

MF095349

<i>State Lease</i>	<i>Control</i>	<i>Base File</i>	<i>County</i>
MF095349	56-029973		BRAZOS

<i>Survey</i>	HIGHWAYS & PUBLIC TRANSPORTATION DE
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Block

Block Name

Township

Section/Tract

Land Part

<i>Part Description</i>	HIGHWAY RIGHT-OF-WAY
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<i>Acres</i>	8.76
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<i>Depth Below</i>	<i>Depth Above</i>	<i>Depth Other</i>
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0	0	See Lease
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<i>Name</i>	UNION PACIFIC RESOURCES
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<i>Lease Date</i>	9/7/1993
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<i>Primary Term</i>	5 yrs
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<i>Bonus (\$)</i>	\$705.00
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<i>Rental (\$)</i>	\$0.00
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<i>Lease Royalty</i>	0.1667
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Leasing: _____

Analyst: _____

Maps: _____

GIS: _____

M
F
0
9
5
3
4
9
UNION PACIFIC RESOURCES

2274 # 2928
7.74
8.76 UNIT ACRES

STATE LEASE - HROW

M-95349

COUNTY (CODE)	BRAZOS (21)
SURVEY	T.H. MAYS A-161
BLOCK	N/A
TOWNSHIP	N/A
SECTION (S)	N/A
PART	ST. HWY. 6
ACRES	9.40 8.76 7.74
DEPTH LIMITS	N/A
BASE FILE (S)	N/A
CONTROL NO. (S)	56-02997-3
CONTROL NO. (S)	N/A

LESSEE	U.P.R.C.
DATE	09-07-93
PRIMARY TERM	FIVE (5) YRS.
BONUS (\$)	705.00
ROYALTY	1/8
RENTAL (\$)	PAID-UP
VARIABLE ROYALTY	N/A

RENTALS

LEASE
ADMIN.

MINERAL
MAPS

Hwy. Row

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2. Memo	8.31.93
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10. D.O. Ltr. to Oaden	DEC 08 1994 DEC 07 1994
11. Unit Agreement	11-21-96 9/18/00
12. Div. Order and other papers recd. during Recon	
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EV Property (Hennert) 8-12-19	
scanned PJ 8-16-2019	

The State of Texas



Austin, Texas

PAID-UP

OIL AND GAS LEASE NO. M-95349
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 Union Pacific Resources Company, whose address is P.O. Box 7, Forth Worth, Texas, 76101-0007, hereinafter called "Lessee".

1. Lessor, in consideration of Seven Hundred Five and 00/100 Dollars (\$705.00), receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of Brazos, State of Texas, and is described as follows:

9.4 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 9.4 acres, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. PRIMARY TERM: This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of five (5) years from September 7, 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 sixth (1\6) 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 sixth (1\6) 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 sixth (1\6) 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 sixth (1\6) 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 \$71.25. 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 \$142.50, 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;

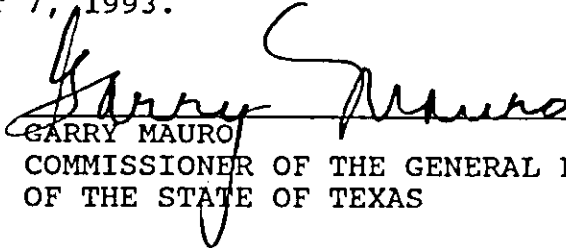
(e) no producer of food and fiber requires the natural gas or casinghead gas necessary to meet the existing needs of irrigation pumps and other machinery directly related to this production; and

(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 September 7, 1993.


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

Approved:

Energy: RH

Legal (Form): Am

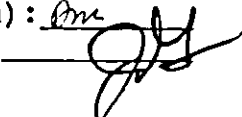
Executive: 

Exhibit "A"

Being 9.40 acres of land, more or less, situated in the T. Mays Survey of Brazos County, Texas. Said 9.40 acres being the same land conveyed to the State by the following listed deeds:

<u>Grantor</u>	<u>Volume</u>	<u>Page</u>
S. E. Dunlap	80	542
B. M. Curd	80	540 &
	83	571

Said 9.40 acres being a strip of land of variable width and is more particularly described as follows, to wit;

Beginning at a point on the east line of the T. Mays Survey. Said point being north 1,598.00 feet from the most westerly corner of the J. Walker Survey;

Thence N 00° 00' 00" E, along the said east line, a distance of 62.00 feet crossing the centerline of S.H. 6 at Engineer's Centerline Station Number 1271+30.00 and continuing on for a total distance of 124.00 feet to a point on the northerly right of way line of S.H. 6;

Thence N 39° 17' 00" W, along the said right of way line, a distance of 194.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1269+00.00;

Thence N 36° 00' 00" W, a distance of 201.00 feet to a point 60.00 feet from and at right angles to Engineer's Centerline Station Number 1267+00.00;

Thence N 39° 17' 00" W, a distance of 125.00 feet to the P.T. of a 01° 00' degree curve to the left. Said P.T. being at Engineer's Centerline Station Number 1265+86.60;

Thence, around said curve, along the northerly right of way line of S.H. 6, a distance of 786.60 feet on the centerline to the P.C. of said curve at Engineer's Centerline Station Number 1258+00.00;

Thence N 47° 09' 00" W, a distance of 12.00 feet to a point 60.00 feet from and at right angles to Engineer's Centerline Station Number 1257+88.00;

Thence N 49° 00' 00" W, a distance of 201.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1255+87.00;

Brazos County
CSJ 50-2-8
S.H. 6
No. 416

Thence N 47° 09' 00" W, along the northerly right of way line of S.H. 6, a distance of 2,175.00 feet to a point;

Thence S 00° 00' 00" W, a distance of 62.00 feet, crossing the centerline of said S.H. 6 at Engineer's Centerline Station Number 1235+27.00 and continuing on for a total distance of 124.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1235+70.00;

Thence S 47° 09' 00" E, along the southerly right of way line of S.H. 6, a distance of 2,115.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1255+87.00;

Thence S 44° 00' 00" E, a distance of 201.00 feet to a point 60.00 feet from and at right angles to Engineer's Centerline Station Number 1257+88.00;

Thence S 47° 09' 00" E, a distance of 12.00 feet to the P.C. of a 01° 00' degree curve to the right. Said P.C. being at Engineer's Centerline Station Number 1258+00.00;

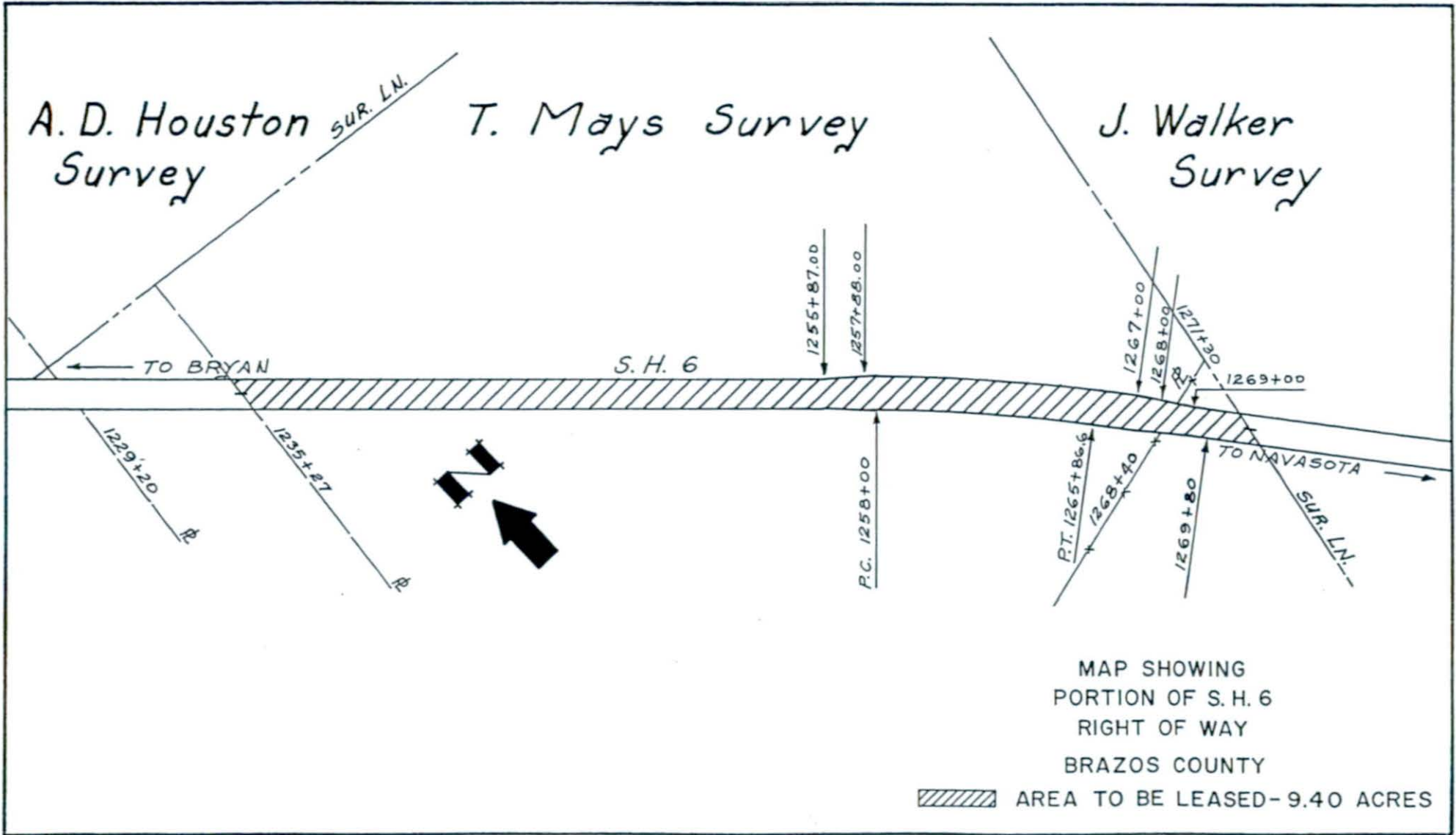
Thence, around said curve, along the southerly right of way line of S.H. 6, a distance of 786.60 feet, at the centerline, to the P.T. of said curve at Engineer's Centerline Station Number 1265+86.60;

Thence S 39° 17' 00" E, a distance of 113.00 feet to a point 60.00 feet from and at right angles to Engineer's Centerline Station Number 1267+00.00;

Thence S 41° 00' 00" E, a distance of 201.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1269+00.00;

Thence S 39° 17' 00" E, a distance of 198.00 feet to the Point of Beginning of the tract herein described and containing 9.40 acres.

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 50-2-8.



175517

lease

9-7-93

①

GENERAL LAND OFFICE

GARRY MAURO
COMMISSIONER

MEMORANDUM

DATE: August 31, 1993

TO: School Land Board
FROM: Robert Hatter / Lease Administration
SUBJECT: Application To Lease Right-of-Way

M-95349
9.7.93

APPLICANT: Union Pacific Resources Co.

REFERENCE: Being 9.4 acres, more or less, of State Highway 6, situated in the T. H. Mays Survey, Brazos County, Texas

The following terms were provide for in the adjacent leases:

	<u>High</u>	<u>Low</u>
Bonus/Acre:	\$75.00	\$20.00
Royalty:	1/6	1/7
Delay Rental:	\$ 7.58	\$ 5.00
Primary Term:	5 year	5 year

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

Bonus/Acre:	\$75.00 per acre
Royalty:	1/6 royalty
Delay Rental:	\$ 7.58 per acre
Primary Term:	5 year

Union Pacific Resources Co. 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 9.4 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

August 30, 1993

Contact: D-15

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

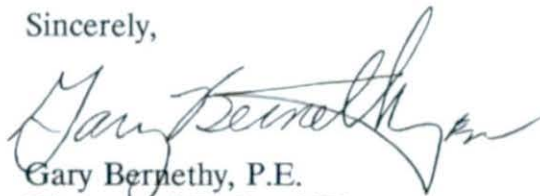
Dear Commissioner Mauro:

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

<u>County</u>	<u>Nominator</u>	<u>Bonus</u>	<u>Royalty</u>	<u>Primary Term</u>	<u>Delay Rental</u>
Newton	Berenergy Corp.	\$ 50.00	1/6	3 years	\$ 1.00
Brazos	Union Pacific Resources Co.	\$120.00	1/5	3 years	\$ 5.00
Brazos	Union Pacific Resources Co.	\$120.00	1/5	3 years	\$ 5.00
Brazos	Union Pacific Resources Co.	\$ 75.00	1/7	5 years	\$ 7.58
Henderson	Pennzoil Exploration and Production Co.	\$104.00	3/16	3 years	None
Frio	Union Pacific Resources Co.	\$150.00	1/4	2 years	\$25.00
Freestone	Enron Oil and Gas Co.	\$ 75.00	3/16	2 years	None

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

Sincerely,



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

Attachments

Exhibit "A"

Being 9.40 acres of land, more or less, situated in the T. Mays Survey of Brazos County, Texas. Said 9.40 acres being the same land conveyed to the State by the following listed deeds:

<u>Grantor</u>	<u>Volume</u>	<u>Page</u>
S. E. Dunlap	80	542
B. M. Curd	80	540 &
	83	571

Said 9.40 acres being a strip of land of variable width and is more particularly described as follows, to wit;

Beginning at a point on the east line of the T. Mays Survey. Said point being north 1,598.00 feet from the most westerly corner of the J. Walker Survey;

Thence N 00° 00' 00" E, along the said east line, a distance of 62.00 feet crossing the centerline of S.H. 6 at Engineer's Centerline Station Number 1271+30.00 and continuing on for a total distance of 124.00 feet to a point on the northerly right of way line of S.H. 6;

Thence N 39° 17' 00" W, along the said right of way line, a distance of 194.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1269+00.00;

Thence N 36° 00' 00" W, a distance of 201.00 feet to a point 60.00 feet from and at right angles to Engineer's Centerline Station Number 1267+00.00;

Thence N 39° 17' 00" W, a distance of 125.00 feet to the P.T. of a 01° 00' degree curve to the left. Said P.T. being at Engineer's Centerline Station Number 1265+86.60;

Thence, around said curve, along the northerly right of way line of S.H. 6, a distance of 786.60 feet on the centerline to the P.C. of said curve at Engineer's Centerline Station Number 1258+00.00;

Thence N 47° 09' 00" W, a distance of 12.00 feet to a point 60.00 feet from and at right angles to Engineer's Centerline Station Number 1257+88.00;

Thence N 49° 00' 00" W, a distance of 201.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1255+87.00;

Brazos County
CSJ 50-2-8
S.H. 6
No. 416

Thence N 47° 09' 00" W, along the northerly right of way line of S.H. 6, a distance of 2,175.00 feet to a point;

Thence S 00° 00' 00" W, a distance of 62.00 feet, crossing the centerline of said S.H. 6 at Engineer's Centerline Station Number 1235+27.00 and continuing on for a total distance of 124.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1235+70.00;

Thence S 47° 09' 00" E, along the southerly right of way line of S.H. 6, a distance of 2,115.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1255+87.00;

Thence S 44° 00' 00" E, a distance of 201.00 feet to a point 60.00 feet from and at right angles to Engineer's Centerline Station Number 1257+88.00;

Thence S 47° 09' 00" E, a distance of 12.00 feet to the P.C. of a 01° 00' degree curve to the right. Said P.C. being at Engineer's Centerline Station Number 1258+00.00;

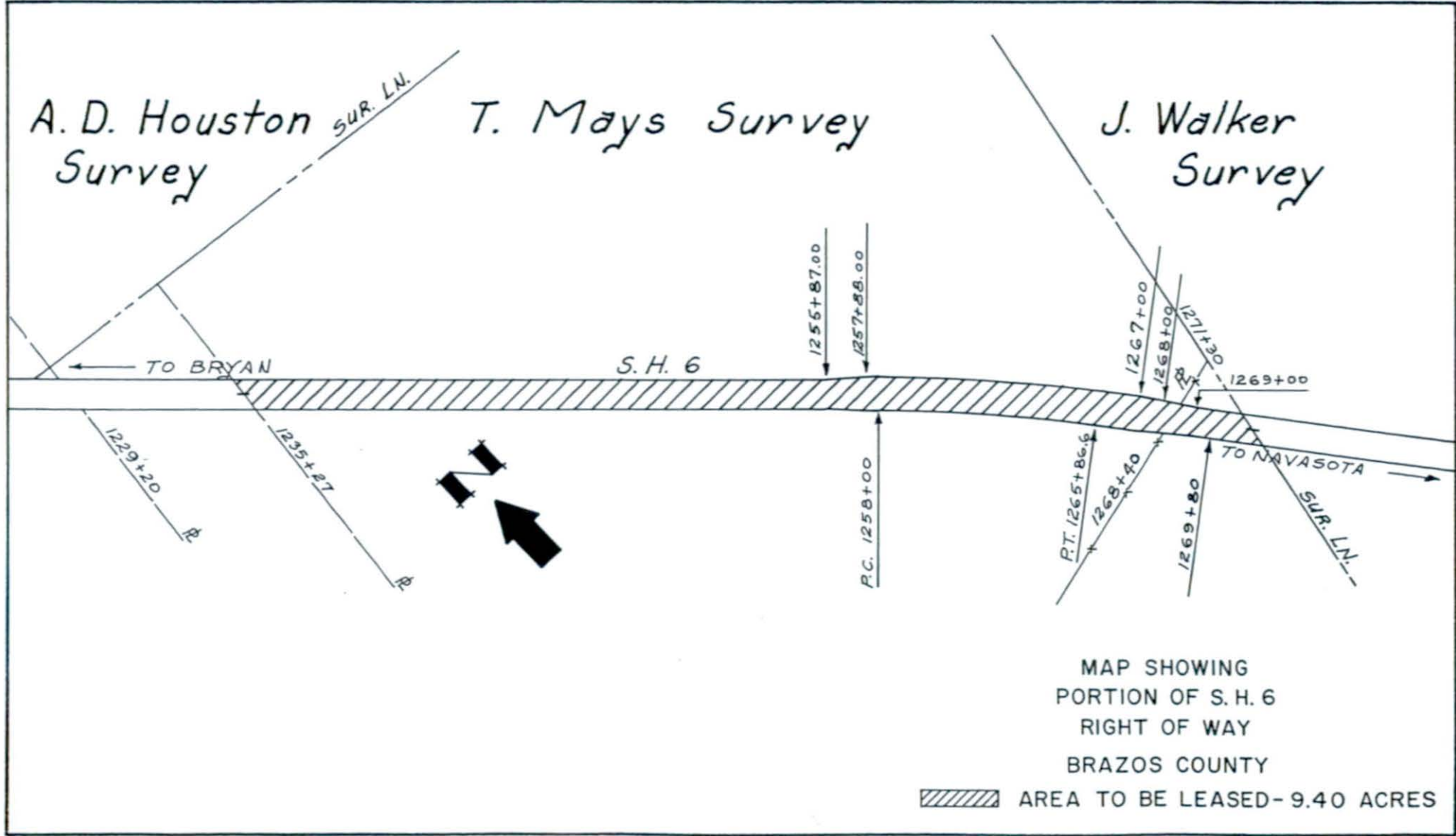
Thence, around said curve, along the southerly right of way line of S.H. 6, a distance of 786.60 feet, at the centerline, to the P.T. of said curve at Engineer's Centerline Station Number 1265+86.60;

Thence S 39° 17' 00" E, a distance of 113.00 feet to a point 60.00 feet from and at right angles to Engineer's Centerline Station Number 1267+00.00;

Thence S 41° 00' 00" E, a distance of 201.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1269+00.00;

Thence S 39° 17' 00" E, a distance of 198.00 feet to the Point of Beginning of the tract herein described and containing 9.40 acres.

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 50-2-8.



M.95349

Memo

8.31-93

②

JONES & ZWIENER, INC. ✓

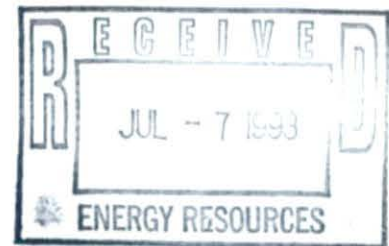
Professional Land Services

1300 MAIN STREET, SUITE 1720
HOUSTON, TEXAS 77002

TEL. (713) 650-0903

FAX (713) 650-3547

JUNE 30, 1993



TEXAS GENERAL LAND OFFICE
STEPHEN F. AUSTIN BUILDING
1700 NORTH CONGRESS AVENUE, ROOM 640
AUSTIN, TEXAS 78701-1495

X 100.00

93066221

ATTN: MR. ROBERT B. HATTER
MANAGER LEASE ADMINISTRATION ENERGY RESERVES
DIVISION

RE: APPLICATION TO LEASE A PORTION OF STATE HIGHWAY 6
BEING 9.40 ACRES OF LAND, MORE OR LESS, SITUATED IN THE
THOMS MAYS SURVEY, A-161, BRAZOS COUNTY, TEXAS FOR
HORIZONTAL DRILLING.

170
/

DEAR MR. HATTER:

OUR CLIENT, UNION PACIFIC RESOURCES COMPANY OF FORT WORTH,
TEXAS, IS INTERESTED IN ACQUIRING AN OIL AND GAS LEASE FOR
HORIZONTAL DRILLING COVERING THE ABOVE REFERENCED HIGHWAY
TRACT.

I SUBMIT THE FOLLOWING FOR YOUR REVIEW:

1. NAMES AND ADDRESSES OF ADJACENT MINERAL OWNERS.
2. A CHECK FOR \$100.00 FOR PROCESSING.
3. WRITTEN WAIVER OF STATUTORY NOTICE EXECUTED BY RAY SLOAN, AGENT FOR UNION PACIFIC RESOURCES COMPANY.
4. CERTIFIED COPIES OF ADJACENT LEASES.
5. A NOTARIZED AFFIDAVIT OF CONSIDERATION PAID, EXECUTED BY ROBERT N. KOELBL, VICE PRESIDENT OF OGDEN RESOURCES CORPORATION, FOR LEASES ADJACENT TO THE HIGHWAY RIGHT-OF-WAY.
6. A ROUGH PLAT OF THE SUBJECT RIGHT-OF-WAY.
7. CERTIFIED COPIES OF ACQUISITION DEEDS FOR THE HIGHWAY RIGHT-OF-WAY.

MR. ROBERT B. HATTER
TEXAS GENERAL LAND OFFICE
JUNE 30, 1993
PAGE 2

8. LETTER OPINION FROM TERRY I. CROSS OF HAYNES &
BOONE, L.L.P.

SHOULD YOU REQUIRE FURTHER INFORMATION CONCERNING THIS
APPLICATION, PLEASE CONTACT ME AT 409/776-8480.

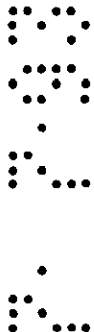
YOUR PROMPT ATTENTION TO THIS MATTER IS APPRECIATED.

SINCERELY,

Billy N. Curbow
BILLY N. CURBOW

BNC

ENCLOSURES



M-95349

APP. 4M.

6-30-93

53

2.32

BILLY N. CURBOW
JONES & ZWIENER, INC.
901 University Drive East
College Station, Texas 77840

September 2, 1993

Drew Reid
Texas General Land Office
Stephen F. Austin Building
Room 640
1700 N. Congress
Austin, Texas 78701

RE: Drafts

Dear Mr. Reid,

In reference to my conversation on September 1, 1993, with Doug Jones of Jones & Zwiener, Inc., please find enclosed three sight drafts for the amounts indicated. The sums of each draft include Sale Fee, Paid Up Rentals and any additional bonus consideration.

When the Oil and Gas Leases are executed please send them to me at the above address for processing at your earliest convenience.

Thank you for your cooperation in taking care of this matter, should you have a question or require information, please feel free to contact me at 409-260-9150.

Sincerely,

Billy N. Curbow
Billy N. Curbow

Union Pacific Resources Co ←
94000981

X 1,000.58

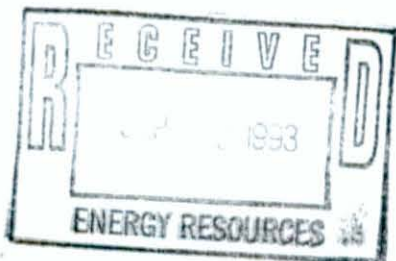
BNC/Enc.

X 652.69

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X 140.11

94000983



01-95345

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9-2-93

④

WAIVER OF STATUTORY NOTICE

STATE OF TEXAS §

COUNTY OF BRAZOS §

WHEREAS, UNION PACIFIC RESOURCES COMPANY OF FORT WORTH, TEXAS, ASSIGNEE OF OGDEN RESOURCES CORPORATION, PROPOSES TO EXERCISE ITS PREFERENTIAL RIGHT TO LEASE CERTAIN LANDS UNDERNEATH STATE HIGHWAY 6, BRAZOS COUNTY, TEXAS, AND HEREBY WAIVES THE STATUTORY NOTICE OF THE INTENT OF THE STATE OF LEASE OF WHICH IT IS ENTITLED.

EXECUTED, THIS THE 30th DAY OF JUNE, 1993.

UNION PACIFIC RESOURCES COMPANY

By:

Ray Sloan
RAY SLOAN, AGENT

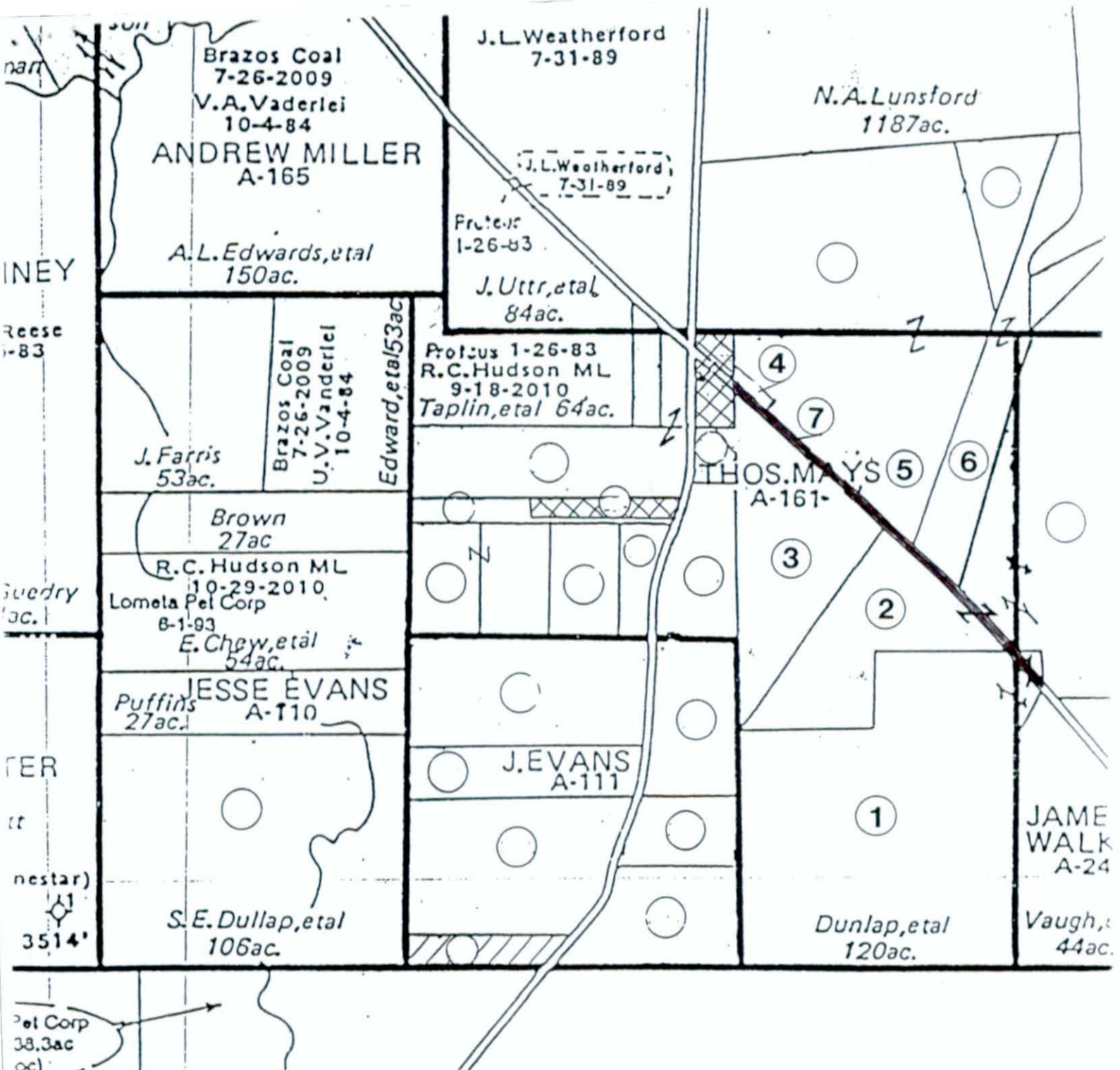
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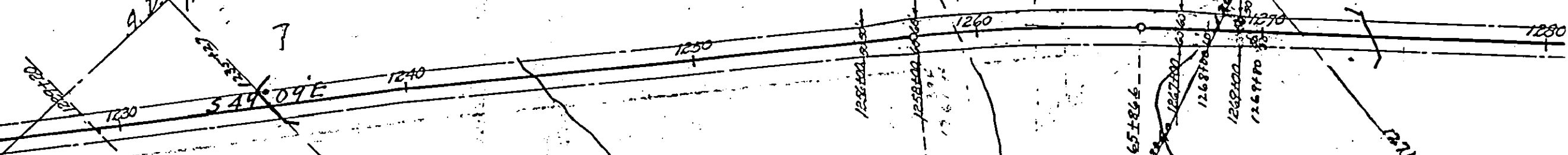


(1)	SAM MILTON DUNLAP ET UX, DONNA	959.0 ACRES
(2)	ALFRED C. SMITH, JR. FRED SMITH ET UX, MADOLYN WARREN V. SMITH, ET AL	100.51 ACRES
(3)	GRANGER CHUI ET UX, DOROTHY	33.14 ACRES
(4)	MARGARET GILLIES	1.0 ACRE
(5)	RONALD BRYAN, TRUSTEE	144.38 ACRES
(6)	INTERSTATE PROMOTIONAL PRINTING RICHARD BRUCE GABBARD	33.82 ACRES
(7)	HIGHWAY 6	_____ ACRES

9. D. Houston survey
T. Mays survey

✓✓
Mrs. B. M. Curd
Deed 8.34 Ac.
1235+27 to 1268+40
Vol. 83 - Page 571

J. Walker Survey
T. Mays Survey



✓✓
J. H. ROYDER
Sta 1229+20 to 1235+27
Deed 1.39 Ac.
Vol 83 Pg 573

A = 7° 52'
D = 1° 00'
T = 394.0'

✓✓
S. E. Dunlap
Sta 1268+40 to 1291+30
Deed 1.06 Ac.
Vol 80 Pg 542
539

SH.
sta. 129
and 129
D.
Vol.

M-95349

Plot

⑥

AFFIDAVIT OF FACT

STATE OF TEXAS §
COUNTY OF BRAZOS §

KNOW ALL MEN BY THESE PRESENTS:

BEFORE ME, THE UNDERSIGNED AUTHORITY, A NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS, ON THIS DAY PERSONALLY APPEARED ROBERT N. KOELBL, TO ME WELL KNOWN TO BE A CREDIBLE PERSON, AND WHO, AFTER BEING BY ME DULY SWORN, ON HIS OATH DID STATE:

I HAVE BEEN ADVISED BY UNION PACIFIC RESOURCES COMPANY THAT THE FOLLOWING MINERAL OWNERS RECEIVED THE FOLLOWING CONSIDERATION FOR THEIR RESPECTIVE OIL AND GAS LEASES, BEING:

LESSOR: RONALD BRYAN, TRUSTEE
LESSEE: OGDEN RESOURCES CORPORATION
BONUS PER ACRE: \$30.00
RENTAL PER ACRE: \$5.00
TERM: 5 YEARS FROM 2/22/90
ROYALTY: 1/6
RECORDED: VOLUME 1170, PAGE 55
OFFICIAL RECORDS, BRAZOS COUNTY, TX

LESSOR: SAM MILTON DUNLAP A/K/A
LESSEE: S.M. DUNLAP AND WIFE, DONNA DUNLAP
BONUS PER ACRE: OGDEN RESOURCES CORPORATION
\$20.00
RENTAL PER ACRE: \$5.00
TERM: 5 YEARS FROM 6/19/89
ROYALTY: 1/7
RECORDED: VOLUME 1169, PAGE 397
OFFICIAL RECORDS, BRAZOS COUNTY, TX

LESSOR: GRANGER CHUI AND WIFE, DOROTHY
LESSEE: OGDEN RESOURCES CORPORATION
BONUS PER ACRE: \$40.00
RENTAL PER ACRE: \$5.00
TERM: 5 YEARS FROM 11/30/89
ROYALTY: 1/6
RECORDED: VOLUME 1169, PAGE 359
OFFICIAL RECORDS, BRAZOS COUNTY, TX

LESSOR: RICHARD BRUCE GABBARD
LESSEE: OGDEN RESOURCES CORPORATION
BONUS PER ACRE: \$60.66
RENTAL PER ACRE: \$7.58
TERM: 5 YEARS FROM 1/15/90
ROYALTY: 1/6
RECORDED: VOLUME 1169, PAGE 393
OFFICIAL RECORDS, BRAZOS COUNTY, TX


LESSOR: ALFRED C. SMITH, JR.
LESSEE: OGDEN RESOURCES CORPORATION
BONUS PER ACRE: \$40.00
RENTAL PER ACRE: \$5.00
TERM: 5 YEARS FROM 1/5/90
ROYALTY: 1/6
RECORDED: VOLUME 1169, PAGE 462
OFFICIAL RECORDS, BRAZOS COUNTY, TX

LESSOR: FRED SMITH AND WIFE, MADOLYN
LESSEE: OGDEN RESOURCES CORPORATION
BONUS PER ACRE: \$40.00
RENTAL PER ACRE: \$5.00
TERM: 5 YEARS FROM 1/5/90
ROYALTY: 1/6
RECORDED: VOLUME 1169, PAGE 466
OFFICIAL RECORDS, BRAZOS COUNTY, TX

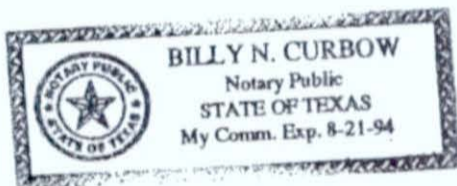
LESSOR: WARREN V. SMITH, ET AL
LESSEE: OGDEN RESOURCES CORPORATION
BONUS PER ACRE: \$40.00
RENTAL PER ACRE: \$5.00
TERM: 5 YEARS FROM 1/5/90
ROYALTY: 1/6
RECORDED: VOLUME 1169, PAGE 471
OFFICIAL RECORDS, BRAZOS COUNTY, TX

LESSOR: INTERSTATE PROMOTIONAL PRINTING CO.
LESSEE: OGDEN RESOURCES CORPORATION
BONUS PER ACRE: \$75.00
RENTAL PER ACRE: \$5.00
TERM: 5 YEARS FROM 1/15/90
ROYALTY: 1/6
RECORDED: VOLUME 1233, PAGE 556
OFFICIAL RECORDS, BRAZOS COUNTY, TX

END OF STATEMENT.


ROBERT N. KOELBL, VICE PRESIDENT OF
OGDEN RESOURCES CORPORATION.

SUBSCRIBED AND SWORN TO BEFORE ME, THIS 11th DAY OF JUNE,
1993.

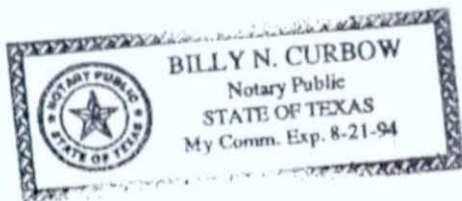



NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §

COUNTY OF BRAZOS §

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME, THIS 11th DAY
OF JUNE, 1993, BY ROBERT N. KOELBL.




NOTARY PUBLIC, STATE OF TEXAS

0195349

APR 9 1993

6-11-93

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234

HAYNES AND BOONE, L.L.P.
ATTORNEYS AND COUNSELORS AT LAW

3100 NATIONSBANK PLAZA
DALLAS, TEXAS 75202-3789
TELEPHONE 214/651-5000
TELEX 73-0187
TELECOPY 214/651-5940

AUSTIN
DALLAS
FORT WORTH
HOUSTON
SAN ANTONIO

WRITER'S DIRECT DIAL NUMBER:

(214) 651-5603

June 25, 1993

Mr. Robert Hatter
Manager, Lease Administrations
Texas General Land Office
Stephen F. Austin Building
1700 N. Congress Ave.
Austin, Texas 78701

Dear Mr. Hatter:

At the request of Union Pacific Resources Company, we have reviewed the following documents (the "Deeds") affecting certain tracts of land located in Burleson County, Texas, as more particularly described on Exhibit "A" attached hereto (the "Property"):

1. Photocopy of a Right of Way Deed dated July 11, 1931, from S.E. Dunlap to the State of Texas, recorded in Volume 80, Page 539 of the Real Property Records of Brazos County, Texas. (being Tract One as described on Exhibit "A" hereto)
2. Photocopy of a Right of Way Deed dated July 8, 1931, from S. H. Smith to the State of Texas, recorded in Volume 80, Page 542 of the Real Property Records of Brazos County, Texas. (being Tract Two as described on Exhibit "A" hereto)

Each of the Deeds contain a granting clause which on its fact grants and conveys to the State of Texas a fee simple interest in the affected Property. However, immediately following the granting clause, each of the Deeds prefaces the description of the affected Property as a tract of land "to be used for right of way purposes." Under Texas law it does not appear that this recital in the Deeds (i.e., that the affected Property conveyed is to be used for right of way purposes) limits the fee simple conveyance otherwise granted pursuant to

Mr. Robert Hatter
June 25, 1993
Page 2

the granting clause. The Texas Supreme Court, in Texas Electric Railway Company v. Neale, 252 S.W.2d 451, 456, held that the use of the words "right of way" in a deed "does not change the effect of the conveyance, for the declaration in a deed of the purpose for which land is conveyed or the use to be made of it does not impose a condition upon the title granted; nor does it operate to limit the grant to a mere easement."

Therefore, based upon our review of the Deeds and applying the analysis of Texas Electric Railway Company v. Neale, fee simple title to the surface and mineral estate of the Property is vested in the State of Texas by virtue of such Deeds.

Please do not hesitate to contact me should you have any questions concerning our interpretation of the Deeds.

Yours truly,



Terry I. Cross

TIC/wh
cc: Mr. Ray Sloan
c/o Varsity Motel
P.O. Box 716
Caldwell, Texas 77836

Mr. John C. Cirone
Union Pacific Resources Company

1d8933E

TRACT TWO:

A tract of land out of the James Walker and Holden Evans Surveys described as follows and to be used for right of way purposes; Beginning at a point on the West line of the Jas. Walker Survey said point being 1598 feet North of the extreme Western corner of said survey and 50 feet from the center of the proposed highway at station 1271 plus 50; Thence S 39 - 17 E along a line parallel to and 50 feet from the center of the proposed highway a distance of 2734 feet; Thence S 34 degrees E a distance of 100 feet to a point which is 60 feet from the center of the proposed highway; Thence S. 39 - 17 E a distance of 100 feet; Thence S 44 degrees a distance of 100 feet to a point which is 50 feet from the center of the proposed highway; thence S 39 - 17 E along a line parallel to and 50 feet from the center of the proposed highway a distance of 1800 feet to a fence which is the North fence of a public road leading to Millioan; Thence N 70 degrees W along said fence line a distance of 100 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 1808 feet; Thence N 34 degrees W a distance of 100 feet to a point which is 60 feet from the center of the proposed highway; Thence N 39- 17 W a distance of 100 feet; Thence N 44 degrees W a distance of 100 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 2806 feet; Thence due West long a fence and survey line a distance of 124 feet to the Place of Beginning containing 11.29 acres of land.

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,
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 4 o'clock p.m. to which I certify

Jess B. McGee, C. S. J., D. C.

Jess B. McGee Deputy

THE STATE OF TEXAS]

COUNTY OF BRAZOS | KNOW ALL MEN BY THESE INSTRUMENTS: That S. E. 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 station 1271 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 35 degrees W a distance of 40 feet; Thence due West a distance of 124 feet; Thence S 43 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 easterly 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

distance of 50 ft along a line which is parallel to and fifty feet from the center line of the proposed highway to a point opposite station 1299; Thence; approximately S 42-17 E. along a line for a distance of 100 ft. to a point which is opposite station 1300 and a distance of 60 ft from the center line of the proposed highway; Thence S. 39-17 E for a distance of 90 ft. along a line parallel to and 60 ft. from the center line of the proposed highway, to a point in the above mentioned creek Thence; in a westernly direction along the center line of the above mentioned creek to the place of beginning. containing .584 acres of land.

And it is further agreed that the said S. E. Dunlap will fence right-of-way, Brazos County furnish material 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 she 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 11th day of July A.D. 1931.

S. E. Dunlap

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

Given under my hand and seal of office, this the 11th day of July 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 4 :40 o'clock p.m. to which I certify.

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

Jess B. McGee Deputy

THE STATE OF TEXAS|

COUNTY OF BRAZOS | *90/340 deed* KNOW ALL MEN BY THESE PRESENTS: That Mrs. D. M. Curd, 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. Mays Survey to be used for right of way purposes and described as follows: Beginning at a point on the North line of the T. Mays Survey said point being 3350 feet West of the extreme Eastern corner of the Mays Survey and 50 feet from the center of the proposed highway at station 1229 plus 01; Thence due West with the North line of the Mays Survey a distance of 124 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 2735 feet; Thence S 44 degrees E a distance of 200 feet to a point which is 60 feet from the

2024

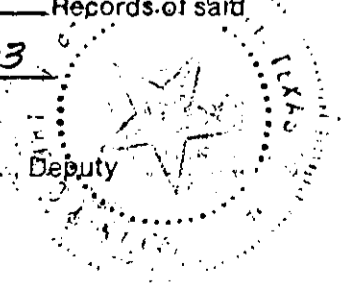
STATE OF TEXAS)
COUNTY OF BRAZOS)

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. 80, Page 539 in DEED Records of said County on file in my office. 7-1-93

ATTEST
Mary Ann Ward, County Clerk
Brazos County, Texas

Mary Ann Ward

Deputy



80/542

THE STATE OF TEXAS|

COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That S. H. Smith 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 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 James Walker and Holden Evans Surveys described as follows and to be used for right of way purposes; Beginning at a point on the West line of the Jas. Walker Survey said point being 1598 feet North of the extreme Western corner of said survey and 50 feet from the center of the proposed highway at station 1271 plus 30; Thence S 39 - 17 E along a line parallel to and 50 feet from the center of the proposed highway a distance of 2734 feet; Thence S 34 degrees E a distance of 100 feet to a point which is 60 feet from the center of the proposed highway; Thence S. 39 - 17 E a distance of 100 feet; Thence S 44 degrees a distance of 100 feet to a point which is 50 feet from the center of the proposed highway; thence S 39 - 17 E along a line parallel to and 50 feet from the center of the proposed highway a distance of 1800 feet to a fence which is the North fence of a public road leading to Millioan; Thence N 70 degrees W along said fence line a distance of 100 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 1808 feet; Thence N 34 degrees W a distance of 100 feet to a point which is 60 feet from the center of the proposed highway; Thence N 39- 17 W a distance of 100 feet; Thence N 44 degrees W a distance of 100 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 2806 feet; Thence due West long a fence and survey line a distance of 124 feet to the Place of Beginning containing 11.29 acres of land.

and it is further agreed that the said S. H. Smith 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 8 day of July A.D. 1931.

S. H. Smith

THE STATE OF TEXAS|

COUNTY OF BRAZOS) (BEFORE ME, J. M. Ferguson, a Notary Public in and for said County and State on this day personally appeared S. H. 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 8 day of July A.D. 1931.

(SEAL)

J. M. Ferguson, 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 22nd day of Oct. A.D. 1931 at 9:30 o'clock a.m. to which I certify

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

Jess B. McGee Deputy

8

M-95349

title opinion
to
Paper Deeds

2004

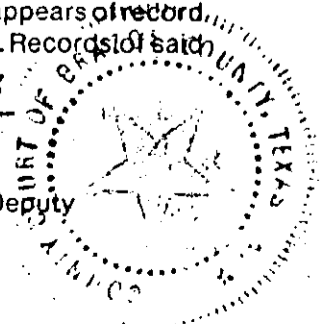
STATE OF TEXAS)
COUNTY OF BRAZOS)

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. 80, Page 542 in DEED Records of said County on file in my office. 7-1-93

ATTEST

Mary Ann Ward, County Clerk
Brazos County, Texas

Mark Sunch, Deputy



OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 19th day of June, 1989, between
Sam Milton Dunlap A/K/A
S.M. Dunlap and wife Donna Dunlap
 Lessor (whether one or more), whose address is: 702 Victoria
Navasota, Texas Zip Code 77868
 and Ogden Resources Corporation
 Lessee, (whether one or more), whose address is: 1860 Greenfield Plaza 441032
Bryan, Texas Zip Code 77802

WITNESSETH:

1. Lessor in consideration of Ten dollars 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:

TRACT #1: BEING 943 acres of land, more or less, located in the Andrew Millican League, A-39, the Jesse Evans Survey, A-110 and the Thomas H. Mays Survey, A-161 in Brazos County, Texas and being the same 943 acres of land described as First Tract in a Deed from George W. Dunlap to S.E. Dunlap dated October 29, 1930, and recorded in Vol. 78, Page 318 of the Deed Records of Brazos County, Texas.

TRACTS #2: BEING 16 acres of land, more or less, and being located in the Andrew Millican League, A-39 which adjoins the said 943 acre tract described above on the west, said 16 acres of land being described as follows: Approximately 16 acres of land bounded on the north by a south boundary line of said 943 acre tract extending between Cedar Creek on the east and the east line of the R. Pat Patterson (now P.P. Prescott) 100 acres on the west; bounded on the west by the east line of said R. Pat Patterson (now P.P. Prescott) 100 acre tract; bounded on the south by the fence between William Lambdin 102 acres and said 16 acre tract; bounded on the east by Cedar Creek.

Additional provisions are as set forth on exhibit "A" attached hereto and made a part hereof for all purposes.

When ever the term 1/8th appears in paragraph three (03) below the same shall be changed to

Handwritten notes:
 read 1/8th
 1/8th
 1/8th

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above. For all purposes of this lease, said land is estimated to comprise 959 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall be for a term of Five (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. The royalties to be paid by Lessee are:
 (a) On oil, one-eighth of that produced and saved from said land, the same to be delivered at the well. If Lessor elects not to take delivery of the royalty oil, Lessee may from time to time sell the royalty oil in its possession, paying to Lessor therefor the net proceeds derived by Lessee from the sale of such royalty oil. Lessor's royalty interest in oil shall bear its proportionate part of the cost of treating the oil to render it marketable oil and, if there is no available pipeline, its proportionate part of the cost of all trucking charges.

(b) On gas, including all gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well on one-eighth of the gas so sold or used, provided that on gas sold at the well the royalty shall be one-eighth of the net proceeds derived from such sale. Lessor's royalty interest in gas, including all gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substance, shall bear its proportionate part of the cost of all compressing, treating, dehydrating and transporting incurred in marketing the gas so sold at the wells.

(c) On all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur mined and marketed the royalty shall be fifty cents (\$.50) per long ton.

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

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

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

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

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

5. (a) Lessee, at its option, is hereby given the right and power to pool, unitize or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, plus a tolerance of ten percent (10%) thereof, and units pooled for gas hereunder shall not substantially exceed in area 320 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by government regulations.

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

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

(d) For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis - that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit.

(e) The formation of any unit hereunder shall not have the effect of changing the ownership of any delay rental or shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

6. (a) If operations for drilling are not commenced on said land or on acreage pooled therewith as above provided on or before one year from this date, the lease shall then terminate as to both parties, unless on or before such anniversary date Lessee shall pay or tender (or shall make a bona fide attempt to pay or tender, as hereinafter stated) to Lessor or to the credit of Lessor in Security State Bank at NAVASOTA, Texas, (which bank and its successors are Lessor's agent and shall continue as the depository

for all rentals payable hereunder regardless of change in ownership of said land or the rentals) the sum of Four thousand seven hundred ninety-five dollars ----- Dollars

(\$4,795.00), (therein called rentals), which shall cover the privilege of deferring commencement of drilling operations for a period of twelve (12) months. In like manner and upon like payments or tenders annually, the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rental under this paragraph and of royalty under paragraph 3 on any gas well from which gas is not being sold or used may be made by the check or draft of Lessee mailed or delivered to the parties entitled thereto or to said bank on or before the date of payment. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders. If Lessee shall, on or before any anniversary date, make a bona fide attempt to pay or deposit rental to a Lessor entitled thereto according to Lessee's records or to a Lessor, who, prior to such attempted payment or deposit, has given Lessee notice, in accordance with subsequent provisions of this lease, of his right to receive rental, and if such payment or deposit shall be ineffective or erroneous in any regard, Lessee shall be unconditionally obligated to pay to such Lessor the rental properly payable for the rental period involved, and this lease shall not terminate but shall be maintained in the same manner as if such erroneous or ineffective rental payment of deposit had been properly made, provided that the erroneous or ineffective rental payment or deposit be corrected within 30 days after receipt by Lessee of written notice from such Lessor of such error accompanied by such instruments as are necessary to enable Lessee to make proper payment. The down cash payment is consideration for this lease according to its terms and shall not be allocated as a mere rental for a period. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record a release or releases of this lease as to all or any part of the above-described premises, or of any mineral or horizon under all or any part thereof, and thereby be relieved of all obligations as to the released land or interest. If this lease is released as to all minerals and horizon under a portion of the land covered by this lease, the rentals and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the number of surface acres within such released portion bears to the total number of surface acres which was covered by this lease immediately prior to such release.

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

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

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mineral is produced from said land or acreage pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within three hundred thirty (330) feet of and draining the leased premises, or acreage pooled therewith, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

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

9. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. In the event of the death of any person entitled to rentals, shut-in royalty or royalty hereunder, Lessee may pay or tender such rentals, shut-in royalty or royalty to the credit of the deceased or the estate of the deceased until such time as Lessee is furnished with proper evidence of the appointment and qualification of an executor or administrator of the estate, or if there be none, then until Lessee is furnished with evidence satisfactory to it as to the heirs or devisees of the deceased and that all debts of the estate have been paid. If at any time two or more persons be entitled to participate in the rental payable hereunder, Lessee may pay or tender said rental jointly to such persons or to their joint credit in the depository named herein, or, at Lessee's election, the proportionate part of said rentals to which each participant is entitled may be paid or tendered to him separately or to his separate credit in said depository; and payment or tender to any participant of his portion of the rentals hereunder shall maintain this lease as to such participant. In event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payments for all.

10. (a) The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The provisions of this paragraph 10(a) shall be applicable to the payment by Lessee of shut-in gas royalty and rentals except that the time for the Lessee to cure any non-payment thereof is otherwise stated in paragraph 4 hereof.


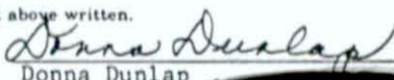
(b) After the discovery of oil, gas or other mineral in paying quantities on said premises, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres, plus an acreage tolerance not to exceed 10% of 40 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 320 acres plus an acreage tolerance not to exceed 10% of 320 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities.

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

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

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

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

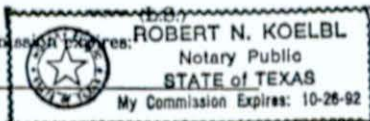
 S.M. Dunlap S.S. or Tax I.D. No. [REDACTED]	Lessor	 Donna Dunlap S.S. or Tax I.D. No. [REDACTED]	Lessor
_____	Lessor	_____	Lessor
S.S. or Tax I.D. No. _____		S.S. or Tax I.D. No. _____	
_____	Lessor	_____	Lessor
S.S. or Tax I.D. No. _____		S.S. or Tax I.D. No. _____	

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF GRIMES

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared
S.M. DUNLAP, A/K/A SAM MILTON DUNLAP AND WIFE DONNA DUNLAP
known to me to be the person whose name s ARE subscribed to the foregoing instrument, and acknowledged to me that They executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE,
this the 19th day of JUNE A.D. 19 89

My commission expires:  ROBERT N. KOELBL
Notary Public
STATE of TEXAS
My Commission Expires: 10-26-92

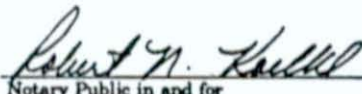

Notary Public in and for _____ County, Texas

EXHIBIT "A"

When in conflict, the following provisions of this exhibit "A" will control over the printed portions of this Oil, Gas and Mineral Lease:

14. This lease is limited to oil, gas and associated hydrocarbons including sulphur and does not cover or include coal, lignite, uranium, uranium ores, vanadium, plutonium or other fissionable materials or minerals, and such materials or minerals are excepted from this lease and reserved to Lessor, their heirs and assigns, and it is understood that the term "other minerals" whenever and wherever used in this lease shall not refer to or include the materials cited in this paragraph.

15. Lessee agrees to furnish Lessor with a recordable release at the end of the primary term hereof, of any portion of this oil, gas or mineral lease that is not in full force and effect due to production of oil and/or gas or as provided for by other provisions of this lease.

16. The pooling provision as provided for in this Oil, Gas and Mineral lease is only allowed for units producing at depths below 4000 feet.

17. Anything to the contrary herein notwithstanding, it is provided that if any portions of the land held hereunder should be unitized with other lands, then unit drilling or reworking operations on or unit production from any unit shall only maintain this lease as to the land included in such unit. It is further provided that if during the primary term hereof, a part, but not all, of the leased land is included within a unit, or units, in accordance with the provisions of Paragraph 5 hereof, this lease shall terminate as to such part, or parts, of the leased land not included within such unit, or units, unless Lessee pays or tender's delay rentals on the number of acres of the leased land outside of such unit, or units, in accordance with the provisions hereof, or unless Lessee is relieved under the terms and provisions hereof from such tender or payment by virtue of drilling operations upon and/or production of oil, gas or other minerals from such land, or lands, outside of such unit or units.

18. This lease may not be maintained in force for more than two years beyond the end of the primary term hereof by virtue of paying shut-in gas royalties.


S.M. Dunlap, for identification

33

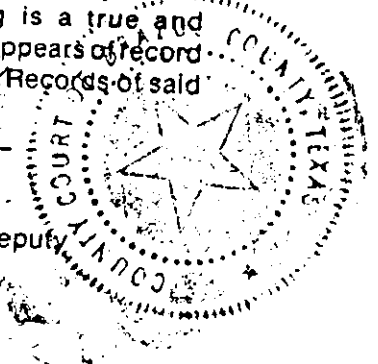
THE STATE OF TEXAS)
COUNTY OF BRAZOS)

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. 1169 . Page 397 in Official Records of said
County on file in my office: 6-7-93

ATTEST
Mary Ann Ward, County Clerk
Brazos County, Texas

Cherrie Sunch

Deputy



OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 5th day of January, 1990 between

Lessor (whether one or more), whose address is: Alfred C. Smith, Jr., Dealing in his separate property
7258 Shadow Ridge
San Antonio, Texas *Raymond Salmeron* Zip Code 78250
 and
Ogden Resources Corporation
 Lessee, (whether one or more), whose address is: 1860 Greenfield Plaza
Bryan, Texas Zip Code 77802

WITNESSETH:

1. Lessor in consideration of Ten dollars 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:

BEING 100.51 acres of land, more or less, out of the Thomas Mays Survey, A-161 and the James Walker Survey, A-244, Brazos County, Texas and being the same tracts of land described in three tracts as follows, to wit:

Being the two tracts of land described as 32.97 and 33.77 acres in a Partition Deed dated October 22, 1962 between Lois Smith, et vir A.C. Smith and George D. Bramlett, Jr. and Linda Hughes recorded in Vol. 222, Page 598 AND ALSO a Tract of land described as 33.77 acres in a Deed dated October 19, 1962 from Linda Hughes et vir, Jerry Hughes and George D. Bramlett, Jr. to A.C. Smith and wife, Lois Smith recorded in Vol. 222, Page 602 of the Deed Records of Brazos County, Texas and further described in a Mineral Deed dated May 5, 1982 from Lois Smith and husband, A.C. Smith to Fred D. Smith, Warren Smith and Alfred C. Smith, Jr., said Mineral Deed is recorded in Vol. 519, Page 187 of the Deed Records of Brazos County, Texas.

Whenever the term 1/8th appears in paragraph three below the same shall be changed to read 1/6th.

AD This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above. For all purposes of this lease, said land is estimated to comprise 100.51 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall be for a term of Five (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. The royalties to be paid by Lessee are:

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

(b) On gas, including all gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well on one-eighth of the gas so sold or used, provided that on gas sold at the well the royalty shall be one-eighth of the net proceeds derived from such sale. Lessor's royalty interest in gas, including all gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substance, shall bear its proportionate part of the cost of all compressing, treating, dehydrating and transporting incurred in marketing the gas so sold at the wells.

(c) On all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur mined and marketed the royalty shall be fifty cents (\$.50) per long ton.

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

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

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

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

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

5. (a) Lessee, at its option, is hereby given the right and power to pool, unitize or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, plus a tolerance of ten percent (10%) thereof, and units pooled for gas hereunder shall not substantially exceed in area 320 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by government regulations.

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

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

(d) For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis - that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit.

(e) The formation of any unit hereunder shall not have the effect of changing the ownership of any delay rental or shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

6. (a) If operations for drilling are not commenced on said land or on acreage pooled therewith as above provided on or before one year from this date, the lease shall then terminate as to both parties, unless on or before such anniversary date Lessee shall pay or tender (or shall make a bona fide attempt to pay or tender, as hereinafter stated) to Lessor or to the credit of Lessor in Security Services Fed Credit Union at San Antonio, Texas, (which bank and its successors are Lessor's agent and shall continue as the depository for all rentals payable hereunder regardless of change in ownership of said land or the rentals) the sum of One hundred Twenty-five dollars and 64/100 Dollars (\$ 125.64), herein called rentals, which shall cover the privilege of deferring commencement of drilling operations for a period of twelve (12) months. In like manner and upon like payments or tenders annually, the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rental under this paragraph and of royalty under paragraph 3 on any gas well from which gas is not being sold or used may be made by the check or draft of Lessee mailed or delivered to the parties entitled thereto or to said bank on or before the date of payment. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders. If Lessee shall, on or before any anniversary date, make a bona fide attempt to pay or deposit rental to a Lessor entitled thereto according to Lessee's records or to a Lessor, who, prior to such attempted payment or deposit, has given Lessee notice, in accordance with subsequent provisions of this lease, of his right to receive rental, and if such payment or deposit shall be ineffective or erroneous in any regard, Lessee shall be unconditionally obligated to pay to such Lessor the rental properly payable for the rental period involved, and this lease shall not terminate but shall be maintained in the same manner as if such erroneous or ineffective rental payment or deposit had been properly made, provided that the erroneous or ineffective rental payment or deposit be corrected within 30 days after receipt by Lessee of written notice from such Lessor of such error accompanied by such instruments as are necessary to enable Lessee to make proper payment. The down cash payment is consideration for this lease according to its terms and shall not be allocated as a mere rental for a period. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record a release or releases of this lease as to all or any part of the above-described premises, or of any mineral or horizon under all or any part thereof, and thereby be relieved of all obligations as to the released land or interest. If this lease is released as to all minerals and horizon under a portion of the land covered by this lease, the rentals and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the number of surface acres within such released portion bears to the total number of surface acres which was covered by this lease immediately prior to such release.

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

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

EXHIBIT "A"

When in conflict the following provisions of this Exhibit "A" will control over the printed portions of this Oil, Gas and Minerals Lease:

1. Lessee shall not use water from Lessors wells or ponds without the Lessors prior written consent.
2. This lease is limited to Oil, Gas and associated hydrocarbons including sulphur.
3. Lessee shall remove all property and fixtures within 6 months after termination of the lease and restore the surface of the land as near as possible to its original condition.
4. 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.
5. Neither the Lessee, its agents, servants, employees, or sub-contractors shall hunt or fish upon the lands herein leased, nor shall they carry or discharge any firearms thereon.
6. Lessor shall have the right to review run tickets and productions records at Lessee's normal place of business during normal working hours, at such times mutually agreed on in advance.
7. 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 on 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:



mineral is produced from said land or acreage pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within three hundred (300) feet of and draining the leased premises, or acreage pooled therewith, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

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

9. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. In the event of the death of any person entitled to rentals, shut-in royalty or royalty hereunder, Lessee may pay or tender such rentals, shut-in royalty or royalty to the credit of the deceased or the estate of the deceased until such time as Lessee is furnished with proper evidence of the appointment and qualification of an executor or administrator of the estate, or if there be none, then until Lessee is furnished with evidence satisfactory to it as to the heirs or devisees of the deceased and that all debts of the estate have been paid. If at any time two or more persons be entitled to participate in the rental payable hereunder, Lessee may pay or tender said rental jointly to such persons or to their joint credit in the depository named herein, or, at Lessee's election, the proportionate part of said rentals to which each participant is entitled may be paid or tendered to him separately or to his separate credit in said depository; and payment or tender to any participant of his portion of the rentals hereunder shall maintain this lease as to such participant. In event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payments for all.

10. (a) The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The provisions of this paragraph 10(a) shall be applicable to the payment by Lessee of shut-in gas royalty and rentals except that the time for the Lessee to cure any non-payment thereof is otherwise stated in paragraph 4 hereof.

(b) After the discovery of oil, gas or other mineral in paying quantities on said premises, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres, plus an acreage tolerance not to exceed 10% of 40 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 320 acres plus an acreage tolerance not to exceed 10% of 320 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities.

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

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

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

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

Alfred C. Smith, Jr. Lessor
S.S. or Tax I.D. No. _____

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

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

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

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

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

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF BEXAR

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

VOL. 1169 PAGE 465

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE,

this the 19th day of JAN

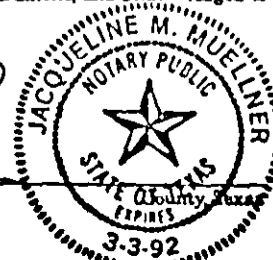
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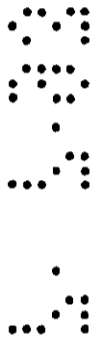
(L.S.)

My commission expires:

3-3-92

Jacqueline M. Mueller
Notary Public in and for BEXAR

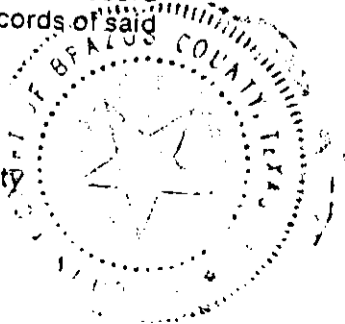




THE STATE OF TEXAS)
COUNTY OF BRAZOS)

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. 1167, Page 462 in Official Records of said
County on file in my office. 6-7-92

ATTEST _____
Mary Ann Ward, County Clerk
Brazos County, Texas
Michelle Smeeth, Deputy



OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 5th day of January, 1990, between

Fred Smith and wife, Madolyn Smith

Lessor (whether one or more), whose address is: 621 Lakeside Drive
Channelview, Texas

Zip Code 77530

and Ogden Resources Corporation

Lessee, (whether one or more), whose address is: 1860 Greenfield Plaza
Bryan, Texas

Zip Code 77802

WITNESSETH:

1. Lessor in consideration of Ten dollars 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:

BEING 100.51 acres of land, more or less, out of the Thomas Mays Survey, A-161 and the James Walker Survey, A-244, Brazos County, Texas and being the same tracts of land described in Three tracts as follows, to wit:

Being the two tracts of land described as 32.97 and 33.77 acres of a partition Deed dated October 22, 1962 between Lois Smith, et vir A.C. Smith and George D. Bramlett, Jr. and Linda Hughes recorded in Vol. 222, Page 598 AND ALSO a Tract of land described as 33.77 acres in Deed dated October 19, 1962 from Linda Hughes et vir, Jerry Hughes and George D. Bramlett, Jr. to A.C. Smith and wife, Lois Smith and further described in a Mineral Deed dated May 5, 1982 from Lois Smith and husband A.C. Smith to Fred D. Smith, Warren V. Smith and Alfred C. Smith, Jr., said mineral Deed is recorded in Vol. 519, Page 187 of the Deed Records of Brazos County, Texas and above Deed dated October 19, 1962 is recorded in Vol. 222, Page 602 of the Deed Records of Brazos County, Texas.

Whenever the term 1/8th appears in paragraph three below the same shall be changed to read 1/6th.

11/25/89
~~This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above. For all purposes of this lease, said land is estimated to comprise 100.51 acres, whether it actually comprises more or less.~~

2. Subject to the other provisions herein contained, this lease shall be for a term of Five (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. The royalties to be paid by Lessee are:

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

(b) On gas, including all gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well on one-eighth of the gas so sold or used, provided that on gas sold at the well the royalty shall be one-eighth of the net proceeds derived from such sale. Lessor's royalty interest in gas, including all gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substance, shall bear its proportionate part of the cost of all compressing, treating, dehydrating and transporting incurred in marketing the gas so sold at the wells.

~~On all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur mined and marketed the royalty shall be fifty cents (\$0.50) per long ton.~~

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

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

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

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

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

5. (a) Lessee, at its option, is hereby given the right and power to pool, unitize or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, plus a tolerance of ten percent (10%) thereof, and units pooled for gas hereunder shall not substantially exceed in area 320 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by government regulations.

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

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

(d) For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis - that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit.

(e) The formation of any unit hereunder shall not have the effect of changing the ownership of any delay rental or shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

6. (a) If operations for drilling are not commenced on said land or on acreage pooled therewith as above provided on or before one year from this date, the lease shall then terminate as to both parties, unless on or before such anniversary date Lessee shall pay or tender or shall make a bona fide attempt to pay or tender, as hereinafter stated) to Lessor or to the credit of Lessor in First Heights FSB Bank RD 808 7783 Houston, Texas, (which bank and its successors are Lessor's agent and shall continue as the depository for all rentals payable hereunder regardless of change in ownership of said land or the rentals) the sum of One hundred Twenty-five dollars and 64/100 Dollars

(\$ 125.64), therein called rentals), which shall cover the privilege of deferring commencement of drilling operations for a period of twelve (12) months. In like manner and upon like payments or tenders annually, the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rental under this paragraph and of royalty under paragraph 3 on any gas well from which gas is not being sold or used may be made by the check or draft of Lessee mailed or delivered to the parties entitled thereto or to said bank on or before the date of payment. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders. If Lessee shall, on or before any anniversary date, make a bona fide attempt to pay or deposit rental to a Lessor entitled thereto according to Lessee's records or to a Lessor, who, prior to such attempted payment or deposit, has given Lessee notice, in accordance with subsequent provisions of this lease, of his right to receive rental, and if such payment or deposit shall be ineffective or erroneous in any regard, Lessee shall be unconditionally obligated to pay to such Lessor the rental properly payable for the rental period involved, and this lease shall not terminate but shall be maintained in the same manner as if such erroneous or ineffective rental payment of deposit had been properly made, provided that the erroneous or ineffective rental payment or deposit be corrected within 30 days after receipt by Lessee of written notice from such Lessor of such error accompanied by such instruments as are necessary to enable Lessee to make proper payment. The down cash payment is consideration for this lease according to its terms and shall not be allocated as a mere rental for a period. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record a release or releases of this lease as to all or any part of the above-described premises, or of any mineral or horizon under all or any part thereof, and thereby be relieved of all obligations as to the released land or interest. If this lease is released as to all minerals and horizon under a portion of the land covered by this lease, the rentals and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the number of surface acres within such released portion bears to the total number of surface acres which was covered by this lease immediately prior to such release.

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

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

EXHIBIT "A"

When in conflict the following provisions of this Exhibit "A" will control over the printed portions of this Oil, Gas and Minerals Lease:

1. Lessee shall not use water from Lessors wells or ponds without the Lessors prior written consent.
2. This lease is limited to Oil, Gas and associated hydrocarbons including sulphur.
3. Lessee shall remove all property and fixtures within 6 months after termination of the lease and restore the surface of the land as near as possible to its original condition.
4. 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.
5. Neither the Lessee, its agents, servants, employees, or sub-contractors shall hunt or fish upon the lands herein leased, nor shall they carry or discharge any firearms thereon.
6. Lessor shall have the right to review run tickets and productions records at Lessee's normal place of business during normal working hours, at such times mutually agreed on in advance.
7. 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 on 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:

David W. Smith

Thaddeus Smith

mineral is produced from said land or acreage pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within three hundred thirty (330) feet of and draining the leased premises, or acreage pooled therewith, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

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

9. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. In the event of the death of any person entitled to rentals, shut-in royalty or royalty hereunder, Lessee may pay or tender such rentals, shut-in royalty or royalty to the credit of the deceased or the estate of the deceased until such time as Lessee is furnished with proper evidence of the appointment and qualification of an executor or administrator of the estate, or if there be none, then until Lessee is furnished with evidence satisfactory to it as to the heirs or devisees of the deceased and that all debts of the estate have been paid. If at any time two or more persons be entitled to participate in the rental payable hereunder, Lessee may pay or tender said rental jointly to such persons or to their joint credit in the depository named herein, or, at Lessee's election, the proportionate part of said rentals to which each participant is entitled may be paid or tendered to him separately or to his separate credit in said depository; and payment or tender to any participant of his portion of the rentals hereunder shall maintain this lease as to such participant. In event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payments for all.

10. (a) The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The provisions of this paragraph 10(a) shall be applicable to the payment by Lessee of shut-in gas royalty and rentals except that the time for the Lessee to cure any non-payment thereof is otherwise stated in paragraph 4 hereof.

(b) After the discovery of oil, gas or other mineral in paying quantities on said premises, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres, plus an acreage tolerance not to exceed 10% of 40 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 320 acres plus an acreage tolerance not to exceed 10% of 320 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities.

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

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

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

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

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

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

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

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

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

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

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF HARRIS


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

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE,
this the 20th day of January A.D. 19 90

(L.S.)

My commission expires:

 ZELMA McMILLAN
Notary Public, State of Texas
My Commission Expires June 7, 1993

Zelma McMillan
Notary Public in and for

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF HARRIS

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

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE,
this the 20th day of January A.D. 19 90

(L.S.)

My commission expires:



ZELMA McMILLAN
Notary Public, State of Texas
My Commission Expires June 7, 1993

Zelma McMillan
Notary Public in and for

County, Texas

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF

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

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

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

(L.S.)

My commission expires:

Notary Public in and for

County, Texas

Producers 88 (12/79) Revised
With 320 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
Volume _____, Page _____
of the _____ Records of this office.

By _____, Deputy
County Clerk _____
7100

When recorded return to
O'Brien & Associates Corp.
1500 Greenfield Plaza
Croydon, TX 77802

FOUND PRINTING & STATIONERY COMPANY
2325 FANNIN STREET HOUSTON, TEXAS 77028
PHONE 859-3158

VOL 1169 PAGE 470

CORPORATION ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF

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

whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said
a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity
therein stated.

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

(L.S.)

My commission expires:

Notary Public in and for

County, Texas

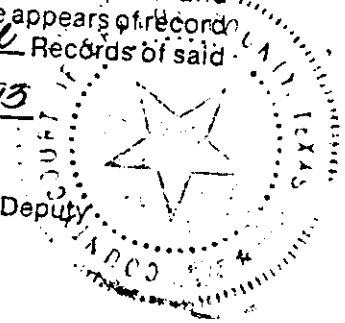
324

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. 1169, Page 46 in Official Records of said
County on file in my office. 6-7-93

ATTEST
Mary Ann Ward, County Clerk
Brazos County, Texas

Alfred Sunch, Deputy



441040

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 5 day of January, 1982, between

Warren V. Smith, A SINGLE MAN
Lois Curd Smith and husband A.C. Smith

Lessor (whether one or more), whose address is: Rt. 4, Box 1387
Navasota, Texas Zip Code 77868

and Ogden Resources Corporation
Lessee, (whether one or more), whose address is: 1860 Greenfield Plaza
Bryan, Texas Zip Code 77802

WITNESSETH:

1. Lessor in consideration of Ten dollars 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:

BEING 100.51 acres of land, more or less, out of the Thomas Mays Survey, A-161 and the James Walker Survey, A-244, Brazos County, Texas and being the same tracts of land described in three tracts as follows, to wit:

Being the two tracts of land described as 32.97 and 33.77 acres in a partition Deed dated October 22, 1962 between Lois Smith, et vir A.C. Smith and George D. Bramlett Jr. and Linda Hughes and recorded in Vol. 222, Page 598 and also a Tract of land described as 33.77 acres in a Deed dated October 19, 1962 from Linda Hughes et vir Jerry Hughes and George D. Bramlett, Jr. to A.C. Smith and Wife, Lois Smith and further described in a Mineral Deed dated May 5, 1982 from Lois Smith and husband A.C. Smith to Fred D. SMith, Warren V. Smith and Alfred C. Smith, Jr., said mineral Deed recorded in Vol. 519, Page 187 of the Deed Records of Brazos County, Texas and above Deed dated October 19, 1962 is recorded in Vol. 222, Page 602 of the Deed Records of Brazos County, Texas.

Whenever the term 1/8th appears in paragraph three below the same shall be changed to read 1/6th.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above. For all purposes of this lease, said land is estimated to comprise 100.51 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall be for a term of five (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. The royalties to be paid by Lessee are:
(a) On oil, one-eighth of that produced and saved from said land, the same to be delivered at the well. If Lessor elects not to take delivery of the royalty oil, Lessee may from time to time sell the royalty oil in its possession, paying to Lessor therefor the net proceeds derived by Lessee from the sale of such royalty oil. Lessor's royalty interest in oil shall bear its proportionate part of the cost of treating the oil to render it marketable oil and, if there is no available pipeline, its proportionate part of the cost of all trucking charges.
(b) On gas, including all gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well on one-eighth of the gas so sold or used, provided that on gas sold at the well the royalty shall be one-eighth of the net proceeds derived from such sale. Lessor's royalty interest in gas, including all gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substance, shall bear its proportionate part of the cost of all compressing, treating, dehydrating and transporting incurred in marketing the gas so sold at the wells.
~~(c) On all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur mined and marketed the royalty shall be fifty cents (\$.50) per long ton.~~

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

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

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

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

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

5. (a) Lessee, at its option, is hereby given the right and power to pool, unitize or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, plus a tolerance of ten percent (10%) thereof, and units pooled for gas hereunder shall not substantially exceed in area 320 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by government regulations.

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

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

(d) For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis - that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit.

(e) The formation of any unit hereunder shall not have the effect of changing the ownership of any delay rental or shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessor shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

6. (a) If operations for drilling are not commenced on said land or on acreage pooled therewith as above provided on or before one year from this date, the lease shall then terminate as to both parties, unless on or before such anniversary date Lessee shall pay or tender (or shall make a bona fide attempt to pay or tender) to Lessor or to the credit of Lessor in UNITED CITIZENS BANK Bank at NAVASOTA (A.C. LOIS), Texas, (which bank and its successors are Lessor's agent and shall continue as the depository

for all rentals payable hereunder regardless of change in ownership of said land or the rentals) the sum of Two Hundred Fifty-one dollars and 28/100 -- (1/2 to Warren and 1/2 to Lois and A.C. Smith) ----- Dollars

(251.28), therein called rentals), which shall cover the privilege of deferring commencement of drilling operations for a period of twelve (12) months. In like manner and upon like payments or tenders annually, the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rental under this paragraph and of royalty under paragraph 3 on any gas well from which gas is not being sold or used may be made by the check or draft of Lessee mailed or delivered to the parties entitled thereto or to said bank on or before the date of payment. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders. If Lessor shall, on or before any anniversary date, make a bona fide attempt to pay or deposit rental to a Lessor entitled thereto according to Lessee's records or to a Lessor, who, prior to such attempted payment or deposit, has given Lessee notice, in accordance with subsequent provisions of this lease, of his right to receive rental, and if such payment or deposit shall be ineffective or erroneous in any regard, Lessee shall be unconditionally obligated to pay to such Lessor the rental properly payable for the rental period involved, and this lease shall not terminate but shall be maintained in the same manner as if such erroneous or ineffective rental payment of deposit had been properly made, provided that the erroneous or ineffective rental payment or deposit be corrected within 30 days after receipt by Lessee of written notice from such Lessor of such error accompanied by such instruments as are necessary to enable Lessee to make proper payment. The down cash payment is consideration for this lease according to its terms and shall not be allocated as a mere rental for a period. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record a release or releases of this lease as to all or any part of the above-described premises, or of any mineral or horizon under all or any part thereof, and thereby be relieved of all obligations as to the released land or interest. If this lease is released as to all minerals and horizon under a portion of the land covered by this lease, the rentals and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the number of surface acres within such released portion bears to the total number of surface acres which was covered by this lease immediately prior to such release.

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

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

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EXHIBIT "A"

When in conflict the following provisions of this Exhibit "A" will control over the printed portions of this Oil, Gas and Minerals Lease:

1. Lessee shall not use water from Lessors wells or ponds without the Lessors prior written consent.
2. This lease is limited to Oil, Gas and associated hydrocarbons including sulphur.
3. Lessee shall remove all property and fixtures within 6 months after termination of the lease and restore the surface of the land as near as possible to its original condition.
4. 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.
5. Neither the Lessee, its agents, servants, employees, or sub-contractors shall hunt or fish upon the lands herein leased, nor shall they carry or discharge any firearms thereon.
6. Lessor shall have the right to review run tickets and productions records at Lessee's normal place of business during normal working hours, at such times mutually agreed on in advance.
7. 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 on 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:

W. J. Smith
Louis La Smith
A. C. Smith

mineral is produced from said land or acreage pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within three hundred thirty (330) feet of and draining the leased premises, or acreage pooled therewith, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

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

9. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. In the event of the death of any person entitled to rentals, shut-in royalty or royalty hereunder, Lessee may pay or tender such rentals, shut-in royalty or royalty to the credit of the deceased or the estate of the deceased until such time as Lessee is furnished with proper evidence of the appointment and qualification of an executor or administrator of the estate, or if there be none, then until Lessee is furnished with evidence satisfactory to it as to the heirs or devisees of the deceased and that all debts of the estate have been paid. If at any time two or more persons be entitled to participate in the rental payable hereunder, Lessee may pay or tender said rental jointly to such persons or to their joint credit in the depository named herein, or, at Lessee's election, the proportionate part of said rentals to which each participant is entitled may be paid or tendered to him separately or to his separate credit in said depository; and payment or tender to any participant of his portion of the rentals hereunder shall maintain this lease as to such participant. In event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payments for all.

10. (a) The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The provisions of this paragraph 10(a) shall be applicable to the payment by Lessee of shut-in gas royalty and rentals except that the time for the Lessee to cure any non-payment thereof is otherwise stated in paragraph 4 hereof.

(b) After the discovery of oil, gas or other mineral in paying quantities on said premises, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres, plus an acreage tolerance not to exceed 10% of 40 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 320 acres plus an acreage tolerance not to exceed 10% of 320 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities.

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

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

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

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

Lois Smith
S.S. or Tax I.D. No. Lois Smith Lessor

A.C. Smith
A.C. Smith Lessor
S.S. or Tax I.D. No. _____

Warren V. Smith
S.S. or Tax I.D. No. WV Smith Lessor

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

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

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

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF BRAZOS

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Lois Smith and husband A.C. Smith and Warren V. Smith known to me to be the person whose name are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE,
this the 5th day of January A.D. 19 90



Robert N. Koelbl
Notary Public in and for

County, Texas

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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. 1169, Page 271 in Official Records of said
County on file in my office.

ATTEST 6-7-93

Mary Ann Ward, County Clerk
Brazos County, Texas

William Swick, Deputy



OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 30th day of November, 1989, between

Granger Chui and wife, Dorothy Chui
 Lessor (whether one or more), whose address is: 217 S. Beech Daly
Dearborn Heights, Michigan *Dorothy Chui* Zip Code 48125
 and
Ogden Resources Corporation
 Lessee, (whether one or more), whose address is: 1860 Greenfield Plaza
Bryan, Texas Zip Code 77802

WITNESSETH:

1. Lessor in consideration of Ten dollars 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:

BEING 33.14 acres of land, more or less, out of the Thomas Mays Survey A-161, Brazos County, Texas and described in two tracts of land as follows, To wit:

TRACT ONE: 20 acres of land, more or less, out of the Thomas Mays Survey, A-161, Brazos County, Texas and described in a Deed dated March 25, 1977 from Milton J. and Margaret Sawyer to Granger Chui and wife Dorothy Chui and recorded in Vol. 370 Page 464 of the Deed Records of Brazos County, Texas.

TRACT TWO: 13.14 acres of land, more or less, out of the Thomas Mays Survey, A-161, Brazos County, Texas and described in a Deed Dated March 25, 1977 from Milton J. and Margaret Sawyer to Granger Chui and wife Dorothy Chui and recorded in Vol. 370, Page 464 of the Deed Records of Brazos County, Texas.

*Note: See Exhibit "A" - attached. D Chui
G Chui*

Whenever the term 1/8th appears in paragraph three below the same shall be changed to read 1/5th.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above. For all purposes of this lease, said land is estimated to comprise 33.14 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall be for a term of five (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. The royalties to be paid by Lessee are:
- (a) On oil, one-eighth of that produced and saved from said land, the same to be delivered at the well. If Lessor elects not to take delivery of the royalty oil, Lessee may from time to time sell the royalty oil in its possession, paying to Lessor therefor the net proceeds derived by Lessee from the sale of such royalty oil. Lessor's royalty interest in oil shall bear its proportionate part of the cost of treating the oil to render it marketable oil and, if there is no available pipeline, its proportionate part of the cost of all trucking charges.
 - (b) On gas, including all gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well on one-eighth of the gas so sold or used, provided that on gas sold at the well the royalty shall be one-eighth of the net proceeds derived from such sale. Lessor's royalty interest in gas, including all gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substance, shall bear its proportionate part of the cost of all compressing, treating, dehydrating and transporting incurred in marketing the gas so sold at the wells.
 - (c) On all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur mined and marketed the royalty shall be fifty cents (\$.50) per long ton.
 - (d) While there is a gas well on said land or on lands pooled therewith and if gas is not being sold or used off the premises for a period in excess of three full consecutive calendar months, and this lease is not then being maintained in force and effect under the other provisions hereof, Lessee shall tender or pay to Lessor annually at any time during the lease anniversary month of each year immediately succeeding any lease year in which a shut-in period occurred one-twelfth (1/12) of the sum of \$1.00 per acre for the acreage then covered by this lease as shut-in royalty for each full calendar month in the preceding lease year that this lease was continued in force solely and exclusively by reason of the provisions of this paragraph. If such payment of shut-in royalty is so made or tendered by Lessee to Lessor, it shall be considered that this lease is producing gas in paying quantities and this lease shall not terminate, but remain in force and effect. The term "lease anniversary month" means that calendar month in which this lease is dated. The term "Lease year" means the calendar month in which the lease is dated, plus the eleven succeeding calendar months.
 - (e) If the price of any oil, gas, or other minerals produced hereunder is regulated by any governmental authority, the value of same for the purpose of computing the royalties hereunder shall not be in excess of the price permitted by such regulation. Should it ever be determined by any governmental authority, or any court of final jurisdiction, or otherwise, that the Lessee is required to make any refund on oil, gas, or other

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

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

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

5. (a) Lessee, at its option, is hereby given the right and power to pool, unitize or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, plus a tolerance of ten percent (10%) thereof, and units pooled for gas hereunder shall not substantially exceed in area 320 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by government regulations.

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

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

(d) For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit for 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 for to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit.

(e) The formation of any unit hereunder shall not have the effect of changing the ownership of any delay rental or shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

6. (a) If operations for drilling are not commenced on said land or on acreage pooled therewith as above provided on or before one year from this date, the lease shall then terminate as to both parties, unless on or before such anniversary date Lessee shall pay or tender (or shall make a bona fide attempt to pay or tender, as hereinafter stated) to Lessor or to the credit of Lessor in First Federal of Michigan Bank at Dearborn, Michigan (which bank and its successors are Lessor's agent and shall continue as the depository for all rentals payable hereunder regardless of change in ownership of said land or the rentals) the sum of One hundred Sixty-five dollars and 70/100-----Dollars

(\$165.70), therein called rentals), which shall cover the privilege of deferring commencement of drilling operations for a period of twelve (12) months. In like manner and upon like payments or tenders annually, the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rental under this paragraph and of royalty under paragraph 3 on any gas well from which gas is not being sold or used may be made by the check or draft of Lessee mailed or delivered to the parties entitled thereto or to said bank on or before the date of payment. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders. If Lessee shall, on or before any anniversary date, make a bona fide attempt to pay or deposit rental to a Lessor entitled thereto according to Lessee's records or to a Lessor, who, prior to such attempted payment or deposit, has given Lessee notice, in accordance with subsequent provisions of this lease, of his right to receive rental, and if such payment or deposit shall be ineffective or erroneous in any regard, Lessee shall be unconditionally obligated to pay to such Lessor the rental properly payable for the rental period involved, and this lease shall not terminate but shall be maintained in the same manner as if such erroneous or ineffective rental payment or deposit had been properly made, provided that the erroneous or ineffective rental payment or deposit be corrected within 30 days after receipt by Lessee of written notice from such Lessor of such error accompanied by such instruments as are necessary to enable Lessee to make proper payment. The down cash payment is consideration for this lease according to its terms and shall not be allocated as a mere rental for a period. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record a release or releases of this lease as to all or any part of the above-described premises, or of any mineral or horizon under all or any part thereof, and thereby be relieved of all obligations as to the released land or interest. If this lease is released as to all minerals and horizon under a portion of the land covered by this lease, the rentals and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the number of surface acres within such released portion bears to the total number of surface acres which was covered by this lease immediately prior to such release.

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

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

1169-360

mineral is produced from said land or acreage pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within three hundred thirty (330) feet of and draining the leased premises, or acreage pooled therewith, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

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

9. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. In the event of the death of any person entitled to rentals, shut-in royalty or royalty hereunder, Lessee may pay or tender such rentals, shut-in royalty or royalty to the credit of the deceased or the estate of the deceased until such time as Lessee is furnished with proper evidence of the appointment and qualification of an executor or administrator of the estate, or if there be none, then until Lessee is furnished with evidence satisfactory to it as to the heirs or devisees of the deceased and that all debts of the estate have been paid. If at any time two or more persons be entitled to participate in the rental payable hereunder, Lessee may pay or tender said rental jointly to such persons or to their joint credit in the depository named herein, or, at Lessee's election, the proportionate part of said rentals to which each participant is entitled may be paid or tendered to him separately or to his separate credit in said depository; and payment or tender to any participant of his portion of the rentals hereunder shall maintain this lease as to such participant. In event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payments for all.

10. (a) The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The provisions of this paragraph 10(a) shall be applicable to the payment by Lessee of shut-in gas royalty and rentals except that the time for the Lessee to cure any non-payment thereof is otherwise stated in paragraph 4 hereof.

(b) After the discovery of oil, gas or other mineral in paying quantities on said premises, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres, plus an acreage tolerance not to exceed 10% of 40 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 320 acres plus an acreage tolerance not to exceed 10% of 320 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities.

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

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

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

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

Granger Chui
Granger Chui Lessor
S.S. or Tax I.D. No. [REDACTED]

Dorothy Chui
~~Granger~~ Chui, DIRECTOR Lessor
S.S. or Tax I.D. No. [REDACTED]

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

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

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

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

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS, MICHIGAN
COUNTY OF MONROE

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

Granger Chui
known to me to be the person whose name Granger Chui 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 December A.D. 19 89



Ann L. Miller VOL 1169 PAGE 361
Notary Public in and for Monroe County, Michigan
Acting in Wayne County

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS, MICHIGAN
COUNTY OF MONROE

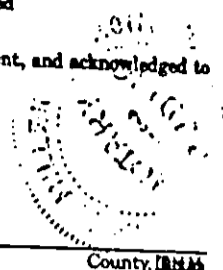
BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Dorothy Chui subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE,
this the 8th day of December A.D. 19 89

(L.S.)

My commission expires:

Ann L. Miller
Notary Public in and for Monroe
Acting in Wayne County



ANN L. MILLER
Notary Public, Monroe County, Michigan
My Commission Expires May 31, 1993

County, Monroe
Michigan.

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF

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

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

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

(L.S.)

My commission expires:

Notary Public in and for

County, Texas

Producers 88 (12/79) Revised
With 320 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

Volume _____, Page _____

of the _____ Records of this office.

By _____

County Clerk, Deputy

When recorded return to Corp.
Cotton Petroleum Corp.
1460 Greenfield Pl.

Bryan, TX 77802

ROUND PRINTING & STATIONERY COMPANY
225 FANNIN STREET HOUSTON, TEXAS 77002
PHONE 609-3158

CORPORATION ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF

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

_____ known to me to be the person and officer

whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said

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

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

(L.S.)

My commission expires:

Notary Public in and for

County, Texas

EXHIBIT "A"

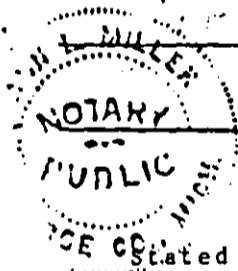
When in conflict the following provisions of this Exhibit "A" will control over the printed portions of this Oil, Gas and Minerals Lease:

1. Lessee shall not use water from Lessors wells or ponds without the Lessors prior written consent.
2. This lease is limited to Oil, Gas and associated hydrocarbons including sulphur.
3. Lessee shall remove all property and fixtures within 6 months after termination of the lease and restore the surface of the land as near as possible to its original condition.
4. 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.
5. Neither the Lessee, its agents, servants, employees, or sub-contractors shall hunt or fish upon the lands herein leased, nor shall they carry or discharge any firearms thereon.
6. Lessor shall have the right to review run tickets and productions records at Lessee's normal place of business during normal working hours, at such times mutually agreed on in advance.
7. 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 on 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:

George Cheri

Dorothy Cheri



Date: Dec. 8, 1989

Stated Before me this 8th Day of December, 1989

STATE OF MICHIGAN
 COUNTY OF MONROE
Ann L. Miller
 ANN L. MILLER
 Notary Public, Monroe County, Michigan
 My Commission Expires May 31, 1993
 Acting in Wayne County

Vol 1169 p. 363

3
2
1

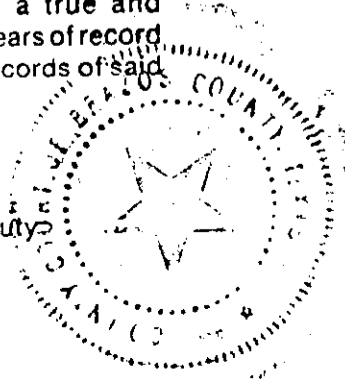
STATE OF TEXAS)
COUNTY OF BRAZOS)

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. 1169, Page 359 in Official Records of said
County on file in my office.

ATTEST 6-7-93

Mary Ann Ward, County Clerk
Brazos County, Texas

Debra Sunch, Deputy



OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 22nd day of February, 1990, between

Ronald Bryan, Trustee
Lessor (whether one or more), whose address is: 1813 Shadowood Drive
College Station, Texas *Ronald Bryan* Zip Code 77840

and
Ogden Resources Corporation
Lessee, (whether one or more), whose address is: 1860 Greenfield Plaza 111193
Bryan, Texas Zip Code 77802

WITNESSETH:

1. Lessor in consideration of Ten dollars 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:

BEING 144.38 acres of land, more or less, out of the Thomas Mays Survey, A-161 and the Andrew D. Houston Survey, A-133, Brazos County, Texas and being the same land described in a Deed dated October 30, 1975 from T.J. Collins to Boswell Investment Company recorded in Vol. 347, Page 470 of the Deed Records of Brazos County, Texas, SAVE AND EXCEPT 15.82 acres of land, more or less, described in a Deed dated June 1, 1987 from Ronald Bryan, Trustee to Richard Bruce Gabbard recorded in Vol. 974, Page 729 of the Deed Records of Brazos County, Texas leaving a total of 128.56 acres of land, more or less.

Additional provisions of this oil, gas and mineral lease are set forth on Exhibit "A" attached hereto and made a part hereof for all purposes.

Whenever the term 1/8th appears in paragraph three (3) below the same shall be changed to read 1/6th.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above. For all purposes of this lease, said land is estimated to comprise 128.56 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall be for a term of Five (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. The royalties to be paid by Lessee are:

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

(b) On gas, including all gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well on one-eighth of the gas so sold or used, provided that on gas sold at the well the royalty shall be one-eighth of the net proceeds derived from such sale. Lessor's royalty interest in gas, including all gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substance, shall bear its proportionate part of the cost of all compressing, treating, dehydrating and transporting incurred in marketing the gas so sold at the wells.

(c) On all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur mined and marketed the royalty shall be fifty cents (\$.50) per long ton.

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

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

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

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

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

5. (a) Lessee, at its option, is hereby given the right and power to pool, unitize or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, plus a tolerance of ten percent (10%) thereof, and units pooled for gas hereunder shall not substantially exceed in area 320 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by government regulations.

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

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

(d) For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit or to such separate tract within the unit if this lease covers separate tracts within the unit a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis - that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit or to each separate tract within the unit if this lease covers separate tracts within the unit that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease or in each such separate tract and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit.

(e) The formation of any unit hereunder shall not have the effect of changing the ownership of any delay rental or shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

6. (a) If operations for drilling are not commenced on said land or on acreage pooled therewith as above provided on or before one year from this date, the lease shall then terminate as to both parties, unless on or before such anniversary date Lessee shall pay or tender (or shall make a bona fide attempt to pay or tender, as hereinafter stated) to Lessor or to the credit of Lessor in University National Bank at College Station, Texas, which bank and its successors are Lessor's agent and shall continue as the depository for all rentals payable hereunder regardless of change in ownership of said land or the rentals) the sum of Six hundred forty-two dollars and 80/100----- Dollars

is 642.80-----, therein called rentals), which shall cover the privilege of deferring commencement of drilling operations for a period of twelve (12) months. In like manner and upon like payments or tenders annually, the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rental under this paragraph and of royalty under paragraph 7 on any gas well from which gas is not being sold or used may be made by the check or draft of Lessee mailed or delivered to the parties entitled thereto or to said bank on or before the date of payment. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders. If Lessee shall, on or before any anniversary date, make a bona fide attempt to pay or deposit rental to a Lessor entitled thereto according to Lessee's records or to Lessor, who, prior to such attempted payment or deposit, has given Lessee notice, in accordance with subsequent provisions of this lease, of his right to receive rental, and if such payment or deposit shall be ineffective or erroneous in any regard, Lessee shall be unconditionally obligated to pay to such Lessor the rental properly payable for the rental period involved, and this lease shall not terminate but shall be maintained in the same manner as if such erroneous or ineffective rental payment or deposit had been properly made, provided that the erroneous or ineffective rental payment or deposit be corrected within 30 days after receipt by Lessee of written notice from such Lessor of such error accompanied by such instruments as are necessary to enable Lessee to make proper payment. The down cash payment is consideration for this lease according to its terms and shall not be allocated as a mere rental for a period. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record a release or releases of this lease as to all or any part of the above-described premises, or of any mineral or horizon under all or any part thereof, and thereby be relieved of all obligations as to the released land or interest. If this lease is released as to all minerals and horizon under a portion of the land covered by this lease, the rentals and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the number of surface acres within such released portion bears to the total number of surface acres which was covered by this lease immediately prior to such release.

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

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

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EXHIBIT "A"

When in conflict the following provisions of this Exhibit "A" will control over the printed portions of this Oil, Gas and Minerals Lease:

1. This lease is limited to Oil, Gas and Associated Hydrocarbons including Sulphur.
2. Lessor shall have the right to review run tickets and production records at Lessee's normal place of business during normal working hours, at such times mutually agreed on in advance.
3. Lessee's right to use the surface of the land under this oil, gas and mineral lease is limited to conducting seismic operations only.
4. 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 on 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.

Ronald A. Bryson
Signed for identification

mineral is produced from said land or acreage pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within three hundred thirty (330) feet of and draining the leased premises, or acreage pooled therewith, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

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

9. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of the lease or of a portion thereof who commits such breach. In the event of the death of any person entitled to rentals, shut-in royalty or royalty hereunder, Lessee may pay or tender such rentals, shut-in royalty or royalty to the credit of the deceased or the estate of the deceased until such time as Lessee is furnished with proper evidence of the appointment and qualification of an executor or administrator of the estate, or if there be none, then until Lessee is furnished with evidence satisfactory to it as to the heirs or devisees of the deceased and that all debts of the estate have been paid. If at any time two or more persons be entitled to participate in the rental payable hereunder, Lessee may pay or tender said rental jointly to such persons or to their joint credit in the depository named herein, or, at Lessee's election, the proportionate part of said rentals to which each participant is entitled may be paid or tendered to him separately or to his separate credit in said depository; and payment or tender to any participant of his portion of the rentals hereunder shall maintain this lease as to such participant. In event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payments for all.

10. (a) The breach by Lessor of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessor, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The provisions of this paragraph 10(a) shall be applicable to the payment by Lessee of shut-in gas royalty and rentals except that the time for the Lessor to cure any non-payment thereof is otherwise stated in paragraph 4 hereof.

(b) After the discovery of oil, gas or other mineral in paying quantities on said premises, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres, plus an acreage tolerance not to exceed 10% of 40 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 320 acres plus an acreage tolerance not to exceed 10% of 320 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities.

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

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

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

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

Ronald Bryan, Trustee
 Ronald Bryan, Trustee Lessor
 or Tax I.D. No. _____

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

 Lessor
 or Tax I.D. No. _____

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

 Lessor
 Tax I.D. No. _____

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

SINGLE ACKNOWLEDGMENT

STATE OF TEXAS,
 OF BRAZOS

FORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared
 Ronald Bryan, Trustee

me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me he executed the same for the purposes and consideration therein expressed, and in the capacity so stated.

ROBERT N. KOELBL
 Notary Public
 STATE OF TEXAS
 My commission expires 10-30-90

GIVEN UNDER MY HAND AND SEAL OF OFFICE,
 this the 15th day of March A.D. 1990

Robert N. Koelbl
 Notary Public in and for _____ County, Texas

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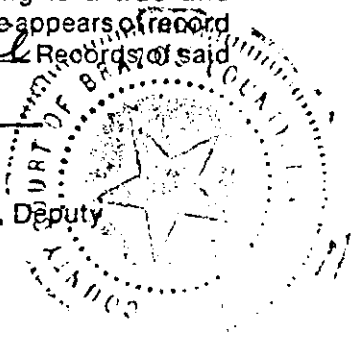
THE STATE OF TEXAS)
COUNTY OF BRAZOS)

I, Mary Ann Ward, County Clerk of Brazos County, Texas do hereby certify that the foregoing is a true and correct copy of the original as the same appears of record in Vol. 1170, Page 35 in Official Records of said County on file in my office.

ATTEST 6-7-93

Mary Ann Ward, County Clerk
Brazos County, Texas

Mary Ann Ward



Deputy

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 10th day of June, 19 93, between

MARGARET GILLIES, dealing in her separate property

Lessor (whether one or more), whose address is: 7307 Hooking Road, McLean, Virginia 22101
and UNION PACIFIC RESOURCES COMPANY, 801 Cherry St., Ft. Worth, TX 76102, 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:

1.00 acre of land, more or less, a part of the THOMAS H. MAYS SURVEY, A-161, Brazos County, Texas and being more particularly described in that certain Deed dated April 1973, from Ann Allred Jones to Margaret Gillies, and recorded in Volume 315, Page 318 of the Deed Records of Brazos County, Texas.

Notwithstanding anything to contrary contained herein, in reference to royalties payable under paragraph three (3) thereof, in each instance where the words "one-eighth" appear in such paragraph, the words, "one-eighth" shall be omitted and the words, "one-sixth" shall be substituted therefor.

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 1st American Bank a/c # [redacted]
Bank at 1751 Pinnacle Drive McLean, VA 22102 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.

Soc. Sec. # [REDACTED]

Margaret E Gillies
MARGARET GILLIES

STATE OF
COUNTY OF

ACKNOWLEDGMENT

This instrument was acknowledged before me on the
by

day of , 19

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

STATE OF
COUNTY OF

VIRGINIA

ACKNOWLEDGMENT

This instrument was acknowledged before me on the
by Margaret Gillies

25th

day of June , 19 93

Bruce L. Keisling
Notary Public, State of ~~Texas~~ Virginia
Notary's name (printed): Bruce L. Keisling
Notary's commission expires: 31 Aug. 1994

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the
by
of
a

day of , 19

corporation, on behalf of said corporation.

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

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

458471

27173

Producers 88 (12/79) Revised
With 320 Acres Pooling ProvisionPOUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659-3159

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 15th day of January, 1991, betweenInterstate Promotional Printing Co., Inc.Lessor (whether one or more), whose address is: P.O. Box 8131
The Woodlands, Texas Zip Code 77387

and

Ogden Resources CorporationLessee, (whether one or more), whose address is: 1860 Greenfield Plaza
Bryan, Texas Zip Code 77802

WITNESSETH:

1. Lessor in consideration of Ten dollars and other valuable considerationDollars (\$ 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:

Being 33.82 acres of land, more or less, out of the Thomas Mays Survey, A-161 and the A.D. Houston Survey, A-133 and being the same tract of land described in a Deed dated June 5, 1978 from Interstate Promotional Printing Co., Inc. to John A. Bond, et al and recorded in Vol. 398, Page 569 of the Deed Records of Brazos County, Texas.

A:10:30 FILED
O'CLOCK AM

JAN 24 1991

COUNTY CLERK MARY ANN WARD
Jessa Palomais

Additional provisions of this lease are set forth on Exhibit "A" attached hereto and made a part hereof for all purposes.

Whenever the term 1/8th appears in paragraph three below the same shall be changed to read 1/6th.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above. For all purposes of this lease, said land is estimated to comprise 33.82 acres, whether it actually comprises more or less.2. Subject to the other provisions herein contained, this lease shall be for a term of five (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. The royalties to be paid by Lessee are:

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

(b) On gas, including all gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well on one-eighth of the gas so sold or used, provided that on gas sold at the well the royalty shall be one-eighth of the net proceeds derived from such sale. Lessor's royalty interest in gas, including all gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substance, shall bear its proportionate part of the cost of all compressing, treating, dehydrating and transporting incurred in marketing the gas so sold at the wells.

(c) On all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur mined and marketed the royalty shall be fifty cents (\$.50) per long ton.

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

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

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

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

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

5. (a) Lessee, at its option, is hereby given the right and power to pool, unitize or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, plus a tolerance of ten percent (10%) thereof, and units pooled for gas hereunder shall not substantially exceed in area 320 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by government regulations.

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

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

(d) For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis - that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit.

(e) The formation of any unit hereunder shall not have the effect of changing the ownership of any delay rental or shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

6. (a) If operations for drilling are not commenced on said land or on acreage pooled therewith as above provided on or before one year from this date, the lease shall then terminate as to both parties, unless on or before such anniversary date Lessee shall pay or tender (or shall make a bona fide attempt to pay or tender, as hereinafter stated) to Lessor or to the credit of Lessor in Bank One (Acct. [REDACTED]) Bank at The Woodlands 77387, Texas, (which bank and its successors are Lessor's agent and shall continue as the depository for all rentals payable hereunder regardless of change in ownership of said land or the rentals) the sum of Eighty-four dollars and 55/100 Dollars

(\$ 84.55), (herein called rentals), which shall cover the privilege of deferring commencement of drilling operations for a period of twelve (12) months. In like manner and upon like payments or tenders annually, the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rental under this paragraph and of royalty under paragraph 3 on any gas well from which gas is not being sold or used may be made by the check or draft of Lessee mailed or delivered to the parties entitled thereto or to said bank on or before the date of payment. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders. If Lessee shall, on or before any anniversary date, make a bona fide attempt to pay or deposit rental to a Lessor entitled thereto according to Lessee's records or to a Lessor, who, prior to such attempted payment or deposit, has given Lessee notice, in accordance with subsequent provisions of this lease, of his right to receive rental, and if such payment or deposit shall be ineffective or erroneous in any regard, Lessee shall be unconditionally obligated to pay to such Lessor the rental properly payable for the rental period involved, and this lease shall not terminate but shall be maintained in the same manner as if such erroneous or ineffective rental payment of deposit had been properly made, provided that the erroneous or ineffective rental payment or deposit be corrected within 30 days after receipt by Lessee of written notice from such Lessor of such error accompanied by such instruments as are necessary to enable Lessee to make proper payment. The down cash payment is consideration for this lease according to its terms and shall not be allocated as a mere rental for a period. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record a release or releases of this lease as to all or any part of the above-described premises, or of any mineral or horizon under all or any part thereof, and thereby be relieved of all obligations as to the released land or interest. If this lease is released as to all minerals and horizon under a portion of the land covered by this lease, the rentals and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the number of surface acres within such released portion bears to the total number of surface acres which was covered by this lease immediately prior to such release.

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

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

EXHIBIT "A"

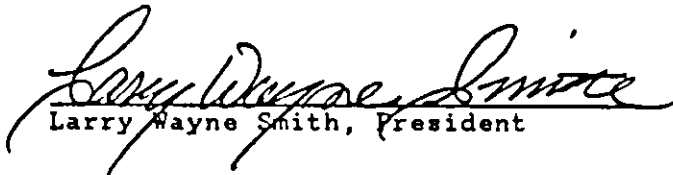
14. It is expressly understood and agreed that this lease covers only oil, gas and associated hydrocarbons including sulphur, which is produced incidental to and as a part of the production of an oil and/or gas well.

15. The right to maintain this lease in force and effect by the payment of shut-in royalties, which is a recurring right which may be exercised by Lessee from time to time, shall not exceed an aggregate or cumulative period of time of more than two (2) years beyond the primary term hereof.

16. In the event a pooled unit is formed, it is agreed and understood that all of the land covered by this lease shall be included in such unit.

17. Royalties attributable to the leased premises from production of an oil and gas well on the leased premises or on acreage pooled therewith will be paid within 120 days after the date of the first sales of said production of oil and gas. However, if title defects arise or appear on Lessor's royalties, Lessee shall have the right to suspend all payments that would be reasonably expected to be adversely affected by such title defects. Lessee agrees to deposit such suspended royalty in an interest bearing account with at least current money market or equivalent interest rates until resolution of the title defects, at which time, said royalties shall be paid to those parties who show themselves justly entitled. In the event that title questions do arise which require royalties to be suspended, Lessor may provide Lessee with a Division Order Title Opinion, written by an Oil & Gas Attorney, licensed to practice in the State of Texas, and Lessee will pay royalties based on said title opinion.

Signed for Identification:


Larry Wayne Smith, President

mineral is produced from said land or acreage pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within three hundred thirty (330) feet of and draining the leased premises, or acreage pooled therewith, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

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

9. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. In the event of the death of any person entitled to rentals, shut-in royalty or royalty hereunder, Lessee may pay or tender such rentals, shut-in royalty or royalty to the credit of the deceased or the estate of the deceased until such time as Lessee is furnished with proper evidence of the appointment and qualification of an executor or administrator of the estate, or if there be none, then until Lessee is furnished with evidence satisfactory to it as to the heirs or devisees of the deceased and that all debts of the estate have been paid. If at any time two or more persons be entitled to participate in the rental payable hereunder, Lessee may pay or tender said rental jointly to such persons or to their joint credit in the depository named herein, or, at Lessee's election, the proportionate part of said rentals to which each participant is entitled may be paid or tendered to him separately or to his separate credit in said depository; and payment or tender to any participant of his portion of the rentals hereunder shall maintain this lease as to such participant. In event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payments for all.

10. (a) The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The provisions of this paragraph 10(a) shall be applicable to the payment by Lessee of shut-in gas royalty and rentals except that the time for the Lessee to cure any non-payment thereof is otherwise stated in paragraph 4 hereof.

(b) After the discovery of oil, gas or other mineral in paying quantities on said premises, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres, plus an acreage tolerance not to exceed 10% of 40 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 320 acres plus an acreage tolerance not to exceed 10% of 320 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities.

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

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

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

IN WITNESS WHEREOF, this instrument is executed on the date first above written, Interstate Promotional Printing Co. Inc.

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

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

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

BY: Larry Wayne Spith
Larry Wayne Spith, President Lessor
S.S. or Tax I.D. No. _____

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

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

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF _____

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

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

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

(L.S.)
My commission expires: _____

Notary Public in and for the State of Texas

Notary's Printed Name

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF

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

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

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

(L.S.)

My commission expires:

Notary Public, State of Texas

Notary's Printed Name

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF

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

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

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

(L.S.)

My commission expires:

Notary Public, State of Texas

Notary's Printed Name

Producers 88 (12/79) Revised
With 320 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

Volume _____, Page _____

of the _____ Records of this office.

By _____ County Clerk

Deputy _____

When recorded return to

FOUND PRINTING & STATIONERY COMPANY
2125 Fehon, Houston, Texas 77027 (713) 694-3179

CORPORATION ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF Montgomery

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

Larry Wayne Smith, President

whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said Interstate Promotional Printing Co., Inc. a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 21st day of January A.D. 1991

(L.S.)

My commission expires:

4/13/91

Penny Hultman
Notary Public, State of Texas
Penny Hultman
Notary's Printed Name

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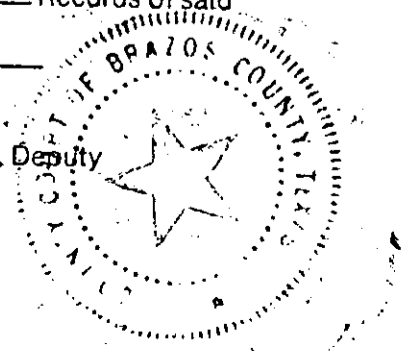
STATE OF TEXAS)
COUNTY OF BRAZOS)

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. 1233, Page 556 in Official Records of said County on file in my office.

ATTEST 6-7-93

Mary Ann Ward, County Clerk
Brazos County, Texas

Mary Ann Ward



Deputy

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 15th day of January, 1990, between

Richard Bruce Gabbard
 Lessor (whether one or more), whose address is: 201 Lee Ave.
College Station, Texas *Darwin J. Jamison* 77840
 and
Ogden Resources Corporation 44102
 Lessee, (whether one or more), whose address is: 1860 Greenfield Plaza
Bryan, Texas Zip Code 77802

WITNESSETH:

1. Lessor in consideration of Ten dollars 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:

BEING 49.64 acres of land, more or less, out of the Thomas Mays Survey, A-161 and the A.D. Houston Survey, A-133 and described in two tracts of land as follows, to wit:

TRACT ONE: Being 33.82 acres of land, more or less, out of the Thomas Mays Survey, A-161 and the A.D. Houston, Survey, A-133 and being the same tract of land described in a Deed dated July 18, 1986 from First Bank and Trust to Richard B. Gabbard recorded in Vol. 900, Page 782 of the Deed Records of Brazos County, Texas.

TRACT TWO: Being 15.82 acres of land, more or less, out of the A.D. Houston Survey, A-133, and described in a Deed dated June 1, 1987 from Ronald Bryan, Trustee to Richard Bruce Gabbard and recorded in Vol. 974, Page 729 of the Deed Records of Brazos County, Texas.

Whenever the term 1/8th appears in paragraph three (3) below the same shall be changed to read 1/6th.

Additional provisions of this oil, gas and mineral lease are attached hereto marked Exhibit "A".

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above. For all purposes of this lease, said land is estimated to comprise 49.64 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall be for a term of Five (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. The royalties to be paid by Lessee are:

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

(b) On gas, including all gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well on one-eighth of the gas so sold or used, provided that on gas sold at the well the royalty shall be one-eighth of the net proceeds derived from such sale. Lessor's royalty interest in gas, including all gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substance, shall bear its proportionate part of the cost of all compressing, treating, dehydrating and transporting incurred in marketing the gas so sold at the wells.

(c) On all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur mined and marketed the royalty shall be fifty cents (\$.50) per long ton.

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

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

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

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

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

5. (a) Lessee, at its option, is hereby given the right and power to pool, unitize or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, plus a tolerance of ten percent (10%) thereof, and units pooled for gas hereunder shall not substantially exceed in area 320 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by government regulations.

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

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

(d) For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit or to each separate tract within the unit if this lease covers separate tracts within the unit a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis - that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit.

(e) The formation of any unit hereunder shall not have the effect of changing the ownership of any delay rental or shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

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

eight dollars and 20/100 Dollars (or 248.20 Dollars, therein called rentals), which shall cover the privilege of deferring commencement of drilling operations for a period of twelve (12) months. In like manner and upon like payments or tenders annually, the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rental under this paragraph and of royalty under paragraph 3 on any gas well from which gas is not being sold or used may be made by the check or draft of Lessee mailed or delivered to the parties entitled thereto or to said bank on or before the date of payment. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders. If Lessee shall, on or before any anniversary date, make a bona fide attempt to pay or deposit rental to a Lessor entitled thereto according to Lessee's records or to a Lessor, who, prior to such attempted payment or deposit, has given Lessee notice, in accordance with subsequent provisions of this lease, of his right to receive rental, and if such payment or deposit shall be ineffective or erroneous in any regard, Lessee shall be unconditionally obligated to pay to such Lessor the rental properly payable for the rental period involved, and this lease shall not terminate but shall be maintained in the same manner as if such erroneous or ineffective rental payment or deposit had been properly made, provided that the erroneous or ineffective rental payment or deposit be corrected within 30 days after receipt by Lessee of written notice from such Lessor of such error accompanied by such instruments as are necessary to enable Lessee to make proper payment. The down cash payment is consideration for this lease according to its terms and shall not be allocated as a mere rental for a period. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record a release or releases of this lease as to all or any part of the above-described premises, or of any mineral or horizon under all or any part thereof, and thereby be relieved of all obligations as to the released land or interest. If this lease is released as to all minerals and horizon under a portion of the land covered by this lease, the rentals and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the number of surface acres within such released portion bears to the total number of surface acres which was covered by this lease immediately prior to such release.

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

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

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mineral is produced from said land or acreage pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within three hundred thirty (330) feet of and draining the leased premises, or acreage pooled therewith, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

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

9. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. In the event of the death of any person entitled to rentals, shut-in royalty or royalty hereunder, Lessee may pay or tender such rentals, shut-in royalty or royalty to the credit of the deceased or the estate of the deceased until such time as Lessee is furnished with proper evidence of the appointment and qualification of an executor or administrator of the estate, or if there be none, then until Lessee is furnished with evidence satisfactory to it as to the heirs or devisees of the deceased and that all debts of the estate have been paid. If at any time two or more persons be entitled to participate in the rental payable hereunder, Lessee may pay or tender said rental jointly to such persons or to their joint credit in the depository named herein, or, at Lessee's election, the proportionate part of said rentals to which each participant is entitled may be paid or tendered to him separately or to his separate credit in said depository; and payment or tender to any participant of his portion of the rentals hereunder shall maintain this lease as to such participant. In event of assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payments for all.

10. (a) The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The provisions of this paragraph 10(a) shall be applicable to the payment by Lessee of shut-in gas royalty and rentals except that the time for the Lessee to cure any non-payment thereof is otherwise stated in paragraph 4 hereof.

(b) After the discovery of oil, gas or other mineral in paying quantities on said premises, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres, plus an acreage tolerance not to exceed 10% of 40 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 320 acres plus an acreage tolerance not to exceed 10% of 320 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities.

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

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

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

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

Richard Bruce Gabbard

Richard Bruce Gabbard, Lessor
S.S. or Tax I.D. No. _____

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

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

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

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

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

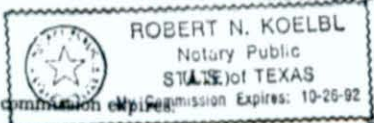
SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF BRAZOS

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

Richard Bruce Gabbard

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 15th day of January, A.D. 1990

Robert N. Koelbl
Notary Public in and for the State of Texas

Notary's Printed Name: _____
VOL 1169 PAGE 395

EXHIBIT "A"

When in conflict the following provisions of this Exhibit "A" will control over the printed portions of this Oil, Gas and Minerals Lease:

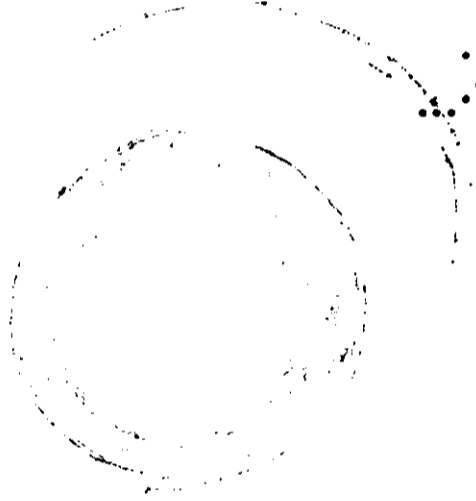
1. Lessee shall not use water from Lessors wells or ponds without the Lessors prior written consent.
2. This lease is limited to Oil, Gas and associated hydrocarbons including sulphur.
3. Lessee shall remove all property and fixtures within 6 months after termination of the lease and restore the surface of the land as near as possible to its original condition.
4. 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.
5. Neither the Lessee, its agents, servants, employees, or sub-contractors shall hunt or fish upon the lands herein leased, nor shall they carry or discharge any firearms thereon.
6. Lessor shall have the right to review run tickets and productions records at Lessee's normal place of business during normal working hours, at such times mutually agreed on in advance.
7. 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 on 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:

Richard Bruce Halstead

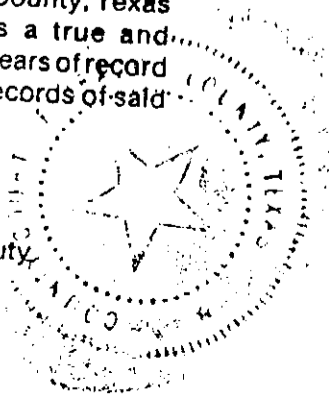
9
M 915345
JPS 516 W
JPS 516 W

33



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. 1161, Page 323 in Official Records of said
County on file in my office.

ATTEST 6-7-99
Mary Ann Ward, County Clerk
Brazos County, Texas
Richard Burch, Deputy





Texas General Land Office
Garry Mauro, Commissioner

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

December 7, 1994

Ogden Resources Corp.
7607 Eastmark Drive, Ste. 240
College Station, Texas 77840-4028

Re: Mineral File No. M-95349
ORC Desc.: Dunlap-Bryan Unit
Well No. 1

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, effect the payments of such royalties, it is not the policy of this office to execute them. Insofar as allowed by law, the Texas General Land Office acquiesces in the sale of oil and gas under the terms and conditions set out in the lease.

If you should have any questions, please feel free to call me at (512) 475-1527.

Sincerely,

Eugene H. Moore, Jr.

Eugene H. Moore, Jr.
Accounts Examiner
Royalty and Revenue Processing
Energy Resources

EHM:mrg

Enclosures

m-95349

GAS AND GAS LIQUIDS
DIVISION ORDER

TO: OGDEN RESOURCES CORPORATION
7607 EASTMARK DRIVE, SUITE 210
COLLEGE STATION, TEXAS 77840-4023

RE: DUNLAP-BRYAN UNIT
WELL NO. 1

1. The undersigned warrant that they are the owners of the interest in the gas and gas liquids, if any, which are produced from or allocated to the Dunlap-Bryan Unit No. 1 and formed by Unit Designation recorded at Vol. 2057, Page 228, Official Public Records of Brazos County, Texas, and particularly described in Exhibit "A" attached hereto, in the proportions shown in the Division of Interest attached hereto and made a part hereof as Exhibit "B", and subject to any conditions contained in said Exhibit "B". The Unit herein described including all amendments thereto, as well as the oil, gas and mineral leases set forth therein are hereby ratified and confirmed.

2. Ogden Resources Corporation, hereinafter referred to as "ORC", until further notice from it to the undersigned, or from the undersigned to it, is hereby authorized to cause to be taken the above described production, and to receive payment from the takers or purchasers thereof. ORC may from time to time change takers or purchasers of production hereunder and ORC may continue payment under this division order without the necessity of issuing new division orders.

3. ORC's only obligation to the undersigned, with respect to the above described production, or the proceeds therefrom, is limited to the payment, in accordance with the Division of Interest herein specified and of the provisions hereof, of the monies received by it from the purchasers or takers of the above described production less severance or other taxes levied thereon required or authorized to be deducted by law, and less that portion, if any, of ORC's fuel, compression, transportation, dehydrating or treating charges which are authorized in the oil, gas and mineral leases referred to and ratified herein.

4. Following receipt of the monies, payment is to be made monthly by check of ORC, mailed to each of said owners at the address shown below. No payment need be made to or for any interest holder until the sum accrued thereto is Twenty-Five Dollars (\$25.00) or more.

5. In case of title objection by ORC's attorney or in case of adverse claim of title to the interest of the undersigned in the above described production, or the proceeds therefrom, ORC shall be protected against all reasonable cost and expense necessarily incurred in connection therewith, and may withhold payment without interest, until such objection is removed, or such adverse claim is fully determined. Satisfactory evidence of title will be furnished on request.

6. ORC is hereby relieved of any responsibility for determining when any of the above interests shall increase, diminish, be extinguished, or revert to other parties as a result of the lapse or determination of a right or interest, the completion or discharge of money or other payments from said interest, or as a result of the increase or decrease in production, or as a result of any other event in which ORC does not receive written notice and ORC is authorized to continue to remit pursuant to the Division of Interest set out in Exhibit "B" until thirty (30) days after it receives notice in writing to the contrary by mail at the above address. Each of the undersigned whose interest shall hereafter vest in another not signing a division or transfer order agrees to hold ORC harmless from any loss in connection with such change in ownership which results from ORC's reliance on the foregoing authorization.

7. This division order shall bind, and inure to the benefit of, the successors and assigns of the undersigned and of ORC, and shall be effective with production beginning January 11, 1991 as to each of the undersigned irrespective of whether any other party shall sign same.

MINORS:	OWNERS:
1. _____	Name: <u>X</u> _____
2. _____	_____
_____	Print Name _____
Print Name _____	Address: _____
_____	_____
SSN: _____	_____



Ogden Resources Corporation

7607 Eastmark Dr., Suite 240
College Station, Texas 77840
(409) 696-2767 FAX (409) 696-3264

June 30, 1994

RE: Dunlap-Bryan Well No. 1
Brazos County, Texas

Dear Interest Owner:

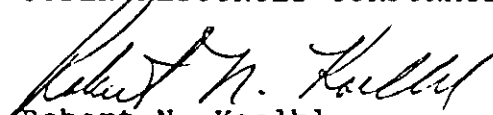
Ogden Resources Corporation ("Ogden") has decided to market its share of the oil and gas production in the above-referenced well as provided in the provisions of our Operating Agreement with Union Pacific Resources Company. Because of this, Ogden will distribute to you 25% of your oil and gas royalties from this well until further notice. Union Pacific Resources Company is obligated to distribute the remaining 75% of your royalty. You will receive division orders from them covering your remaining interest.

We have enclosed a division order which covers 25% of your interest in this well along with your first check and revenue statements. To ensure continued uninterrupted payments, please follow the steps listed below if your interest is listed correctly:

1. Sign and print your name in the proper lines.
2. Have two people, other than a family member, or a Notary Public witness your signature.
3. Print your social security or tax ID# in the space provided.
4. Return the signed division order to our office prior to July 20, 1994 to ensure continued royalty payments.

Sincerely,

OGDEN RESOURCES CORPORATION


Robert N. Koelbl
Vice President/Land Manager

RNK/aw
enclosure

GAS AND GAS LIQUIDS
DIVISION ORDER

TO: OGDEN RESOURCES CORPORATION
7607 EASTMARK DRIVE, SUITE 240
COLLEGE STATION, TEXAS 77840

RE: DUNLAP-BRYAN UNIT
WELL NO. 1

1. The undersigned warrant that they are the owners of the interest in the gas and gas liquids, if any, which are produced from or allocated to the Dunlap-Bryan Unit No. 1 and formed by Unit Designation recorded at Vol. 2057, Page 228, Official Public Records of Brazos County, Texas, and particularly described in Exhibit "A" attached hereto, in the proportions shown in the Division of Interest attached hereto and made a part hereof as Exhibit "B", and subject to any conditions contained in said Exhibit "B". The Unit herein described including all amendments thereto, as well as the oil, gas and mineral leases set forth therein are hereby ratified and confirmed.

2. Ogden Resources Corporation, hereinafter referred to as "ORC", until further notice from it to the undersigned, or from the undersigned to it, is hereby authorized to cause to be taken the above described production, and to receive payment from the takers or purchasers thereof. ORC may from time to time change takers or purchasers of production hereunder and ORC may continue payment under this division order without the necessity of issuing new division orders.

3. ORC's only obligation to the undersigned, with respect to the above described production, or the proceeds therefrom, is limited to the payment, in accordance with the Division of Interest herein specified and of the provisions hereof, of the monies received by it from the purchasers or takers of the above described production less severance or other taxes levied thereon required or authorized to be deducted by law, and less that portion, if any, of ORC's fuel, compression, transportation, dehydrating or treating charges which are authorized in the oil, gas and mineral leases referred to and ratified herein.

4. Following receipt of the monies, payment is to be made monthly by check of ORC, mailed to each of said owners at the address shown below. No payment need be made to or for any interest holder until the sum accrued thereto is Twenty-Five Dollars (\$25.00) or more.

5. In case of title objection by ORC's attorney or in case of adverse claim of title to the interest of the undersigned in the above described production, or the proceeds therefrom, ORC shall be protected against all reasonable cost and expense necessarily incurred in connection therewith, and may withhold payment without interest, until such objection is removed, or such adverse claim is fully determined. Satisfactory evidence of title will be furnished on request.

6. ORC is hereby relieved of any responsibility for determining when any of the above interests shall increase, diminish, be extinguished, or revert to other parties as a result of the lapse or determination of a right or interest, the completion or discharge of money or other payments from said interest, or as a result of the increase or decrease in production, or as a result of any other thing of which ORC does not receive written notice and ORC is authorized to continue to remit pursuant to the Division of Interest set out in Exhibit "B" until thirty (30) days after it receives notice in writing to the contrary by mail at the above address. Each of the undersigned whose interest shall hereafter vest in another not signing a division or transfer order agrees to hold ORC harmless from any loss in connection with such change in ownership which results from ORC's reliance on the foregoing authorization.

7. This division order shall bind, and inure to the benefit of, the successors in interest of the undersigned and of ORC, and shall be effective with production beginning January 11, 1991 as to each of the undersigned irrespective of whether any other party shall sign same.

WITNESSES:

OWNERS:

1. _____

Name:

X

2. _____

Print Name

Date Signed

Address: _____

SSN: _____

COPY

EXHIBIT "A"
Property Description

Union Pacific Resources Company - Dunlap-Bryan Unit No. 1

839.66 acres situated in the T.H. Mays Survey, Abstract No. 161, the Jessie Evans Survey, Abstract No. 110, the J. Walker Survey, Abstract No. 244, and the A.D. Houston Survey, Abstract No. 133, Brazos County, Texas and being more fully described as follows, TO WIT:

UNIT TRACT NO. 1 - Sam Milton Dunlap, et ux Lease, 942.5 acres, of which 120.86 acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 2 - Doris Jean Lindley, et al, Leases, 23.468 acres, of which 23.96 [sic] acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 3 - Patsy R. Williams, et al, Leases, 11.732 acres, of which 12.27 [sic] acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 4 - F.A. Karonika, et al, Leases, 24.024 acres, of which 25.10 [sic] acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 5A - Dolores Gale Marrs, et al, Leases, 28.13 acres of which 5.06 acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 5B - Dolores Gale Marrs, et al, Leases, 28.13 acres of which 24.52 acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 6 - Douglas John Collins, Jr., et ux Lease, 12.0 acres of which 12.26 [sic] acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 7 - Joe Marino, et ux Lease, 5.097 acres of which 5.13 [sic] acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 8 - Lawrence B. Royder, et ux Lease, 5.097 acres of which 5.29 [sic] acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 9 - Joseph A. Mikeska, Jr., et ux Lease, 30.644 acres of which 31.24 [sic] acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 10A - J.D. Theeck, et ux Lease, 22.9 acres of which 23.24 [sic] acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 10B - Robert T. Lyons, et al, Leases, 4.92 acres of which .90 acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 11 - Robert T. Lyons, et al, Leases, 4.92 acres of which 4.46 acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 12 - Granger Chui, et ux Lease, 33.14 acres of which 34.11 [sic] acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 13A - Warren V. Smith, et al, Leases, 34.05 acres included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 13B - Warren V. Smith, et al, Leases, 67.71 acres included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 14A - Interstate Promotional Printing, Inc., et al, Leases, 33.82 acres of which 34.07 [sic] acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 14B - Richard Bruce Gafford Lease, 15.82 acres of which 15.82 acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 15 - Ronald Bryan, Trustee Lease, 128.566 acres of which 130.08 [sic] acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 16 - Margaret Gillies Lease, 1 acre of which .96 acre is included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 17 - State of Texas Lease, 8.34 acres of which 8.76 [sic] acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 18 - Elbert R. Beene, et ux, et al, Leases, 39.55 acres included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 19 - Elbert R. Beene, et ux, et al, Leases, 4.33 acres included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 20 - Frank Heqar, et ux Lease, 19.928 acres of which 16.28 acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 21 - A.D. Barrett, et ux Lease, 42.02 acres of which 43.17 [sic] acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 22 - Gordon Smith Lease, 7.0 acres of which 7.20 [sic] acres are included in the Dunlap-Bryan Unit No. 1.

UNIT TRACT NO. 23 - Sam Milton Dunlap, et ux Lease, 942.5 acres of which 109.54 acres are included in the Dunlap-Bryan Unit No. 1.



EXHIBIT "B"
DIVISION OF INTEREST LISTING

Max H. Akin	.00030600 R.I.
Archie D. Barrett	.00076500 R.I.
Elbert R. Beene	.00082200 R.I.
Ruby Ruth Bentinck	.00007900 R.I.
Mary James Sisk Breeden	.00008500 R.I.
Ronald Bryan, Trustee	.00610800 R.I.
Don R. Cain	.01999300 W.I.
Exie R. Carson	.00007900 R.I.
Granger Chui	.00169300 R.I.
Douglas John Collins, Jr.	.00015200 R.I.
Karen Cook	.00003400 R.I.
Barbara Ryman Degnan	.00005600 R.I.
Diane Denena	.00249700 ORRI
Anna Lucille Dougherty	.00087200 R.I.
Donna Baird Dunlap	.00980000 R.I.
Kathy Friedel	.00002600 R.I.
Margaret Gillies	.00004800 R.I.
Don R. Graves	.00087200 R.I.
Emily Jean Haskell	.00007900 R.I.
Mary Lynn Hegar	.00003400 R.I.
Frank Hegar	.00010200 R.I.
Larry Hegar	.00003400 R.I.
Ronda F. Hegar	.00002600 R.I.
Glenn Hegar	.00002600 R.I.
John Heyburn	.00193500 ORRI
John Heyburn	.06397900 W.I.
Julia Ryman Holmes	.00005600 R.I.
Interstate Promotional Printing	.00084500 R.I.
F.A. Karonika	.00047300 R.I.
Ruth Lang	.00035300 R.I.
Virginia Ryman Larsson, Trustee	.00005600 R.I.
John M. Lawrence, III	.00005400 R.I.
Doris Jean Lindley	.00181400 R.I.
Lometa Petroleum Corporation	.00249700 ORRI

Robert T. Lyons	.00019900 R.I.
Andrew E. MacMahon	.01999300 W.I.
Joe Marino	.00129200 R.I.
Dolores Gale Marrs	.00036700 R.I.
Pat S. McCrory	.00036700 R.I.
Joseph Mikeska	.00087200 R.I.
Mildred Milner	.00049100 R.I.
Mack C. Milner, Jr.	.00022000 R.I.
Ogden-Chaparral Limited Partnership	.00193500 ORRI
Ogden-Chaparral Limited Partnership	.06397900 W.I.
Ogden Resources Corporation	.00096800 ORRI
Ogden Resources Corporation	.03198900 W.I.
Allie J. Parham	.00031200 R.I.
Billy M. Payne	.00003500 R.I.
Martha D. Ratliff, Life Estate	.00007800 R.I.
Judy Ripple	.00002600 R.I.
Lawrence Bertram Royder	.00026200 R.I.
Ellen Ruth Sebren	.00003200 R.I.
Selma Selman	.00066100 R.I.
Anton Slafka	.00162400 R.I.
S.H. Smith	.00003200 R.I.
Walter Smith	.00006600 R.I.
Alfred C. Smith, Jr.	.00124600 R.I.
Fred Smith	.00124600 R.I.
Lois Curd Smith Trust	.00124600 R.I.
Warren V. Smith	.00124600 R.I.
Gordon W. Smith	.00004500 R.I.
Gordon R. Smith	.00004400 R.I.
State of Texas	.00044500 R.I.
J.D. Theeck	.00115300 R.I.
William S. Thornton	.00003800 R.I.
Veteran's Land Board	.00015200 R.I.
Jay Don Watson	.00002800 R.I.
Robert H. Whitten	.00035700 R.I.
Patsy R. Williams	<u>.00030400</u> R.I.
TOTAL	.25000000

10

95349

M

D.O. Ltr. to Ogdan DEC 07 1994

File Dated DEC 08 1994

233



Texas General Land Office
Garry Mauro, Commissioner

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

November 18, 1996

Sinclair Oil Corporation
P.O. Box 30825
Salt Lake City, Utah 84130-0825

Re: Mineral File No. M- 095349
Property No. 423113

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, effect the payments of such royalties, it is not the policy of this office to execute them. Insofar as allowed by law, the Texas General Land Office acquiesces in the sale of oil and gas under the terms and conditions set out in the lease.

If you should have any questions, please feel free to call me at (512) 475-1527.

Sincerely,

Eugene H. Moore, Jr.

Eugene H. Moore, Jr.
Accounts Examiner
Royalty and Revenue Processing
Energy Resources

UPRC (operator)



Eugene Moore

5: 12/14/96

m-95349

RECEIVED

56 NOV 15 PM 12: 21

ENERGY RESOURCES

October 29, 1996

RE: Dunlap - Bryan #1 Well
SOC WI: 30% WI

ALL INTEREST OWNERS:

Sinclair Oil Corporation, as a working interest owner in the captioned well, is now selling its proportionate share of the oil produced from this well separately from Union Pacific Resources Company. We will begin disbursing revenues attributable to the production we sell effective June 1, 1996. The enclosed Division Order reflects your interest based on Sinclair's production.

In order to keep your interest in line for payment, we will need an executed division order covering the captioned well. To that end, enclosed are two copies of our Division Order prepared from information furnished to us by Union Pacific. If your interest is correct, please execute one copy of the Division Order in the presence of two witnesses, insert your Social Security or Taxpayer Identification Number in the space provided, verify the address shown, and return the original to our office in the enclosed self-addressed envelope for further processing. Please retain the copy for your records.

NOTE: FAILURE TO PROVIDE YOUR SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER COMPELS SINCLAIR TO COMPLY WITH IRS GUIDELINES GOVERNING BACKUP WITHHOLDING WHICH REQUIRE US TO DEDUCT 31% FROM THE NET PROCEEDS OF YOUR CHECKS. THIS INFORMATION MUST BE REFLECTED ON THIS DIVISION ORDER EVEN THOUGH IT HAS BEEN PROVIDED PREVIOUSLY ON OTHER DIVISION ORDERS.

Please provide Sinclair with copies of any documents which affect your ownership or interest in this well. If you have any questions, please feel free to contact either of the following individuals:

Sam Bartlett - Royalty Payments (801) 524-2910

* Becky Farmer - Division Orders (801) 526-3911

You may contact us anytime during normal business hours - Mountain Time.

Yours truly,

Becky A. Farmer

Becky A. Farmer
Division Order Analyst

DIVISION ORDER

TO: Sinclair Oil Corporation
P.O. Box 30825
Salt Lake City, UT 84130-0825

RETAIN COPY
FOR YOUR FILE

Property No: 423113
Effective: May 1, 1996

The undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil, gas and related liquid hydrocarbons produced from the property described below:

Dunlap - Bryan #1 Well
839.66 Acres out of T. H. Mays Survey A-161, Jessie Evans Survey A-110, Jessie Evans Survey A-111,
J. Walker Survey A-244 and A. D. Houston Survey A-133
Brazos County, Texas

DIVISION OF INTEREST: SEE EXHIBIT "A" ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF

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 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 for gas according to the underlying lease, operating agreement and/or other contracts applicable to each party's interest. The payor shall pay all parties at the price agreed to by the operator for oil 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 oil run during the preceding calendar month and for gas sold during the second 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 judgements 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 of 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.

<u>Witness</u>	<u>Signature of Interest Owner</u> <u>Social Security/Tax I.D. No.</u>	<u>Date</u>
_____	_____	_____
_____	_____	_____
_____	ID # _____	_____
_____	_____	_____
_____	ID # _____	_____
_____	_____	_____
_____	ID # _____	_____

Failure to furnish your Social Security/Tax I.D. number will result in withholding tax in accordance with federal law, and any tax withheld will not be refundable by payor.

<u>ROYALTY INTEREST:</u>	<u>INTEREST</u>
JOE MARINO & JULIE E. MARINO 2916 GEORGIA AVENUE BRYAN TX 77803	0.00030560
JOE MARINO 2916 GEORGIA AVENUE BRYAN TX 77803	0.00124600
JUDY RIPPLE & ROBERT RIPPLE 2933 REDBUD KATY TX 77493	0.00003040
JUDY RIPPLE 2933 REDBUD KATY TX 77493	0.00001760
KATHY FRIEDEL 25920 F M 2920 HOCKLEY TX 77447	0.00001760
KATHY FRIEDEL & GARY FRIEDEL 25920 F M 2970 HOCKLEY TX 77447	0.00003040
GLENN ALLEN HEGAR & CONNIE HEGAR P O BOX 27 HOCKLEY TX 77447	0.00004800
MARY LYNN HEGAR 5990 PRATT ROAD COLLEGE STATION TX 77845	0.00005840
RONDA FAYE HEGAR 8914 FOREST HILL BLVD DALLAS TX 75218	0.00004800
KAREN COOK & BOB HANSON 28627 DAPPER DAN BOERNE TX 78006	0.00005880
LAWRENCE F. HEGAR, JR. & JUDA HEGAR 19703 HEGAR ROAD HOCKLEY TX 77447	0.00004120
LAWRENCE F. HEGAR, JR. 19930 HEGAR ROAD HOCKLEY TX 77447	0.00001760
RONALD BRYAN, TRUSTEE 1813 SHADOWOOD COLLEGE STATION TX 77840	0.00732920
BARBARA ANN REED 110 OAK ROSCOE TX 79545	0.00018920
DONALD JAMES JOHNSON 200 OAK ROSCOE TX 79545	0.00018920
SCOTTY RAY REED 2708 NORWOOD LANE ARLINGTON TX 76013	0.00018960
STEVE ALLEN SMITH 578 NORTH HILLS ROAD TYLER TX 75706	0.00008000
ALFRED C. SMITH, JR. 10942 HOLLOW RIDGE SAN ANTONIO TX 782541013	0.00149560

WARREN V. SMITH 21579 STATE HIGHWAY 6 SOUTH NAVASOTA TX 77868	0.00149560
FRED SMITH 621 LAKESIDE DR CHANNELVIEW TX 77530	0.00149560
MAX H. AKIN & MABEL AKIN 225 HILLSIDE DR NAVASOTA TX 77868	0.00036720
DOUGLAS JOHN COLLINS JR 16420 MUESCHKE ROAD CYPRESS TX 77429	0.00018240
DOUGLAS JOHN COLLINS JR VETERANS LAND BOARD STATE OF TEXAS 1700 NORTH CONGRESS AVENUE AUSTIN TX 78701	0.00018240
MARTHA D. RATLIFF, LIFE ESTATE REMAINDERMEN: UNKNOWN P.O. BOX 81 CEDAR LANE TX 77415	0.00009360
JOSEPH A. MIKESKA, JR. & DOROTHY T. MIKESKA 2892 NORTH GRAHAM RD COLLEGE STATION TX 77845	0.00104640
JOHN M LAWRENCE III 800 DOGWOOD BRYAN TX 77802	0.00006480
BRENT A. BARKER 876 STREY LN APT 572 HOUSTON TX 77024	0.00001520
WILLIAM S. BELL 2803 SADDLEBROOK KATY TX 77494	0.00099920
MARY JAMES SISK BREEDEN, LIFE ESTATE REMAINDERMEN: JAMES SHELTON BREEDEN, ROBERT NEIL BREEDEN & MARY CLAIRE BREEDEN 2716 OAK DRIVE BAY CITY TX 77414	0.00010120
ROBERT H. WHITTEN & MARIANNA F. WHITTEN 405 HILLSIDE DRIVE NAVASOTA TX 77868	0.00042840
JAY DON WATSON 609 BOB WHITE BRYAN TX 77802	0.00003320
DORIS JEAN LINDLEY 1005 NEAL ST NAVASOTA TX 77868	0.00217680
ANTON SLAFKA & JOAN SLAFKA 129 MILLERS LANE COLLEGE STATION TX 77845	0.00194960
SAMUEL KENT DUNLAP 702 VICTORIA NAVASOTA TX 77868	0.00196000
DONNA BAIRD DUNLAP 702 VICTORIA NAVASOTA TX 77868	0.00784000
REBECCA JANE DUNLAP CONLEY 702 VICTORIA NAVASOTA TX 77868	0.00196000

WILLIAM S. THORNTON PO DRAWER E BRYAN TX 77805	0.00004520
GORDON W. SMITH P.O. BOX 427 MILLICAN TX 77866	0.00005360
PATSY R. WILLIAMS P.O. BOX 594 MILLICAN TX 77866	0.00036560
LAWRENCE BERTRAM ROYDER & MARY B. ROYDER P O BOX 2294 PEARLAND TX 77588	0.00031520
PAT S. MCCRORY P.O. BOX 581 MILLICAN TX 77866	0.00044040
DOLORES GALE MARRS ROUTE 2, BOX 18 ROCKDALE TX 76567	0.00044040
LOIS C. SMITH, TRUSTEE UNDER THE LOIS C. SMITH TRUST AGREEMENT DATED FEBRUARY 24, 1993 C/O FIRST BANK, NAVASOTA BRANCH 400 EAST WASHINGTON AVENUE NAVASOTA TX 77868-0551	0.00149560
J. D. THEECK & MARIE THEECK 11631 SPRING CYPRESS TOMBALL TX 77375	0.00138400
EMILY JEAN HASKELL P.O. BOX 169 CEDAR LANE TX 774150169	0.00001240
EMILY JEAN HASKELL & BILLY HASKELL P.O. BOX 169 CEDAR LANE TX 774150169	0.00008120
ARCHIE D. BARRETT & MIRIAM ROWELL BARRETT 634 A STREET SE WASHINGTON DC 20003	0.00091840
JOHN ROBERT SELMAN 714 NORTH MEYER SEALY TX 77474	0.00026460
WILLIS SELMAN, JR. 798 STEVENS LANE MCGREGOR TX 76657	0.00026470
DIANNA DAIL 1717 PINE CHASE, APT. #68 HOUSTON TX 77005	0.00026470
MILDRED MILNER 11110 WICKDALE HOUSTON TX 770247519	0.00058800
MACK C. MILNER JR 11110 WICKDALE DR HOUSTON TX 77024-7519	0.00026360
MACK C. MILNER, JR., EXECUTOR OF THE ALLIE JAY PARHAM ESTATE 11110 WICKDALE DR. HOUSTON TX 77024-7519	0.00037560

BILLY M. PAYNE 0.00004160
PO DRAWER E
BRYAN TX 77805

ROBERT THOMAS LYONS & SHARON ANN LYONS 0.00023960
BOX 418
MILLICAN TX 77866

ANNA LUCILLE DOUGHERTY 0.00104720
1209 BENNETT
BRYAN TX 77803

RUBY RUTH BENTINCK 0.00001240
PO BOX 380246
DUNCANVILLE TX 75138

RUBY RUTH BENTINCK & GEORGE BENTINCK 0.00008120
P.O. BOX 380246
DUNCANVILLE TX 75138

EXIE R. CARSON 0.00009360
P.O. BOX 85
CEDAR LANE TX 774150085

ELBERT R. BEENE & ALICE BEENE 0.00098720
BOX 404
MILLICAN TX 77866

GRANGER CHUI & DOROTHY CHUI 0.00203120
9923-183 COURT NE
REDMOND WA 98052

✓ COMMISSIONER OF GENERAL LAND OFFICE 0.00053360
1700 N CONGRESS AVENUE
AUSTIN TX 78701

VIRGINIA RYMAN LARSSON, TRUSTEE 0.00006760
OF THE VIRGINIA RYMAN LARSSON TRUST
1230 GARVIN PLACE
LOUISVILLE KY 40203-3006

INTERNAL REVENUE SERVICE 0.00005360
F/A/O GORDON R. SMITH
6801 SANGER AVENUE, #260
WACO TX 76710

JULIA (JUDY) RYMAN HOLMES, TRUSTEE OF THE 0.00006720
MARGUERITE ERNESTINE PATRICK MORGAN
WRIGHT RYMAN TRUST UAW/O ELDRIDGE B. RYMAN
3804 LOVERS LANE
DALLAS TX 75225-7101

JD MINERALS 0.00005720
C/O EAST TEXAS NATIONAL BANK JD-ET
P O DRAWER 770
PALESTINE TX 75802-0770

NON-PARTICIPATING ROYALTY:

S. HOSHEL SMITH, JR. & GLENNA SMITH 0.00003920
207 KETCHUM
NAVASOTA TX 77868

RUTH LANG & MANUEL LANG 0.00042400
516 CUMBERLAND DRIVE
HURST TX 76054

JAMES H. & DEGNAN & BARBARA RYMAN 0.00006760
DEGNAN, CO-TRUSTEES OF THE
BARBARA R. DEGNAN MARITAL TRUST
7009 SOUTH ATLANTA
TULSA OK 74136

ELLEN RUTH SEBREN 0.00003920
529 MOCKINGBIRD LANE
NACOGDOCHES TX 75961

DON R. GRAVES & NETA FAYE GRAVES 0.00104640
8081 BOB MOORE RD
NAVASOTA TX 77868

OVERRIDING ROYALTY:

JOHN HEYBURN 0.00232240
4605 POST OAK PLACE, SUITE 228
HOUSTON TX 77027

OGDEN-CHAPARRAL LIMITED PARTNERSHIP 0.00232240
P. O. BOX 10134
COLLEGE STATION TX 778420134

OGDEN RESOURCES CORP 0.00116120
7607 EASTMARK DRIVE, SUITE 240
COLLEGE STATION TX 77840

DIANE DENENA 0.00299560
4022 CLOVER LANE
DALLAS TX 75220

LOMETA PETROLEUM CORP 0.00299560
400 GRAHAM
COLLEGE STATION TX 77845

WORKING INTEREST:

SINCLAIR OIL CORPORATION 0.23991600
550 EAST SOUTH TEMPLE
SALT LAKE CITY UT 84102

TOTAL INTEREST: 0.30000000

M-95349
Division Order
File Dated 11-21-96

10¹¹2
01

95349

2274

INACTIVE
7A

DO NOT DESTROY

GLO-36-10-84

-MEMO-

Operator UP RC

Unit Name Dunlap-Bryan Unit

County Brazos

Effective Date 1-10-93

Unitized for: Oil Gas Oil & Gas

1. M.F. No. 095349

Area HROW Tr. 17

Sec. 8.76 Blk. 839.66 Survey 1/6

.010432 x .1666667 = .1738 %
.001738

2. M.F. No. _____

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

_____ x _____ = _____ %

3. M.F. No. _____

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

_____ x _____ = _____ %

4. M.F. No. _____

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

_____ x _____ = _____ %

REMARKS:

MS 3-6-00

56-29973

INACTIVE
7/21

DESIGNATION OF UNIT

DUNLAP-BRYAN UNIT NO. 1

STATE OF TEXAS

COUNTY OF BRAZOS

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, being the owners of valid and subsisting oil, gas, and mineral leases listed in Exhibit "A", attached hereto and made a part hereof, insofar as said oil, gas, and mineral leases cover and affect the land and depths described on Exhibit "B", attached hereto and made a part hereof, do, by virtue of the authority conferred by the terms of such oil, gas, and mineral leases and all amendments and corrections thereto, hereby pool, consolidate, combine, and unitize said oil, gas, and mineral leases, the leasehold rights, overriding royalty, and royalty 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). The unit (hereinafter "Unit") shall be comprised of the land and interval 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 unitized 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.

The undersigned reserves 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 or reduce 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, by appropriate amendments or instruments.

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 they expressly reserve to 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 instrument may be executed as one document signed by all parties, or parties named herein may join herein by execution of a counterpart or ratification, with the same effect as if all parties executed this instrument.

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

The Unit hereby created shall be effective as of the date of first production from the Unit, or any separate tracts included in 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.

IN WITNESS WHEREOF, this Designation of Unit is executed on this 16th day of January, 1993.

UNION PACIFIC RESOURCES COMPANY

By: *Andrew E. MacMahon*
Its: Attorney-in-Fact *UACWJ
THK*

OGDEN RESOURCES CORPORATION

By: _____
Its: _____

OGDEN-CHAPARRAL LIMITED PARTNERSHIP

By: _____
Its: _____

John Heyburn

Don R. Cain

Andrew E. MacMahon

TORCH ENERGY ASSOCIATES LTD.

By: _____
Its: _____

NUEVO ENERGY COMPANY

By: _____
Its: _____

SINCLAIR OIL CORPORATION

By: _____
Its: _____

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

The Unit hereby created shall be effective as of the date of first production from the Unit, or any separate tracts included in 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.

IN WITNESS WHEREOF, this Designation of Unit is executed on this 11th day of January, 1993.

UNION PACIFIC RESOURCES COMPANY

By: [Signature]
Its: Attorney-in-Fact VIND
7/18/93

OGDEN RESOURCES CORPORATION

By: [Signature]
Its: President

OGDEN-CHAPARRAL LIMITED PARTNERSHIP

By: [Signature]
Its: General Partner

[Signature]
John Heyburn

[Signature]
Don R. Cain

[Signature]
Andrew E. MacMahon

TORCH ENERGY ASSOCIATES LTD.

By: _____
Its: _____

NUEVO ENERGY COMPANY

By: _____
Its: _____

SINCLAIR OIL CORPORATION

By: _____
Its: _____

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

The Unit hereby created shall be effective as of the date of first production from the Unit, or any separate tracts included in 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.

IN WITNESS WHEREOF, this Designation of Unit is executed on this 10th day of January, 1993.

UNION PACIFIC RESOURCES COMPANY

By: [Signature]
Its: Attorney-in-Fact VRRW
TR RW

OGDEN RESOURCES CORPORATION

By: _____
Its: _____

OGDEN-CHAPARRAL LIMITED PARTNERSHIP

By: _____
Its: _____

John Heyburn

Don R. Cain

Andrew E. MacMahon

TORCH ENERGY ASSOCIATES LTD.

Approval
[Signature]

By: [Signature]
Its: _____

NUEVO ENERGY COMPANY

Approval
[Signature]

By: [Signature]
Its: _____

SINCLAIR OIL CORPORATION

By: _____
Its: _____

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

The Unit hereby created shall be effective as of the date of first production from the Unit, or any separate tracts included in 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.

IN WITNESS WHEREOF, this Designation of Unit is executed on this 16th day of January, 1993.

UNION PACIFIC RESOURCES COMPANY

By: [Signature]
Its: Attorney-in-Fact VJW
7/7/93

OGDEN RESOURCES CORPORATION

By: _____
Its: _____

OGDEN-CHAPARRAL LIMITED PARTNERSHIP

By: _____
Its: _____

John Heyburn

Don R. Cain

Andrew E. MacMahon

TORCH ENERGY ASSOCIATES LTD.

By: _____
Its: _____

NUEVO ENERGY COMPANY

By: _____
Its: _____

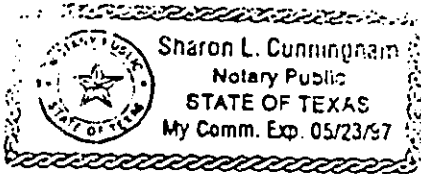
SINCLAIR OIL CORPORATION

By: [Signature]
Its: Peter M. Johnson, Vice President

[Signature]

STATE OF TEXAS
COUNTY OF TARRANT

This instrument was acknowledged before me on the 10 day of February, 1993, by Carolyn J. David, Attorney-in-Fact of UNION PACIFIC RESOURCES COMPANY, a Delaware corporation, on behalf of said corporation.



Sharon L. Cunningham
Notary Public in and for the
State of Texas
My commission expires: 5-23-97

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1993, by _____, the _____ of OGDEN RESOURCES CORPORATION, a _____ corporation, on behalf of said corporation.

Notary Public in and for the
State of _____
My commission expires: _____

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1993, by _____, the _____ of OGDEN-CHAPARRAL LIMITED PARTNERSHIP, a _____ partnership, on behalf of said partnership.

Notary Public in and for the
State of _____
My commission expires: _____

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1993, by John Heyburn.

Notary Public in and for the
State of _____
My commission expires: _____

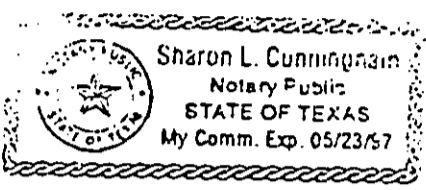
STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1993, by Don R. Cain.

Notary Public in and for the
State of _____
My commission expires: _____

STATE OF TEXAS
COUNTY OF TARRANT

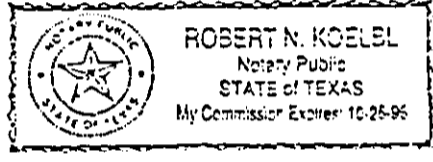
This instrument was acknowledged before me on the 10 day of February, 1997, by Carolyn J. David, Attorney-in-Fact of UNION PACIFIC RESOURCES COMPANY, a Delaware corporation, on behalf of said corporation.



Sharon L. Cunningham
Notary Public in and for the
State of Texas
My commission expires: 5-23-97

STATE OF TEXAS
COUNTY OF SPRINGS

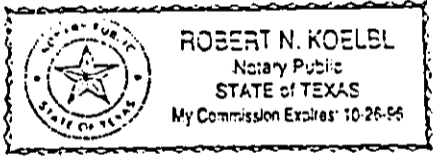
This instrument was acknowledged before me on the 14th day of February, 1997, by Stephen E. Cohen, the President of OGDEN RESOURCES CORPORATION, a TEXAS corporation, on behalf of said corporation.



Robert N. Koebel
Notary Public in and for the
State of _____
My commission expires: _____

STATE OF TEXAS
COUNTY OF SPRINGS

This instrument was acknowledged before me on the 15th day of February, 1999, by Emil E. Cohen, the General Manager of OGDEN-CHAPARRAL LIMITED PARTNERSHIP, a TEXAS partnership, on behalf of said partnership.

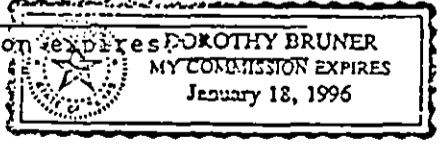


Robert N. Koebel
Notary Public in and for the
State of _____
My commission expires: _____

STATE OF Texas
COUNTY OF Harris

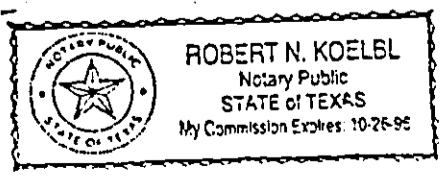
This instrument was acknowledged before me on the 23rd day of February, 1997, by John Hayburn.

Porothy Bruner
Notary Public in and for the
State of _____
My commission expires: _____



STATE OF TEXAS
COUNTY OF SPRINGS

This instrument was acknowledged before me on the 15th day of February, 1997, by Don R. Cain.



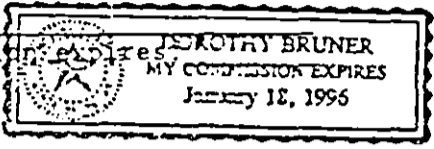
Robert N. Koebel
Notary Public in and for the
State of _____
My commission expires: _____

STATE OF Texas
COUNTY OF Harris

This instrument was acknowledged before me on the 21st day of February, 1997, by Andrew E. MacMahon.

Paul Bruner

Notary Public in and for the
State of _____
My commission expires _____



STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1993, by _____, the _____ of TORCH ENERGY ASSOCIATES LTD., a _____ partnership, on behalf of said partnership.

Notary Public in and for the
State of _____
My commission expires: _____

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1993, by _____, the _____ of NUEVO ENERGY COMPANY, a _____ corporation, on behalf of said corporation.

Notary Public in and for the
State of _____
My commission expires: _____

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1993, by _____, the _____ of SINCLAIR OIL CORPORATION, a _____ corporation, on behalf of said corporation.

Notary Public in and for the
State of _____
My commission expires: _____

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1993, by _____, the _____ of PCS, INC., a _____ corporation, on behalf of said corporation.

Notary Public in and for the
State of _____
My commission expires: _____

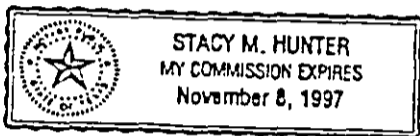
STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1993, by Andrew E. MacMahon.

Notary Public in and for the
State of _____
My commission expires: _____

STATE OF Texas
COUNTY OF Harris

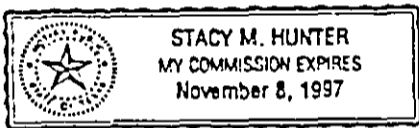
This instrument was acknowledged before me on the 22nd day of February, 1993, by Matthew S. Kanyky, the Vice President of TORCH ENERGY ASSOCIATES LTD., a Texas partnership, on behalf of said partnership.



Stacy M. Hunter
Notary Public in and for the
State of Texas
My commission expires: 11-8-97

STATE OF Texas
COUNTY OF Harris

This instrument was acknowledged before me on the 22nd day of February, 1993, by Matthew S. Kanyky, the Vice President of NUEVO ENERGY COMPANY, a Delaware corporation, on behalf of said corporation.



Stacy M. Hunter
Notary Public in and for the
State of Texas
My commission expires: 11-8-97

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1993, by _____, the _____ of SINCLAIR OIL CORPORATION, a _____ corporation, on behalf of said corporation.

Notary Public in and for the
State of _____
My commission expires: _____

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1993, by _____, the _____ of PCS, INC., a _____ corporation, on behalf of said corporation.

Notary Public in and for the
State of _____
My commission expires: _____

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1993, by Andrew E. MacMahon.

Notary Public in and for the
State of _____
My commission expires: _____

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1993, by _____, the _____ of TORCH ENERGY ASSOCIATES LTD., a _____ partnership, on behalf of said partnership.

Notary Public in and for the
State of _____
My commission expires: _____

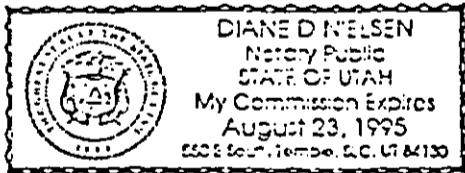
STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1993, by _____, the _____ of NUEVO ENERGY COMPANY, a _____ corporation, on behalf of said corporation.

Notary Public in and for the
State of _____
My commission expires: _____

STATE OF UTAH
COUNTY OF SALT LAKE

This instrument was acknowledged before me on the 3rd day of March, 19934 by Peter M. Johnson, the Vice President of SINCLAIR OIL CORPORATION, a Wyoming corporation, on behalf of said corporation.



Diane D. Nelson

Notary Public in and for the
State of Utah
My commission expires: 8/23/95

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1993, by _____, the _____ of PCS, INC., a _____ corporation, on behalf of said corporation.

Notary Public in and for the
State of _____
My commission expires: _____

Exhibit "A"

Attached to and made a part of that certain Designation of Unit-Dunlap-Bryan Unit #1.

Schedule of Leases

Lessor:	Sam Milton Dunlap, et ux.	TX-47867
Lessee:	Ogden Resources Corporation	
Date:	June 19, 1989	
Filed:	Official Records of Brazos County	
Recorded:	Volume 1169, Page 397	
Lessor:	Ronald Bryan, Trustee	TX-47868
Lessee:	Ogden Resources Corporation	
Date:	February 22, 1990	
Filed:	Official Records of Brazos County	
Recorded:	Volume 1170, Page 55	
Lessor:	Lawrence B. Royder, et ux.	TX-60049
Lessee:	Union Pacific Resources Company	
Date:	September 10, 1993	
Filed:	Official Records of Brazos County	
Recorded:	Volume 1913, Page 79	
Lessor:	Doris Jean Lindley, et al.	TX-47870(1)
Lessee:	Ogden Resources Corporation	
Date:	December 2, 1989	
Filed:	Official Records of Brazos County	
Recorded:	Volume 1169, Page 420	
Lessor:	Joseph A. Mikeska, Jr., et ux.	TX-48135
Lessee:	Ogden Resources Corporation	
Date:	February 9, 1993	
Filed:	Official Records of Brazos County	
Recorded:	Volume 1721, Page 154	
Lessor:	Robert T. Lyons, et ux.	TX-48133(1)
Lessee:	Ogden Resources Corporation	
Date:	December 13, 1989	
Filed:	Official Records of Brazos County	
Recorded:	Volume 1169, Page 436	
Lessor:	Walter Smith	TX-48133(2)
Lessee:	Ogden Resources Corporation	
Date:	December 13, 1989	
Filed:	Official Records of Brazos County	
Recorded:	Volume 1169, Page 475	
Lessor:	Anna Lucille Dougherty, et al.	TX-47017(12)
Lessee:	Ogden Resources Corporation	
Date:	December 30, 1989	
Filed:	Official Records of Brazos County	
Recorded:	Volume 1169, Page 401	
Lessor:	John M. Lawrence III, Trustee	TX-47017(13)
Lessee:	Ogden Resources Corporation	
Date:	December 30, 1989	
Filed:	Official Records of Brazos County	
Recorded:	Volume 1169, Page 416	

Lessor: F. A. Karonika TX-48130(1)
 Lessee: Ogden Resources Corporation
 Date: December 12, 1989
 Filed: Official Records of Brazos County
 Recorded: Volume 1169, Page 412

Lessor: Richard Bruce Gabbard TX-48129(1)
 Lessee: Ogden Resources Corporation
 Date: January 15, 1990
 Filed: Official Records of Brazos County
 Recorded: Volume 1169, Page 393

Lessor: Interstate Promotional Printing Co., Inc. TX-48129(2)
 Lessee: Ogden Resources Corporation
 Date: January 15, 1991
 Filed: Official Records of Brazos County
 Recorded: Volume 1233, Page 556

* Lessor: State of Texas M-95349 TX2-60050
 Lessee: Union Pacific Resources Company
 Date: September 7, 1993
 Filed: Official Records of Brazos County
 Recorded: Volume 1916, Page 267

Lessor: Warren V. Smith, et al. TX-48127(1)
 Lessee: Ogden Resources Corporation
 Date: January 5, 1990
 Filed: Official Records of Brazos County
 Recorded: Volume 1169, Page 471

Lessor: Fred Smith, et ux. TX-48127(2)
 Lessee: Ogden Resources Corporation
 Date: January 5, 1990
 Filed: Official Records of Brazos County
 Recorded: Volume 1169, Page 466

Lessor: Alfred C. Smith TX-48127(3)
 Lessee: Ogden Resources Corporation
 Date: January 5, 1990
 Filed: Official Records of Brazos County
 Recorded: Volume 1169, Page 462

Lessor: Margaret Gillies TX-48696
 Lessee: Union Pacific Resources Company
 Date: June 10, 1993
 Filed: Official Records of Brazos County
 Recorded: Volume 1873, Page 185

Lessor: Granger Chui, et ux. TX-48131
 Lessee: Ogden Resources Corporation
 Date: November 30, 1989
 Filed: Official Records of Brazos County
 Recorded: Volume 1169, Page 359

Lessor: Patsy R. Williams TX-47870(4)
 Lessee: Ogden Resources Corporation
 Date: November 28, 1989
 Filed: Official Records of Brazos County
 Recorded: Volume 1169, Page 489

Lessor: Selma Hein Selman, et al. TX-47870(3)
 Lessee: Ogden Resources Corporation
 Date: December 2, 1989
 Filed: Official Records of Brazos County
 Recorded: Volume 1169, Page 478

Lessor: Delores Gale Marrs, et al. TX-48834
 Lessee: Ogden Resources Corporation
 Date: December 30, 1992
 Filed: Official Records of Brazos County
 Recorded: Volume 1689, Page 158

Lessor: J. D. Theeck, et ux. TX-48134
 Lessee: Ogden Resources Corporation
 Date: January 12, 1990
 Filed: Official Records of Brazos County
 Recorded: Volume 1169, Page 481

Lessor: Joe Marino, et ux. TX-48135
 Lessee: Ogden Resources Corporation
 Date: December 18, 1989
 Filed: Official Records of Brazos County
 Recorded: Volume 1169, Page 424

Lessor: John Douglas Collins, et ux. TX-48833
 Lessee: Ogden Resources Corporation
 Date: February 5, 1993
 Filed: Official Records of Brazos County
 Recorded: Volume 1748, Page 75

Lessor: Robert H. Whitten, et ux. TX-47870(5)
 Lessee: Ogden Resources Corporation
 Date: November 27, 1989
 Filed: Official Records of Brazos County
 Recorded: Volume 1169, Page 486

Lessor: A.D. Barrett, et ex. TX-47870(2)
 Lessee: Ogden Resources Corporation
 Date: November 28, 1989
 Filed: Official Records of Brazos County
 Recorded: Volume 1169, Page 351

Lessor: Max H. Akin, et ux. TX-47870(6)
 Lessee: Union Pacific Resources Company
 Date: June 2, 1993
 Filed: Official Records of Brazos County
 Recorded: Volume 1866, Page 262

Lessor: Gordon Smith, a widower
 Lessee: Lometa Petroleum Corporation
 Date: July 22, 1993
 Filed: Official Records of Brazos County
 Recorded: Volume 1861, Page 1

Lessor: Karen Cook, et vir. TX-48132(4)
 Lessee: Ogden Resources Corporation
 Date: March 9, 1990
 Filed: Official Records of Brazos County
 Recorded: Volume 1204, Page 108

Lessor: Judy Ripple, et vir. TX-48132(7)
 Lessee: Ogden Resources Corporation
 Date: March 9, 1990
 Filed: Official Records of Brazos County
 Recorded: Volume 1197, Page 388

Lessor: Rhonda F. Hegar, a single woman TX-48132(8)
 Lessee: Ogden Resources Corporation
 Date: March 9, 1990
 Filed: Official Records of Brazos County
 Recorded: Volume 1191, Page 447

Lessor: Mary Lynn Hegar, a single woman TX-48132(5)
 Lessee: Ogden Resources Corporation
 Date: March 9, 1990
 Filed: Official Records of Brazos County
 Recorded: Volume 1191, Page 442

Lessor: Larry Hegar, et ux. TX-48132(6)
 Lessee: Ogden Resources Corporation
 Date: March 9, 1990
 Filed: Official Records of Brazos County
 Recorded: Volume 1191, Page 436

Lessor: Glenn Hegar, et ux. TX-48132(3)
 Lessee: Ogden Resources Corporation
 Date: March 9, 1990
 Filed: Official Records of Brazos County
 Recorded: Volume 1191, Page 430

Lessor: Frank Hegar, et ux. TX-48132(1)
 Lessee: Ogden Resources Corporation
 Date: March 9, 1990
 Filed: Official Records of Brazos County
 Recorded: Volume 1191, Page 424

Lessor: Cathey Friedel, et ux. TX-48132(2)
 Lessee: Ogden Resources Corporation
 Date: March 9, 1990
 Filed: Official Records of Brazos County
 Recorded: Volume 1191, Page 418

Lessor: Elbert R. Beene, et ux. TX-47017(9)
 Lessee: Ogden Resources Corporation
 Date: January 17, 1990
 Filed: Official Records of Brazos County
 Recorded: Volume 1169, Page 355

Lessor: Ruby Ruth Bentinck, et vir. TX-47017(8)
 Lessee: Ogden Resources Corporation
 Date: May 1, 1990
 Filed: Official Records of Brazos County
 Recorded: Volume 1187, Page 718

Lessor: Exie R. Carson TX-47017(5)
 Lessee: Ogden Resources Corporation
 Date: May 1, 1990
 Filed: Official Records of Brazos County
 Recorded: Volume 1187, Page 727

Lessor: Emily Jean Haskell, et vir. TX-47017(6)
 Lessee: Ogden Resources Corporation
 Date: May 1, 1990
 Filed: Official Records of Brazos County
 Recorded: Volume 1187, Page 737

Lessor: Allie J. Parham, a widow TX-47017(4)
 Lessee: Ogden Resources Corporation
 Date: May 1, 1990
 Filed: Official Records of Brazos County
 Recorded: Volume 1187, Page 761

Lessor: Martha D. Ratliff, Indv. and as Ind. Executrix
 of the Estate of George Ratliff, deceased TX-47017(3)
 Lessee: Ogden Resources Corporation
 Date: May 1, 1990
 Filed: Official Records of Brazos County
 Recorded: Volume 1187, Page 766

5

Lessor: Exie R. Carson, AIF for Ruth M. Warren TX-47017(2)
Lessee: Ogden Resources Corporation
Date: May 1, 1990
Filed: Official Records of Brazos County
Recorded: Volume 1187, Page 779

Lessor: Mildred Milner, et al. TX-47017(7)
Lessee: Ogden Resources Corporation
Date: May 1, 1990
Filed: Official Records of Brazos County
Recorded: Volume 1187, Page 755

Dunlap-Bryan Unit Well No. 1
 839.66 Acre Unit
 Union Pacific Resources Company
 T. H. Mays Survey, A-161
 Jessie Evans Survey, A-111
 Jessie Evans Survey, A-110
 J. Walker Survey, A-244
 A. D. Houston Survey, A-133
 Brazos County, Texas

Field notes of a 839.66 acre tract or parcel of land, lying and being situated in the T. H. Mays Survey, Abstract No. 161, the Jessie Evans Survey, Abstract No. 111, the Jessie Evans Survey, Abstract No. 110, the J. Walker Survey, Abstract No. 244 and the A. D. Houston Survey, Abstract No. 133, Brazos County, Texas, and consisting of the following tracts:

Part of the called 943 acre - First Tract described in the deed from George W. Dunlap to S. E. Dunlap, as recorded in Volume 78, Page 318, of the Deed Records of Brazos County, Texas;

All of the called 35.2 acre tract (and ½ of the adjoining right-of-way of F.M. No. 159) described in the deed from Margaret Moore Meek, guardian to L. B. Lindley, as recorded in Volume 224, Page 75, of the Deed Records of Brazos County, Texas;

All of the called 24.024 acre tract (and ½ of the adjoining right-of-way of F.M. No. 159) described in the deed from R. K. Sims and Virginia Mae Sims to F. A. Karonika, as recorded in Volume 226, Page 155, of the Deed Records of Brazos County, Texas;

All of the called 4.13 acre tract (and ½ of the adjoining right-of-way of F.M. No. 159) (and all of the 30' wide access easement which adjoins this tract) described in the deed from Jack M. Rains, et al to Dolores Gale Marrs, et al, as recorded in Volume 1669, Page 333, of the Official Records of Brazos County, Texas;

All of the called 12.00 acre tract (and all of the 30' wide access easement which adjoins this tract) described in the deed from Henry Davis Mayfield to Dolores Gale Marrs, et al, as recorded in Volume 1669, Page 327, of the Official Records of Brazos County, Texas;

All of the called 12.00 acre tract (and all of the 30' wide access easement which adjoins this tract) described in the deed from Jack Morris Rains to Dolores Gale Marrs, et al, as recorded in Volume 1669, Page 330, of the Official Records of Brazos County, Texas;

All of the called 12.00 acre tract described in the Contract of Sale and Purchase from the Veterans Land Board of Texas to Douglas John Collins, Jr., as recorded in Volume 1702, Page 214, of the Official Records of Brazos County, Texas;

All of the called 5.097 acre tract (and ½ of the adjoining right-of-way of F.M. No. 159) described in Civil Court Cause # 19,412 of the District Court of Brazos County Texas, as recorded in Volume 459, Page 529, of the Deed Records of Brazos County, Texas;

All of the called 5.097 acre Tract "C" (and ½ of the adjoining right-of-way of F.M. No. 159) described in the Partition Deed to Larry B. Royder, et al, as recorded in Volume 459, Page 529, of the Deed Records of Brazos County, Texas;

Dunlap-Bryan Unit Well No. 1
839.66 Acre Unit
Union Pacific Resources Company
T. H. Mays Survey, A-161, etc.
Brazos County, Texas
Continued - Page 2

All of the called 20.45 acre - Tract One (and $\frac{1}{2}$ of the adjoining right-of-way of F.M. No. 159), all of the called 10.194 acre - Tract Two (and $\frac{1}{2}$ of the adjoining right-of-way of F.M. No. 159) described in the deed from Don Richard Graves, et ux to Joseph A. Mikeska, Jr., et ux, as recorded in Volume 461, Page 583, of the Deed Records of Brazos County, Texas;

All of the called 26.9 acre tract (and $\frac{1}{2}$ of the adjoining right-of-way of F.M. No. 159) described in the deed from James A. Theek, et ux to J. D. Theek, et ux, as recorded in Volume 555, Page 206, of the Deed Records of Brazos County, Texas;

All of the called 13.14 acre - Tract One and all of the called 20.00 acre - Tract Two described in the deed from Milton J. Sawyer, et ux to Granger Chui, et ux, as recorded in Volume 370, Page 464, of the Deed Records of Brazos county, Texas;

All of the called 32.97 acre - First Tract and all of the called 33.77 acre - Second Tract described in the Partition Deed to Lois Smith, wife of Cecil Smith, as recorded in Volume 222, Page 598, of the Deed Records of Brazos County, Texas;

All of the called 33.37 acre tract described in the deed from Linda Hughes, et vir to Cecil Smith and wife, Lois Smith, as recorded in Volume 222, Page 602, of the Deed Records of Brazos County, Texas;

All of the called 33.82 acre tract described in the deed from First Bank and Trust, Bryan, Texas to Richard Bruce Gafford, as recorded in Volume 900, Page 782, of the Official Records of Brazos County, Texas;

All of the called 15.82 acre tract described in the deed from Ronald Bryan, Trustee to Richard Bruce Gafford, as recorded in Volume 974, Page 729, of the Official Records of Brazos County, Texas;

Part of the called 144.38 acre tract (total) described in the deed from T. Jerry Collins, Trustee to Boswell Investment Company, as recorded in Volume 347, Page 470, of the Deed Records of Brazos County, Texas;

All of the called 1 acre tract described in the deed from Ann Alfred Jones to Margaret Gillies, as recorded in Volume 315, Page 318, of the Deed Records of Brazos County, Texas;

Part of the original right-of-way (circa 1931) of State Highway No. 6 (F.A.P. # 471 F, 6 & I), right-of-way being 100' to 120' wide through this 619.85 acre tract as well as a triangular shaped tract which was "severed" by said highway near station 1270 + 00;

All of the called 43.62 acre tract described in the deed from Mrs. Carl Beene to Elbert R. Beene, as recorded in Volume 530, Page 340, of the Deed Records of Brazos County, Texas;

All of the called 19.928 acre tract (and $\frac{1}{2}$ of the adjoining right-of-way of F.M. No. 159) described in the deed from Roger K. Sims, et ux, to A. E. Hegar, Jr., as recorded in Volume 226, Page 159, of the Deed Records of Brazos County, Texas;

Dunlap-Bryan Unit Well No. 1
839.66 Acre Unit
Union Pacific Resources Company
T. H. Mays Survey, A-161, etc.
Brazos County, Texas
Continued - Page 3

All of the called 42.02 acre tract (and $\frac{1}{2}$ of the adjoining right-of-way of F.M. No. 159) described in the deed from L. B. Lindley, et ux to Veteran's Land Board of Texas, as recorded in Volume 251, Page 41, of the Deed Records of Brazos County, Texas;

And all of the called 7.0 acre tract (and $\frac{1}{2}$ of the adjoining right-of-way of F.M. No. 159) described in the deed from Jurline Salyer to Gordon Smith, et ux, as recorded in Volume 357, Page 439, of the Deed Records of Brazos County, Texas, and said 839.66 acre tract being more particularly described as follows:

BEGINNING at the crosstie fence corner marking the occupied northeast corner of the beforementioned 33.37 acre tract, same being an interior ell corner of the called 417.89 acre - 1st Part - Tract 1, described in the deed to Lois Curd Smith, et ali, as recorded in Volume 236, Page 394, of the Deed Records of Brazos County, Texas;

THENCE S 01° 41' 13" E along the east line of the beforementioned 33.37 acre tract, and a southerly west line of the beforementioned 417.89 acre tract, adjacent to a fence, for a distance of 387.03 feet to a $\frac{3}{4}$ " iron rod found near the southwest corner of the 417.89 acre tract;

THENCE along the common line between the beforementioned 33.37 acre tract, the beforementioned 33.77 acre tract and the called 13.5 acre - 2nd Part - 2nd Tract described in Volume 236, Page 394, the called 13.5 acre - 1st Part - 2nd Tract described in 236/394 and the called 14.5 acre tract described in Volume 171, Page 69, of the Deed Records of Brazos County, Texas, adjacent to a fence, as follows:

S 01° 11' 04" E 1121.99 feet to a $\frac{5}{8}$ " iron rod found at a crosstie fence corner,
S 01° 42' 18" E 1146.79 feet to a $\frac{1}{2}$ " iron rod found,
S 00° 14' 47" W 483.61 feet to a $\frac{1}{2}$ " iron rod found at a crosstie fence corner marking the southeast corner of the beforementioned 33.77 acre tract, same being the northeast corner of the J. Garza - called 2.15 acre tract described in Volume 452, Page 283, of the Deed Records of Brazos County, Texas;

THENCE N 89° 57' 41" W along the common line between the beforementioned 33.77 acre tract and the beforementioned 2.15 acre tract, adjacent to a fence, for a distance of 487.15 feet to a $\frac{1}{2}$ " iron rod found at a crosstie fence corner in the original northeast right-of-way line of State Hwy. No. 6;

THENCE N 40° 53' 15" W along the original northeast right-of-way line of State Hwy No. 6 for a distance of 192.89 feet and corner;

THENCE S 49° 06' 45" W across said State Hwy No. 6 for a distance of 100.00 feet to the southwest right-of-way line of Hwy No. 6, same being the occupied northeast corner of the beforementioned 943 acre tract, from which a concrete right-of-way marker bears N 43° 40' 35" W 19.00 feet, and a nail found at the base of a crosstie fence corner bears N 25° 15' 17" E 3.11 feet;

Dunlap-Bryan Unit Well No. 1
839.66 Acre Unit
Union Pacific Resources Company
T. H. Mays Survey, A-161, etc.
Brazos County, Texas
Continued - Page 4

THENCE along the occupied, common line between the beforementioned 943 acre tract and the called 18.2 acre tract described in the deed to Glenn G. Vaughn, et ux, as recorded in Volume 131, Page 517, of the Deed Records of Brazos County, Texas, adjacent to a fence, as follows:

S 25° 25' 17" W 352.93 feet to a 4" cedar post fence angle point,
S 00° 09' 58" E at a distance of approximately 1353 feet, pass the called south or southwest corner of the 18.2 acre tract, continue on for a total distance of 1948.92 feet to an 8" creosote post fence corner marking an interior ell corner of the 943 acre tract in the common line between the beforementioned Mays and Evans/Millican Survey Line;

THENCE S 88° 45' 38" W along the beforementioned common survey line, adjacent to a fence, at a distance of 2306.12 feet, pass the southeast corner of the beforementioned 35.2 acre tract and an interior ell corner of the 943 acre tract, continue on along a north line of the 943 acre tract, at a distance of 3800.2 feet, pass a 4" creosote post fence corner in the fenced southeast or east line of F.M. No. 159, continue on for a total distance of 3856.04 feet to the centerline right-of-way of F.M. No. 159;

THENCE S 86° 35' 49" W along the south line of the beforementioned 7.0 acre tract, continuing along the north line of the beforementioned 943 acre tract, adjacent to a fence, for a distance of 1180.14 feet to a 3/4" iron rod found at a 6" cedar post fence corner marking the occupied interior ell corner of the 943 acre tract and the southwest corner of the 7.0 acre tract;

THENCE S 89° 13' 15" W along the common line between the beforementioned Evans Survey, A-110 and the beforementioned Evans/Millican Survey and across the beforementioned 943 acre tract for a distance of 2084.98 feet to a 3/8" iron rod found marking an interior ell corner of the 943 acre tract, same being the northeast corner of the W. T. Fleming - 246.794 acre tract described in Volume 716, Page 459, of the Official Records of Brazos County, Texas;

THENCE S 88° 50' 01" W along the common line between the beforementioned 943 acre tract and the beforementioned 246.794 acre tract for a distance of 447.73 feet to a 3/8" iron rod found marking a southwest corner of the 943 acre tract, same being the southeast corner of the W. T. Fleming - 86.34 acre tract described in Volume 788, Page 200, of the Official Records of Brazos County, Texas;

THENCE N 00° 12' 47" E along the common line between the beforementioned 943 acre tract and the beforementioned 86.34 acre tract, adjacent to and east of a fence for a distance of 1880.91 feet (1875' call) to the fenced north line of the 943 acre tract, from which a 3" cedar post fence corner bears S 80° 04' 27" W - 55.0 feet;

Dunlap-Bryan Unit Well No. 1
839.66 Acre Unit
Union Pacific Resources Company
T. H. Mays Survey, A-161, etc.
Brazos County, Texas
Continued - Page 5

THENCE N 89° 21' 48" E along the fenced north line of the beforementioned 943 acre tract, same being the south line of the called 26-2/3 acre tract described in Volume 367, Page 209, of the Deed Records of Brazos County, Texas, adjacent to a fence, for a distance of 2557.85 feet (call = 2500 feet) to a 3" cedar post fence corner marking a northeast corner of the 943 acre tract and the southeast corner of the 26-2/3 acre tract in the west line of the beforementioned 19.928 acre tract, from which the southwest corner of the beforementioned 43.62 acre tract bears S 01° 00' 47" W - 91.83 feet, and the 3/4" iron rod found marking the southwest corner of the 19.928 acre tract bears S 01° 00' 47" W - 423.75 feet;

THENCE along the west line of the beforementioned 19.928 acre tract and the beforementioned 43.62 acre tract, same being the east line of the beforementioned 26-2/3 acre tract and the 26-2/3 acre tract described as "Share No. 2" in the Partition Deed, recorded in Volume "S", Page 296, of the Civil Minutes of the District Court, adjacent to a fence, as follows:

- N 01° 00' 47" E for a distance of 28.31 feet to the northwest corner of the 19.928 acre tract, an 8" cedar post fence corner bears N 30° 26' 48" E - 3.3 feet,
- N 01° 03' 32" W for a distance of 448.16 feet to an axle found at a 3" cedar post fence corner marking the common corner of the 26-2/3 acre tracts,
- N 03° 03' 22" W for a distance of 440.37 feet to an 8" cedar post fence corner marking the northwest corner of the 43.62 acre tract, same being the southwest corner of the beforementioned 30' wide access easement described in the beforementioned 4.13 acre tract;

THENCE N 03° 31' 15" W along the west line of the beforementioned 30' access easement at a distance of 30 feet, pass the northwest corner of the 30' access easement, same being the southwest corner of the beforementioned 12.00 acre tract (1669/330), continue on along the west line of the 12.00 acre tract for a distance of 77.71 feet to a crosstie fence corner and angle point;

THENCE along the westerly line of the beforementioned 12.00 acre tract (1669/330), the beforementioned 5.097 acre tract (459/529), the beforementioned 10.194 acre tract and the beforementioned 20.45 acre tract, along the average of an old fence line/occupation line, as follows:

- N 39° 23' 59" E 16.28 feet to a 14" elm tree fence corner and angle point,
- N 04° 31' 26" E 554.28 feet,
- N 20° 33' 41" E 143.55 feet, from which a 10" hickory tree fence angle point bears N 25° 41' E 4.7 feet,
- N 25° 00' 20" W 204.62 feet to a 1/2" iron rod found at a 36" post oak tree (in place May, 1980) marking the southwest corner of the 5.097 acre tract, from which a 1/2" iron rod found bears S 55° 03' 23" E 5.55 feet,

Dunlap-Bryan Unit Well No. 1
839.66 Acre Unit
Union Pacific Resources Company
T. H. Mays Survey, A-161, etc.
Brazos County, Texas
Continued - Page 6

N 21° 01' 55" W 89.13 feet to angle point corner, a 14" pin oak tree fence angle point bears N 01° 03' 11" E 16.7 feet and a 15" elm tree fence angle point bears S 28° 45' 26" E 26.1 feet,
N 07° 25' 42" W 317.02 feet to angle point corner,
N 05° 22' 05" W 21.83 feet to a ½" iron rod found marking the common corner between the 10.194 acre tract and the 20.45 acre tract,
N 05° 15' 04" W 433.21 feet to an iron rod found (in place May, 1980) marking the northwest corner of the 20.45 acre tract;

THENCE along the meanders of the northerly line of the beforementioned 20.45 acre tract, along the average line of a fence, as follows: -

N 89° 43' 41" E 408.45 feet,
S 87° 47' 51" E 481.46 feet,
S 89° 09' 52" E 296.28 feet,
N 86° 44' 42" E 297.99 feet,
N 87° 37' 03" E 237.45 feet and corner, from which a crosstie fence corner bears N 62° 55' 29" E 1.5 feet,
N 00° 20' 03" E 5.30 feet,
S 89° 02' 01" E at a distance of 508.82 feet, pass a 3/8" iron rod found at a 3" cedar post fence corner in the fenced west line of F.M. No. 159, continue on for a total distance of 548.38 feet to the centerline right-of-way of F.M. No. 159, from which a concrete right-of-way marker bears S 08° 56' 14" W 246.75 feet;

THENCE N 89° 35' 13" E across F.M. No. 159 for a distance of 40.00 feet to the east right-of-way line of F.M. No. 159 at the northwest corner of the beforementioned 26.9 acre tract;

THENCE N 82° 39' 05" E at a distance of 15.5 feet, pass a nail found in an 18" post oak tree fenced corner marking the "called for" northwest corner of the beforementioned 26.9 acre tract, continue on along the north line of the 26.9 acre tract, adjacent to a fence, for a total distance of 371.59 feet to an 18" post oak tree fence angle point;

THENCE along the north and east lines of the beforementioned 26.9 acre tract, adjacent to a fence, as follows:

S 54° 06' 20" E 61.56 feet to a 13" post oak tree fence angle point,
S 13° 17' 05" E 279.49 feet to a 17" post oak tree fence angle point,
S 18° 20' 16" E 44.59 feet to a 12" post oak tree fence angle point in the west line of the beforementioned 13.14 acre tract, from which a ½" iron rod found marking the southwest corner of the beforementioned 32.97 acre tract bears S 01° 07' 21" E 2208.82 feet;

Dunlap-Bryan Unit Well No. 1
839.66 Acre Unit
Union Pacific Resources Company
T. H. Mays Survey, A-161, etc.
Brazos County, Texas
Continued - Page 7

THENCE N 01° 07' 21" W along the west line of the beforementioned 13.14 acre tract for a distance of 452.34 feet to the original southwest right-of-way line of the beforementioned State Hwy. No. 6, from which a 3/4" iron rod found bears S 01° 07' 21" E 33.53 feet;

THENCE N 03° 28' 14" E across State Hwy. No. 6 for a distance of 126.52 feet to the original northeast right-of-way line of State Hwy. No. 6, same being the south corner of the beforementioned 1 acre tract (315/318);

THENCE N 01° 33' 57" W along the west line of the beforementioned 1 acre tract and the most southerly west line of the beforementioned 144.38 acre tract for a distance of 596.91 feet to the interior ell corner of the 144.38 acre tract;

THENCE S 89° 13' 03" W along the most westerly south line of the beforementioned 144.38 acre tract for a distance of 526.34 feet to the centerline travelway of Peach Creek Road (County Road), from which a crosstie fence corner in the fenced east line of Peach Creek Road bears N 88° 29' 54" E 27.0 feet;

THENCE N 00° 10' 19" W along the centerline travelway of Peach Creek Road for a distance of 1382.32 feet and corner;

THENCE N 85° 56' 41" E along the north line of the beforementioned 144.38 acre tract, at a distance of 24.00 feet, pass a 3/4" iron pipe found at an 8" creosote post fence corner in the fenced east line of Peach Creek Road, continue on, adjacent to a fence, for a total distance of 3066.06 feet to a 3/8" iron rod found marking the north corner of the beforementioned 15.82 acre tract, and the northwest corner of the beforementioned 33.8 acre tract;

THENCE N 85° 36' 13" E along the north line of the beforementioned 33.8 acre tract, adjacent to a fence, for a distance of 149.56 feet to a 6" creosote post fence corner at an angle point corner of the 33.8 acre tract and a southwest corner of the called 108 acre tract described in Volume 252, Page 287, of the Deed Records of Brazos County, Texas;

THENCE along the common line between the beforementioned 33.8 acre tract and the beforementioned 108 acre tract, the 415.7 acre tract described in the deed recorded in Volume 236, Page 394, of the Deed Records of Brazos County, Texas, and the beforementioned 417.89 acre tract, along the meanders of a fence as follows:

S 54° 21' 59" E 90.28 feet to a 12" elm tree fence angle point,
S 69° 19' 40" W 13.93 feet to a 12" bois-de-arc tree fence angle point,
S 25° 13' 47" W 17.24 feet to an 8" elm tree fence angle point,
S 00° 35' 14" W 332.16 feet to a crosstie fence angle point,
S 09° 06' 52" W 155.51 feet to a twin 10" pecan tree fence angle point,
S 25° 13' 03" W 178.00 feet to a 28" pin oak tree fence angle point,

Dunlap-Bryan Unit Well No. 1
839.66 Acre Unit
Union Pacific Resources Company
T. H. Mays Survey, A-161, etc.
Brazos County, Texas
Continued - Page 8

S 33° 57' 25" W 22.14 feet to a 12" hackberry tree fence
angle point,
S 43° 33' 28" W 233.35 feet to a clump of bois-de-arc trees,
S 24° 52' 04" W 121.37 feet to a 4" cedar post fence angle
point,
S 01° 42' 32" W 170.90 feet to an old 6" cedar post fence
corner,
S 17° 06' 04" E 254.16 feet to a 26" post oak tree fence
angle point,
S 00° 30' 48" W 65.54 feet to a 24" snag fence angle point,
S 23° 01' 28" E 64.40 feet to a 20" elm tree fence angle
point,
S 44° 46' 46" E 41.86 feet to a 3/4" iron rod found at a
crosstie fence corner marking the southwest
corner of the 417.89 acre tract,
S 17° 39' 42" W 31.52 feet to a 1/2" iron rod marking the
northwest corner of the beforementioned
33.37 acre tract;

THENCE N 88° 31' 03" E along the north line of the beforementioned
33.37 acre tract and the south line of the beforementioned 417.89 acre tract,
adjacent to a fence, for a distance of 597.92 feet to the PLACE OF
BEGINNING, containing 839.66 acres of land, more or less.

Bearings based on True North, as obtained by Solar Observation.

Prepared 9/28/93
Revised: 2/3/94
Increased to 839.66 acres.

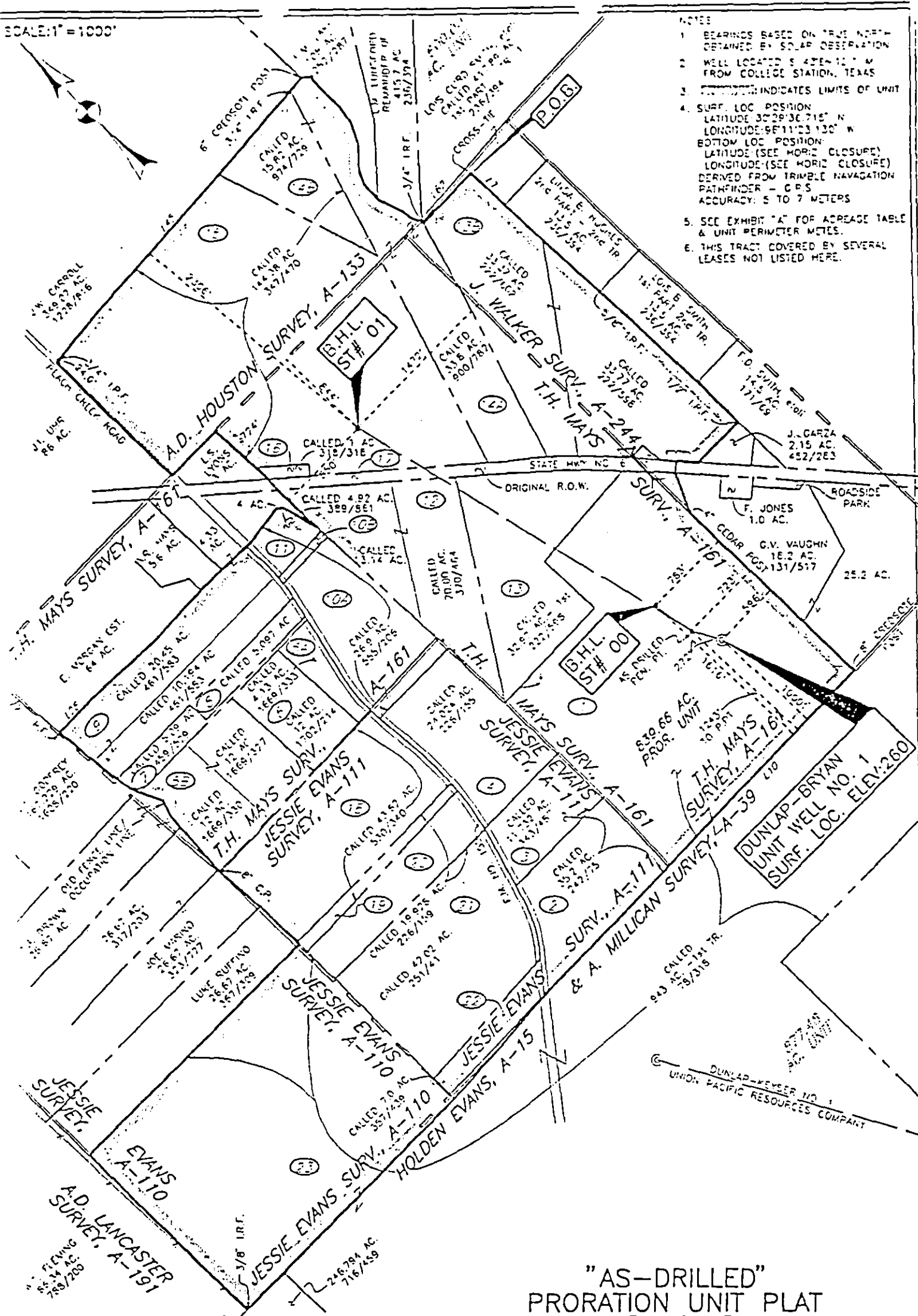
kes94-01b:dunlapbryan

LIMITED TO THE AUSTIN CHALK FORMATION, as found between 11,540 feet and
12,070 feet in the Dunlap-Keyser Unit #1 Pilot Hole, which is located
1025 feet from the North line and 5580 feet from the West line of the
A. Millican Survey, A-39, Brazos County, Texas.

SCALE: 1" = 1000'

NOTES

1. BEARINGS BASED ON TRUE NORTH - OBTAINED BY SOLAR OBSERVATION
2. WELL LOCATED 5.426-10.7 M FROM COLLEGE STATION, TEXAS
3. DASHED LINE INDICATES LIMITS OF UNIT
4. SURF. LOC POSITION: LATITUDE 30°29'36.715" N, LONGITUDE 96°11'03.130" W. BOTTOM LOC POSITION: LATITUDE (SEE HORIZ. CLOSURE), LONGITUDE (SEE HORIZ. CLOSURE). DERIVED FROM TRIMBLE NAVIGATION PATHFINDER - GPS. ACCURACY: 5 TO 7 METERS
5. SEE EXHIBIT "A" FOR ACREAGE TABLE & UNIT PERIMETER METES.
6. THIS TRACT COVERED BY SEVERAL LEASES NOT LISTED HERE.



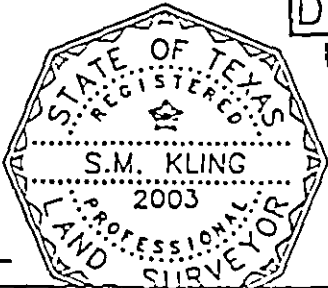
P.L.# 42-041-31782

HORIZONTAL CLOSURES:
 E.M.L. ST# 00 = N 09°22' W-377'
 E.M.L. ST# 01 = N 13°06' W-3344'

PRORATION UNIT PLAT
 PREPARED: 01/31/94
 REVEALED: SEPT., 1993

S.M.K.

S.M. KLING R.P.L.S. NO. 2073

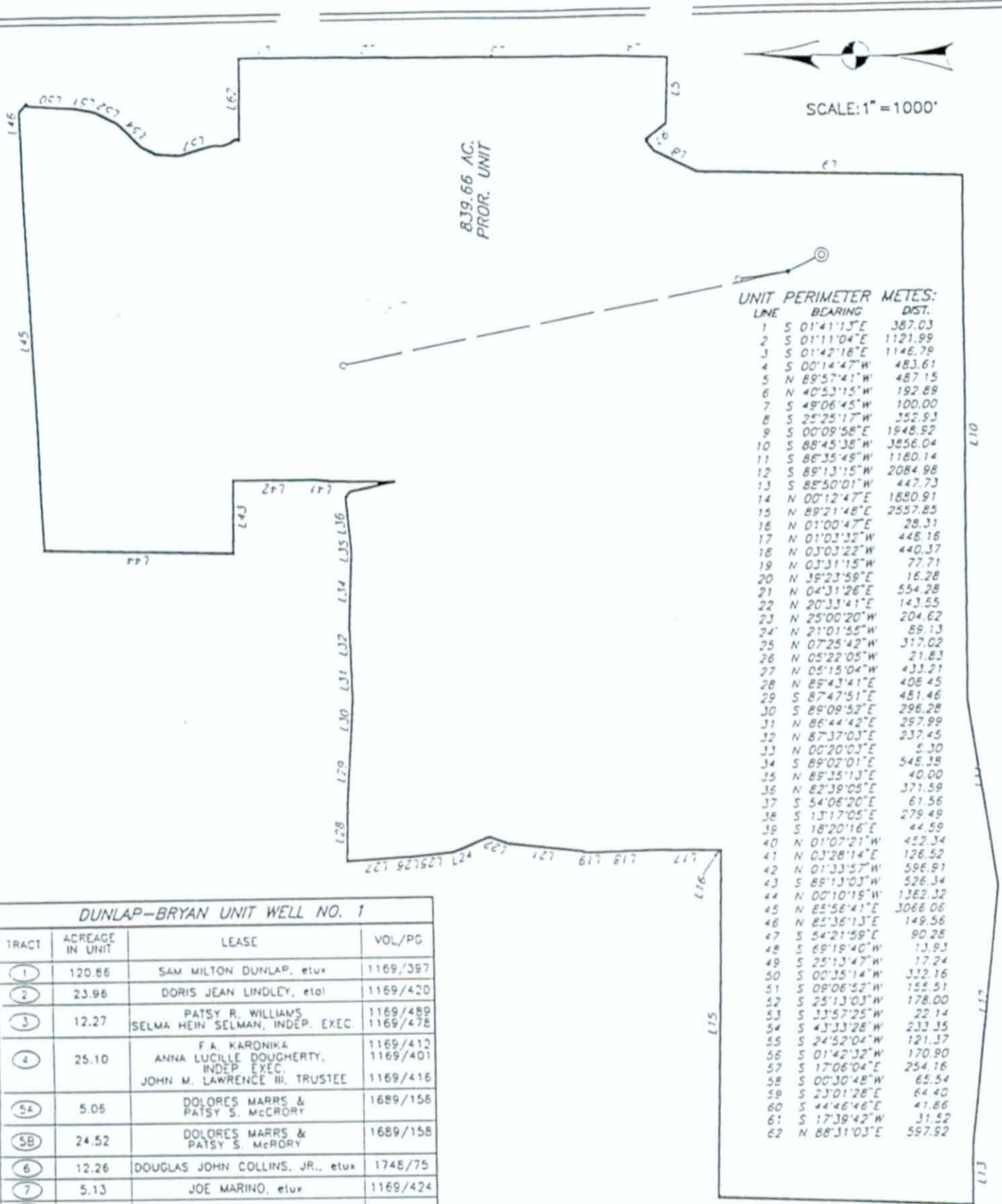


"AS-DRILLED"
 PRORATION UNIT PLAT
 PURSUANT TO STATEWIDE RULE 86
 FOR GIDDINGS (AUSTIN CHALK-3) FIELD

DUNLAP-BRYAN UNIT WELL NO. 1

UNION PACIFIC RESOURCES COMPANY
 T.H. MAYS SURVEY, A-161
 JESSIE EVANS SURVEY, A-110
 J. WALKER SURVEY, A-244
 A.D. HOUSTON SURVEY, A-133
 BRAZOS COUNTY, TEXAS

SCALE: 1" = 1000' JAN., 1994



UNIT PERIMETER METES:

LINE	BEARING	DIST.
1	S 01°41'13"E	367.03
2	S 01°11'04"E	1121.99
3	S 01°42'16"E	1146.79
4	S 00°14'47"W	483.61
5	N 89°37'41"W	467.15
6	N 40°53'15"W	192.89
7	S 49°06'45"W	100.00
8	S 25°25'17"W	352.83
9	S 00°09'58"E	1948.92
10	S 88°45'38"W	3856.04
11	S 86°35'48"W	1160.14
12	S 89°13'15"W	2084.98
13	S 85°50'01"W	447.73
14	N 00°12'47"E	1880.91
15	N 89°21'48"E	2557.85
16	N 01°00'47"E	28.31
17	N 01°03'32"W	446.16
18	N 03°03'22"W	440.37
19	N 03°31'15"W	77.71
20	N 39°23'59"E	16.28
21	N 04°31'26"E	554.28
22	N 20°33'41"E	143.55
23	N 25°00'20"W	204.62
24	N 21°01'55"W	89.13
25	N 07°25'42"W	317.02
26	N 05°22'05"W	21.83
27	N 05°15'04"W	433.21
28	N 89°43'41"E	408.45
29	S 87°47'51"E	481.46
30	S 89°09'52"E	296.28
31	N 86°44'42"E	297.99
32	N 87°37'03"E	237.45
33	N 00°20'03"E	5.30
34	S 89°02'01"E	545.38
35	N 89°35'13"E	40.00
36	N 82°39'05"E	371.59
37	S 54°06'20"E	61.56
38	S 13°17'05"E	279.49
39	S 18°20'16"E	44.59
40	N 01°07'21"W	452.34
41	N 03°28'14"E	126.52
42	N 01°33'57"W	596.91
43	S 89°13'03"W	526.34
44	N 00°10'19"W	1362.32
45	N 85°56'41"E	3066.06
46	N 85°36'13"E	149.56
47	S 54°21'59"E	90.28
48	S 69°19'40"W	13.93
49	S 25°13'47"W	17.24
50	S 00°35'14"W	332.16
51	S 09°06'52"W	155.51
52	S 25°13'03"W	178.00
53	S 33°57'25"W	22.14
54	S 43°33'28"W	233.35
55	S 24°52'04"W	121.37
56	S 01°42'32"E	170.90
57	S 17°06'04"E	254.16
58	S 00°30'48"W	65.54
59	S 23°01'28"E	64.40
60	S 44°46'46"E	41.86
61	S 17°39'42"W	31.52
62	N 88°31'03"E	597.52

DUNLAP-BRYAN UNIT WELL NO. 1			
TRACT	ACREAGE IN UNIT	LEASE	VOL./PG
1	120.86	SAM MILTON DUNLAP, etux	1169/397
2	23.96	DORIS JEAN LINDLEY, etol	1169/420
3	12.27	PATSY R. WILLIAMS SELMA HEIN SELMAN, INDEP. EXEC.	1169/489 1169/478
4	25.10	F.A. KARONIKA ANNA LUCILLE DOUGHERTY, INDEP. EXEC. JOHN M. LAWRENCE III, TRUSTEE	1169/412 1169/401 1169/416
5A	5.05	DOLORES MARRS & PATSY S. McCRORY	1689/158
5B	24.52	DOLORES MARRS & PATSY S. McCRORY	1689/158
6	12.26	DOUGLAS JOHN COLLINS, JR., etux	1748/75
7	5.13	JOE MARINO, etux	1169/424
8	5.29	LAWRENCE B. ROYDER, etux	
9	31.24	JOSEPH A. MIKESKA, JR., etux	1721/154
10A	23.24	J.D. THEEK, etux	1169/481
10B	0.90	J.D. THEEK, etux WALTER SMITH ROBERT T. LYONS, etux	1169/481 1169/475 1169/436
11	4.46	WALTER SMITH ROBERT T. LYONS, etux	1169/475 1169/436
12	34.11	GRANGER CHUI, etux	1169/359
13A	34.05	WARREN V. SMITH, etol FRED SMITH, etux ALFRED C. SMITH, JR.	1169/471 1169/466 1169/462
13B	67.71	WARREN V. SMITH, etol FRED SMITH, etux ALFRED C. SMITH, JR.	1169/471 1169/466 1169/462
14A	34.07	INTERSTATE PROMOTIONAL PRINTING CO., INC. RICHARD BRUCE GAFFORD	1233/556 1169/393
14B	15.82	RICHARD BRUCE GAFFORD	1169/393
15	130.08	RONALD BRYAN, TRUSTEE	1170/55
16	0.96	MARGARET GILLIES	1873/185
17	8.76	STATE OF TEXAS (HWY. NO. 6)	
18	39.55	ELBERT R. BEENE, etux EXIE R. CARSON (SEE NOTE 6)	1169/355 1187/727
19	4.33	ELBERT R. BEENE, etux EXIE R. CARSON (SEE NOTE 6) FRANK HEGAR, etux	1169/355 1187/727 1191/424
20	16.02	FRANK HEGAR, etux	1191/424
21	43.17	A.D. BARRETT, etux	1169/351
22	7.20	GORDON SMITH, a widower	1861/01
23	109.54	SAM MILTON DUNLAP, etux	1169/397
839.66 TOTAL ACREAGE IN UNIT			

EXHIBIT "A"
 "AS-DRILLED"
 PRORATION UNIT PLAT
 PURSUANT TO STATEWIDE RULE 86
 FOR GIDDINGS (AUSTIN CHALK-3) FIELD

DUNLAP-BRYAN UNIT WELL NO. 1
 UNION PACIFIC RESOURCES COMPANY
 T.H. MAYS SURVEY, A-161
 JESSIE EVANS SURVEY, A-110
 J. WALKER SURVEY, A-244
 A.D. HOUSTON SURVEY, A-133
 BRAZOS COUNTY, TEXAS

11.
File No. MF095349

Unit Agreement

Date Filed 11/2/00

By [Signature]
Director, Southwest

Division Order - EXHIBIT "A"

Status: NEW SET-UP

Property Number: 2274101/001
 Property Name: DUNLAP-BRYAN U #1
 Product: ALL PRODUCTS
 Status: NOT APPLICABLE
 County/State: BRAZOS/TEXAS
 Effective Date: 01/01/1997

*1/31/97
Per Unit*

Lands covered by this Division Order include:

Total Division Order; 730.12 ACRES

MAYS THOS ABST/ID# 161

Tract: (1) Tract 1; 730.12 ACRES

MAYS THOS ABST/ID# 161

*Attn
Metha
5 pages*

Division Order - EXHIBIT "A"

Property Number: 2274101/001

Property Name: DUNLAP-BRYAN U #1

Owner Number	Owner Name	Tract Interest	Unit Interest
Tract: (1) Tract 1 (Factor: 1.00000000)			
OVERRIDING ROYALTY INTEREST			
414657	JOHN HEYBURN	0.00774100	0.00774100
416367	OGDEN-CHAPARRAL LIMITED PARTNERSHIP	0.00774100	0.00774100
416368	OGDEN RESOURCES CORP	0.00387100	0.00387100
439641	DIANE NOLLEY	0.00998600	0.00998600
456452	LOMETA PETROLEUM CORP	0.00998600	0.00998600
	Total	0.03932500	0.03932500
ROYALTY INTEREST			
412775	DONALD JAMES JOHNSON	0.00072567	0.00072567
421142	JOE MARINO, AND JULIE E. MARINO	0.00117188	0.00117188
421174	JUDY RIPPLE, AND ROBERT RIPPLE	0.00011615	0.00011615
421213	LAWRENCE F. HEGAR, JR.	0.00006785	0.00006785
421563	S HOSHEL SMITH JR, AND GLENNA F SMITH	0.00015065	0.00015065
422167	ALFRED C SMITH JR	0.00573290	0.00573290
422919	KAREN COOK, AND BOB HANSON	0.00022541	0.00022541
427508	DOUGLAS JOHN COLLINS JR	0.00069922	0.00069922
427509	DOUGLAS JOHN COLLINS JR, C/O VETERANS LAND	0.00069922	0.00069922
429100	MARTHA DOWDELL RATLIFF LIFE EST	0.00035881	0.00035881
430822	RUTH LANG, AND MANUEL LANG	0.00162499	0.00162499
432585	BARBARA R DEGNAN MTL TST, JAMES H & BARBAR	0.00025876	0.00025876
433026	LAWRENCE F HEGAR, JR, AND JUDA HEGAR	0.00015755	0.00015755
433027	MARY LYNN HEGAR	0.00022426	0.00022426
433093	JOSEPH A. MIKESKA, JR., AND DOROTHY T. MIKESK	0.00401131	0.00401131
433379	JOHN M LAWRENCE III	0.00012420	0.00012420
433820	SCOTTY RAY REED	0.00072682	0.00072682
435135	BRENT A BARKER	0.00005865	0.00005865
435397	MARY S BREEDEN LIFE ESTATE, JAMES ROBERT &	0.00038756	0.00038756
435660	WARREN V. SMITH	0.00573290	0.00573290
436178	ROBERT H WHITTEN, & MARIANNA F WHITTEN	0.00164224	0.00164224
436647	JAY DON WATSON	0.00012765	0.00012765
436855	MILDRED MILNER	0.00225406	0.00225406

Division Order - EXHIBIT "A"

Property Number: 2274101/001

Property Name: DUNLAP-BRYAN U #1

Owner Number	Owner Name	Tract Interest	Unit Interest
Tract: (1) Tract 1 (Factor: 1.00000000)			
ROYALTY INTEREST			
437027	DORIS JEAN LINDLEY	0.00834462	0.00834462
437475	WILLIAM S BELL	0.00383075	0.00383075
437681	ANTON SLAFKA, AND JOAN SLAFKA	0.00747405	0.00747405
437881	SAMUEL KENT DUNLAP	0.00394100	0.00394100
438047	JOE MARINO	0.00477608	0.00477608
438233	DONNA BAIRD DUNLAP	0.01576500	0.01576500
438352	WILLIAM S THORNTON	0.00017365	0.00017365
438848	GORDON W. SMITH	0.00020586	0.00020586
439205	REBECCA JANE DUNLAP CONLEY	0.00394100	0.00394100
440050	PATSY R WILLIAMS	0.00140189	0.00140189
440240	BARBARA ANN REED	0.00072567	0.00072567
440431	STEVE ALLEN SMITH	0.00030706	0.00030706
441556	PAT S. MCCRORY	0.00168824	0.00168824
441709	LAWRENCE BERTRAM ROYDER, AND MARY B ROYD	0.00120868	0.00120868
442030	GLENN ALLEN HEGAR, AND CONNIE HEGAR	0.00018400	0.00018400
442059	LOIS C SMITH TRUST	0.00573290	0.00573290
442107	J D THEECK, AND MARIE THEECK	0.00530509	0.00530509
442380	EMILY JEAN HASKELL ESTATE	0.00004715	0.00004715
442381	WILLIAM ALLEN HASKELL, AND BILLY HASKELL	0.00031166	0.00031166
442499	ARCHIE D BARRETT, AND MIRIAM ROWELL BARRET	0.00352024	0.00352024
443472	ELLEN RUTH SEBREN	0.00015065	0.00015065
443514	DON R GRAVES, AND NETA FAYE GRAVES	0.00401131	0.00401131
444261	FRED SMITH	0.00573290	0.00573290
444323	BILLY M PAYNE	0.00015985	0.00015985
445970	MACK C MILNER JR	0.00101088	0.00101088
446150	ROBERT THOMAS LYONS, AND SHARON ANN LYON	0.00091887	0.00091887
446178	ANNA LUCILLE DOUGHERTY	0.00401476	0.00401476
446292	KATHY FRIEDEL	0.00006785	0.00006785
446293	KATHY FRIEDEL, AND GARY FRIEDEL	0.00011615	0.00011615
446294	JUDY RIPPLE	0.00006785	0.00006785

Division Order - EXHIBIT "A"

Property Number: 2274101/001

Property Name: DUNLAP-BRYAN U #1

Owner Number	Owner Name	Tract Interest	Unit Interest
Tract: (1) Tract 1 (Factor: 1.00000000)			
ROYALTY INTEREST			
446295	RONDA HEGAR	0.00018400	0.00018400
446474	RUBY RUTH BENTINCK	0.00004715	0.00004715
446475	RUBY RUTH BENTINCK, AND GEORGE BENTINCK	0.00031166	0.00031166
446481	EXIE CARSON	0.00035881	0.00035881
447729	DOLORES GALE MARRS	0.00168824	0.00168824
448568	GORDON R SMITH	0.00020586	0.00020586
452359	RONALD BRYAN, TRUSTEE	0.02809639	0.02809639
452498	ELBERT R. BEENE, AND ALICE BEENE	0.00378475	0.00378475
452768	GRANGER CHUI, AND DOROTHY CHUI	0.00778685	0.00778685
453593	VIRGINIA RYMAN LARSSON TRUST, VIRGINIA RYMA	0.00025876	0.00025876
456782	COMM OF GENERAL LAND OFFICE	0.00204590	0.00204590
459248	MARGUERITE "PAT" RYMAN TRUST, JULIA (JUDY) RY	0.00025761	0.00025761
485934	ALLIE JAY PARHAM ESTATE, MACK C MILNER JR EX	0.00143984	0.00143984
488798	JD MINERALS	0.00021966	0.00021966
493305	JOHN ROBERT SELMAN	0.00101433	0.00101433
493306	WILLIS SELMAN JR	0.00101433	0.00101433
493307	DIANNA DAIL	0.00101433	0.00101433
497908	MABEL B AKIN	0.00140764	0.00140764
498067	PEGGY L LAWRENCE ESTATE, NORWEST BANK TEX	0.00012420	0.00012420
	Total	0.16367468	0.16367468
WORKING INTEREST			
409255	SINCLAIR OIL CORPORATION	0.23910010	0.23910010
412807	DON R CAIN	0.01992501	0.01992501
412886	ANDREW E MACMAHON	0.01992501	0.01992501
414657	JOHN HEYBURN	0.06376003	0.06376003
416367	OGDEN-CHAPARRAL LIMITED PARTNERSHIP	0.06376003	0.06376003
416368	OGDEN RESOURCES CORP	0.03188001	0.03188001
419036	TORCH ENERGY ASSOCIATES	0.03985000	0.03985000
999001	001 UNION PACIFIC RESOURCES COMPANY	0.07970003	0.07970003

Division Order - EXHIBIT "A"

Property Number: 2274101/001 Property Name: DUNLAP-BRYAN U #1

Owner Number	Owner Name	Tract Interest	Unit Interest
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Tract: (1) Tract 1 (Factor: 1.00000000)

WORKING INTEREST

999001	UNION PACIFIC RESOURCES COMPANY	0.23910010	0.23910010
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Total		0.79700032	0.79700032
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Total Tract 1 Interest		1.00000000	1.00000000
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Total Property Interest		1.00000000	
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UPR Marketing Arrangement System
Deck Summary Report

Date: 10/11/00
Time: 08:46:28

Well:	22741.01	BU:	CENTRAL TEXAS OPERATIONS
Name:	DUNLAP-BRYAN UNIT #1	State:	TX County: BRAZOS
Operator:	UNION PACIFIC RESOURCES COMPANY	Field:	1936 - GIDDINGS AUSTIN CK-3
Pipeline Point:			
Spud Date:	11/04/93		
Rig On:	01/04/94	Rig Off:	01/07/94
Prod. Date:	01/12/94	First Sales:	00/00/00
Status:	ACTIVE - GAS LIFT		

Crude Deck No:	10
Effective Date:	09/17/2000
Status:	InitLoad
By:	

Working Interest Partners	PARTNER	WI	MI	Marketed by	First Purchaser	UPR Purchaser	Transportor	Contract
	DON R CAIN	0.02500000	0.02500000	DON R CAIN	OGDEN RESOURCES CORP	PRIDE COMPANIES L P	PRIDE COMPANIES L P	
	ANDREW E MACMAHON	0.02500000	0.02500000	ANDREW E MACMAHON	OGDEN RESOURCES CORP	PRIDE COMPANIES L P	PRIDE COMPANIES L P	
	OGDEN-CHAPARRAL LIMITED PARTNERSHIP	0.08000000	0.08000000	OGDEN-CHAPARRAL LIMITED PARTNERSHIP	OGDEN RESOURCES CORP	PRIDE COMPANIES L P	PRIDE COMPANIES L P	
	OGDEN RESOURCES CORP	0.04000000	0.04000000	OGDEN RESOURCES CORP	OGDEN RESOURCES CORP	PRIDE COMPANIES L P	PRIDE COMPANIES L P	
	SINCLAIR OIL CORPORATION	0.30000000	0.30000000	SINCLAIR OIL CORPORATION	SINCLAIR OIL CORPORATION	PRIDE COMPANIES L P	PRIDE COMPANIES L P	
	JOHN HEYBURN	0.08000000	0.08000000	JOHN HEYBURN	OGDEN RESOURCES CORP	PRIDE COMPANIES L P	PRIDE COMPANIES L P	
	UNION PACIFIC RESOURCES COMPANY	0.45000000	0.45000000	UNION PACIFIC RESOURCES COMPANY	UNION PACIFIC FUELS INC	SUNOCO INC (R&M)	SUNOCO INC (R&M)	
	Total Interest Pct:	1.00000000	1.00000000					

Additional Working Interest Partners

25% Odogu
30% Sinclair
45% UPRC
100%

0006138 TP

160

UPRC is covering Sinclair (30%)
on gas.
9.40
839.66

Tract I 1.06
Tract II 11.29

SENT BY: 10-11-00 8:54AM UPRC- 512 475 1543: # 2 / 3

UPR Marketing Arrangement System
Deck Summary Report

Date: 10/11/00

Time: 08:45:33

Well:	22741.01	BU:	CENTRAL TEXAS OPERATIONS
Name:	DUNLAP-BRYAN UNIT #1	State:	TX County: BRAZOS
Operator:	UNION PACIFIC RESOURCES COMPANY	Field:	1936 - GIDDINGS AUSTIN CK-3
Pipeline Point:			
Spud Date:	11/04/93		
Rig On:	01/04/94	Rig Off:	01/07/94
Prod. Date:	01/12/94	First Sales:	00/00/00
Status:	ACTIVE - GAS LIFT		

Gas Deck No:	TD
Effective Date:	06/17/2000
Status:	InLoad
By:	

Working Interest Partners

PARTNER	WI	MI	Marketed by	First Purchaser	Gatherer	Processor	Contract
DON R. CAIN	0.02500000	0.02500000	DON R. CAIN	MITCHELL GAS SERVICES LP	MITCHELL GAS SERVICES LP		
ANDREW E. MACMAHON	0.02500000	0.02500000	ANDREW E. MACMAHON	MITCHELL GAS SERVICES LP	MITCHELL GAS SERVICES LP		
OGDEN-CHAPARRAL LIMITED PARTNERSHIP	0.08000000	0.08000000	OGDEN-CHAPARRAL LIMITED PARTNERSHIP	MITCHELL GAS SERVICES LP	MITCHELL GAS SERVICES LP		
OGDEN RESOURCES CORP	0.04000000	0.04000000	OGDEN RESOURCES CORP	MITCHELL GAS SERVICES LP	MITCHELL GAS SERVICES LP		
SINCLAIR OIL CORPORATION	0.30000000	0.30000000	UNION PACIFIC RESOURCES COMPANY	MITCHELL GAS SERVICES LP	MITCHELL GAS SERVICES LP		1-25*281
JOHN HEYBURN	0.08000000	0.08000000	JOHN HEYBURN	MITCHELL GAS SERVICES LP	MITCHELL GAS SERVICES LP		
UNION PACIFIC RESOURCES COMPANY	0.45000000	0.45000000	UNION PACIFIC RESOURCES COMPANY	MITCHELL GAS SERVICES LP	MITCHELL GAS SERVICES LP		1-25*281
Total Interest PCT	1.00000000	1.00000000					

Additional Working Interest Partners

SENT BY:

10-11-0 : 8:55AM :

UPRC-

512 475 1543 # 3 / 3

Report Date
Wednesday, 10/11/00 08:13:48

Division Order Owner Detail Report

PROPERTY: 2274101/001 DUNLAP-BRYAN U #1

PRODUCT: ALL PRODUCTS

STATUS: NOT APPLICABLE

730.120 Acres

TRACT NO.	TRACT DESCRIPTION	TRACT ACRES	TRACT FCTR							
1	Tract 1	730.120	1.00000000							
OWNER	EXCP NAME			PAY	SUSP	TYPE	INT	TRACT INTR	UNIT INTR	USER REFERENCE
452498	ELBERT R. BEENE AND ALICE BEENE			Y		RI		.00378475	.00378475	
452768	GRANGER CHUI DOROTHY CHUI			Y		RI		.00778685	.00778685	
453593	VIRGINIA RYMAN LARSSON TRUST VIRGY					RI		.00025876	.00025876	
456782	STATE OF TEXAS GENERAL LAND OFFI			Y		RI		.00204590	.00204590	
459248	MARGUERITE "PAT" RYMAN TRUST JUL			Y		RI		.00025761	.00025761	
465646	GEORGE C GREEN ESTATE PHILLIP GR			Y		RI		.00351205	.00351205	
472326	WILMA GREEN			Y		RI		.00351204	.00351204	
488798	JD MINERALS			Y		RI		.00021966	.00021966	
493305	JOHN ROBERT SELMAN			N	TR	RI		.00101433	.00101433	
493306	WILLIS SELMAN JR			N	DE	RI		.00101433	.00101433	
493307	DIANNA DAIL			Y		RI		.00101433	.00101433	
497908	MABEL B AKIN			Y		RI		.00140764	.00140764	
522100	RONALD BRYAN MARY LIND BRYAN			Y		RI		.00702410	.00702410	
522101	GEORGE SUDARSHAN			N	IA	RI		.00702410	.00702410	
523161	PEGGY L LAWRENCE TEST TRUST B NOY					RI		.00012420	.00012420	
533698	MARILYN MILNER			Y		RI		.00225406	.00225406	
535641	DOUGLAS WAYNE SMITH			Y		RI		.00573290	.00573290	
535957	ROBERT CHARLES CARSON			Y		RI		.00017941	.00017941	
535958	JAMES RENWICK CARSON			N	NE	RI		.00017940	.00017940	
543055	MADOLYN SMITH			N	TR	RI		.00286645	.00286645	
543056	JAMES CURTIS SMITH			N	TR	RI		.00286645	.00286645	
409255	SINCLAIR OIL CORPORATION			Y		WI		.23910010	.23910010	
412807	DON R CAIN			Y		WI	✓	.01992501	.01992501	
412886	ANDREW E MACMAHON			Y		WI	✓	.01992501	.01992501	
416367	OGDEN-CHAPARRAL LIMITED PARTNER			Y		WI	✓	.06376003	.06376003	
416368	OGDEN RESOURCES CORP			Y		WI	✓	.03188001	.03188001	
421085	JOHN HEYBURN			Y		WI		.06376003	.06376003	
999001	UNION PACIFIC RESOURCES COMPANY C					WI		.23910010	.23910010	
999001	001 UNION PACIFIC RESOURCES COMPANY C					WI		.07970003	.07970003	

SENT BY:

(do_report#1 - 995)

Report Date
Wednesday, 10/11/00 08:13:48

Division Order Owner Detail Report

PROPERTY: 2274101/001 DUNLAP-BRYAN U #1

PRODUCT: ALL PRODUCTS

STATUS: NOT APPLICABLE

730.120 Acres

TRACT NO.	TRACT DESCRIPTION	TRACT ACRES	TRACT FCTR
1	Tract 1	730.120	1.00000000

OWNER	EXCP NAME	PAY SUSP	TYPE INT	TRACT INTR	UNIT INTR	USER REFERENCE
999001	002 UNION PACIFIC RESOURCES COMPANY C		WI	.03985000	.03985000	

Tract Total: 1.00000000 1.00000000

Property Total 1.00000000 1.00000000

512 475 1543:# 5/ 5

LPRC-

10-13- 0 ; 8:50AM ;

SENT BY:

(do_report#1_1 - 295)

Division Order
Owner Detail Report

PROPERTY: 2274101/001 DUNLAP-BRYAN U #1

PRODUCT: ALL PRODUCTS

STATUS: NOT APPLICABLE

730.120 Acres

8.9625 acres

TRACT NO.	TRACT DESCRIPTION	TRACT ACRES	TRACT FCTR
1	Tract 1	730.120	1.00000000

OWNER	EXCP	NAME	PAY	SUSP	TYPE	INT	TRACT	INTR	UNIT	INTR	USER REFERENCE
416367		OGDEN-CHAPARRAL LIMITED PARTNER	Y		ORI		.00774100		.00774100		
416368		OGDEN RESOURCES CORP	Y		ORI		.00387100		.00387100		
421085		JOHN HEYBURN	Y		ORI		.00774100		.00774100		
439641		DIANE NOLLEY	Y		ORI		.00998600		.00998600		
456452		LOMETA PETROLEUM CORP	Y		ORI		.00998600		.00998600		
412775		DONALD JAMES JOHNSON	Y		RI		.00072567		.00072567		
421142		JOE MARINO AND JULIE E. MARINO	Y		RI		.00117188		.00117188		
421174		JUDY RIPPLE AND ROBERT RIPPLE	Y		RI		.00011615		.00011615		
421213		LAWRENCE F. HEGAR, JR.	Y		RI		.00006785		.00006785		
421563		S HOSHEL SMITH JR AND GLENNA F SM Y			RI		.00015065		.00015065		
422167		ALFRED C SMITH JR	Y		RI		.00573290		.00573290		
422919		KAREN COOK AND BOB HANSON	Y		RI		.00022541		.00022541		
427508		DOUGLAS JOHN COLLINS JR	Y		RI		.00069922		.00069922		
427509		DOUGLAS JOHN COLLINS JR	Y		RI		.00069922		.00069922		
429100		MARTHA DOWDELL RATLIFF LIFE ESTA	Y		RI		.00035881		.00035881		
430822		RUTH LANG AND MANUEL LANG	N	DE	RI		.00162499		.00162499		
432585		BARBARA R DEGNAN MTL TRUST JAME	Y		RI		.00025876		.00025876		
433026		LAWRENCE F HEGAR, JR AND JUDA HE	Y		RI		.00015755		.00015755		
433027		MARY LYNN HEGAR	Y		RI		.00022426		.00022426		
433093		JOSEPH A. MIKESKA, JR. AND DOROTH	Y		RI		.00401131		.00401131		
433379		JOHN M LAWRENCE III	Y		RI		.00012420		.00012420		
433820		SCOTTY RAY REED	Y		RI		.00072682		.00072682		
435135		BRENT A BARKER	Y		RI		.00005865		.00005865		
435397		MARY S BREEDEN LIFE ESTATE	Y		RI		.00038756		.00038756		
436178		ROBERT H WHITTEN & MARIANNA F WH	Y		RI		.00164224		.00164224		
436647		JAY DON WATSON	Y		RI		.00012765		.00012765		
437027		DORIS JEAN LINDLEY	Y		RI		.00834462		.00834462		
437475		WILLIAM S BELL	Y		RI		.00383075		.00383075		
437681		ANTON SLAFKA JOAN SLAFKA	Y		RI		.00747405		.00747405		
437881		SAMUEL KENT DUNLAP	Y		RI		.00394100		.00394100		
438047		JOE MARINO	Y		RI		.00477608		.00477608		

Royalty .166667

Destination of the

calls for 9:4

*109.54 acres moved
to tract 23 in well
Enterprise Unit #1*

#4179701

REL-162230

*Metra 10/13/00
Rester @ GLO*

512 475 1543: # 2/ 5
UPRC-
10-13- 0 : 8:48AM ;
SENT BY:

Report Date
Wednesday, 10/11/00 08:13:48

Division Order Owner Detail Report

PROPERTY: 2274101/001 DUNLAP-BRYAN U #1

PRODUCT: ALL PRODUCTS

STATUS: NOT APPLICABLE

730.120 Acres

TRACT NO. TRACT DESCRIPTION TRACT ACRES TRACT FCTR
1 Tract 1 730.120 1.00000000

OWNER	EXCP NAME	PAY SUSP	TYPE INT	TRACT INTR	UNIT INTR	USER REFERENCE
438233	DONNA BAIRD DUNLAP	Y	RI	.01576500	.01576500	
438352	WILLIAM S THORNTON	Y	RI	.00017365	.00017365	
438648	GORDON W. SMITH	Y	RI	.00020586	.00020586	
439205	REBECCA JANE DUNLAP CONLEY	Y	RI	.00394100	.00394100	
440050	PATSY R WILLIAMS	Y	RI	.00140189	.00140189	
440240	BARBARA ANN REED	Y	RI	.00072567	.00072567	
440431	STEVE ALLEN SMITH	Y	RI	.00030706	.00030706	
441556	PAT S MCCRORY	Y	RI	.00168824	.00168824	
441709	LAWRENCE BERTRAM ROYDER AND MAY		RI	.00120868	.00120868	
442030	GLENN ALLEN HEGAR AND CONNIE HE	Y	RI	.00018400	.00018400	
442059	LOIS C SMITH TRUST	Y	RI	.00573290	.00573290	
442107	J D THEECK AND MARIE THEECK	Y	RI	.00530509	.00530509	
442380	EMILY JEAN HASKELL ESTATE	Y	RI	.00004715	.00004715	
442381	WILLIAM ALLEN HASKELL AND BILLY HA	Y	RI	.00031166	.00031166	
442499	ARCHIE D BARRETT MIRIAM ROWELL B	Y	RI	.00352024	.00352024	
443472	ELLEN RUTH SEBREN	Y	RI	.00015065	.00015065	
443514	DON R GRAVES AND NETA FAYE GRAV	Y	RI	.00401131	.00401131	
444300	SARA JARVIS JONES	N IA	RI	.00702410	.00702410	
444323	BILLY M PAYNE	Y	RI	.00015985	.00015985	
445970	001 MACK C MILNER JR	Y	RI	.00143984	.00143984	
445970	MACK C MILNER JR	Y	RI	.00101088	.00101088	
446150	ROBERT THOMAS LYONS AND SHARON	Y	RI	.00091887	.00091887	
446178	ANNA LUCILLE DOUGHERTY	Y	RI	.00401476	.00401476	
446292	KATHY FRIEDEL	Y	RI	.00006785	.00006785	
446293	KATHY FRIEDEL AND GARY FRIEDEL	Y	RI	.00011615	.00011615	
446294	JUDY RIPPLE	Y	RI	.00006785	.00006785	
446295	RONDA HEGAR	Y	RI	.00018400	.00018400	
446474	RUBY RUTH BENTINCK	Y	RI	.00004715	.00004715	
446475	RUBY RUTH BENTINCK AND GEORGE B	Y	RI	.00031166	.00031166	
447729	DOLORES GALE MARRS	Y	RI	.00168824	.00168824	
448568	GORDON R SMITH	Y	RI	.00020586	.00020586	

512 475 1543: # 3/ 5

UPRC+

10-13- 0 : 8:49AM ;

SENT BY:

M-95349

(12)

DIVISION ORDER

10/18/00

After carefully checking out this lease a decision was made to use state acres of 8.76 / 730.12. UPRC sent us a copy of the revised pooling agreement which reflected these figures. UPRC figured their TP on 8.9625 / 730.12. I am going to ask them to change and start filing their new reports with the new TP of .005399 for oil and .0089985 for gas. This should start with the September 2000 report.

There are also two working interest owners paying on the lease but not filing reports. UPRC files a unit report and their own tract report. Sinclair has a working interest of 30% on the oil with at TP of .003599. Sinclair's 30% gas is being reported and paid By UPRC.

Ogden Resources is the second working interest owner with 25% of both oil & gas. Their TP will be .003000.

Both Sinclair and Ogden will be ask to send in reports starting with September 1998.

Metha Kester
10/18/2000

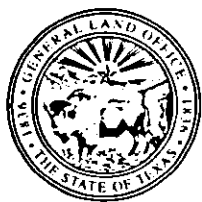
M-95349
MEMO TO FILE
10/18/00

14

Texas General
Land Office

95349

June 21, 2001



David Dewhurst
Commissioner

Peggy Rawlins
Sinclair Oil Corporation
P.O. Box 30825
Salt Lake City, Utah 84130-0825

Dear Ms. Rawlins:

We received your letter dated June 13, 2001 detailing your grievances and we appreciate your response.

To insure the integrity of the information that is processed, the Texas General Land Office (GLO) is authorized by Chapter 52 of the Texas Natural Resources Code and the Texas Administrative Code, Section 9.51 to charge a penalty of \$10 per document for each 30-day period that each report affidavit or other document is delinquent or incorrectly reported.

Reporting online will eliminate the type of errors you incurred. If you begin electronic reporting within the next 60 days any penalties you have paid for incorrect reports will be refunded to your account.

Please understand that the GLO is working diligently to assist you and your company to correct these issues. Our electronic reporting system, which provides quick response and saves time, is recommended as your best solution for production reporting. One of the major advantages of electronic reporting is that reports cannot be submitted incorrectly resulting in the assessment of penalty

I understand Mike May spoke with you yesterday and you will be putting the GLO reports on line with the May reporting period. Once this is accomplished we can start the process of refunding any penalties paid. If you have any questions please give me a call at (512) 475-2317.

Sincerely,

Metha Kester
Royalty Audit Management
Energy Resources

JCM/mk

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

512-463-5001



Metha

June 13, 2001

John Monroe
Texas General Land Office
1700 North Congress, Suite 600

Dear Sir:

In the middle of October, 2000, Metha Kester contacted me at Sinclair Oil requesting GLO-1 reports be filed on the lease "Dunlap-Bryan" from September 1998 to the current month. We had never filed GLO-1 reports. Our understanding at this time was that UPRC, the operator, was filing these reports for both oil and gas on all production. Metha did not know if we should be filing on any additional wells, and told me to contact Marc Fuentes about other wells operated by UPRC. Metha faxed me a sample GLO-1 for the Dunlap-Bryan Unit to show me what information was required using August, 1999 information as an example (see the enclosure). Marc could not tell me if we should be reporting on any additional wells, but he was able to send me a table showing tract participation, royalty decimals, and tract numbers for the wells we were submitting GLO-3 reports for. Metha instructed me to complete GLO-1 reports for these 13 leases from September 1998 forward and send them in as soon as possible directly to her. She hoped the new penalty just starting could be avoided on the large number of reports I would be submitting.

At the end of December, as I was completing the reports for November, 2001 I received a call from your office informing me that I had neglected to include the grade of oil (sweet or sour). I told the gentleman that Metha had not indicated that I should complete that item, but I would contact UPRC for the information and start immediately to include it on all future reports. I asked him if I should update all the reports I had just submitted, and he said, "No". I did not get his name. I contacted Metha about this addition and she said that the grade of oil was something new that she had forgotten to tell me about and include on her example.

In March I received two penalty invoices attached to many of the prior period GLO-1 reports I had submitted in October and November. The "grade of Oil" and the "API gravity" were circled as being omitted and required. I was not aware until receiving the invoices that I needed API gravity information. I immediately contacted the purchaser because UPRC had been unable to provide me with any information on previous requests. I contacted Metha about why she had not informed me on her example about the gravity. She said that she had highlighted the API gravity, but forgot that the highlighter would not show over the fax. She had not remembered to mention it over the phone and had not noticed the omissions when I had submitted the reports. She told me to write to you informing you of the problems and request a waiver of the penalties.

I have submitted the reports as soon as I was able to gather the information and have submitted them in the manner I was shown. I did receive the booklet in the mail with instructions about the time I was sending off the original GLO-1 reports. I have been reviewing this booklet, and understand it better after completing a few months of reports and corrections. It has been very confusing trying to originate this process because of the conflicting information I have received. For example:

I did not see the reports

Corrected

7.

1. Metha showed me one method of computing royalty calculations. Then she referred me to Marc to help in getting information to complete the other leases. Marc told me to use another method. After submitting all the reports, Metha called to inform me that I should have used her method and not Marc's, and so I resubmitted the original reports again.
2. When I discovered my reports needed the sweet or sour grade of oil, I was told not to correct past reports, and then three months later I receive invoices requesting the reports be completed and resubmitted.
3. When I received the original penalty invoices, one invoice was for \$160.00 (invoice # 10621) but the total of the penalty detail was \$1010.00. Also, the Unit # was missing so I was unable to match the detail to the report needed. I called Linda Arelano who told me to wait for a corrected invoice. When the corrected invoice came (invoice #11742) it did not include any backup GLO-1 reports or any detail listing. I called Carolyn Morgan who told me to use the GLO-1 reports returned with the original invoice, but I had only received 52 GLO-1 reports with that invoice. She told me to wait for a second corrected invoice to match the GLO-1 reports sent back with the first invoice. When I received the third invoice (# 12392, no detail was listed, but the amount of the invoice matched the number of reports sent back to me. I was able to correct these and make payment.
4. During the problems with the invoice mentioned above, I asked if I could just submit corrected GLO-1 reports for all reports that I knew had problems or were incomplete. I had corrected every report that I knew needed additional information and wanted everything submitted to be correct. I was told by Carolyn Morgan that because of the confusion right now, I may be billed multiple penalties for the same report and the same problem if I tried to correct before I received the request from her with a penalty invoice. This seemed to conflict with what Metha had originally told me which was to submit all the past information as quickly as possible to avoid penalties.

-We started before billing penalties

I have paid for the following penalty invoices that I am requesting be waived:

\$1,130.00	#10797	3/3/01
\$ 520.00	#12392	5/6/01

I appreciate the help I have received in this process of submitting GLO-1 reports. I had incorrect DOI information on Texas Land Commission royalty amounts and UPRC was unwilling to provide help with any information needed. Metha and Marc helped provide me with much of the information about the leases and worked with us in computing correct royalty calculations. We have over-paid some leases in the past before updating royalty decimals, but you have received at least the payments due for all of your interests each month with the GLO-3 reports. I faxed a copy of the GLO-1 reports for Carolyn Morgan to look at after receiving the penalty invoices to verify that I now have the forms completed correctly. She indicated that every looks good now. I appreciate the help and your consideration.

Sincerely,

Peggy Rawlins

Peggy Rawlins
 Senior E & P Accountant
 Sinclair Oil Corporation

Enclosure-2

OIL AND CONDENSATE PRODUCTION/ROYALTY REPORT GLO-1 (Revised 06-21-1999)



Production Month/Year
 MMYYYY
08/1999

State Lease Number
 #####
M095349

Annual Report
 (If authorized by the GLO to report annually, check here when filing an annual report.)

Type of Report	
Tract	
Unit Number	<u>2928</u>
Tract Number	<u>17</u>

Reporting Company Name Sinclair

Reporting Company Tax ID
(Eleven (11) digits)

Field Name(s) Giddings (Austin Chalk)

What production are you reporting? Condensate

Are you reporting all oil dispositions? No

Operator Name Union Pacific Resources Co.
 Operator Tax ID [REDACTED]

Lease Name(s) Dunlap-Bryan Unit

Purchaser Tax ID
(Eleven (11) digits)

Oil RRC Number
 Dist-Lease #
(two digits)-(six digits)

Gas RRC Number
 Dist-Well ID #
(two digits)-(six digits)

Gas RRC Number
 Dist-Well ID #
(two digits)-(six digits)

Royalty Payer Name
 Royalty Payer Tax ID
(Eleven (11) digits)

Prepared By/Phone #

E-Mail Address

Grade of Oil Sweet Sour
(State the whole percentage of each. Total of sweet & sour must equal 100%)

Check if reporting additional RRC numbers on a separate page.

- *Disposition Codes
- 1 Trucks/Tank Cars/Barge
 - 2 Skim/Scrubber/Lost
 - 3 Net Oil from Tank Cleaning
 - 4 Other
 - 5 BS&W

Production/Disposition/Inventory (whole barrels)					
Beginning Stock	Gross Production Volume	Disposition Volumes		Code*	Ending Stock
		Pipeline	Other		
				1	
				2	
				3	
				4	
				5	

Royalty Calculation					
Net Barrels <small>(for decimal places)</small>	API Gravity <small>(six digits) (max)</small>	Price <small>(six digits) (places)</small>	Gross Value <small>(two dec. places)</small>	Royalty Decimal <small>(six digits) (places)</small>	Royalty Due <small>(two dec. places)</small>
<u>1.29938</u>				<u>.166667</u>	

1.29938 * 2500 TD - 1.29938 OK 360.65 * (own DOT) * .30 * .01998 = 1.277373

(15)

MF-095349

Wrt to Sinclair Oil

6/21/01