29, 2018

Enervest Operating, LLC
1001 Fannin, Suite 800
Houston, TX 77002-6708

Re: **State Lease MF095228 – Highway Right-of-Way**
9.80 acres along HWY 6 in the A. Miller Survey, and A.D. Houston Survey, Brazos County, Texas
Shut-in: Lometa 1, API 42-041-331747, RRC 03-146240.

This acknowledges receipt of shut-in payment in the amount of $10.65 for the subject shut-in well by the Texas General Land Office on January 26, 2018.

The Shut-In Royalty Committee has accepted the shut-in payment on behalf of the GLO and this shut-in is valid until the shut-in anniversary date of February 1, 2019.

Please notify us when the well returns to production.

Yours very truly,

Susan Draughn

Susan Draughn, Landman
Mineral Leasing, Energy Resources
Direct: 512.463.6521
susan.draughn@glo.texas.gov
Website: www.glo.texas.gov

29.

File No. MF095228

Shut in payment + letter accepting. County

Date Filed: 1/29/18

George P. Bush, Commissioner

By SSD

ROSEWOOD RESOURCES, INC. **Ph. 214-849-9300** **2101 Cedar Springs Rd, Suite 1500, Dallas Tx 75201**

LESSOR BARRERA 2 (SHUT-IN ROYALTY)

CHECK NUMBER 5028647 04/02/2019

19709213

STATE	COUNTY OR PARISH	LEASE NO	VOL/PAGE/ENTRY	GROSS ACRES	NET ACRES	RENT BEGINNING
TX	BRAZOS	002-LAND-SI	2113 / 24	561.97	561.97	04/02/2019

LEASE EFF. DATE 03/16/94 **PROSPECT NAME** UL-GIDDINGS/BRAZ

RENTAL AMOUNT $26.73
CHARGE $0.00
CHECK TOTAL $26.73

RECIPIENTS NAME STATE OF TEXAS
STEPHEN F. AUSTIN BUILDING
1700 N. CONGRESS AVENUE; RM #640
AUSTIN, TX 78701-1495

X _____ '21
DATE

For Credit of

X _____
SIGNATURE OF PAYEE/RECIPENT

Please sign and return this rental receipt

THIS DOCUMENT HAS A VOID PANTOGRAPH, MICROPRINTING, A COIN REACTIVE ARTIFICIAL WATERMARK AND THERMOCHROMATIC INK.

19709213

ROSEWOOD RESOURCES, INC.
2101 CEDAR SPRINGS RD, SUITE 1500
DALLAS, TX 75201

CHECK NUMBER: 5028647
86-105/1031
DATE 4/2/2019

PAY Twenty-Six Dollars And Seventy-Three Cents

TO THE ORDER OF TEXAS GENERAL LAND OFFICE
STEPHEN F. AUSTIN BUILDING
1700 N. CONGRESS AVENUE; RM #640
AUSTIN, TX 78701-1495

Bank of Texas, N.A.
Payable through Bank of Oklahoma, Bartlesville, OK

VOID AFTER 180 DAYS

AMOUNT	$26.73

Lora Graves

⑈5028647⑈ [redacted]

See Reverse Side For Easy Opening Instructions

ROSEWOOD RESOURCES, INC. **Ph. 214-849-9300** **2101 Cedar Springs Rd, Suite 1500, Dallas Tx 75201**

Check 5028647 $26.73 **Date** 04/02/19

LESSOR	LEASE NO	DESCRIPTION
BARRERA 2 (SHUT-IN ROYALTY)	002-LAND-SI	BARRERA 2 - 561.97 ACRE UNIT IN J.M. BARRERA, A-68 AND OTHER SURVEYS PER AMENDED POOLING AGREEMENT AND UNIT DESIGNATION DTD 3-16-94 (ROSEWOOD IS PAYING ROYALTY OWNERS A MINIMUM OF $25) BRAZOS COUNTY, TEXAS **2019 SHUT-IN ROYALTY PAYMENT FOR AFFILIATED LEASES**

MF 095228 unit-2349
MF 095380

30.

File No. MF 095228

Shut in Payment

Barrera 2 - Unit 2349 County

Date Filed: 4/18/19

George P. Bush, Commissioner

By SSD

4.11.19

PAYMENT IS MADE UNDER INSTRUMENT DESCRIBED BELOW, PLEASE DEPOSIT AMOUNT OF CHECK TO THE CREDIT OF PARTY OR PARTIES NAMED.
DATE, SIGN AND RETURN THIS RECEIPT ON THE DAY YOU RECEIVE IT.
THIS PAYMENT IS MADE IN A MANNER TO CONFORM TO THE TERMS OF THE INSTRUMENT REFERRED TO WHEREIN YOU ARE NAMED DEPOSITORY. 19709087

WHEN SIGNED, PLEASE MAIL TO:

MAGNOLIA OIL & GAS OPERATING, LLC
1001 FANNIN, SUITE 400
HOUSTON, TX 77002
855-245-9150

PAYMENT TYPE: SHUT-IN PAYMENT

JPMorgan Chase Bank, N.A.
Dallas, TX

DATE **Mar 21, 2019**

CHECK NO. **001120**

COUNTY	STATE	RECORDED-BOOK PAGE	DATE OF LEASE	RENTAL PERIOD MONTHS	FROM	TO
BRAZOS	TX		04-APR-93	0	03/01/19	03/01/19

LEASE NUMBER	PAYEE NUMBER	ORIGINAL LESSOR IDENTIFICATION OR LEASE SERIAL NUMBER	PAY EXACTLY
10081671/000	1123250-01		$**10.65**

PAY TO THE ORDER OF
TEXAS STATE GENERAL LAND OFFICE
1700 N CONGRESS AVE
STEPHEN F AUSTIN BLDG
AUSTIN, TX 78701

RECEIVED ON _____ 20____
THE AMOUNT SHOWN ABOVE

NAME OF BANK, CORPORATION OR INDIVIDUAL

BY _____

RECEIPT IS HEREBY ACKNOWLEDGED OF THE AMOUNT STATED WHICH IS IN FULL SETTLEMENT OF RENTAL/SHUT-IN DUE PARTY NAMED COVERING OUR INTEREST IN OIL AND GAS LEASE DESCRIBED HEREIN.

PAYEE WILL PLEASE DATE, SIGN AND RETURN THIS RECEIPT BY NEXT MAIL. OFFICERS SIGNING FOR CORPORATIONS WILL PLEASE GIVE FULL NAME AND TITLE.

LEGAL DESCRIPTION	AMOUNT	BANK CHARGE

STATE OF TEXAS M-95228
PROSPECT: BRAZOS TX - DEEP GIDDINGS - TX025
STERRETT D SMITH ABST/ID# 210 Grantee S.D.
SMITH

121

MAGNOLIA OIL & GAS

Safeguard LITHO USA 07/18 Y18SF008714M

DETACH AND RETAIN FOR TAX PURPOSES

DOCUMENT INCLUDES VISIBLE FIBERS, CHEMICAL REACTIVE PROPERTIES AND FEATURES A FOIL HOLOGRAM

JPMorgan Chase Bank, N.A.
Dallas, TX

No. **1120**
19709087
88-88/1113

MAGNOLIA OIL & GAS OPERATING, LLC
1001 FANNIN, SUITE 400
HOUSTON, TX 77002
855-245-9150

VOID AFTER 180 DAYS

CHECK NUMBER	CHECK DATE	CHECK AMOUNT
1120	Mar-21-2019	$**10.65**

Ten dollars and Sixty-five cents

PAY TO THE ORDER OF
TEXAS STATE GENERAL LAND OFFICE
1700 N CONGRESS AVE
STEPHEN F AUSTIN BLDG
AUSTIN, TX 78701

TRUE WATERMARK PAPER - HOLD TO LIGHT TO VIEW — HEAT SENSITIVE RED IMAGE DISAPPEARS WITH HEAT

⑈001120⑈ [redacted]

31.

File No. MF 095228

Shut in payment

County

Unit 2290 - Lometa Unit

Date Filed: 4/22/19

George P. Bush, Commissioner

By SSD



P. 8.19

RRC ONLINE SYSTEM

Production Reports

PR Queries Home New Lease ID's Built Query

Query Results Production by Lease

Current Operator:	**MAGNOLIA OIL & GAS OPERATING LLC (521544)**	District:	**03**
Field:	**GIDDINGS (AUSTIN CHALK, GAS)**	**RRC Identifier:**	**146240**
Lease:	**LOMETA** Unit - 2290	**Gas Well #:**	**1**
Prod Month Range:	**Jan 2014 - Mar 2022** API 041-31747	**Lease Type:**	**Gas**

Return

Showing: 1 - 12 of **99** results

Oil/Condensate (Whole Barrels)							Gas/Casinghead Gas - MCF		
Prod Month	Commingle Permit No.	On Hand Beginning of Month	Production	Disposition		On Hand End of Month	Formation Production	Disposition	
				Volume	Code			Volume	Code
01/2014		61	81			142	2,314	2,314	02
02/2014		142	22			164	684	684	02
03/2014		164	112	191	01	85	3,230	3,230	02
04/2014		85	74			159	2,357	2,357	02
05/2014		159	66	193	01	32	2,120	2,120	02
06/2014		32	68			100	2,051	2,051	02
07/2014		100	66			166	2,145	2,145	02
08/2014		166	49	181	01	34	1,684	1,684	02
09/2014		34	0			34	0		
10/2014		34	21			55	0		
11/2014		55	0			55	0		
12/2014		55	0			55	0		

Return

[Next >] | Page: **1** 2 3 4 5 6 7 8 9 of 9

Lease Comments

10/16/2005 REC'D RESPONSE TO 9/93 GOR LTR 11/22/93. GIVING TO D.T. 2/22/94. DFL

RRC ONLINE SYSTEM

Production Reports

PR Queries Home New Lease ID's Built Query

Query Results Production by Lease

Current Operator:	**MAGNOLIA OIL & GAS OPERATING LLC (521544)**	District:	**03**
Field:	**GIDDINGS (AUSTIN CHALK, GAS)**	**RRC Identifier:**	**146240**
Lease:	**LOMETA**	**Gas Well #:**	**1**
Prod Month Range:	**Jan 2014 - Mar 2022**	**Lease Type:**	**Gas**

Return

Showing: 13 - 24 of **99** results

Oil/Condensate (Whole Barrels)							Gas/Casinghead Gas - MCF		
Prod Month	Commingle Permit No.	On Hand Beginning of Month	Production	Disposition		On Hand End of Month	Formation Production	Disposition	
				Volume	Code			Volume	Code
01/2015		55	0			55	0		
02/2015		55	0			55	0		
03/2015		55	0			55	0		
04/2015		55	0			55	0		
05/2015		55	0			55	0		
06/2015		55	0			55	0		
07/2015		55	0			55	0		
08/2015		55	0			55	0		
09/2015		55	0			55	0		
10/2015		55	0			55	0		
11/2015		55	0			55	0		
12/2015		55	9			64	0		

Return

[< Previous] [Next >] | Page: 1 **2** 3 4 5 6 7 8 9 of 9

Lease Comments

10/16/2005 REC'D RESPONSE TO 9/93 GOR LTR 11/22/93. GIVING TO D.T. 2/22/94. DFL

RRC ONLINE SYSTEM

Production Reports

PR Queries Home New Lease ID's Built Query

Query Results Production by Lease

Current Operator: MAGNOLIA OIL & GAS OPERATING LLC (521544)
Field: GIDDINGS (AUSTIN CHALK, GAS)
Lease: LOMETA
Prod Month Range: Nov 2015 - Mar 2022

District: 03
RRC Identifier: 146240
Gas Well #: 1
Lease Type: Gas

Return

Showing: 73 - 77 of **77** results

Oil/Condensate (Whole Barrels)							Gas/Casinghead Gas - MCF		
Prod Month	Commingle Permit No.	On Hand Beginning of Month	Production	Disposition		On Hand End of Month	Formation Production	Disposition	
				Volume	Code			Volume	Code
11/2021		64	0			64	0		
12/2021		64	0			64	0		
01/2022		64	0			64	0		
02/2022		64	0			64	0		
03/2022		NO REPORT ON FILE							

Return

[< Previous] | Page: 1 2 3 4 5 6 **7** of 7

Lease Comments

10/16/2005 REC'D RESPONSE TO 9/93 GOR LTR 11/22/93. GIVING TO D.T. 2/22/94. DFL

File No. MF 095228

Terminated Unit County

2290

Date Filed: 4/12/22

George P. Bush, Commissioner

By SSP

Logged 8/9/2019 KB
NOT 185734
Plugging Report
w: RP Insp # 497567

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM W-3
Rev. 12/92

BES1017

Unit 2291

API NO. (If Available) 42-041-31735	1. RRC District 03

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

4. RRC Lease or ID. Number: 22086

2. FIELD NAME (as per RRC Records) Giddings (Austin Chalk-3)	3. Lease Name Barrera	5. Well Number 1
6. OPERATOR Endeavor Energy Resources LP	6a. Original Form W-1 Filed in Name of: Dale Operating Company	10. County Brazos
7. ADDRESS 110 N. Marienfeld St., Ste 200 Midland, TX 79701	6b. Any Subsequent W-1's Filed in Name of:	11. Date Drilling Permit Issued 3/23/93
8. Location of Well, Relative to Nearest Lease Boundaries of Lease on which this Well is Located	580 Feet From NW Line and 655 Feet From NW Line of the Barrera Lease	12. Permit Number 410120
9a. SECTION, BLOCK, AND SURVEY Smith, S.D. / A-210	9b. Distance and Direction From Nearest Town in this County 4.5 miles E of Wellborn	13. Date Drilling Commenced 4/2/93
16. Type Well (Oil, Gas, Dry) Oil / Total Depth PBTD 14815	17. If Multiple Completion List All Field Names and Oil Lease or Gas ID No.'s	14. Date Drilling Completed 5/12/93
18. If Gas, Amt. Of Cond on Hand at time of Plugging	GAS ID or OIL LEASE # / Oil-O Gas-G / Well #	15. Date Well Plugged 07/17/19

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	07/16/19	07/16/19	07/17/19	07/17/19	07/17/19	07/17/19	07/17/19	
20. Size of Hole or Pipe in which Plug Placed (inches)	9 7/8, 10 ¾	10 3/4	10 3/4	10 3/4	10 3/4	10 3/4	10 3/4	
21. Depth to Bottom of Tubing or Drill Pipe (ft.)	3355	2800	2600	1450	1225	400	13	
*22. Sacks of Cement Used (each plug)	70	65	65	60	60	55	10	
*23. Slurry Volume Pumped (cu. Ft.)	74.2	68.9	68.9	63.6	63.6	58.3	10.6	
*24. Calculated Top of Plug (ft.)	3225	2680	2480	1340	1115	300	3	
25. Measured Top of Plug (if tagged) (ft.)		2660						
*26. Slurry Wt. #/Gal.	16.4	16.4	16.4	16.4	16.4	16.4	16.4	
27. Type Cement	H	H	H	H	H	H	H	

28. CASING AND TUBING RECORD AFTER PLUGGING

SIZE	WT.#/FT.	PUT IN WELL (ft.)	LEFT IN WELL (ft.)	HOLE SIZE (in.)
10 3/4	40.5	3305	3302	14 3/4
7 5/8	20	10855	7500	9 7/8

29. Was any Non-Drillable Material (Other Than Casing) Left in This Well ☐ Yes ☒ No

29a. If answer to above is "Yes" state depth to top of "junk" left in hole and briefly describe non-drillable material. (Use Reverse Side of Form if more space is needed.)

RECEIVED
RRC OF TEXAS
AUG 27 2019
OIL & GAS WELL COMPLIANCE
AUSTIN, TX

30. LIST ALL OPEN HOLE AND/OR PERFORATED INTERVALS

FROM 10905	TO 11367	FROM	TO
FROM	TO	FROM	TO
FROM	TO	FROM	TO
FROM	TO	FROM	TO
FROM	TO	FROM	TO

RECEIVED
RRC OF TEXAS
AUG 0 2 2019
O & G
HOUSTON

I have knowledge that the cementing operations, as reflected by the information found on this form, were performed as indicated by such information.

- Designates items to be completed by Cementing Company. Items not so designated shall be completed by Operator.

RECEIVED
RRC OF TEXAS
JUN 09 2020
INFORMATION SERVICES
AUSTIN, TX

Signature of Cementer or Authorized Representative

Basic Energy Services
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.

REPRESENTATIVE OF COMPANY	TITLE	DATE	Phone A/C	NUMBER
	Sr. Reg. Analyst	8-8-2019	432	687-1575

SIGNATURE: REPRESENTATIVE OF RAILROAD COMMISSION

8/22/19

31. Was Well filled with Mud-Laden Fluid, According to the regulations of the Railroad Commission	☒ Yes ☐ No	32. How was Mud Applied? Pumped thru tbg.	33. Mud Weight 9.5 LBS/GAL

34 Total Depth PBTD 14815	Other Fresh Water Zones by T.D.W.R. TOP	BOTTOM	35, Have all Abandoned Wells on this Lease been Plugged according to RRC Rules?	☐ Yes ☐ No
Depth of Deepest Fresh Water 2750	Surface	350	36. If NO, Explain	
	1175	1400		
	2550	2750		

37. Name and Address of Cementing or Service company who mixed and pumped cement in this well
Basic Energy Services, P.O. Box 2266, Victoria, TX 77902

Date RRC District Office notified of plugging 07/15/19

38. Name(s) and Address(es) of Surface Owners of Well Site

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.

☐ Log Attached ☐ Log released to _____ Date _____

Type Logs:

☐ Driller's ☐ Electric ☐ Radioactivity ☐ 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 RRC JOB #15-185734
Jet cut 7 5/8" csg @ 3355' & recovered.
Cut & capped well 3' below ground level.

RRC ONLINE SYSTEM

Production Reports

PR Queries Home New Lease ID's Built Query

Query Results Production by Lease

Current Operator: ENDEAVOR ENERGY RESOURCES L.P. (251726)
Field: GIDDINGS (AUSTIN CHALK-3)
Lease: BARRERA
Prod Month Range: Jan 2014 - Mar 2022

District: 03
RRC Identifier: 22086
Gas Well #:
Lease Type: Oil

Return

Showing: 25 - 36 of **99** results

Oil/Condensate (Whole Barrels)							Gas/Casinghead Gas - MCF		
Prod Month	Commingle Permit No.	On Hand Beginning of Month	Production	Disposition		On Hand End of Month	Formation Production	Disposition	
				Volume	Code			Volume	Code
01/2016		162	0			162	0		
02/2016		162	74			236	0		
03/2016		236	16	193	01	59	0		
04/2016		59	105			164	0		
05/2016		164	27			191	0		
06/2016		191	14			205	0		
07/2016		205	0			205	0		
08/2016		205	21			226	0		
09/2016		226	10			236	0		
10/2016		236	23			259	0		
11/2016		259	8			267	0		
12/2016		267	0	188	01	79	0		

Return

[< Previous] [Next >] | Page: 1 2 **3** 4 5 6 7 8 9 of 9

Lease Comments

none

RRC ONLINE SYSTEM

Production Reports

PR Queries Home New Lease ID's Built Query

Query Results Production by Lease

Current Operator:	**ENDEAVOR ENERGY RESOURCES L.P. (251726)**	District:	**03**
Field:	**GIDDINGS (AUSTIN CHALK-3)**	**RRC Identifier:**	**22086**
Lease:	**BARRERA**	**Gas Well #:**	
Prod Month Range:	**Jan 2014 - Mar 2022**	**Lease Type:**	**Oil**

Return

Showing: 49 - 60 of **99** results

Oil/Condensate (Whole Barrels)							Gas/Casinghead Gas - MCF		
Prod Month	Commingle Permit No.	On Hand Beginning of Month	Production	Disposition		On Hand End of Month	Formation Production	Disposition	
				Volume	Code			Volume	Code
01/2018		79	0			79	0		
02/2018		79	0			79	0		
03/2018		79	0	79	01	0	0		
04/2018		0	0			0	0		
05/2018		0	0			0	0		
06/2018		0	0			0	0		
07/2018		0	0			0	0		
08/2018		NO REPORT ON FILE							
09/2018		NO REPORT ON FILE							
10/2018		NO REPORT ON FILE							
11/2018		NO REPORT ON FILE							
12/2018		NO REPORT ON FILE							

Return

[< Previous] [Next >] | Page: 1 2 3 4 **5** 6 7 8 9 of 9

Lease Comments

none

File No. MF 095228
Terminated Until 2291 County

Date Filed: 4/12/22
George P. Bush, Commissioner
By SSD

Plugging Report

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM W-3
Rev. 12/92

Unit 2349 MF 095228
MF 095380

API NO. 42-041-31752 (If Available)	1. RRC District 03

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

4. RRC Lease or ID. Number: 23952

2. FIELD NAME (as per RRC Records) GIDDINGS (AUSTIN CHALK)	3. Lease Name BARRERA	5. Well Number 2H
6. OPERATOR: SANDLE OPERATING	6a. Original Form W-1 Field in Name of: ~~ROSEWOOD RESOURCES COMPANY~~ DALE OPERATING COMPANY	10. County BRAZOS
7. ADDRESS P.O. BOX 1917 HUNTSVILLE, TEXAS 77342	6b. Any Subsequent W-1's Filed in Name of:	11. Date Drilling Permit Issued ~~10/8/24~~ 6/17/93
8. Location of Well, Relative to Nearest Lease Boundaries of Lease on which this Well is Located	485' Feet From EAST Line and 2290' Feet From SOUTH Line of the BARRERA Lease	12. Permit Number 412947
9a. SECTION, BLOCK, AND SURVEY J. M. BARRERA SURVEY, A- 68	9b. Distance and Direction From Nearest Town in this County 3 MILES NORTH OF MILLICAN	13. Date Drilling Commenced 7/5/1993

16. Type Well (Oil, Gas, Dry)	Total Depth	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	Well #	14. Date Drilling Completed
OIL	14,524'					8/28/1993
18. If Gas, Amt. Of Cond on Hand at time of Plugging						15. Date Well Plugged ~~9/22/2021~~ 9/23/21

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	9/23/21	9/23/21						
20. Size of Hole or Pipe in which Plug Placed (inches)	10 ¾"	10 ¾"						
21. Depth to Bottom of Tubing or Drill Pipe (ft.)	500'	16'						
*22. Sacks of Cement Used (each plug)	55	5						
*23. Slurry Volume Pumped (cu. Ft.)	58.3	5.3						
*24. Calculated Top of Plug (ft.)	400'	6'						
25. Measured Top of Plug (if tagged) (ft.)								
*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

SIZE	WT.#/FT.	PUT IN WELL (ft.)	LEFT IN WELL (ft.)	HOLE SIZE (in.)
10 ¾"		3,305'	3,299'	14 ¾"
7 5/8"		11,059'	8,109'	9 7/8"

29. Was any Non-Drillable Material (Other Than Casing) Left in This Well ☒ Yes ☐ No

29a. If answer to above is "Yes" state depth to top of "junk" left in hole and briefly describe non-drillable material. (Use Reverse Side of Form if more space is needed.)

MOD. D PACKER @ 7,847'

30. LIST ALL OPEN HOLE AND/OR PERFORATED INTERVALS

FROM 11,277'	TO 14,165'	FROM	TO
FROM	TO	FROM	TO
FROM	TO	FROM	TO
FROM	TO	FROM	TO
FROM	TO	FROM	TO

RECEIVED
RRC OF TEXAS
NOV 08 2021
OG
HOUSTON, TX

I have knowledge that the cementing operations, as reflected by the information found on this form, were performed as indicated by such information.

- Designates items to be completed by Cementing Company. Items not so designated shall be completed by Operator.

Signature of Cementer or Authorized Representative

AXIS ENERGY SERVICES
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.

REPRESENTATIVE OF COMPANY | PRODUCTION FOREMAN (TITLE) | 11-5-21 (DATE) | Phone 936-291-1002 (A/C NUMBER)

claire zolkoski 11/10/2021
SIGNATURE: REPRESENTATIVE OF RAILROAD COMMISSION

RECEIVED
RRC OF TEXAS
NOV 16 2021
OIL & GAS FIELD OPERATIONS
AUSTIN, TX

31. Was Well filled with Mud-Laden Fluid, According to the regulations of the Railroad Commission ☒ Yes ☐ No	32. How was Mud Applied? Pumped thru tbg.	33. Mud Weight 9.5 LBS/GAL

34. Total Depth	Other Fresh Water Zones by T.D.W.R. TOP	BOTTOM	35. Have all Abandoned Wells on this Lease been Plugged according to RRC Rules? ☐ Yes ☐ No
14,524'	0	450	36. If NO, Explain
Depth of Deepest Fresh Water 2875'	1375	1600	
	2625	2875	

37. Name and Address of Cementing or Service company who mixed and pumped cement in this well
AXIS ENERGY SERVICES 4007 US 77 S VICTORIA, TEXAS 77905

Date RRC District Office notified of plugging 9/9/2021

38. Name(s) and Address(es) of Surface Owners of Well Site

MUSEUM OF THE AMERICAN G.I.
19124 HWY 6 SOUTH
COLLEGE STATION, TX 77845

39. Was Notice Given Before Plugging to the Above? YES

FILL IN BELOW FOR DRY HOLES ONLY

40. For Dry Holes, this Form must be accompanied by either a Driller's, Electric, Radioactivity or Acoustical/Sonic Log or such Log must be released to a Commercial Log Service.

☐ Log Attached ☐ Log released to _____ Date _____

Type Logs.

☐ Driller's ☐ Electric ☐ Radioactivity ☐ 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 _____

RRC JOB # 270487

9/13/2021 CIBP WAS SET @ 11,000'

9/17/2021 7 5/8" WAS PERF'D @ 6,800', SQZ'D OUT 25 SACKS OF CMT OUT OF PERFORATIONS. LEFT 45 SACKS IN 7-5/8" CSG.

9/17/2021 PERF. 7 5/8" CASING @ 3,355'

9/17/2021 7 5/8" CASING WAS CUT AND PULLED FROM 2,925'

9/21/2021 PLUG #5 WAS RE-SET AFTER PLUG #4 WAS TAGGED AT 3,005'

CUT & CAP WELL 6" BELOW GROUND LEVEL.

RECEIVED
RRC OF TEXAS
NOV 08 2021
OG
HOUSTON, TX

RRC ONLINE SYSTEM

Production Reports

Query Results Production by Lease

Current Operator:	**SANDEL OPERATING COMPANY (747534)**	District:	**03**
Field:	**GIDDINGS (AUSTIN CHALK-3)**	**RRC Identifier:**	**23952**
Lease:	**BARRERA**	**Gas Well #:**	
Prod Month Range:	**Jan 2014 - Mar 2022**	**Lease Type:**	**Oil**

Return

Showing: 73 - 84 of **99** results

Oil/Condensate (Whole Barrels)							Gas/Casinghead Gas - MCF		
Prod Month	Commingle Permit No.	On Hand Beginning of Month	Production	Disposition		On Hand End of Month	Formation Production	Disposition	
				Volume	Code			Volume	Code
01/2020		100	0			100	0		
02/2020		100	0			100	0		
03/2020		100	0			100	0		
04/2020		100	0			100	0		
05/2020		100	0			100	0		
06/2020		100	0			100	0		
07/2020		100	0			100	0		
08/2020		100	0			100	0		
09/2020		100	0	47	01	53	0		
10/2020		53	0	53	71	0	0		
11/2020		0	0			0	0		
12/2020		0	0			0	0		

Return

[< Previous] [Next >] | Page: 1 2 3 4 5 6 **7** 8 9 of 9

Lease Comments

none

RRC ONLINE SYSTEM

Production Reports

Query Results Production by Lease

Current Operator:	**ROSEWOOD RESOURCES, INC. (728874)**	District:	**03**
Field:	**GIDDINGS (AUSTIN CHALK, GAS)**	**RRC Identifier:**	**146859**
Lease:	**BARRERA**	**Gas Well #:**	**2**
Prod Month Range:	**Jan 1993 - Mar 2022**	**Lease Type:**	**Gas**

Return

Showing: 97 - 108 of **351** results

Oil/Condensate (Whole Barrels)							Gas/Casinghead Gas - MCF		
Prod Month	Commingle Permit No.	On Hand Beginning of Month	Production	Disposition		On Hand End of Month	Formation Production	Disposition	
				Volume	Code			Volume	Code
01/2001		175	591	545	01	218	5,840	5,179	02
				3	08			11	05
								650	09
02/2001		218	480	542	01	154	5,087	4,559	02
				2	08			528	09
03/2001		154	0	154	01	0	0		
04/2001		NOT ON SCHEDULE							
05/2001		NOT ON SCHEDULE							
06/2001		NOT ON SCHEDULE							
07/2001		NOT ON SCHEDULE							
08/2001		NOT ON SCHEDULE							
09/2001		NOT ON SCHEDULE							
10/2001		NOT ON SCHEDULE							
11/2001		NOT ON SCHEDULE							
12/2001		NOT ON SCHEDULE							

Return

[< Previous] [Next >] | Page: 4 5 6 7 8 **9** 10 11 12 13 of 30

Lease Comments

none

34.

File No. MF095228

Terminated until 2349 County

Date Filed: 4/12/22

George P. Bush, Commissioner

By SSD