

MF095739

<i>State Lease</i>	<i>Control</i>	<i>Base File</i>	<i>County</i>
MF095739	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>	12.93
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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>	CHEVRON U S A
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<i>Lease Date</i>	* 4/1/1994
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<i>Primary Term</i>	3 yrs
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<i>Bonus (\$)</i>	\$630.50
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<i>Rental (\$)</i>	\$0.00
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<i>Lease Royalty</i>	0.1250
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Leasing: _____

Analyst: _____

Maps: _____

GIS: _____

M
F
0
9
5
7
3
9
CHEVRON U S A

~~2253~~ (INACTIVE)

STATE LEASE - HROW

M-95739

12.93 UNIT ACRES
- 0 - NON-UNIT ACRES

✓ **TERMINATED**
Date 3-4-00
Accounting _____
Engl. C7B
Exploration _____

COUNTY (CODE)
SURVEY
BLOCK
TOWNSHIP
SECTION (S)
PART
ACRES
DEPTH LIMITS
BASE FILE (S)
CONTROL NO. (S)
CONTROL NO. (S)

BRAZOS (21)
J. SEALE A-214, H.R. CARTMELL A-87, H.NEVILLE A-194
N/A
N/A
N/A
ST HWY 21
12.93
N/A
56-02997-3
N/A
N/A

LESSEE
DATE
PRIMARY TERM
BONUS (\$)
ROYALTY
RENTAL (\$)
VARIABLE ROYALTY

CHEVRON USA PRODUCTION CO.
04-01-94
THREE (3) YRS.
630.50
1/8
5.00/PAID UP
N/A

RENTALS	<i>LL</i>
LEASE ADMIN.	<i>DR</i>
MINERAL MAPS	<i>OK</i>

VMS.





Texas General Land Office
Garry Mauro, Commissioner

File

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

July 7, 1994

Chevron U.S.A. Prod. Co.
P. O. Box 4538
Houston, Texas 77210-4538

Re: Mineral File No. M-95739
Chevron D/O #TX-50656

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) 475-1462.

Sincerely,

Lillie Gamble

Lillie Gamble
Accounts Examiner
Royalty and Revenue Processing
Energy Resources

LG:mrg

Enclosures

122

M-95739



May 31, 1994

Chevron U.S.A. Production Company
P.O. Box 4538
Houston, TX 77210-4538

Land Business Unit

INTEREST OWNER

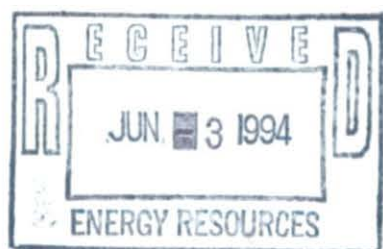
Re: GARRETT-JONES UNIT 1 #1
BRAZOS COUNTY, TEXAS

LADIES & GENTLEMEN :

The enclosed division orders are being sent to all owners for execution in counterpart. If satisfactory, please [sign/have the order signed by each party] with a witness to each signature and return one executed copy to us. Please make any necessary corrections, along with your initials, in ink. **In compliance with Internal Revenue Service regulations, payments made to owners for whom we have not been provided a tax identification number will be subject to a 31% backup withholding.**



Chevron U. S. A. Production Company
Royalties, Valuation & Compliance
(713) 754- 2423



DIVISION ORDER

LEG 1-16

(ref)NC

May 31, 1994

/ **Effective Date:** 04/01/94

D/O #: **TX - 50656**

195939 03

To **Chevron U.S.A. Inc.**
P.O. Box 4538
Houston, Texas 77210

Each of the undersigned certifies and guarantees that he is the legal owner of and hereby warrants the title to the interest shown opposite his name on the schedule attached hereto and made a part hereof, and that the interest shown is the entire interest owned by the undersigned, in the oil and/or gas produced and saved from the land or unit known as:

* **GARRETT-JONES UNIT I** - 679.61 acres of land in the Chevron USA Inc, Garrett-Jones Unit I, unitizing the lands described therein as to the production from the Austin Chalk formation defined as the stratigraphic equivalent of the interval between 7,848 feet and 8,176 feet in the Jones III #1 Unit well located in the H. Nevill Survey, A-184, Brazos County, Texas.

Until further written notice, Chevron U.S.A. Inc. (hereinafter called Chevron) is hereby authorized to account to each of the undersigned for his interest in said oil and gas in accordance with the division of interest which is correctly set out herein. Chevron is hereby authorized to receive and purchase the oil and/or gas belonging to the herein described separate owners or to sell and deliver same to the same party or parties to whom Chevron may sell its working interest production from said lease. The sale of said oil and/or gas is subject to the covenants and conditions set out on the reverse side hereof, which are adopted by reference as though fully set out herein.

Item	Owner No.	Name & Address	Type Int.	Interest
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SEE SCHEDULE A



PLEASE RETAIN THIS COPY FOR YOUR RECORDS

Substitute IRS Form W-9

As we provide payments to you of a type recognized as reportable income, we are required by the Internal Revenue Service to obtain your taxpayer identification number (TIN) for purposes of complying with reportable payment regulations. For an individual or sole proprietor, this is your social security number. For other entities, identification is by your employer number. If we do not receive your number, we are required to withhold 31% of all payments owed and deposit them with the IRS until such time as the number is furnished. It is essential that you provide the requested information promptly.

If you have applied for, but not yet received, a number, please check the box below. You must provide us with the number within 60 days, or we will begin withholding as instructed by the IRS.

Are you exempt from backup withholding and federal information return reporting? _____ What is your exempt status qualification (Sec.501(a), Corporation, etc.)? _____

Number Applied For

Attest or Witness:

Signatures:

Social Security or Tax I.D. Number:

IMPORTANT:

To avoid delay in payment your correct address and your social security number or tax account number must be shown.

(See Reverse Hereof)

DIVISION ORDER

First All oil and gas received and purchased by Chevron under the terms of this Division Order shall become the property of Chevron when the same has been delivered to it or when delivered to any pipeline or to any person, firm or corporation designated by Chevron to receive said oil and gas for its account. In the event of the sale of the aforesaid oil or gas by Chevron along with Chevron's working interest production, same shall become the property of the party to whom it is sold by Chevron when delivered to such purchaser.

Second: The price of all oil received and purchased by Chevron hereunder shall be the posted price of Chevron for oil of the same gravity, kind and quality produced in the particular field on the date said oil is received. In the event of the sale of said oil, the price therefor shall be the same price received by Chevron therefor at the well, and Chevron is hereby authorized to receive payment therefor.

Third: For gas, settlement hereunder shall be made on the basis of Chevron's gas sales contract price and upon the volume and heat content computations made by the party or parties to whom delivery is made.

Fourth: Payment hereunder for said oil and/or gas, after deducting any severance, occupation or other tax imposed thereon, shall be paid monthly at Concord, California, according to the division of interest correctly set out herein, by mailing check of Chevron therefor to each party at the address herein designated. The undersigned authorize Chevron to withhold from settlements on any and all oil and gas referred to herein the amount of any tax placed thereon, or on the production thereof, by any governmental authority, and to pay the same in behalf of the undersigned. Chevron is authorized to deduct gathering, transportation, treating, dehydration, compression and other similar post-production charges incurred in connection with readying such oil and gas for market.

Fifth: If a refund or a portion of the proceeds derived from the sale of said oil or gas may be required under any order, rule, or regulation of the Federal Energy Regulatory Commission, the Natural Gas Act, the Natural Gas Policy Act, or any other governmental agency having jurisdiction or applicable statute, Chevron may withhold without interest the portion of the proceeds subject to refund until indemnity satisfactory to Chevron has been furnished, or until Chevron's refund obligation has been finally determined. If at any time a refund of a portion of the proceeds derived from the sale of oil or gas which has been paid the undersigned is required under any statute, order, rule or regulation Chevron may recover said refund by deduction from future payments or, at Chevron's discretion, may invoice the undersigned for the portion applicable to the undersigned's interest, plus the legal rate of interest Chevron is required to pay applicable to the undersigned's interest.

Sixth: If the sale of gas be made other than at the well or at the lease separator, then the settlements under this Division Order shall be made after deduction of gathering, transportation, dehydration, compression, treating, and other costs properly incurred in connection with the making of such sale.

Seventh: Only merchantable oil will be received hereunder. If necessary to make it merchantable, oil shall be steamed or treated by the owner at his expense before delivery. Proper deduction will be made for water, dirt, sediment, and other impurities and the expense of treating to remove such impurities. Corrections for temperature will be made in accordance with established rules prevailing at the time and place of delivery.

Eighth: Each of the undersigned warrants the title to the particular interest credited to him herein, and agrees to indemnify and save harmless Chevron or any other purchaser of said oil and gas, and any carrier designated by Chevron or other purchaser to receive the aforesaid oil and gas, and each of them, against all and every loss, damage, charge, or expense of any kind whatsoever which they or either of them, may suffer or incur by or on account of receiving or purchasing or transporting said oil and gas, or by reason of any and all claims of any character as to said oil and gas, adverse to the undersigned.

Ninth: Each owner of the working interest herein allocated to him warrants that all production sold under this Division Order has been and will be produced and handled in compliance with the provisions of the Fair Labor Standards Act of 1938 and any amendments thereto and all other federal, state and municipal laws, rules and regulations.

Tenth: In the event the lands described above are or become a part of any unit created by agreement or governmental authority providing for the division of oil and/or gas among the owners of interest within such unit, then this Division Order and the interests of the undersigned set forth above shall be applicable to that portion of the oil and/or gas produced from the unit which is allocable or attributable to the above described land.

Eleventh: Without impairment of any warranty herein contained, it is agreed that satisfactory evidence of title will be furnished as of the effective date hereof, and at any time thereafter when demanded. If such evidence of title does not, in the opinion of the attorney of Chevron, show that each of the undersigned has good title to the oil and/or gas produced from the above described land, or in the event of adverse claim, controversy, or suit, which, in the opinion of Chevron's attorney, affects title to any interest hereunder, Chevron may hold, without interest, the amount credited to the owner thereof until such title has been made acceptable to Chevron, or until such claim, controversy, or suit is settled to its satisfaction.

Twelfth: Chevron is hereby relieved of any responsibility for determining when any of the interests hereinabove set forth shall revert to other parties either as a result of the completion or discharge of money or other payments from said interests or for other cause, and the signers hereof whose interests are affected by any such money or other payments or causes which would result in the reversion, vesting, or transfer of any interest agree to deliver to Chevron notice in writing, at P.O. Box 4538, Houston, Texas, 77210, when any such money or other payments have been completed or discharged or when any such reversion, vesting, or transfer becomes effective and furnish Transfer Orders accordingly and agree to indemnify and hold Chevron harmless from any failure to do so.

Thirteenth: The undersigned hereby adopt, ratify, and confirm each oil and gas lease, together with any amendments thereto, under which the oil and/or gas to which this Division Order applies is produced. If the production which is the subject of this Division Order is obtained from a unit or units, the establishment of such unit or units is hereby ratified, confirmed, and adopted.

Fourteenth: Chevron, or any other purchaser of said oil or gas and any carrier designated by Chevron to receive said oil or gas, or either of them, shall have the right at any time to assign and transfer their or its respective rights hereunder, either in whole or in part, whether then contingent or accrued.

Fifteenth: The undersigned agree to notify Chevron in writing of any change of ownership and no transfer of interest shall be binding upon Chevron until a Transfer Order or Division Order and the recorded instrument(s) evidencing such transfer or certified copy(ies) thereof shall be furnished to Chevron at P.O. Box 4538, Houston, Texas 77210. Any transfer of interest shall be made effective on the first day of the calendar month following the month in which such notice and instrument are received by Chevron.

Sixteenth: If the amounts payable to any interest hereunder shall amount to less than twenty-five dollars (\$25.00) per month, Chevron is hereby authorized to make payment for such accruals at such time as the accruals have accumulated in the amount of twenty-five dollars (\$25.00) or more.

Seventeenth: This Division Order may be signed in counterpart and shall become valid and binding on each and every owner named herein as soon as signed by such owner, regardless of whether or not any of the other named owners have so signed and shall be binding upon and inure to the benefit of the heirs, successors in interest, legal representatives and assigns of the parties hereto. All of the provisions contained in this Division Order shall apply to each and every owner named herein separately and not jointly.

Eighteenth: The provisions hereof shall not apply to the extent they are void under, or are in contravention of, applicable law. If any provision hereof is void or otherwise unenforceable under applicable law, the remaining provisions shall nevertheless remain in full force and effect in accordance with the terms hereof.

To **Chevron U.S.A. Inc.**
 P.O. Box 4538
 Houston, Texas 77210

M95739 lg

Each of the undersigned certifies and guarantees that he is the legal owner of and hereby warrants the title to the interest shown opposite his name on the schedule attached hereto and made a part hereof, and that the interest shown is the entire interest owned by the undersigned, in the oil and/or gas produced and saved from the land or unit known as:

* **GARRETT-JONES UNIT I** - 679.61 acres of land in the Chevron USA Inc, Garrett-Jones Unit I, unitizing the lands described therein as to the production from the Austin Chalk formation defined as the stratigraphic equivalent of the interval between 7,848 feet and 8,176 feet in the Jones III #1 Unit well located in the H. Nevill Survey, A-184, Brazos County, Texas.

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Item	Owner No.	Name & Address	Type Int.	Interest
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SEE SCHEDULE A



ORIGINAL

PLEASE SIGN & RETURN

Substitute IRS Form W-9

As we provide payments to you of a type recognized as reportable income, we are required by the Internal Revenue Service to obtain your taxpayer identification number (TIN) for purposes of complying with reportable payment regulations. For an individual or sole proprietor, this is your social security number. For other entities, identification is by your employer number. If we do not receive your number, we are required to withhold 31% of all payments owed and deposit them with the IRS until such time as the number is furnished. It is essential that you provide the requested information promptly.

If you have applied for, but not yet received, a number, please check the box below. You must provide us with the number within 60 days, or we will begin withholding as instructed by the IRS.

Are you exempt from backup withholding and federal information return reporting? _____ What is your exempt status qualification (Sec.501(a), Corporation, etc.)? _____

Number Applied For

Attest or Witness:

Signatures:

Social Security or Tax I.D. Number:

IMPORTANT:

To avoid delay in payment your correct address and your social security number or tax account number must be shown.

(See Reverse Hereof)

DIVISION ORDER

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Fifth: If a refund or a portion of the proceeds derived from the sale of said oil or gas may be required under any order, rule, or regulation of the Federal Energy Regulatory commission, the Natural Gas Act, the Natural Gas Policy Act, or any other governmental agency having jurisdiction or applicable statute, Chevron may withhold without interest the portion of the proceeds subject to refund until indemnity satisfactory to Chevron has been furnished, or until Chevron's refund obligation has been finally determined. If at any time a refund of a portion of the proceeds derived from the sale of oil or gas which has been paid the undersigned is required under any statute, order, rule or regulation Chevron may recover said refund by deduction from future payments or, at Chevron's discretion, may invoice the undersigned for the portion applicable to the undersigned's interest, plus the legal rate of interest Chevron is required to pay applicable to the undersigned's interest.

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Eighth: Each of the undersigned warrants the title to the particular interest credited to him herein, and agrees to indemnify and save harmless Chevron or any other purchaser of said oil and gas, and any carrier designated by Chevron or other purchaser to receive the aforesaid oil and gas, and each of them, against all and every loss, damage, charge, or expense of any kind whatsoever which they or either of them, may suffer or incur by or on account of receiving or purchasing or transporting said oil and gas, or by reason of any and all claims of any character as to said oil and gas, adverse to the undersigned.

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Tenth: In the event the lands described above are or become a part of any unit created by agreement or governmental authority providing for the division of oil and/or gas among the owners of interest within such unit, then this Division Order and the interests of the undersigned set forth above shall be applicable to that portion of the oil an/or gas produced from the unit which is allocable or attributable to the above described land.

Eleventh: Without impairment of any warranty herein contained, it is agreed that satisfactory evidence of title will be furnished as of the effective date hereof, and at any time thereafter when demanded. If such evidence of title does not, in the opinion of the attorney of Chevron, show that each of the undersigned has good title to the oil and/or gas produced from the above described land, or in the event of adverse claim, controversy, or suit, which, in the opinion of Chevron's attorney, affects title to any interest hereunder, Chevron may hold, without interest, the amount credited to the owner thereof until such title has been made acceptable to Chevron, or until such claim, controversy, or suit is settled to its satisfaction.

Twelfth: chevron is hereby relieved of any responsibility for determining when any of the interests hereinabove set forth shall revert to other parties either as a result of the completion or discharge of money or other payments from said interests or for other cause, and the signers hereof whose interests are affected by any such money or other payments or causes which would result in the reversion, vesting, or transfer of any interest agree to deliver to Chevron notice in writing, at P.O. Box 4538, Houston, Texas, 77210, when any such money or other payments have been completed or discharged or when any such reversion, vesting, or transfer becomes effective and furnish Transfer Orders accordingly and agree to indemnify and hold chevron harmless from any failure to do so.

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Fourteenth: Chevron, or any other purchaser of said oil or gas and any carrier designated by Chevron to receive said oil or gas, or either of them, shall have the right at any time to assign and transfer their or its respective rights hereunder, either in whole or in part, whether then contingent or accrued.

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Eighteenth: The provisions hereof shall not apply to the extent they are void under, or are in contravention of, applicable law. If any provision hereof is void or otherwise unenforceable under applicable law, the remaining provisions shall nevertheless remain in full force and effect in accordance with the terms hereof.

1/P AGREEMENT: 1530138
 IT/DIV ORD: TX 50656 -

GARRETT JONES UNIT 1

ITEM	OWNER NO.	NAME & ADDRESS	INT	OIL	GAS	LIQUIDS
1	773044	COMMISSIONER OF GENERAL LAND OFFICE STATE OF TEXAS AUSTIN TX 78711	RI	.00237820 ✓		X SSN: [REDACTED] DATE:
2	1066836	KAISER FRANCIS OIL COMPANY P O BOX 840234 DALLAS TX 752840234	WI	.00696999		X SSN: [REDACTED] DATE:
3	1192749	JAMES D WILSON TRUSTEE JAMES D WILSON JR AND FRANCES ELIZABETH WILSON 19720 FM 974 BRYAN TX 77803	RI	.00142974		X SSN: [REDACTED] DATE:
4	1192863	CAMOCO CORPORATION C/O SOUTHSIDE STATE BANK ATTN RANDAL HENDRIX P O BOX 1079 TYLER TX 75710	ORI	.00230305		X SSN: [REDACTED] DATE:
5	1193283	B E MAXWELL 3128 AMHERST DALLAS TX 75225	ORI	.00017872		X SSN: [REDACTED] DATE:
6	1193291	CHARLES A MCLARTY JR 1212 WILMA TYLER TX 75701	ORI	.00230305		X SSN: [REDACTED] DATE:
7	1193410	PUBLIC LANDS ROYALTY TRUST P O BOX 7127 DALLAS TX 75209	RI	.03070741		X SSN: [REDACTED] DATE:
8	1193473	DUDLEY JONES REINKE 1537 OAKLAWN NEW BRAUNFELS TX 78130	RI	.00024930		X SSN: [REDACTED] DATE:
9	1193739	KURTEN ROYALTY CO 306 MEMORIAL DRIVE N W CALGARY ALBERTA T2N 3C2 1CANADA US	RI	.00140522		X SSN: [REDACTED] DATE:
10	1193804	WALLACE ERVIN LAWLESS 2201 NEW YORK ST BAYTOWN TX 77520	RI	.00146224		X SSN: [REDACTED] DATE:
11	1194000	LOUISE ALLEN LOGAN 10375 RICHMOND AVENUE #1675 HOUSTON TX 770424124	RI	.00062454		X SSN: [REDACTED] DATE:
12	1194034	BARBARA BUCHANAN HUDSON 11 CHRIS JAMES LAMPASAS TX 76554	RI	.00159312		X SSN: [REDACTED] DATE:
13	1194182	HI LO HOLDINGS LTD #1550, 340 - 12TH AVE S W CALGARY AL T2R 1L5	ORI	.01487134		X SSN: [REDACTED] DATE:
14	1194455	NAT B ALLEN III 5401 CHIMNEY ROCK # 976 HOUSTON TX 77081	RI	.00062454		X SSN: [REDACTED] DATE:
15	1194596	MORRIS P ENDLER SR BILLIE JEAN ENDLER RT 2 BOX 196 BRYAN TX 77801	RI	.00071181		X SSN: [REDACTED] DATE:
16	1194620	ORO BRAZOS MINERALS C V C/O HEYDON ASSOCIATES SUITE 3-L 1921 EAST CARNEGIE AVE SANTA ANA CA 92705	ORI	.00982637		X SSN: [REDACTED] DATE:
17	1195007	DONALD L HALL 2838 COLLEN DRIVE CANYON LAKES TX 78133	ORI	.00634510		X SSN: [REDACTED] DATE:

18	1195064	ROBERT C GARRETT WILLIE M GARRETT RT 2 BOX 290 BRYAN TX 77801	RI	.01775099	X SSN: [REDACTED] DATE:
19	1195585	J C CULPEPPER JR P O BOX DRAWER J C COLLEGE STA TX 77841	RI	.00018891	X SSN: [REDACTED] DATE:
20	1195684	JOE CLYDE BURT RT 2 BOX 195 BRYAN TX 77801	RI	.00034762	X SSN: [REDACTED] DATE:
21	1195825	ANN CARTER LANG AND JON RAY ROLLO SUCCESSOR TRUSTEES OF THE PEARL LANG TRUST 6429 BURNET LANE AUSTIN TX 78757	RI	.00107231	X SSN: [REDACTED] DATE:
22	1207349	MARY HALL CLARK 1302 SUSSEX DR COLLEGE STATN TX 77840	RI	.02951999	X SSN: [REDACTED] DATE:
23	1241512	DONALD JOSEPH TUCKER LIFE TENANT 1125 INDEPENDENCE DRIVE ALABASTER AL 35007	RI	.00012466	X SSN: 4 [REDACTED] DATE:
24	1270800	BELLPORT OIL & GAS 1700 717 7TH AVE SW CALGARY AL T2P OZ3	ORI	.00504496	X SSN: [REDACTED] DATE:
25	1333327	DON E WILLIAMS 5400-RENAISSANCE TOWER 1201 ELM STREET DALLAS TX 75270	RI	.00046841	X SSN: [REDACTED] DATE:
26	1335181	REX-WILSON 1145 VAN BUREN ST DES PLAINS IL 60018	ORI	.00031584	X SSN: [REDACTED] DATE:
27	1335199	MARGE WILSON 1145 VAN BUREN ST DES PLAINS IL 60018	ORI	.00031585	X SSN: [REDACTED] DATE:
28	1335207	MILDRED P TALLEY 7146 COSGROVE DR DALLAS TX 75231	ORI	.00031585	X SSN: [REDACTED] DATE:
29	1335215	ALLEN D TALLEY 7146 COSGROVE DR DALLAS TX 75231	ORI	.00031584	X SSN: [REDACTED] DATE:
30	1335231	JESSIE M STANFORD 7205 DIXIE DRIVE HOUSTON TX 77087	ORI	.00063169	X SSN: [REDACTED] DATE:
31	1335256	MARGARET M MARTIN 6810 ANGLEBLUFF CIRCLE DALLAS TX 75248	ORI	.00063169	X SSN: [REDACTED] DATE:
32	1335264	PATRICIA STANFORD CARPENTER 1110 SYCAMORE RT 1 BOX 529 RICHMOND TX 77469	ORI	.00063169	X SSN: [REDACTED] DATE:
33	1335272	LORETTA E BARTON 5722 GASTON PO BOX 180662 DALLAS TX 75218	ORI	.00063169	X SSN: [REDACTED] DATE:
34	1386754	MAY ENERGY PARTNERS C/O CONCISE OIL & GAS DEPT 607 P O BOX 378111 DENVER CO 802378111	ORI	.01312740	X SSN: [REDACTED] DATE:
35	1598762	AMAX OIL & GAS INC P O BOX 845676 DALLAS TX 752845676	ORI	.00990314	X SSN: [REDACTED] DATE:

36	1747914	MERIT ENERGY PARTNERS SUITE 1040 12221 MERIT DR DALLAS TX 75251	WI	.06665482	X	SSN: _____	DATE: _____
37	1770254	RIO NEGRO HYDROCARBON NV C/O MCLEAN & ASSOCIATES MCLEAN BUILDING P O BOX 62 PROVIDENCIALES TURKS & CAICOS US	ORI	.01151528	X	SSN: _____	DATE: _____
38	1770320	PHIL H SCHWEIKART AND JACKIE SCHWEIKART POST 6814 BLACKWOOD DALLAS TX 75231	ORI	.00063169	X	SSN: [REDACTED]	DATE: _____
39	1802180	LAVERNE Z HALL, TRUSTEE FREDERICK C HALL AND LAVERNE Z HALL LIVING TRUST 4255 135TH PL. SE BELLEVUE WA 98006	RI	.02665622	X	SSN: [REDACTED]	DATE: _____
40	1811298	PRISCILLA A HALL 124 JUNIPER LANE SOUTHPORT CT 064901062	RI	.02952000	X	SSN: [REDACTED]	DATE: _____
41	1816933	DELVIN R & MARYE BARRETT BOX 129 KURTEN TX 778620129	RI	.00020140	X	SSN: [REDACTED]	DATE: _____
42	1816941	BRIAN D BARRETT 2911 COLTON PC COLLEGE STATI TX 77845	RI	.00010070	X	SSN: _____	DATE: _____
43	1816958	W GLENN BARRETT 1604 E 31ST STREET BRYAN TX 77802	RI	.00010070	X	SSN: [REDACTED]	DATE: _____
44	1826601	EVERETT LEWIS HUBER ESTATE MARJORIE B HUBER INDEP EXEC 4356 MEADOWDALE DALLAS TX 75229	RI	.01185306	X	SSN: [REDACTED]	DATE: _____
45	1829944	MERIT ENERGY PARTNERS II LP STE 1040 12221 MERIT DRIVE DALLAS TX 75251	ORI WI	.00016086 .18786618	X	SSN: _____	DATE: _____
46	1829951	MERITNET PARTNERS STE 1040 12221 MERIT DRIVE DALLAS TX 75251	WI	.01364819	X	SSN: _____	DATE: _____
47	1829985	FRED & LAVERNE HALL LIVING TRUST - LAVERNE Z HALL AS TRUSTEE LIFE ESTATE 4255 135TH PL SE BELLEVUE WA 98006	RI	.00286378	X	SSN: [REDACTED]	DATE: _____
48	1829993	MILDRED W NOBLETT LIFE ESTATE 3405 EASTBROOK MESQUITE TX 75150	RI	.00134158	X	SSN: [REDACTED]	DATE: _____
49	1830009	MOORE BATEMAN & GEORGE PARTNERSHIP WILLIE D MOORE, MELVIN BATEMAN & MICHAEL GEORGE 1001 EAST TYLER ST ATHENS TX 75751	RI	.00041924	X	SSN: _____	DATE: _____
50	1830090	CARVEY & CHRISTINE NEVILL UNKNOWN UNKNOWN UN 00000	RI	.00226693	X	SSN: _____	DATE: _____
51	1830108	C R HARDY ESTATE UNKNOWN UNKNOWN UN 00000	RI	.00111553	X	SSN: _____	DATE: _____
52	1830116	GOALKEEPER TRUST LTD UNKNOWN UNKNOWN UN 00000	RI	.00024930	X	SSN: _____	DATE: _____
53	1830124	J G MCGOWEN UNKNOWN UNKNOWN UN 00000	RI	.00012466	X	SSN: _____	DATE: _____

54 1830132 POLLY ANN GRIFFITH RI .00062454
UNKNOWN

UNKNOWN UN 00000

X _____
SSN: DATE:

55 1830140 MORIN SCOTT JR ORI .00001787
UNKNOWN

UNKNOWN UN 00000

X _____
SSN: DATE:

BALANCE .47674520

TOTAL 1.00000000



G. MF- 95739
Division order &
Letter to Chevron
7/7/94



The State of Texas



Austin, Texas

PAID-UP
Amended
OIL AND GAS LEASE NO. M-95739
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 Chevron U.S.A. Production Company, whose address is P.O. Box 36366, Houston, Texas 77236-6366, hereinafter called "Lessee".

1. Lessor, in consideration of Six Hundred Thirty and 50/100 Dollars (\$630.50), 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:

12.93 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 12.93 acres, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. PRIMARY TERM: This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of three (3) years from March 15, 1994, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. ROYALTIES: As royalty Lessee covenants and agrees:

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

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

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

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

(e) If at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check of lessee, as royalty, the sum of \$63.05. 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 \$126.10, 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 March 15, 1994.



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

Approved:

Energy: RH

Legal(Form): mm

Executive: gms

Revision of Exhibit "A"
To that one certain Paid-up Oil and Gas Lease No. M95739
Dated March 15, 1994.

Being 12.93 acres of land, more or less, situated in the J. Seale Survey, Abstract No. 214, the H.R. Cartmell Survey, Abstract No. 87, and the H. Neville Survey, Abstract No. 194, in Brazos County, Texas, said 12.93 acres being a portion of the same land conveyed to the State by Deed from W.R. Lawless as recorded in Volume 78, Page 244, and all of the same lands conveyed to the State by Deeds from Fred Jones as recorded in Volume 78, Pages 300 and 302, in Brazos County, Texas. Said 12.93 acres being a strip of land of variable widths and is more particularly described as follows, to wit;

Beginning at a point on the west line of the H. Neville Survey which is S 45° 00' 00" E, 1,116.50 feet from the southeast corner of the James Prewitt Survey, and N 45° 00' 00" W, of Engineer's Centerline Station Number 1648+52.83;

Thence, N 37° 22' 20" E, a distance of 97.16 feet to a point 70.00 feet from and at right angles to Engineer's Station Number 1649+50.00;

Thence, N 44° 58' 00" E, a distance of 300.00 feet to a point 70.00 feet from and at right angles to Engineer's Centerline Station Number 1652+50.00;

Thence, N 52° 33' 40" E, a distance of 151.33 feet to a point 50.00 feet from and at right angles to Engineer's Station Number 1654+00.00;

Thence, N 44° 58' 00" E, a distance of 800.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1662+00.00;

Thence, N 36° 26' 09" E, a distance of 101.12 feet to a point 65.00 feet from and at right angles to Engineer's Station Number 1663+00.00;

Thence, N 44° 58' 00" E, a distance of 200.00 feet to a point 65.00 feet from and at right angles to Engineer's Centerline Station Number 1665+00.00;

Thence, N 53° 29' 51" E, a distance of 101.12 feet to a point 50.00 feet from and at right angles to Engineer's Station Number 1666+00.00;

Thence, N 44° 58' 00" E, a distance of 380.86 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1669+80.86;

Thence, S 45° 00' 00" E, a distance of 50.00 feet crossing the centerline of S.H. 21 at Engineer's Station Number 1669+80.86 and continuing on for a total distance of 100.00 feet;

Thence, S 44° 58' 00" W, a distance of 380.86 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1666+00.00;

Thence, S 36° 26' 09" W, a distance of 101.12 feet to a point 65.00 feet from and at right angles to Engineer's Station Number 1665+00.00;

Thence, S 44° 58' 00" W, a distance of 200.00 feet to a point 65.00 feet from and at right angles to Engineer's Centerline Station Number 1663+00.00;

Thence, S 53° 29' 51" W, a distance of 101.12 feet to a point 50.00 feet from and at right angles to Engineer's Station Number 1662+00.00;

Thence, S 44° 58' 00" W, a distance of 800.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1654+00.00;

Thence, S 37° 22' 20" W, a distance of 151.33 feet to a point 70.00 feet from and at right angles to Engineer's Station Number 1652+50.00;

Thence, S 44° 58' 00" W, a distance of 300.00 feet to a point 70.00 feet from and at right angles to Engineer's Centerline Station Number 1649+50.00;

Thence, S 52° 33' 40" W, a distance of 151.33 feet to a point 50.00 feet from and at right angles to Engineer's Station Number 1648+00.00;

Thence, S 44° 58' 00" W, a distance of 2,500.00 crossing the west line of the H.R. Cartmell Surveying and continuing on for a total distance of 3,123.42 feet to a point 50.00 feet from and at right angles to Engineers Centerline Station Number 1616+76.58;

Thence, N 45° 00' 00" W, a distance of 50.00 feet crossing the centerline of S.H. 21 at Station 1616+76.58 and continuing on for a total distance of 110.00 feet to a point 60.00 feet from and at right angles to Engineer's Centerline Station Number 1616+76.58;

Thence, N 44° 58' 00" E, a distance of 523.42 feet to a point 60.00 feet from and at right angles to Engineer's Centerline Station Number 1622+00.00;

Thence, N 50° 40' 38" E, a distance of 100.50 feet to a point on the west line of the H.R. Cartmell Survey and being 50.00 feet from and at right angles to Engineer's Station Number 1623+00.00;

Thence, N 44° 58' 00" E, a distance of 2,500.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1648+00.00;

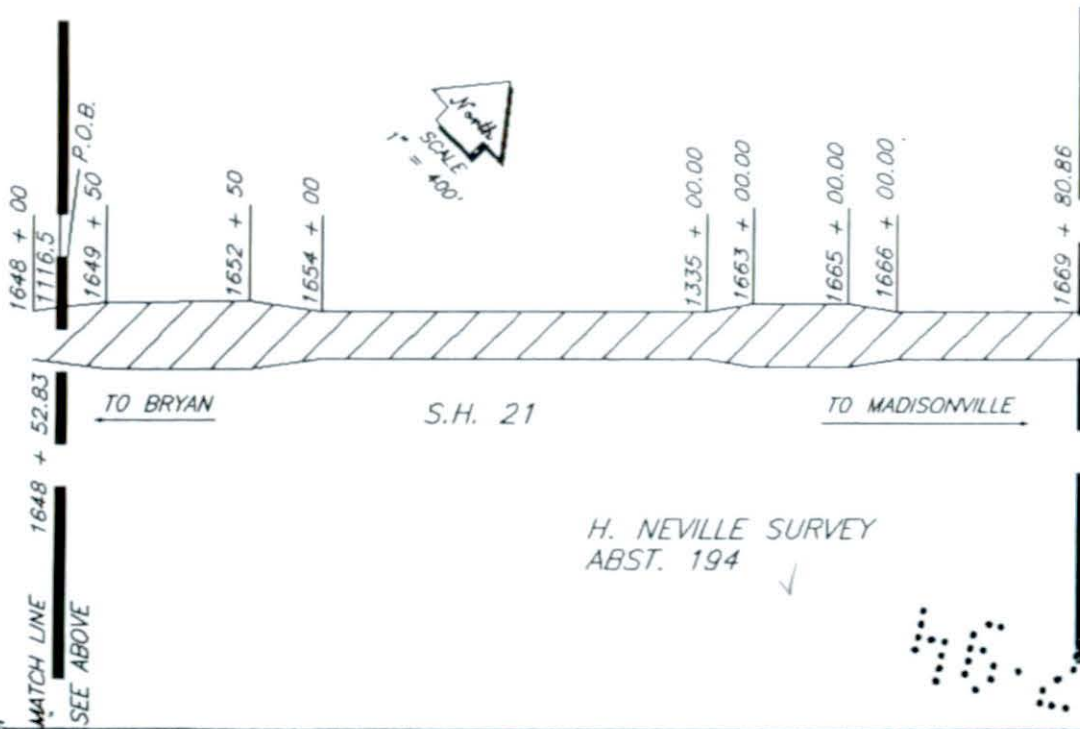
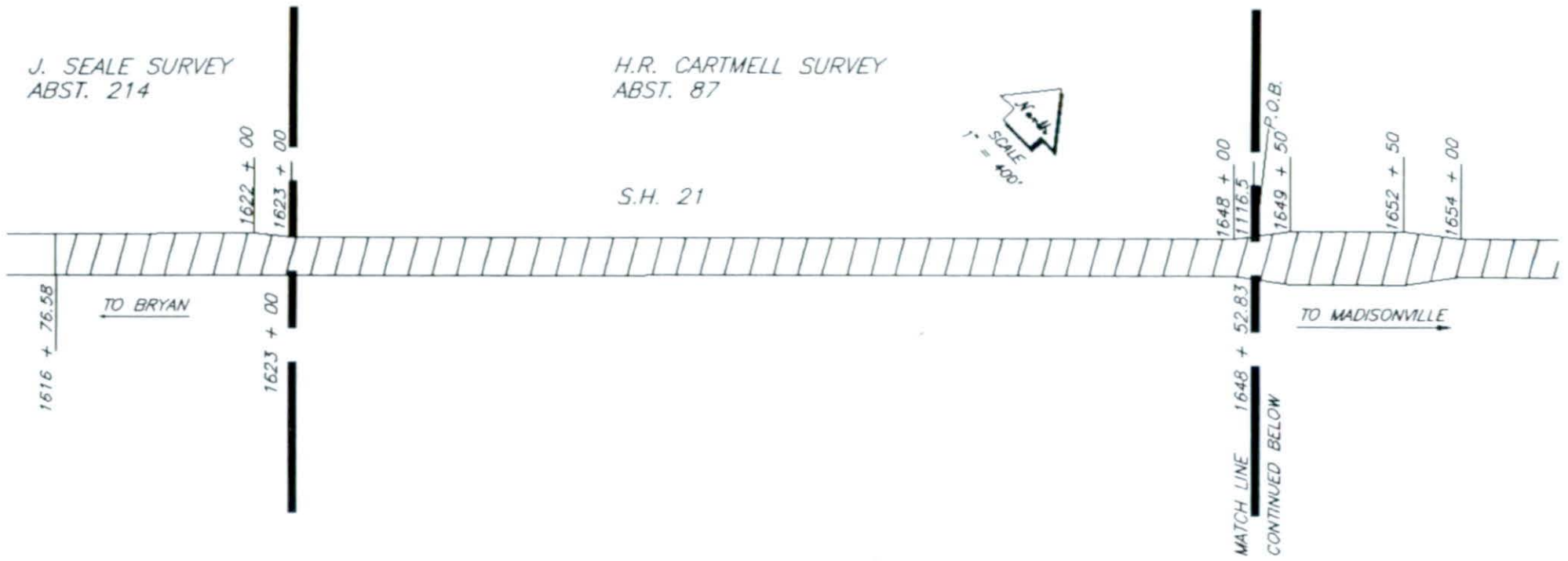
Thence, N 37° 22' 20" E, a distance of 54.17 feet to the Point of Beginning 70.00 feet from and at right angles to Engineer's Station Number 1648+52.83;

The above described tract of land contains 12.93 acres and being as indicated on the Official right of way map which is on file with the Texas Department of Transportation and is identified under Control Number 177+2+1.

J. SEALE SURVEY
ABST. 214

H.R. CARTMELL SURVEY
ABST. 87

S.H. 21



H. NEVILLE SURVEY
ABST. 194

MAP SHOWING
PORTION OF S.H. 21
RIGHT-OF-WAY

BRAZOS COUNTY

 AREA TO BE LEASED 12.93 ACRES
REVISED APRIL 1994

1. LEASE
10-6-94
M-95739

2022

GENERAL LAND OFFICE

GARRY MAURO
COMMISSIONER

MEMORANDUM

Mod 15
SN-95739

DATE: March 9, 1994

TO: School Land Board

FROM: Robert Hatter / Energy Resources

SUBJECT: Application To Lease Right-of-Way

APPLICANT: Chevron U.S.A. Production Company

REFERENCE: Being 12.61 acres, more or less, of St. Hwy. 21, situated
in the J. Seale Sur., A-214, H.R. Cartmell Sur., A-87
and H. Neville Sur., A-194, in Brazos County, Texas.

The following terms were provide for in the adjacent leases:

	<u>High</u>	<u>Low</u>
Bonus/Acre:	\$50.00	\$50.00
Royalty:	1/8	1/8
Delay Rental:	\$5.00	\$5.00
Primary Term:	3 year	3 year

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

Bonus/Acre:	\$50.00 per acre
Royalty:	1/8
Delay Rental:	\$5.00
Primary Term:	3 year

Chevron U.S.A. Production 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 12.61 acres. The applicant has submitted a title opinion showing that the state owns the entire mineral estate in the right-of-way and has submitted all other pertinent information required by the School Land Board rules.



Texas Department of Transportation

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

March 7, 1994

Contact: ROW

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

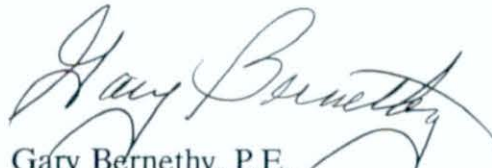
Dear Commissioner Mauro:

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>Rental</u>
Goliad	Allegro Investments, Inc.	\$50.00	1/6	1 Year	None
Brazos	Chevron	\$50.00	1/8	3 Years	\$5.00
Washington	Union Pacific Resources Co.	\$85.00	3/16	2 Years	\$10.00

Attached is one copy each of the field notes and sketches 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 12.61 acres of land, more or less, situated in the J. Seale Survey, Abstract No. 214, the H. R. Cartmell Survey, Abstract No. 87 and the H. Neville Survey, Abstract No. 194, in Brazos County, Texas. Said 12.61 acres being a portion of the same land conveyed to the State by a deed from W. R. Lawless as recorded in Volume 78, Page 244, and all of and the same lands conveyed to the State by deeds from Fred Jones as recorded in Volume 78, Pages 300 and 302, in Brazos County, Texas. Said 12.61 acres being a strip of land of variable widths and is more particularly described as follows, to wit;

Beginning at a point on the west line of the H. Neville Survey which is S 45° 00' 00" E, 1,060.00 feet from the southeast corner of the James Prewitt Survey and N 45° 00' 00" W, of Engineer's Centerline Station Number 1654+50.00;

Thence, N 44° 58' 00" E, a distance of 750.00 feet to a point 50.00 feet from and at right angles from Engineer's Centerline Station Number 1662+00.00;

Thence, N 39° 00' 00" E, a distance of 100.00 feet to a point 65.00 feet from and at right angles to Engineer's Centerline Station Number 1663+00.00;

Thence, N 44° 58' 00" E, a distance of 200.00 feet to a point 65.00 feet from and at right angles to Engineer's Centerline Station Number 1665+00.00;

Thence, N 50° 00' 00" E, a distance of 100.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1666+00.00;

Thence, N 44° 58' 00" E, a distance of 385.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1669+85.00;

Thence, S 45° 00' 00" E, a distance of 50.00 feet crossing the centerline of S. H. 21 at Station 1669+85.00 and continuing on for a total distance of 100.00 feet;

Thence, S 44° 58' 00" W, a distance of 385.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1666+00.00;

Thence, S 39° 00' 00" W, a distance of 100.00 feet to a point 65.00 feet from and at right angles to Engineer's Centerline Station Number 1665+00.00;

Thence, S 44° 58' 00" W, a distance of 200.00 feet to a point 65.00 feet from and at right angles to Engineer's Centerline Station Number 1663+00.00;

Brazos County
CSJ 177-2-1
S.H. 21
No. 448

Thence, S 50° 00' 00" W, a distance of 100.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1662+00.00;

Thence, S 44° 58' 00" W, a distance of 750.00 feet crossing the west line of the H. Neville Survey and continuing on for a total distance of 800.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1654+00.00;

Thence, S 39° 00' 00" W, a distance of 150.00 feet to a point 70.00 feet from and at right angles to Engineer's Centerline Station Number 1652+50.00;

Thence, S 44° 58' 00" W, a distance of 300.00 feet to a point 70.00 feet from and at right angles to Engineer's Centerline Station Number 1649+50.00;

Thence, S 50° 00' 00" W, a distance of 150.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1648+00.00;

Thence, S 44° 58' 00" W, a distance of 2,403.00 feet crossing the west line of the H. R. Cartmell Survey and continuing on for a total distance of 3,053.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1617+47.00;

Thence, N 45° 00' 00" W, a distance of 50.00 feet crossing the centerline of S.H. 21 at Station 1617+47.00 and continuing on for a total distance of 110.00 feet to a point 60.00 feet from and at right angles to Engineer's Centerline Station Number 1617+47.00;

Thence, N 44° 58' 00" E, a distance of 453.00 feet to a point 60.00 feet from and at right angles to Engineer's Centerline Station Number 1622+00.00;

Thence, N 50° 00' 00" E, a distance of 100.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1623+00.00;

Thence, N 44° 58' 00" E, a distance of 97.00 feet crossing the west line of the H. R. Cartmell Survey and continuing on for a total distance of 2,597.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1648+00.00;

Thence, N 39° 00' 00" E, a distance of 150.00 feet to a point 70.00 feet from and right angles to Engineer's Centerline Station Number 1649+50.00;

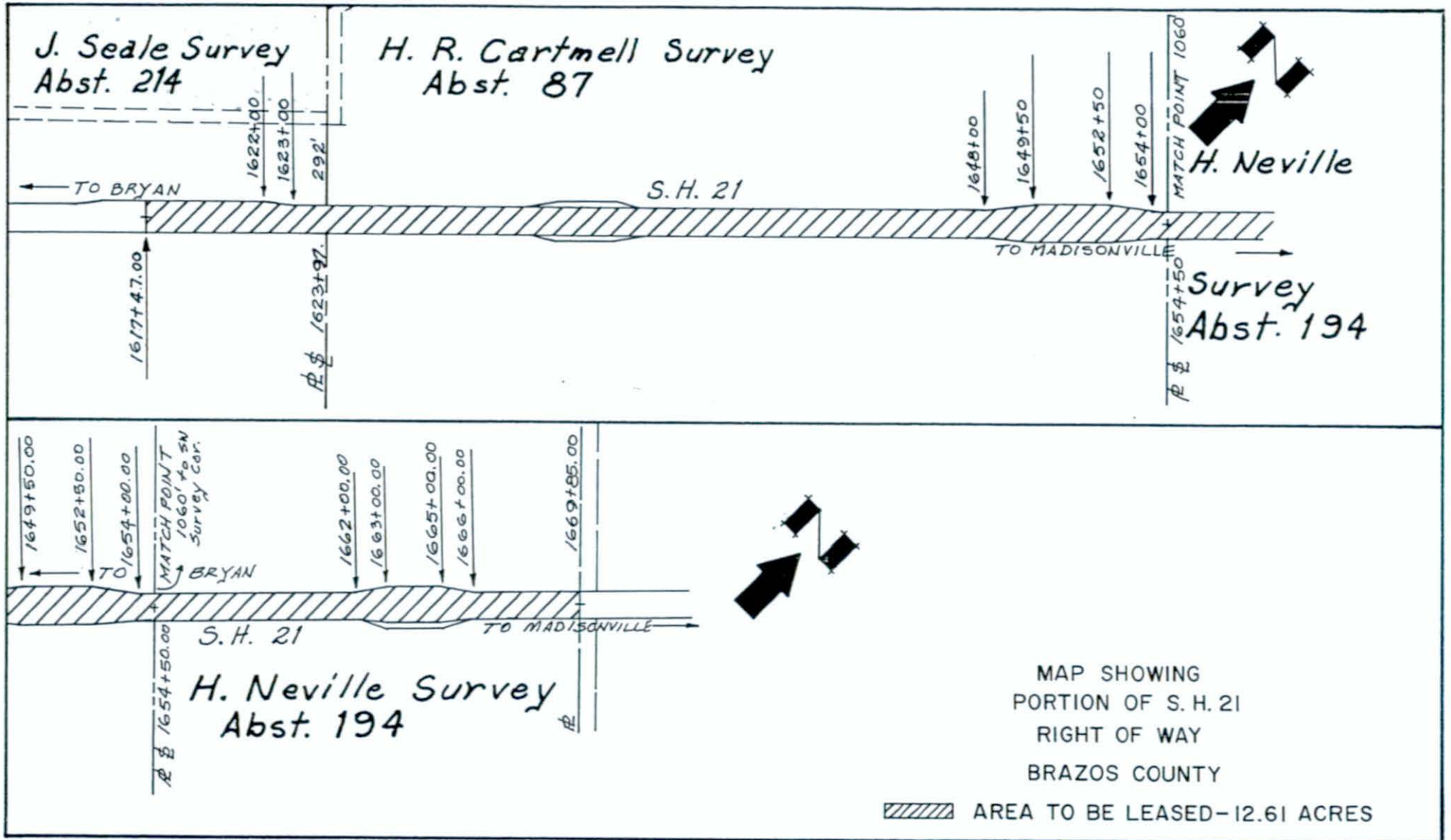
Thence, N 44° 58' 00" E, a distance of 300.00 feet to a point 70.00 feet from and at right angles to Engineer's Centerline Station Number 1652+50.00;

Brazos County
CSJ 177-2-1
S.H. 21
No. 448

Thence, N 50° 00' 00" E, a distance of 150.00 feet to a point 50.00 feet from and at right angles to Engineer's Centerline Station Number 1654+00.00;

Thence, N 44° 58' 00" E, a distance of 50.00 feet to the Point of Beginning 50.00 feet from and at right angles to Engineer's Centerline Station Number 1654+50.00;

The above described tract of land contains 12.61 acres and being as indicated on the official right of way map which is on file with the Texas Department of Transportation and is identified under Control Number 177-2-1.



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

[Hatched Area] AREA TO BE LEASED - 12.61 ACRES

7. APPLICATION
10-6-94
M-95739

Highway Lease Applicant

Name of Lease Applicant: Chevron / by Matthew Zander

County & Tract Description:

Brazos Co. ~~1261~~ along St. Hwy. 21 in the

J.A. Prewitt Sur
A-153
H.R. Cartrell Sur
A-89
J. Seale Sur
A-214

Date Sent to Highway Department:

Check List:

- Letter of Application and plat
- Names and addresses of adjacent mineral owners
- Affidavit of non-production within 2500 feet ~~1400~~
- \$100 processing fee
- Written waiver of statutory notice
- Certified copy/copies of adjacent lease/leases
- Notarized affidavit of consideration paid
- Title Opinion
- Is the right-of-way on Relinquishment Act Land ~~20~~

Remarks:

Date Appeared Before SLB:

Approved:

Disapproved:

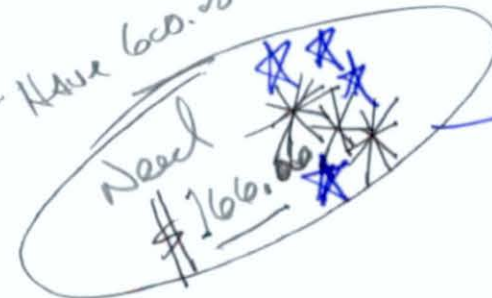
Problems:

Date Lease Issued:

	High	Low
Rent	50.00	
Roy	1/8	Start
Rent	5.00	
Term	3 yr	
	Start for 5.00	

630.50
9.46
126.10
\$ 766.06
total

Have 600.00



Coming to
3.18
416.3123 - Mail
when also

③

WORK SHEET
10.6.94
M-95739



ATTACHMENT TO PLAT(S) OF HIGHWAY ACREAGE

Acreege that Chevron is requesting to lease from the State

Tract 1: (BLUE) 3.74 acres as described in deed 78/302 (OGL 22/565)
Item 1 on unit des

Tract 2: (RED) 7.36 acres as described in deed 78/300 (OGL 22/565)
Items 9 and 1 on unit des.

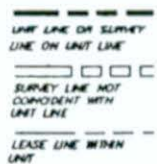
Tract 3: (GREEN) first ~~500~~⁶⁵⁰ out of 7.26 acres described in deed 78/244. Approximately 1.0 acre of land.
(OGL 24/581 Item 6 on unit des.) (OGL 22/195 Item 7 on unit des) (OGL 22/72 Item 4 on unit
des.)

Please be advised that the enclosed Plat of Unit Designation is for reference purposes only and is not an official plat the unit.

From surface location to:

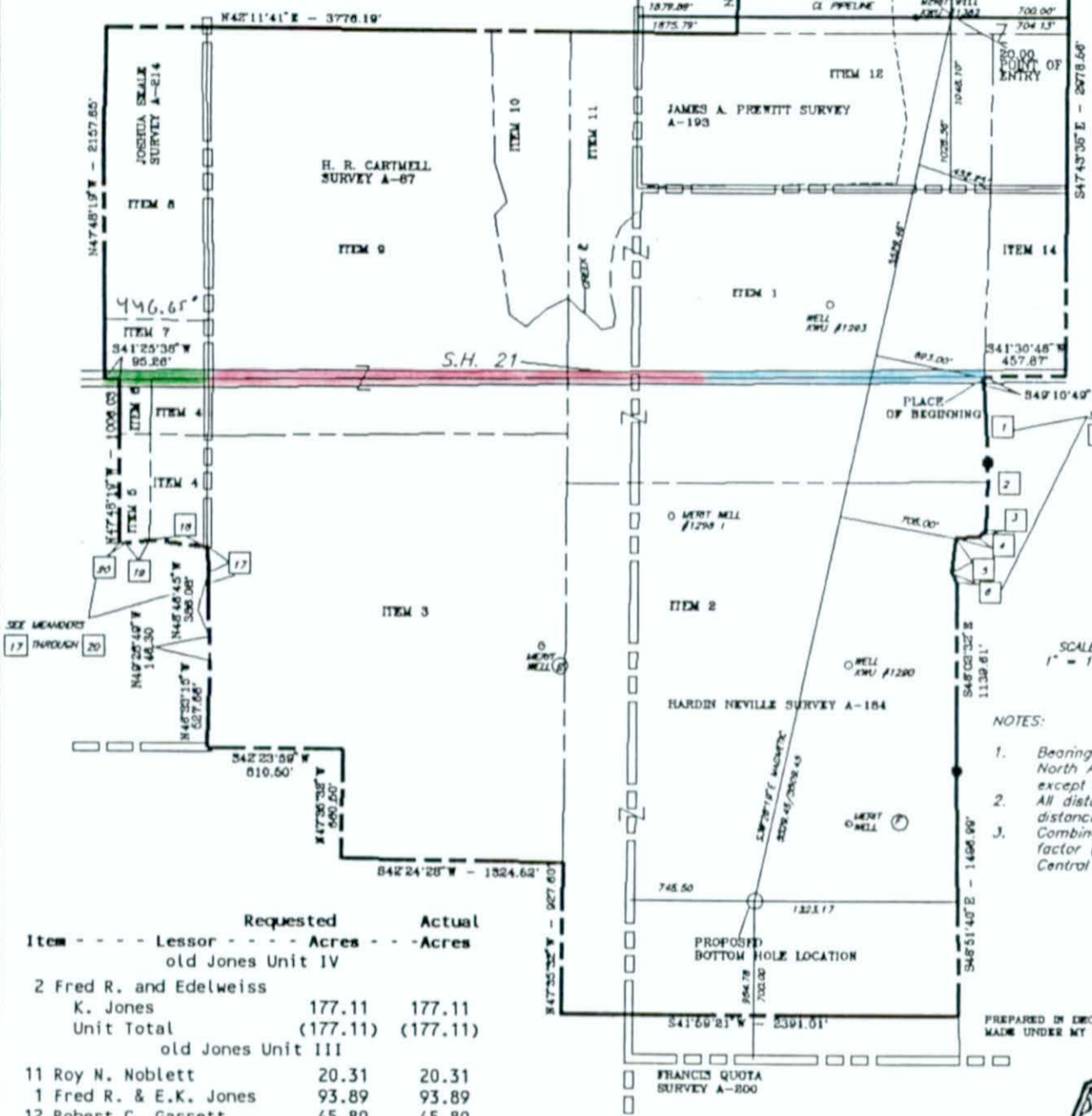
A	Merit Well KWU #1382	S 39° 21' 46" W	217.84
B	Merit Well B	S 15° 32' 45" E	4,583.04
C	Merit Well #1298	S 19° 17' 13" E	3,497.27
D	Well KWU #1293	S 25° 21' 41" E	1,905.59
E	Well KWU #1290	S 39° 09' 58" E	4,018.31
F	Merit Well F	S 40° 56' 19" E	4,970.22

LEGEND



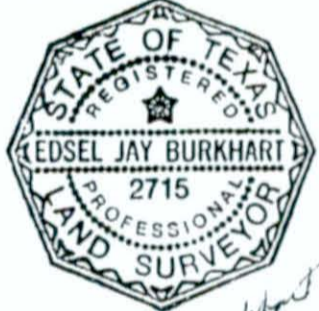
MEANDERS

BEARING	DISTANCE
1	S47°05'56"E - 483.53'
2	S46°10'06"E - 400.97'
3	S02°23'56"W - 63.50'
4	S58°08'11"W - 134.40'
5	S41°09'23"E - 212.93'
6	S77°13'57"E - 88.51'
7	N50°07'45"W - 169.82'
8	S48°44'47"W - 361.39'
9	S36°04'10"W - 140.86'
10	S42°28'32"W - 54.96'



NOTES:

- Bearings refer to the 1927 North American Datum Grid except as noted.
- All distances shown are ground distances.
- Combined scale and elevation factor (Texas Coordinate System Central Zone) = 0.999864500.



Edsel J. Burkhart

Item	Requested Acres	Actual Acres
old Jones Unit IV		
2 Fred R. and Edelweiss K. Jones	177.11	177.11
Unit Total	(177.11)	(177.11)
old Jones Unit III		
11 Roy N. Noblett	20.31	20.31
1 Fred R. & E.K. Jones	93.89	93.89
12 Robert C. Garrett	45.80	45.80
Unit Total	(160.00)	(160.00)
part of old Garrett & Wilson Unit 1		
13 Robert C. Garrett	50.71	50.71
14 James D. Wilson	12.18	12.18
Unit Total	(62.89)	(62.89)
old revised Jones Unit 1		
9 Fred R. & E.K. Jones	108.36	108.36
8 Carvey T. Neville	24.65	24.65
7 Feather Crest Enterprises	5.24	5.24
6 Joe C. Burt	1.73	1.73
P4 Hugo J. Endler	3.86	2.82
10 Roy M. Noblett	16.16	16.16
Unit Total	(160.00)	(158.56)
part of old Jones Unit 11		
3 Fred R. & E.K. Jones	113.50	113.50
P4 Hugo J. Endler	4.54	5.33
5 Joe C. Burt	2.25	2.63
Unit Total	(120.29)	(121.46)
Total Acres	680.29	680.02

Surface Location (Prewitt Survey)
 Lease: 1,879.89 feet from S/W Line & 1,048.10 feet from S/E Line
 Unit: 782.67 feet from N/W Line & 700.00 feet from N/E Line
 Survey: 1,879.89 feet from S/W Line & 1,048.10 feet from S/E Line

Point of Entry (Prewitt Survey)
 Lease: 1,875.79 feet from S/W Line & 1,028.56 feet from S/E Line
 Unit: 802.25 feet from N/W Line & 704.13 feet from N/E Line
 Survey: 1,875.79 feet from S/W Line & 1,028.56 feet from S/E Line

Bottom Hole Location (Neville Survey)
 Lease: 1,223.17 feet from N/E Line & 964.78 feet from S/E Line
 Unit: 1,223.17 feet from N/E Line & 700.00 feet from S/E Line
 Survey: 745.50 feet from S/W Line & 964.78 feet from S/E Line

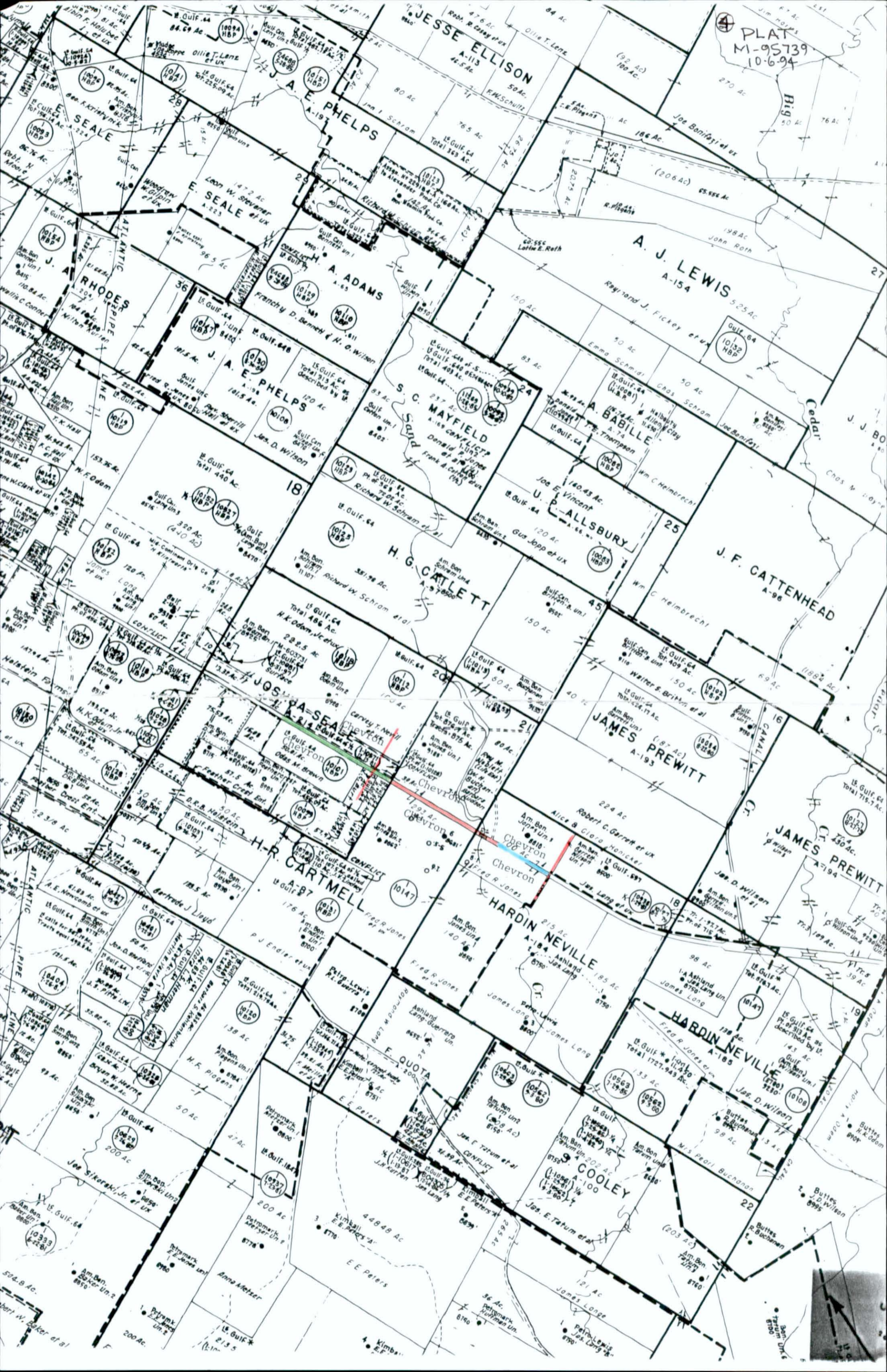
PREPARED IN DECEMBER 1993 FROM SURVEY MADE UNDER MY SUPERVISION IN 1990



BUCHANAN/SOIL MECHANICS, INC.
 CIVIL & GEOTECHNICAL ENGINEERING
 MATERIALS • BORINGS • SURVEYING
 206 N. SIMS ST. BRYAN, TEXAS 77803
 P. O. BOX 672 BRYAN, TEXAS 77806
 (409) 822-3767

SURVEY FOR HOUSTON PRODUCTION DISTRICT

GARRETT-JONES UNIT 1. 680.02 ACRES
 LOCATION PLAT WELL NO. 1 (GIDDINGS FIELD)
 HARDIN NEVILLE SURVEY, A-184
 JAMES PREWITT SURVEY, A-193
 H.R. CARTMELL SURVEY, A-87
 JOSHUA SEALE SURVEY, A-214
 BRAZOS COUNTY, TEXAS



PLAT M-95739 10-6-94

JESSE ELLISON A-113 46.5 AC

A. PHELPS A-191

A. J. LEWIS A-154

A. ADAMS A-65

A. RHODES A-224

A. PHELPS A-158

H. G. CATLETT A-70500

P. ALLSBURY A-58

J. F. CATTENHEAD A-96

H. K. ODOM A-1018

J. A. SEALE A-113

JAMES PREWITT A-193

JAMES PREWITT A-194

H. R. CARTMELL A-87

HARDIN NEVILLE A-184

HARDIN NEVILLE A-185

COOLEY A-100

J. SIKERAK, JR. et ux

E. E. PETERS

JAMES LONGE

ANNE MELTZER

KIMBALL E. E. PETERS

JAMES LONGE

ANNE MELTZER



February 3, 1994

Texas General Land Office
Stephen F. Austin Bldg.
1700 N. Congress Ave.
Austin, Texas 78701-1495

Attn: Mr. Drew Reid - Landman
Lease Administration
Energy Resources

Chevron U.S.A. Production Company
11111 S. Wilcrest, Houston, TX 77099-4397
P.O. Box 36366, Houston, TX 77236-6366

Matthew Zander
Land Representative
Central/Rockies Land Division
Phone 713 561 3980
Fax 713 561 4874

MARISA REDDIN

Dear Mr. Reid:

Please be advised that **CHEVRON U.S.A. PRODUCTION COMPANY** would like to apply for an Oil, Gas and Mineral Lease from the State of Texas concerning the minerals under **State Highway 21** situated in **Brazos County, Texas**. The acreage is colored in on the attached plats for your review. Chevron U.S.A. Production Company, P. O. Box 36366, Houston, Texas 77236-6366, is the majority leasehold owner (64%) of the adjacent tracts to the subject highway. Merit Energy Company owns the remaining 36% of the leases. Merit Energy Company is Chevron's partner in this well and they are aware of the situation and have no objections to the lease being granted to Chevron. After the lease is granted, Chevron will assign Merit their 36% interest. As per our calculations the highway covers **12.0 acres**, more or less, out of our proposed unit. As an effort of good faith, Chevron has included a check for \$600.00 (\$50.00 per acre) as bonus consideration for the herein applied for lease.

As per the State's requirements, please find enclosed the following:

1. Affidavit stating that the right-of-way is being leased for the specific purpose of drilling a **horizontal well**.
2. A **\$100.00** processing fee payable to the Commissioner of the General Land Office.
3. **Copies of recorded leases** on the lands adjacent to the subject right-of-way tract.
4. **Notarized affidavit of the consideration** paid for leases on the adjacent land.
5. **Plat** showing the mineral ownership of all tracts adjacent to the right-of-way.
6. **Title Opinion Letter** stating that the minerals under the right-of-way are owned by the State.
7. **Copies of deeds** from landowners to the State.

Inquiries regarding this check
should be addressed to:

Chevron U.S.A. Production Company ✓
11111 South Wilcrest, Houston, TX 77099

40500005

Date	Description	Amount	Discount	Total
CHECK # ==> 305	5 DATE ==> 03/22/94	AMOUNT ==>	X 166.06	94043203
CHARGE TO ==> MCN4D004				
PURPOSE ==> REMAINING BONUS, RENTALS (PAID-UP) & SALE FEE				
REMARKS ==> REMAINING BONUS, RENTALS (PAID-UP) & SALE FEE FOR OIL & GAS LEASE COVERING MINERALS UNDER HIGHWAY 21 BRAZOS CO., TEXAS - GARRETT JONES UNIT 1				
●●●●● ●●●●● ●●●●● ●●●●● ●●●●● ●●●●● ●●●●●				

F70

Please Detach Before Depositing Check

Inquiries regarding this check
should be addressed to:

Chevron U.S.A. Production Company, A Division of Chevron U.S.A. Inc.
11111 South Wilcrest, Houston, TX 77099

No. 3306-01778

Date	Description	Amount	Discount	Total
CHECK # ==> 306 1778	DATE ==> 02/03/94	AMOUNT ==>	X 600.00	94031407
CHARGE TO ==> MCND004				
PURPOSE ==> BONUS CONSIDERATION FOR OIL & GAS LEASE				
REMARKS ==> BONUS CONSIDERATION FOR OIL & GAS LEASE COVERING MINERALS UNDER HI-WAY 21/ BRAZOS COUNTY, TEXAS GARRETT-JONES UNIT 1				

170

Please Detach Before Depositing Check

Inquiries regarding this check
should be addressed to:

Chevron U.S.A. Production Company, A Division of Chevron U.S.A. Inc.
11111 South Wilcrest, Houston, TX 77099

No. 3306-01779

Date	Description	Amount	Discount	Total
CHECK # ==> 306 1779	DATE ==> 02/03/94	AMOUNT ==>	X 100.00	
CHARGE TO ==> MCND004				
PURPOSE ==> PROCESSING FEE FOR ACQUISITION OF STATE LEASE				94031408

170

Please Detach Before Depositing Check

Texas General Land Office
February 3, 1994
Page 2

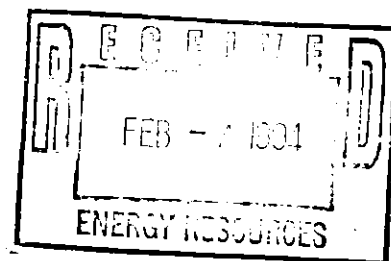
Please review the enclosed material and contact me with any questions or comments. Thank you for your prompt attention to this matter.

With best regards,



Matthew Zander

MZ:ak
Enclosures



⑤

LTR FROM CHEVRON

10-6-94

M-95739

202

WILSON & JOHNSON

ATTORNEYS AT LAW

1600 SMITH STREET, SUITE 4100

HOUSTON, TEXAS 77002

TELEPHONE (713) 951-7550

FACSIMILE (713) 951-7556

KENTON L. WILSON*
JOHNNY B. JOHNSON*
LYNN S. JOHNSON

BOARD CERTIFIED
*OIL, GAS & MINERAL LAW
TEXAS BOARD OF LEGAL SPECIALIZATION

ROBERT A. SCHWARTZ
OF COUNSEL

January 28, 1994

Chevron, U.S.A.
11111 S. Wilcrest
Room N-2006
Houston, Texas 77089-4397

Attention: Mr. Matthew Zander

Re: Proposed Garrett-Jones Unit No. 1, Brazos County, Texas

Gentlemen:

As requested, we have reviewed the following conveyances in regard to whether same convey a fee interest in the lands described therein or only a right-of-way or easement:

- a. Deed dated October 13, 1930, from Fred R. Jones and wife, Edelweiss Jones, to the State of Texas, recorded in Volume 78, Page 300 of the Deed Records of Brazos County, Texas.
- b. Deed dated October 13, 1930, from Fred R. Jones and wife, Edelweiss Jones, to the State of Texas, recorded in Volume 78, Page 302 in the Deed Records of Brazos County, Texas.
- c. Deed dated October 30, 1930, from Fred R. Jones and wife, Edelweiss Jones, to the State of Texas, recorded in Volume 78, Page 303 in the Deed Records of Brazos County, Texas.
- d. Deed dated September 13, 1930, from James Lang and wife, Pearl Lange, to the State of Texas, recorded in Volume 78, Page 307 of the Deed Records of Brazos County, Texas.
- e. Deed dated September 13, 1930, from James Lang and wife, Pearl Lange, to the State of Texas, recorded in Volume 78, Page 312 of the Deed Records of Brazos County, Texas.
- f. Deed dated September 13, 1930, from H. K. and F. C. Herrling to the State of Texas (no recording information given).

- g. Deed dated October 10, 1930, from W. R. Lawless and wife, Nora Lawless, to the State of Texas, recorded in Volume 78, Page 244 of the Deed Records of Brazos County, Texas.
- h. Deed dated October 16, 1930, from Frank Matejka to the State of Texas, recorded in Volume 78, Page 348 in the Deed Records of Brazos County, Texas.
- i. Deed dated November 1, 1930, from Mrs. E. R. Lloyd and B. F. Lloyd to the State of Texas, recorded in Volume 78, Page 372 of the Deed Records of Brazos County, Texas.

The pertinent part of the above referred to conveyances are similar; an example of which is as follows:

[Grantors]... have granted, sold and conveyed, and 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 for highway right-of-way purposes... and described as follows:

[description of various tracts of land]

This office has been informed that a representative of the General Land Office of the State of Texas has, after further review, stated that the State does claim a fee interest under Highway 21 for which the above referred to conveyances were made. Based on the authority cited below, it is our opinion that the State of Texas has a strong claim for ownership of the fee estate under the tracts of land described in said conveyances. Generally Texas law provides that where the granting clause in a deed, grants fee title to a tract of land, such title will not be limited by subsequent language describing the purpose of the subject lands.

Our conclusion is based upon, among others, the decisions in Calcasieu Lumber Co. v. Harris, 13 S.W. 453 (Texas 1890), Brightwell v. International - Great Northern R. Co., 163 S.W. 2d 437 (Texas 1932), Texas Conservative Oil Co. v. Thompson, 163 S.W. (2) 854 (Texas Civ. App. 1942) and Texas Electric Ry. Co. v. Neale, 252 S.W. 2d 451 (Texas 1952) in which the courts found that the deeds in question conveyed fee title.

Chevron, U.S.A.
January 28, 1994
Page 3

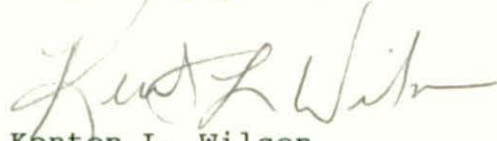
The other line of cases, represented by Right of Way Oil Co. v. Gladys City Oil, Gas and Mgf. Co., 157 S.W. 737 (Texas 913), Boles v. Red, 227 S.W. 2d 310 (Tex. Civ. App. 1950), and Rio Bravo Oil Co. v. Hunt Petroleum Corporation, 445 S.W. 2d 722 (Texas 1970), held the deeds involved therein created easements only.

In the Calcasieu Lumber Co., et al line of cases, the granting clause conveyed the land itself (i.e., a strip, or parcel or piece of land) for railroad purposes which created a fee interest, whereas the Right of Way line of cases are distinguishable in that they granted a "right of way" over or across the land.

As indicated in the Texas Electric Co. case supra, a recital which shows the purpose for which the grant is made does not reduce or debase what has been granted from a fee title to a mere easement. It thus appears that wherever the deed grants a parcel of land a fee will be created even though there is subsequent language limiting the purpose of the grant."

Should you have any questions or wish to discuss this matter in greater detail, please do not hesitate to contact this office.

Very truly yours,



Kenton L. Wilson

KLW/clp

48-300-R/103

clared that she had willingly signed the same for the purposes and consideration therein expressed and that she did not wish to retract it.

Given under my hand and seal of office, this the 13th day of October, A.D. 1930.

(SEAL)

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

The above is a true copy of the original instrument which was filed for record on the 14th day of Oct. A.D. 1930 at 9:30 o'clock a.m. and duly recorded on the 30th day of Oct. A.D. 1930 at 10 o'clock a.m. to which I certify

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

Mrs. S. Newton Deputy

THE STATE OF TEXAS|

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

A tract of land out of the H. Neville Survey to be used for highway right-of-way purposes and described as follows:

Beginning at a point on the West line of the H. Neville Survey which is 1060 feet from the Southwest corner of the Jas Krewitt Survey; said point is 50 feet from the center line of the proposed highway at station 1154 plus 50; 1650

Thence, N. 44-58 E. a distance of 750 feet parallel to and 50 feet from the center line of the proposed highway;

Thence, N. 39 E. a distance of 100 feet to a point which is 65 feet from the center line of the proposed highway;

Thence, N. 44-58 E. a distance of 200 feet to a point which is 65 feet from the center line of the proposed highway at station 1065 plus 00;

Thence, N. 39 E. a distance of 100 feet to a point which is 50 feet from the center line of the proposed highway;

Thence, N. 44-58 E. parallel to and 50 feet from the center line of the proposed highway a distance of 385 feet to a fence line;

Thence S. 45 E. along said fence a distance of 100 feet to a point which is 50 feet from the center line of the proposed highway at station 1069 plus 85;

Thence, S. 44-58 W. parallel to and 50 feet from the center line of the proposed highway a distance of 385 feet;

Thence, S. 39 W. a distance of 100 feet to a point which is 65 feet from the center line of the proposed highway;

Thence S. 44-58 W. parallel to the center line of the proposed highway, and 65 feet therefrom a distance of 200 feet;

Thence, S. 50 W. a distance of 100 feet;

Thence S. 44-58 W. parallel to and 50 feet from the center line of the proposed highway a distance of 700 feet;

Thence N. 45 W. along the West line of the H. Neville Survey a distance of 100 feet to the place of beginning, and containing, 3.74 acres of land.

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

obstructions as may be found upon said property, and will build a good 4 wire fence with 9 foot panels along each side of said right of way, but shall have the right to use timber off the adjoining land for the posts in said fence.

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

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

Witness our hands this the 13 day of Oct. A.D. 1930.

Edelweiss Jones

Fred R. Jones

THE STATE OF TEXAS}

COUNTY OF BRAZOS) (BEFORE ME? J. W. Batts a Notary Public in and for said county and State, on this day personally appeared Fred R. Jones, 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 13 day of October, A.D. 1930.

(SEAL)

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

THE STATE OF TEXAS}

COUNTY OF BRAZOS) (BEFORE ME? J. W. Batts a Notary Public in and for said county and State, on this day personally appeared Edelweiss Jones wife of Fred R. Jones, known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband and having the same fully explained to her, she the said - acknowledges such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this the 13th day of October, A.D. 1930.

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

(SEAL)

The above is a true copy of the original instrument which was filed for record on the 14th day of Oct. A.D. 1930 at 9:10 o'clock a.m. and duly recorded on the 30th day of Oct. A.D. 1930 at 11:30 o'clock a.m. to which I certify

JOHN B. MOORE, C. C. C. D. C.

John B. Moore Deputy

THE STATE OF TEXAS}

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

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

75-2972

fence line a distance of 190 feet to a point which is 50 feet from the center line of the proposed highway; Thence, S. 40-52 W. along a line 50 feet from and parallel to the center of the proposed highway a distance of 2703 feet to a point in the west boundary line of the Mitchell tract; Thence, N. 45 W. along said boundary line a distance of 100 feet; Thence, N. 40 52 E. along a line 50 feet and parallel to the center of the proposed highway a distance of 2703 feet to the place of beginning; and containing 6.2 acres of land.

And it is further agreed that the said W.C. Mitchell 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 thereto in anywise belonging unto the said State of Texas and its assigns:

And W. C. Mitchell hereby binds his 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 13th day of October, A.D. 1930.

W. C. Mitchell

THE STATE OF TEXAS)

COUNTY OF BRAZOS | BEFORE ME? A. S. Ware, a Notary Public in and for said county and State, on this day personally appeared W.C. Mitchell, 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 13th day of October, A.D. 1930.

(SEAL)

A. S. Ware, Notary Public, Brazos County, Texas.

The above is a true copy of the original instrument which was filed for record on the 14th day of Oct. A.D. 1930 at 9:30 o'clock a.m. and duly recorded on the 30th day of Oct. A.D. 1930 at 9:30 o'clock a.m. to which I certify

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

Mrs. J. P. Newton Deputy

THE STATE OF TEXAS)

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

A tract of land out of the H. R. Cartmell Survey to be used for highway, right-of-way purposes and described as follows:

Beginning at a point in a fence line which is the dividing line between the M. J. Koppe tract and the W. R. Lawless tract and which is also the dividing line between the J. Soule Survey and the H. R. Cartmell Survey, said point being 292 feet from the South line of a public road leading northeast out of Bryan, and 50 feet from the center line of the proposed highway at station 1623 plus 97;

Thence, N. 44-58 E along a line parallel to and 50 feet from the center line of the proposed highway a distance of 2403 feet;

Thence N. 39 E. a distance of 150 feet to a point which is 70 feet from the center line

of the proposed highway at station 1649 plus 50;

Thence, N. 44-58 W. along a line parallel to and 70 feet from the center line of the proposed highway a distance of 350 feet;

Thence N. 50 E. a distance of 120 feet to a point which is 50 feet from the center line of the proposed highway at station 1644 plus 00;

Thence, N. 44-58 W. along a line which is 50 feet from the center line of the proposed highway and parallel to same a distance of 50 feet to a survey line;

Thence, S. 45 E. along the survey line between the H. R. Cartmell Survey and the H. Reville Survey a distance of 100 feet to a point which is 20 feet from the center line of the proposed highway at station 1654 plus 50;

Thence, S. 44-58 W. a distance of 50 feet;

Thence S. 59-W. a distance of 150 feet to a point which is 70 feet from the center line of the proposed highway;

Thence S. 44-58 W. a distance of 350 feet;

Thence S. 50 W. a distance of 150 feet to a point which is 50 feet from the center line of the proposed highway at station 1648 plus 00;

Thence, S. 44-58 W. along a line which is parallel to and 20 feet from the center line of the proposed highway a distance of 2403 feet to a fence line;

Thence N. 45 W. along said fence line a distance of 100 feet to the place of beginning and containing 7.26 acres of land.

And it is further agreed that the said State of Texas in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property, and will build a good 4 wire fence, with 9 ft panels, on each side of said right of way, but shall have the right to use timber off the adjoining land for posts in said fence.

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

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

Witness our hands, this the 13 day of Oct. A.D. 1930.

Edelweiss Jones

Fred R. Jones

THE STATE OF TEXAS;

COUNTY OF BRAZOS | BEFORE ME? J. W. Batts a Notary Public in and for said county and State, on this day personally appeared Fred R. Jones, 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 13th day of October, A.D. 1930.

(SEAL)

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

THE STATE OF TEXAS;

COUNTY OF BRAZOS | BEFORE ME? J. W. Batts, a Notary Public in and for said county and State, on this day personally appeared Edelweiss Jones wife of Fred R. Jones, known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband and having the same fully explained to her, she the said Edelweiss Jones acknowledges such instrument to be her act and deed, and de-

And I hereby bind myself my 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 11 day of October, A.D. 1930.

Tony Barcelona

THE STATE OF TEXAS|

COUNTY OF BRAZOS | BEFORE ME, J. W. Batts, a Notary Public in and for said county and State, on this day personally appeared Tony Barcelona, 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 October, A.D. 1930.

(SEAL) J. W. Batts, Notary Public, Brazos County, Tex.

the above is a true copy of the original instrument which was filed for record on the 11th day of Oct. A.D. 1930 at 10 o'clock a.m. and duly recorded on the 16th day of Oct. A.D. 1930 at 3:30 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 | KNOW ALL MEN BY THESE PRESENTS: That W. R. Lawless, and wife, Nora Lawless, of the County of Brazos, State of Texas, for and in consideration of the sum of Ten and No/100 (\$10.00) Dollars, and other good and valuable considerations, to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have Granted, sold and conveyed, and do by these presents Grant, Sell and convey unto the State of Texas, the following described tract or parcel of land situated in the County of Brazos, State of Texas, being more particularly described as follows:

A tract of land for highway right-of-way purposes out of the J. Seale Survey and described as follows:

BEGINNING at a point on the fence line marking the West line of the W.R. Lawless tract and the East line of the Lloyd tract said point being 325 feet from the South side of a public road running Northeast out of Kurten and 50 feet from the center line of the proposed highway at station 1592 plus 61;

Thence N. 44-58 E. along a line parallel to and 50 feet from the center line of the proposed highway a distance of 2239 ft;

Thence N. 39 E. a distance of 100 feet to a point which is 60 feet from the center line of the proposed highway at station 1616 plus 00;

Thence, N. 44-58 E. along a line 60 feet from the center line of the proposed highway a distance of 600 feet;

Thence N. 50 E. a distance of 100 feet to a point which is 50 feet from the center line of the proposed highway at station 1623 plus 00;

Thence N. 44-58 E. along a line 50 feet from the center line of the proposed highway a distance of 97 feet to a point on the fence line which divides the Lawless tract from the Koppe tract, said point is 292 feet from the South line of a public road running Northeast out of Kurten where same makes its second turn toward the Northwest;

Thence S. 45 E. along said dividing fence a distance of 100 feet to a point in a fence line which is 50 feet from the center line of the proposed highway at station 1623 plus 97;

Thence S. 44-58 W. along a line 50 feet from and parallel to the center line of the proposed highway a distance of 3136 feet;

Thence N. 45 W. a distance of 100 feet to the place of beginning, and containing 7.36

75-211

acres of land

And it is further agreed that the said W. R. Lawless 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, and said W. R. Lawless agrees to build & furnish material for all fences on each side of right-of-way

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

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

Witness our hands, this the 10th day of October, A.D. 1930.

Witnesses to

his
W. R. X Lawless
mark

J. W. Batts

Nora Lawless

A. S. McSwain

THE STATE OF TEXAS|

COUNTY OF BRAZOS | BEFORE ME, J. W. Batts, a Notary Public in and for said county and State, on this day personally appeared W. R. Lawless known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 10th day of October, A.D. 1930.

(SEAL)

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

THE STATE OF TEXAS|

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

Given under my hand and seal of office, this the 10 day of October, A.D. 1930.

(SEAL)

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

The above is a true copy of the original instrument which was filed for record on the 11th day of Oct. A.D. 1930 at 10 o'clock a.m. and duly recorded on the 16th day of Oct. A.D. 1930 at 4 o'clock p.m. to which I certify

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

Jess E. McGee Deputy

THE STATE OF TEXAS|

COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That we, Emil Keller and wife Frieda Keller, of the County of Brazos, State of Texas, for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable considerations to me in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged and confessed, have Cranted, 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 M.E. Foster Survey to be used for right of way purposes and described as follows:

(6)

DEEPS

10-6-94

M-95739

2



Chevron U.S.A. Production Company
 Mid-Continent Business Unit
 Central Profit Center
 P.O. Box 36366
 Houston, TX 77236
 Phone 713 754 2000

March 22, 1994

Drew Reid
 Texas General Land Office
 Stephen F. Austin Building
 1600 North Congress Avenue
 Austin, Texas 78701-1495

**Oil, Gas and Mineral Lease for 12.61 acres along State Hwy. 21
 Being in the J. A. Prewitt Survey, A-193, H. R. Cartwell Survey, A-87 and J. Seale
 Survey A-214
 Brazos County, Texas**

Dear Mr. Reid:

Enclosed is a check in the amount of \$166.06 representing the following:

Additional bonus for the .61 acres (\$50/acre X .61 acs)	\$ 30.50
Two years paid-up rentals (5/acre X 12.61 acs)	126.10
1 1/2% sales fee on the bonus (1 1/2% X \$630.50)	<u>9.46</u>
Total	\$166.06

We previously sent you a check in the amount of \$600.00 representing the bonus based on 12 acres at \$50/acre.

Please forward the executed Oil, Gas and Mineral Lease reflecting a three year term with an 1/8 royalty and \$5/acre rentals.

if it is possible, please furnish a copy of the Texas Highway Plat that reflects the 12.61 acres.

Thank you for your cooperation in getting this matter resolved. Please let me know if you need anything additional.

Very your yours,

Melissa B. Reddin

Melissa B. Reddin
 Land Representative
 713-561-3980



1293
06

7. LTR FROM CHEVRON
10-6-94
M-95739

2024

AFFIDAVIT

STATE OF TEXAS }}

COUNTY OF BRAZOS }}

I, Matthew Zander, Land Representative for Chevron U. S. A. Production Company, do hereby make the following statements concerning Chevron's proposed lease of the minerals underlying State of Texas Highway No. 21, situated in the Hardin Neville Survey, A-184, H. G. Catlett Survey, A-97 and the Joshua Seale Survey, A-214, Brazos County, Texas.

1. The above referenced minerals under Highway 21 are being leased for the specific purpose of drilling a horizontal well.
2. The consideration paid to the adjacent Lessors at the time they were leased was \$50.00 bonus consideration, 1/8th royalty, \$5.00 rentals with a 3 year primary term.

Affiant states that the above statements are true and correct.

Affiant sayeth further not.

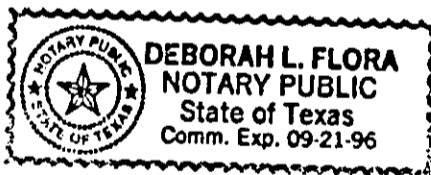
Matthew Zander
Matthew Zander

STATE OF TEXAS }}

COUNTY OF HARRIS }}

Subscribed to and sworn to, before me, the undersigned, on this the 3rd day of February, 1994, by Matthew Zander, Land Representative for Chevron U. S. A. Production Company, and in the capacity therein stated.

Deborah L. Flora
Notary Public in and for
the State of Texas
My Commission Expires: 09-21-96
Notary's Printed Name: Deborah L. Flora

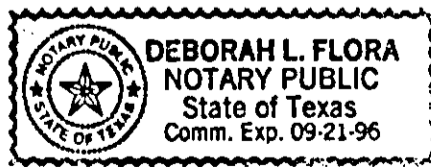


STATE OF TEXAS }}

COUNTY OF HARRIS }}

This instrument was acknowledged before me, the undersigned, on this the 3rd day of February, 1994, by Matthew Zander, Land Representative for Chevron U. S. A. Production Company, and in the capacity therein stated.

Deborah L. Flora
Notary Public in and for
the State of Texas
My Commission Expires: 09-21-96
Notary's Printed Name: Deborah L. Flora



⑧ AFFIDAVIT
10-6-94
M-95739

45-128

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 15th day of October, 19 74, between Feather Crest Enterprises, Inc., a Texas corporation, formerly or sometimes known as Feathercrest, Inc.; Feather Crest, Inc.; Feathercrest Enterprises, Incorporated; and Feathercrest Enterprises,

Lessor (whether one or more), whose address is: Dallas, Texas
and Public Lands Exploration, Inc., a Texas corporation

Lessee, WITNESSETH:
Dollars

1. Lessor in consideration of -----Ten----- 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, and 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:

[For the lands covered hereby, see Exhibit A attached hereto and incorporated herein by reference for all purposes, as if fully set forth herein.]

DATE RECORDED 1-28-

[Lessor makes no warranties as to title nor to the number of minerals acres listed or covered herein.]

FILED FOR RECORD
DATE 1-23-1976
BY 11 O'CLOCK AM
FRANK BORISKE
BRAZOS COUNTY CLERK
Frank Boriske

00344

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 the purpose of calculating the rental payments hereinafter provided for, said land is estimated to comprise 247.55 acres, whether it actually comprises more or less. three

2. Subject to the other provisions herein contained, this lease shall be for a term of ---/--- 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 wells or to the credit of Lessor into the pipelines to which the wells may be connected; Lessee may from time to time purchase any royalty off the possession, paying the market price therefor prevailing for the field where produced on the date of purchase; (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-eighth of the amount realized from such sale; while there is a gas well on this lease or on acreage pooled therewith but gas is not being sold or used, Lessee may pay as royalty, on or before ninety (90) days after the date on which (1) said well is shut in, or (2) the land covered hereby or any portion thereof is included in a pooled unit on which a well is located, or (3) this lease ceases to be otherwise maintained as provided herein, whichever is the later date, and thereafter at annual intervals on or before the anniversary of the date the first payment is made, a sum equal to the amount of the annual rental payable in lieu of drilling operations during the primary term on the number of acres subject to this lease at the time such payment is made, and if such payment is made or tendered, this lease shall not terminate, and it will be considered that gas is being produced from this lease in paying quantities;

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

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 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 and payments out of production and each of them 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 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 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. If operations 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 at -----, Texas, (which bank and its successors are Lessor's agent and shall continue as the depository for all rentals payable hereunder regardless of changes in ownership of said land or the rentals) the sum of One Thousand, Two Hundred Thirty-Seven & ¹⁸⁰/₁₀₀ Dollars (\$1,237.75), (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 horizons 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.

6. If prior to discovery and production of 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 thereon shall cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within sixty (60) days thereafter...

7. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth...

8. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee...

9. 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.

10. Lessor 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.

11. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended...

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

FEATHER CREST ENTERPRISES, INC.

By: R. Barrett

INDIVIDUAL ACKNOWLEDGMENT PRESIDENT

STATE OF Texas
COUNTY OF Brazos

Before me, the undersigned authority, on this day personally appeared Robert R. Barrett

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

Given under my hand and seal of office this 1st day of November, 1974.

My Commission Expires 6-25

Notary Public in and for Brazos County, State of Texas



STATE OF _____
COUNTY OF _____

HUSBAND AND WIFE ACKNOWLEDGMENT

Before me, the undersigned authority, on this day personally appeared _____

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

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

My Commission Expires _____

Notary Public in and for _____ County, State of _____

By _____
When recorded return to _____
County Clerk
Deputy

STATE OF TEXAS
COUNTY OF BRAZOS

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

FRANK BORISKIE, County Clerk
Brazos County, Texas

By Mary Ann Murphy Deputy

Oil, Gas and Mineral Lease

Producers 88 (7-88)
With 640 Acres Pooling Provision

Bound Printing & Stationery Co., Houston, Texas

EXHIBIT A

To Oil, Gas and Mineral Lease, Dated October 15, 1974,
By and Between Feather Crest Enterprises, Inc. and
Public Lands Exploration, Inc.

Tract No. 1:

Tract or parcel of land lying and being situated in the Joshua Seale Survey, Abstract No. 214, Brazos County, Texas, and being all of a 90.14 acre tract of land lying west or northwest of State Highway No. 21, said 90.14 acre tract being fully described in a deed from W. R. Lawless, et ux, to W. E. Lawless, dated June 8, 1940, and recorded in Volume 103, page 487, of the Brazos County Deed Records, to which reference is here made for all purposes, the tract hereby conveyed being only that portion of said 90.14 acre tract lying on the west or northwest side of said highway and is the same land conveyed by W. E. Lawless to B. M. Mayfield by deed dated January 30, 1953, and recorded in Volume 158, page 55, of the Brazos County Deed Records, SAVE AND EXCEPT a 30-foot strip of land off of the north or northeast end of said tract which was conveyed by B. M. Mayfield to W. T. Kelley by deed recorded in Volume 201, page 517, of the Brazos County Deed Records.

Tract No. 2:

Tract or parcel of land lying and being situated in the I. Curd League in Brazos County, Texas, and further described as follows, to-wit: BEGINNING on the northeast line of said I. Curd League at the north corner of a 105 acre tract owned by M. B. Easters on or about August 30, 1907;
THENCE run N 47 W 409 varas and corner a rock from which a P. O. 12 inches in diameter bears S 46-1/2 W 8 varas;
THENCE S 46-1/2 W 860 varas and corner in the northeast line of a tract owned by A. Gerke, from which a B. J. 6 inches in diameter bears E 3 varas and a B. J. 8 inches in diameter bears N 25 W 10 varas;
THENCE S 45 E 412 varas and corner with the west corner of said M. B. Easters 105 acre tract;
THENCE N 45 E 875 varas with said Easters line to the PLACE OF BEGINNING, containing (65) acres of land, more or less, and being the same land conveyed to James Tobias by Mrs. S. E. Cloud by deed dated December 2, 1912, and recorded in the Deed Records of Brazos County, Texas, in Volume 42, page 112, to which deed and its record reference is here made.

Tract No. 3:

Being two tracts or parcels of land in Brazos County, Texas, and being more particularly described as follows:
FIRST TRACT: All that certain tract or parcel of land lying and being situated in the J. Seale Survey, Brazos County, Texas, and being part of the 75.53 acre tract and all of the 15.08 acre tract described in the deed recorded in Volume 165, page 185, of the Deed Records of Brazos County, Texas, and being more particularly described as follows: BEGINNING at an iron rod set at the fence corner found marking the south corner of the beforementioned 15.08 acre tract in the northeast line of the beforementioned 75.53 acre tract;
THENCE S 43° 42' 40" E along the fence found marking the beforementioned northeast line of the 75.53 acre tract for a distance of 416.00 feet to an iron rod set for corner at the fence corner found marking an east corner of the said 75.53 acre tract;
THENCE S 46° 02' 41" W along the fence found marking the southeast line of the beforementioned 75.53 acre tract for a distance of 728.48 feet to an iron rod set for corner at the fence corner found marking an interior ell corner of the said 75.53 acre tract;
THENCE N 46° 27' 07" W along a fence for a distance of 1036.29 feet to an iron rod set for corner at a fence corner;
THENCE S 46° 53' 43" W along a fence for a distance of 156.73 feet to an iron rod set for corner at a fence corner;
THENCE N 38° 30' 34" W along a fence for a distance of 316.66 feet to an iron rod set for corner at a fence corner in the fence found marking the southeast right-of-way line of State Highway No. 21;

THENCE N 44° 26' 54" E along the beforementioned fence and southeast right-of-way line of State Highway No. 21 for a distance of 1573.45 feet to a fence corner found for corner at or near the north corner of the beforementioned 15.08 acre tract;
 THENCE S 44° 59' 49" E along a fence marking the southwest right-of-way line of a road for a distance of 958.71 feet to an iron rod set for corner at a fence corner at or near the east corner of the beforementioned 15.08 acre tract;
 THENCE S 44° 12' 07" W along the fence found marking the southeast line of the beforementioned 15.08 acre tract for a distance of 688.57 feet to the PLACE OF BEGINNING, containing 39.810 acres of land, more or less, being the same land surveyed March, 1971, by B. J. Kling, Registered Public Surveyor.

SECOND TRACT: All that certain tract or parcel of land lying and being situated in the H. R. Cartmell Survey, Brazos County, Texas, and being the same tract of land which was excepted in the deed from Bobbie M. Mayfield to Fritz W. Glitsch, Jr., recorded in Volume 220, page 565, of the Deed Records of Brazos County, Texas, and being more particularly described as follows:

BEGINNING at an iron rod set at the fence corner found marking the south corner of the beforementioned 3.366 acre tract said iron rod being in the fence found marking the northeast right-of-way line of the Bryan and Madisonville County Road;
 THENCE N 45° 39' 32" E along the fence found marking the southeast line of the beforementioned 3.366 acre tract for a distance of 625.79 feet to an iron rod set for corner at the fence corner found marking the east corner of the said 3.366 acre tract;
 THENCE N 83° 15' 22" W along the fence found marking the north line of the beforementioned 3.366 acre tract for a distance of 374.75 feet to an iron rod set for corner at the fence corner found marking the north corner of the said 3.366 acre tract;
 THENCE S 44° 31' 28" W along the fence found marking the northwest line of the beforementioned 3.366 acre tract for a distance of 390.36 feet to an iron rod set for corner at the fence corner found marking the west corner of the said 3.366 acre tract, said iron rod being in the beforementioned fence found marking the northeast right-of-way line of the Bryan and Madisonville County Road;
 THENCE S 44° 19' 14" E along the beforementioned fence and northeast right-of-way line of the Bryan and Madisonville County Road, same being the southwest line of the beforementioned 3.366 acre tract, for a distance of 283.86 feet to the PLACE OF BEGINNING, containing 3.366 acres of land, more or less, as surveyed March, 1971, by B. J. Kling, Registered Public Surveyor.

Tract No. 4:

All that certain tract or parcel of land lying and being situated in the H. R. Cartmell Survey in Brazos County, Texas, and being described by metes and bounds as follows:
 BEGINNING at the extreme south corner of a 120 acre tract conveyed to Mrs. Margie Lawless by J. H. Lloyd and wife by deed dated May 23, 1907, recorded in Volume 30, page 451, Deed Records of Brazos County, Texas;
 THENCE N 45 E with the southeast line of said 120 acre tract, 823 varas and corner a rock in said line;
 THENCE N 47 W, 444 varas and corner a rock in the southeast line of Walter Lawless 120 acre tract;
 THENCE S 47 W with said Walter Lawless southeast line, 558 varas and corner at his south corner;
 THENCE S 45 E with W. W. Cloud line, 155 varas and corner at corner of Mrs. Margie Lawless 120 acre tract;
 THENCE S 45 W on line between Mrs. Margie Lawless and W. W. Cloud, 262 varas and corner at west corner of Mrs. Margie Lawless 120 acre tract;
 THENCE S 45 E, 290 varas to the PLACE OF BEGINNING, containing 57-1/2 acres of land, more or less; and being the same land conveyed by Margie Lawless to E. R. Lloyd by deed dated August 30, 1907, recorded in the Deed Records of Brazos County, Texas; and being the same land described in a deed from E. R. Lloyd, et ux, to B. F. Lloyd dated September 2, 1918, recorded in Volume 40, page 407, Deed Records of Brazos County, Texas, to all of which reference is here made for all purposes.
 Said property is sometimes referred to as being situated in the J. Seale Survey in Brazos County, Texas.

Tract No. 5:

All that tract or parcel of land lying and being situated in the Isaah Curd Survey in Brazos County, Texas, described as follows, to-wit:
BEGINNING at the east corner of the Isaah Curd League on the line of the J. W. Stewart League which point is also the south corner of the J. R. Cartmell Survey;

THENCE N 45 W 666 varas and corner on the northeast line of said Isaah Curd League;

THENCE S 45 W 890 varas and corner a stake;

THENCE S 45 E 666 varas and corner on the J. W. Stewart League line;

THENCE N 45 E along the league line 890 varas to place of beginning, containing 105 acres of land, save and except 3/4 acre off of the east corner heretofore sold the Tryon Church by M. B. Easters, being the same tract of land conveyed to M. E. Keith by M. B. Easters and wife in the deed above referred to.

SAVE AND EXCEPT: 52-3/8 acres described as follows:

BEGINNING at a stake set for the east corner of the Isaah Curd League which is also the south corner of the J. R. Cartmell Survey, said corner being in the northwest line of the J. W. Stewart League;

THENCE N 45 W with the northeast line of said Isaah Curd League, 335.4 varas and corner a stake for corner;

THENCE S 45 W 890 varas and corner a stake for corner;

THENCE S 45 E 335.4 varas and corner a stake set at the west corner of said J. W. Stewart Survey;

THENCE N 45 E with the northwest line of said survey, 890 varas to the place of beginning, containing 52-3/8 acres of land.

105
5 2/3
5 2/3

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 8th day of December

Joe Clyde Burt and Juanita Burt

FILED FOR RECORD
DATE 12-14-76
AT 1:20 O'CLOCK P
FRANK BORISKIE
BRAZOS COUNTY CLERK
BY Barbara Hollander

DATE RECORDED 12-16-76

118706

lessor (whether one or more), whose address is: Route 2, Box 166A, Bryan, Texas 77801
and Amalgamated Bonanza Petroleum Ltd, 2055 S. Gessner, Houston, Tex 77063

1. Lessor, in consideration of \$5.00 and other consideration Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby,

herein called "said land", is located in the County of Brazos State of Texas and is described as follows:
Joshua Seale Survey, Brazos County, Texas...9 acres of land, more or less conveyed by deed from Frank M. King and wife Clare C. King to Joe Clyde Burt and wife Juanita Burt and recorded in Volume 275, page 533 of the Deed Records of Brazos County, Texas

RIDER: By the use of the term "other minerals" as specified in the attached sheet or lease, it is especially stipulated and agreed that all iron ore, coal, lignite in and under or on the above described tract of land is excepted from the operation and terms of this lease and are not included herein.

SIGNED FOR IDENTIFICATION: Maudie Adams

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus, delay rental or other payment hereunder, said land shall be deemed to contain 9 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus and agrees to accept the delay rental as lump sum considerations for this lease and Five (5) options hereunder.

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

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

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

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

First Bank and Trust Bank at Bryan, Texas 77801 or its successors, which shall continue as the depository, regardless of changes in ownership of delay rental, royalties, or other moneys, the sum of \$ 45.00

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

6. If at any time or times during the term operations are conducted on said land and operations are discontinued, this lease shall thereafter terminate on its anniversary date lessee either (1) conducts operations or commences or resumes the payment or tender of delay is provided, however, if such anniversary date is at the end of the primary term, or if there is no further anniversary date of the primary term, this lease shall terminate at the end of such term or on the ninetieth day after discontinuance of all operations, whichever is the later date, unless on such later date either (1) lessee is conducting operations or (2) the shut-in well provisions of paragraph 3 or the provisions of paragraph 11 are applicable. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

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

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

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

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

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

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

Joe Clyde Burt
Joe Clyde Burt
Juanita Burt
Juanita Burt

STATE OF _____ INDIVIDUAL ACKNOWLEDGMENT—TEXAS OR NEW MEXICO
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared _____

known to me to be the person whose name is (are) subscribed to the foregoing instrument, and acknowledged to me that _____
executed the same as _____ free act and deed for the purposes and consideration therein expressed.

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

My Commission Expires _____

Notary Public in and for _____ County, State of _____

STATE OF _____ INDIVIDUAL ACKNOWLEDGMENT—TEXAS OR NEW MEXICO
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared _____

known to me to be the person whose name is (are) subscribed to the foregoing instrument, and acknowledged to me that _____
executed the same as _____ free act and deed for the purposes and consideration therein expressed.

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

My Commission Expires _____

Notary Public in and for _____ County, State of _____

STATE OF Texas HUSBAND AND WIFE ACKNOWLEDGMENT—TEXAS OR NEW MEXICO
COUNTY OF Brazos

Before me, the undersigned authority, on this day personally appeared Joe Clyde Burt

and Juanita Burt husband and wife, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed for the purposes and consideration therein expressed.

Given under my hand and seal of office this 8th day of December, 1976.

My Commission Expires
6-1-77

Maudie A. Adam
Notary Public in and for Brazos County, State of Texas

STATE OF TEXAS)
COUNTY OF BRAZOS)

I, Frank Boriskie, Clerk of the County Court in and for Brazos County, Texas, do hereby certify that this instrument was FILED on the date and at the time stamped hereon and RECORDED in the volume and page of the 81013 Records of said County on the date stamped hereon.

FRANK BORISKIE, County Clerk
Brazos County, Texas

By: L. road Pack Deputy

Oil, Gas and Mineral Lease

Producers 88 (7-69)
With 640 Acres Pooling Provision

No. _____

FROM

Pound Printing & Stationery Co., Houston, Texas

When recorded return to

Deputy

Maudie Adam

255

US
147

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 27th day of August 1974, between
Fred R. Jones and wife Edelweiss K. Jones

lessor (whether one or more), whose address is: 201 College View, Bryan, Texas 77801
and Public Lands Exploration, Inc., 2995 LBJ Freeway, Dallas, Texas lessee. WITNESSETH:

1. Lessor, in consideration of \$5.00 and other consideration Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purpose and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby,

herein called "said land", is located in the County of Brazos State of Texas and is described as follows:
Being 876.70 acres of land, more or less, out of the I. Curd A-11, H. Cartmell A-87, H. Neville A-184, H. Neville A-185, and J. Phelps A-198, and being more particularly described as 673 acres, more or less, described in Oil Gas and Mineral Lease recorded in Vol. 10 at page 16 of the Oil and Gas Lease Records, 102.3 acres, more or less, described in Oil Gas and Mineral Lease recorded in Vol. 9 at page 363 of the Oil and Gas Lease Records, and 101.4 acres, more or less, described in deed to Edelweiss K. Jones recorded in Vol. 213 at page 651 of the Deed Records, in Brazos County, Texas.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessee by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus, delay rental or other payment hereunder, said land shall be deemed to contain 876.70 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus and agrees to accept the delay rental as lump sum considerations for this lease and all rights and options hereunder. five (5)

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

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

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

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

University National Bank at College Station, Texas 77840, or its successors, which shall continue as the depository, regardless of changes in ownership of delay rental, royalties, or other moneys, the sum of \$ 4,385.00

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

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6. If at any time or times during the primary term operations are conducted on said land and if all operations are discontinued, this lease shall thereafter terminate on its anniversary date next following the ninetieth day after such discontinuance unless on or before such anniversary date lessee either (1) conducts operations or (2) commences or resumes the payment or tender of delay rental; provided, however, if such anniversary date is at the end of the primary term, or if there is no further anniversary date of the primary term, this lease shall terminate at the end of such term or on the thirtieth day after discontinuance of all operations, whichever is the later date, unless on such later date either (1) lessee is conducting operations or (2) the shut-in well provisions of paragraph 3 or the provisions of paragraph 11 are applicable. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

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

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

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

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

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

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

Frank R. Jones
Edelweiss Koppee Jones

STATE OF _____
COUNTY OF _____

INDIVIDUAL ACKNOWLEDGMENT _____ NEW MEXICO

Before me, the undersigned authority,

STATE OF TEXAS I
COUNTY OF BRAZOS I

known to me to be the person whose name is written hereon, and who executed the same as _____ for _____

I, Frank Boriskie, Clerk of the County Court in and for Brazos County, Texas, do hereby certify that this instrument was FILED on the date and at the time stamped hereon and RECORDED in the volume and page of the Oil & Gas Lease Records of said County on the date stamped hereon.

Given under my hand and seal of office _____
My Commission Expires _____

FRANK BORISKIE, County Clerk
Brazos County, Texas

By: *Julie Reine* Deputy

STATE OF _____
COUNTY OF _____

NEW MEXICO

Before me, the undersigned authority,

known to me to be the person whose name is written hereon, and who executed the same as _____ for _____

Given under my hand and seal of office _____
My Commission Expires _____

County, State of _____

HUSBAND AND WIFE ACKNOWLEDGMENT—TEXAS OR NEW MEXICO

STATE OF Texas
COUNTY OF Brazos

Before me, the undersigned authority, on this day personally appeared Fred R. Jones

and Edelweiss Koppee Jones husband and wife, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed for the purposes and consideration therein expressed.

Given under my hand and seal of office this 19th day of May, 19 76

My Commission Expires
June 1, 1977

Maudie A. Odum

Notary Public in and for Brazos County, State of Texas

Oil, Gas and Mineral Lease
Producers 88 (7-69)
With 640 Acres Pooling Provision
No. _____
FROM _____ TO _____
Date: _____ 19____
No. Acres: _____
County: _____
Term: _____
This instrument was filed for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and duly received _____
of the _____ records of this office.
By: _____ Deputy
County Clerk
When recorded return to _____
Pound Printing & Stationery Co., Houston, Texas

OIL, GAS AND MINERAL LEASE DATE RECORDED 1-28-75

THIS AGREEMENT made this 15th day of October 1974 between
Hugo J. Endler and wife Ethel Metzger Endler
Rt 2, Box 150, Bryan, Texas

96203

FILED FOR RECORD 3
DATE 1-23-75
AT 11 O'CLOCK A.M.
FRANK BORISKIE
BRAZOS COUNTY CLERK
WY. [Signature]
Lessor, WITNESSETH:

Lessee (whether one or more), whose address is: Rt. 2, Box 150, Bryan, Texas 77801
and Public Lands Exploration, Inc., 2995 LBJ Freeway, Dallas, Texas
I, Lessor in consideration of \$5.00 and other consideration Dollars

5.00). 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:

IN THE DEED OF ACRE, TO-WIT:

BEING those two certain tracts of land lying and being situated in the ISAAH CURD LEAGUE, Abstract No. 11, in Brazos County, Texas, and more particularly described as follows:
FIRST TRACT: BEGINNING at a stake set on the West line of the right-of-way, of State Highway, number twenty-one (21) at a point where the dividing line between the land owned by Herman Kehelenbrink, and the land owned by Louis Kehelenbrink, intersects the West line of said highway;
THENCE, N. 45 W. with said dividing line between said two tracts of land 341 feet and corner a stake for corner, in the center of the old Bryan and Madisonville road;
THENCE, N. 58-1/2 E. with said old road, 1155-1/2 feet and corner a stake for corner;
THENCE, S. 45 E. 54 feet and corner a stake for corner in the West line of the right-of-way of State Highway # 21;
THENCE, S. 44-3/4 W. with the right-of-way line of said Highway 1114 feet to the place of BEGINNING, containing 5.16 acres of land, more or less,
SECOND TRACT: BEGINNING at the most southerly corner of the above described tract at a stake set in the West line of the right-of-way of State Highway number twenty-one;
THENCE, S. 44-3/4 W. with said highway right-of-way line, 967 feet and corner a stake set in the Northeast line of a tract of land formerly owned by Emmuel Keller;
THENCE, N. 45 W. 528 feet and corner a stake set in the center of the old Bryan and Madisonville public road;
THENCE, with said road, N. 54 E. 582 feet N. 57 E. 407 feet and corner a stake for corner;
THENCE, S. 45 E. with the Southwest line of the above described 5.16 acre tract 341 feet to the place of BEGINNING, containing 9.86 acres of land, and being the same land conveyed to Ethel M. Endler, et vir., by Marguerite M. Dittfurth, et al, conveying their one-half interest in said property by deed dated March 14, 1961, recorded in Volume 210, page 288, Deed Records Brazos County, Texas, and being the same land conveyed to Ethel M. Endler, et vir., by Hulda Metzger, a widow, conveying her one-half interest in said property by deed dated March 14, 1961, and recorded in Volume 210, page 286, Deed Records, Brazos County, Texas; SAVE AND EXCEPT, 4.89 acres in I. Curd League, Abat. #11, and being a part of the two above described tracts of land and being more particularly described as follows:
BEGINNING at the fence corner at the East corner of the tract called "First Tract" in the above described property, same being the Northwesterly right-of-way line of Texas State Highway No. 21;
THENCE, S. 45° 02' W. along said Highway right-of-way line for a distance of 1073.23 feet to an iron rod for corner;
THENCE, N. 55° 12' W. for a distance of 356.11 feet and corner at the East corner of a 34.48 acre tract out of the Buchanan 302 acre tract, this point being in the center of the Old Bryan-Madisonville Road;
THENCE, N. 60° 24' E. along a fence line and the center of said Old Bryan-Madisonville Road for a distance of 855.09 feet;
THENCE, N. 56° 36' E. continuing along said fence and old road for a distance of 319.49 feet to a fence corner for corner;
THENCE, S. 44° 04' E. along a fence line for a distance of 59.72 feet to the place of BEGINNING, containing 4.89 acres of land, more or less,
BRAZOS

All that certain tract or parcel of land lying and being situated in the I. Curd League, Abstract No. 11, Brazos County, Texas, also being part of the 302 acre tract conveyed to Raymond Buchanan by deed recorded in Vol. 140, pg. 119, of the Deed Records of Brazos County, Texas, and being more particularly described as follows:

BEGINNING at the fence corner marking the west corner of the above mentioned 302 acre tract;

THENCE along a fence line as follows:

S 46° 46' E 197.44 ft.

S 52° 35' E 92.22 ft.

S 39° 35' E 130.23 ft.

S 45° 57' E 1103.98 ft. and corner at a fence corner in the center of the Old Bryan-Madisonville Road, same being the west corner of the "Second Tract" described in deed to Hugo J. Endler by deed recorded in Vol. 210, pg. 286, of the Deed Records of Brazos County, Texas;

THENCE N 55° 55' E along a fence line in the center of the Old Bryan-Madisonville Road for a distance of 968.0 ft. and corner;

THENCE N 55° 12' W for a distance of 691.47 ft. to an iron rod for corner;

THENCE N 32° 30' W for a distance of 1055.18 ft. to a post oak tree 26 inches in diameter for corner, same being in the northwest line of the before mentioned 302 acre tract;

THENCE S 44° 34' W along said fence line for a distance of 904.79 ft.;

THENCE S 45° 12' W continuing along said fence line for a distance of 176.71 ft. to the PLACE OF BEGINNING containing 34.48 acres of land,

more or less.

*34.48 acres Vol 107 page 158 deed of trust recorded 1-9-64
10.13 acres abstract # 11
deed by trust recorded 6-11-65*

HUGO J. ENDLER,

of the County of Brazos, State of Texas, all that certain tract or parcel of land lying and being situated in the JOSHUA SEALE SURVEY, Abstract No. 214, Brazos County, Texas, being off the Northeast end of a 67.01-acre tract described in Volume 170, page 415, Brazos County Deed Records, the tract hereby conveyed described as follows: BEGINNING at a fence corner and a stake in the Southeast ROW line of State Hwy. No. 21, the North corner of the original tract; THENCE S 45° E along the Northeast line of the original tract, 991.7 feet to the Southeast corner of said tract; THENCE S 45° W along the Southeast line of original tract, 352.2 feet; THENCE N 45° W 987.6 feet to the Southeast ROW line of Hwy. 21; THENCE N 44 deg. 21' E along said ROW line, 352.2 feet to the PLACE OF BEGINNING, containing 8.001 acres of land, according to survey made by J. S. Harrison, Registered Public Surveyor, on September 14, 1963.

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2-11-14
VOL 22 PAGE 74

This lease is for oil and gas only - excludes coal, lignite coal & other minerals

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 the purpose of calculating the rental payments hereinafter provided for, said land is estimated to comprise 52.611 acres, whether it actually comprises more or less. five

2. Subject to the other provisions herein contained, this lease shall be for a term of ~~ten~~ 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 wells or to the credit of Lessor into the pipelines to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-eighth of the amount realized from such sale; while there is a gas well on this lease or on acreage pooled therewith but gas is not being sold or used, Lessee may pay as royalty, on or before ninety (90) days after the date on which (1) said well is shut in, or (2) the land covered hereby or any portion thereof is included in a pooled unit on which a well is located, or (3) this lease ceases to be otherwise maintained as provided herein, whichever is the later date, and thereafter at annual intervals on or before the anniversary of the date the first payment is made, a sum equal to the amount of the annual rental payable in lieu of drilling operations during the primary term on the number of acres subject to this lease at the time such payment is made, and if such payment is made or tendered, this lease shall not terminate, and it will be considered that gas is being produced from this lease in paying quantities; and (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. Lessee shall have free use of oil, gas, coal, and 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. 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 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 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. If operations 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 Bank and Trust Co. Bank at Bryan (77801), Texas, (which bank and its successors are Lessor's agent and shall continue as the depository for all rentals payable hereunder regardless of changes in ownership of said land or the rentals) the sum of Two Hundred Twenty Three & 05 & Forty & 01/100 Dollars (\$223.05 & 40.01), (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 horizons 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.

6. 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 sixty (60) 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 sixty days from date of completion of dry hole or cessation of production. If at any time subsequent to sixty (60) days prior to the beginning of the last year of the primary term and prior to the discovery of oil, gas or other mineral on said land, or on acreage pooled therewith, Lessee should drill a dry hole thereon, no rental payment or operations are necessary in order to keep 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 sixty (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 sixty (60) consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said land or acreage pooled therewith. 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 three hundred thirty (330) feet of and draining the leased premises, or acreage pooled therewith, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

7. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When 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.

8. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; 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 hereunder, Lessee may pay or tender such rentals to the credit of the deceased or the estate of the deceased until such time as Lessee is furnished with proper evidence of the appointment and 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 payment for all.

9. 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. 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 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.

10. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and 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. 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.

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

Hugo J. Endler
Ethel Metzger Endler



INDIVIDUAL ACKNOWLEDGMENT

STATE OF _____
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared _____

known to me to be the person whose name is (are) subscribed to the foregoing instrument, and acknowledged to me that _____
executed the same as _____ free act and deed for the purposes and consideration therein expressed.

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

My Commission Expires _____

Notary Public in and for _____ County, State of _____

HUSBAND AND WIFE ACKNOWLEDGMENT

STATE OF Texas
COUNTY OF Brazos

Before me, the undersigned authority, on this day personally appeared Hugo J. Endler

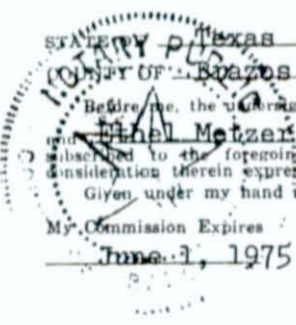
Ethel Metzger Endler husband and wife, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed for the purposes and consideration therein expressed.

Given under my hand and seal of office this 15th day of October, 1974.

My Commission Expires June 1, 1975

Notary Public in and for Brazos County, State of Texas

VOL 22 PAGE 75



Producers 88 (7-66)
With 640 Acres Pooling Provision

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:

Book _____, Page _____

of the _____ records of this office.

County Clerk _____

By _____ Deputy

When recorded returns to _____

Pound Printing & Stationery Co., Houston, Texas

P.S.D.

STATE OF TEXAS I
COUNTY OF BRAZOS I

I, Frank Boriskie, Clerk of the County Court in and for Brazos County, Texas, do hereby certify that this instrument was FILED on the date and at the time stamped hereon and RECORDED in the volume and page of the Vol. 100 & 101 Records of said County on the date stamped hereon.

FRANK BORISKIE, County Clerk
Brazos County, Texas

By: Mary Ann Murphy Deputy

⑨ ADJACENT LEASES
10-6-94
M-95739

Unit 2253

INACTIVE

DO NOT DESTROY

GLO-36-10-84

-MEMO-

Operator Chevron U.S.A. INC.

Unit Name Garrett-Jones Unit #1

County Brazos

Effective Date 4-1-94

Unitized for: Oil Gas Oil & Gas

1. M.F. No. 095739

Area H.R.O.W. Tr. _____

Sec. _____ Blk. _____ Survey H. NEVILL

$\frac{12.93}{679.61}$	x	$\frac{1}{8}$	<u>00.2378</u>	%
<u>.019026</u>		<u>.125</u>	<u>.002378</u>	
TPP		R.D.	U.L.R.I	

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: Highway Right of Way

lg

W95739

AMENDED DECLARATION OF POOLING AND DESIGNATION OF THE GARRETT - JONES UNIT I

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 and/or mineral interests, as described on Exhibit "A" attached hereto and made a part hereof, for and in consideration of the benefits accruing to them, do hereby pool, consolidate, combine and unitize, said oil, gas and mineral leases and mineral interests 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 described on Exhibit "B", attached hereto and made a part hereof, and is limited to the Austin Chalk formation, which for purposes hereof is defined as the stratigraphic equivalent of the interval between 7,848 feet and 8,176 feet in the Jones III #1 Unit Well located in the H. Neville Survey, A-184, Brazos County, Texas ("unitized interval").

This Declaration of Pooling and Designation of Unit covers all production from the land described on the attached Exhibit "B" which is produced from any well drilled to and producing from 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 Declaration of Pooling and Designation of Unit from time to time, and at any time, in order to correct any error herein or to include in this Unit any newly acquired interests within the Unit boundaries or to enlarge the Unit area in accordance with the applicable rules and regulations of any governmental regulatory body or agency having jurisdiction insofar as such right is granted in the subject leases and other agreements, by appropriate amendments or instruments correcting or committing any such interest to this Unit. Further, the undersigned leasehold owners reserve the right, but not the obligation, to amend and modify this Unit in any manner as may be permitted by the leases described in Exhibit "A" attached hereto, or by any of such leases. Any such Amendment may be executed by the Operator of the Unit, on behalf of the undersigned, provided that such Amendment will not change the interests of the owner in the Unit.

By execution of this Declaration of Pooling and 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 insofar as the power, right and authority to do so is granted in the subject leases and otherwise 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 or a counterpart or ratification thereof.

RECEIVED CHEVRON U.S.A. INC.

MAY 07 1981

DOCUMENT # INITIALS ROYALTY SECTION

IN WITNESS WHEREOF, this instrument is executed in multiple originals on the dates of the acknowledgments to each signature. For economy of effort and expense, and to avoid unnecessary duplication in the public records, this instrument may be filed by attachment of the signature pages to one or more originals.

CHEVRON U.S.A. PRODUCTION COMPANY

By: _____

Title: _____

MERIT ENERGY PARTNERS, L.P.
MERIT ENERGY PARTNERS II, L.P.

By: MERIT HOLDING CORPORATION
General Partner

By: _____

Title: _____

MERITNET PARTNERS, L.P.

By: MERITNET CORPORATION
General Partner

By: _____

Title: _____

KAISER - FRANCIS OIL COMPANY

By: _____

Title: _____

EXHIBIT "A"

Attached to Amended Declaration of Pooling and Unit Designation
of the Garrett-Jones Unit I

1. Oil, Gas and Mineral Lease dated August 27, 1974 from Fred R. Jones and wife, Edelweiss K. Jones to Public Lands Exploration, Inc., as recorded in Volume 22, Page 565 of the Oil and Gas Lease Records of Brazos County, Texas.
2. Oil, Gas and Mineral Lease dated October 15, 1974 from Hugo J. Endler and wife, Ethel Metzger Endler to Public Lands Exploration, Inc., as recorded in Volume 22, Page 72 of the Oil and Gas Lease Records of Brazos County, Texas.
3. Oil, Gas and Mineral Lease dated December 8, 1976 from Joe Clyde Burt and wife, Juanita Burt to Amalgamated Bonanza Petroleum, Ltd., as recorded in Volume 24, Page 581 of the Oil and Gas Lease Records of Brazos County, Texas.
4. Oil, Gas and Mineral Lease dated October 15, 1974 from Feathercrest Enterprises, Inc., to Public Lands Exploration, Inc., as recorded in Volume 22, Page 195 of the Oil and Gas Lease Records of Brazos County, Texas.
5. Oil, Gas and Mineral Lease dated October 5, 1974 from Carvey T. Neville and wife, Christine Neville to Public Lands Exploration, Inc., as recorded in Volume 22, Page 57 of the Oil and Gas Lease Records of Brazos County, Texas.
6. Oil, Gas and Mineral Lease dated October 9, 1974 from Roy M. Noblett and wife, Mildred W. Noblett to Public Lands Exploration, Inc., as recorded in Volume 22, Page 216 of the Oil and Gas Lease Records of Brazos County, Texas.
7. Oil, Gas and Mineral Lease dated August 22, 1975 from Robert C. Garrett and wife, Willie M. Garrett to Public Lands Exploration, Inc., as recorded in Volume 22, Page 431 of the Oil and Gas Lease Records of Brazos County, Texas.
8. Oil, Gas and Mineral Lease dated August 27, 1974 from James D. Wilson and wife, F. Earline Wilson to Public Lands Exploration, Inc., as recorded in Volume 22, Page 190 of the Oil and Gas Lease Records of Brazos County, Texas and Oil, Gas and Mineral Lease dated August 27, 1974 from James D. Wilson and wife, F. Earline Wilson to Amalgamated Bonanza Petroleum Ltd., as recorded in Volume 27, Page 556 of the Oil and Gas Lease Records of Brazos County, Texas.
9. Oil, Gas and Mineral Lease dated December 13, 1976 from Wallace E. Lawless and wife, Amy Ruth Lawless to Amalgamated Bonanza Petroleum, Ltd., as recorded in Volume 24, Page 703 of the Oil and Gas Lease Records of Brazos County, Texas.
10. Oil, Gas and Mineral Lease dated January 29, 1976 from James Lang and wife, Pearl Lang to C. R. Hardy as recorded in Volume 22, Page 465 of the Oil and Gas Lease Records of Brazos County, Texas.
11. Oil and Gas Lease dated March 15, 1994 from the Commissioner of the General Land Office of the State of Texas to Chevron U.S.A. Production Company as recorded in Volume 2097, Page 223 File #552003 of the Oil and Gas Lease Records of Brazos County, Texas.

In addition to the above list of Oil, Gas and Mineral Leases, it shall also include any and all amendments, extensions or ratifications of the above said leases.

From surface location to:

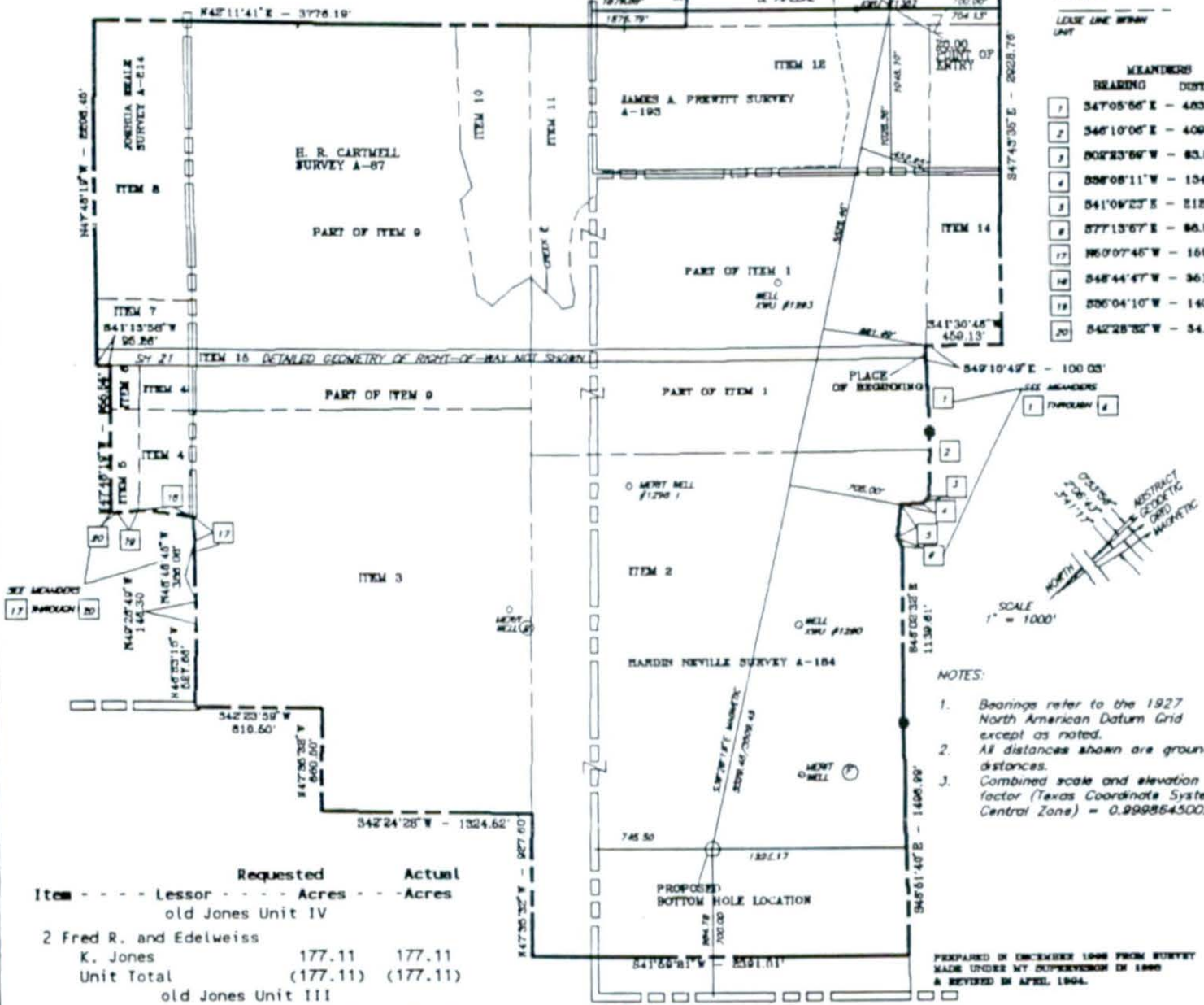
A	Merit Well KWU #1382	S 39° 21' 46" W	217.84
B	Merit Well B	S 15° 32' 45" E	4,583.04
C	Merit Well #1298	S 19° 17' 13" E	3,497.27
D	Well KWU #1293	S 25° 21' 41" E	1,905.59
E	Well KWU #1290	S 39° 09' 58" E	4,018.31
F	Merit Well F	S 40° 56' 19" E	4,970.22

LEGEND

- LINE OF SURVEY
- LINE ON UNIT LEASE
- SURVEY LINE NOT COINCIDENT WITH UNIT LINE
- LEASE LINE WITH UNIT

MEANDERS

	BEARING	DISTANCE
1	S47°05'56" E	403.53'
2	S46°10'00" E	409.97'
3	S08°23'59" W	83.50'
4	S08°08'11" W	134.40'
5	S41°09'23" E	218.90'
6	S77°13'07" E	86.51'
7	N65°07'45" W	169.82'
8	S48°44'47" W	361.30'
9	S06°04'10" W	140.55'
10	S42°28'32" W	34.96'



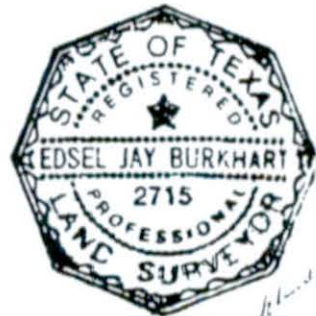
- NOTES:
1. Bearings refer to the 1927 North American Datum Grid except as noted.
 2. All distances shown are ground distances.
 3. Combined scale and elevation factor (Texas Coordinate System Central Zone) = 0.999854500.

Item	Requested Lessor	Acres	Actual Acres
old Jones Unit IV			
2	Fred R. and Edelweiss K. Jones	177.11	177.11
Unit Total		(177.11)	(177.11)
old Jones Unit III			
11	Roy N. Noblett	20.31	20.31
1	Fred R. & E.K. Jones	93.89	87.45
12	Robert C. Garrett	45.80	45.80
Unit Total		(160.00)	(153.56)
part of old Garrett & Wilson Unit 1			
13	Robert C. Garrett	50.71	50.71
14	James D. Wilson	12.18	11.66
Unit Total		(62.89)	(62.37)
old revised Jones Unit 1			
9	Fred R. & E.K. Jones	108.36	103.43
8	Carvey T. Neville	24.65	24.65
7	Feather Crest Enterprises	5.24	4.38
6	Joe C. Burt	1.73	1.15
P4	Hugo J. Endler	3.86	2.41
10	Roy M. Noblett	16.16	16.16
Unit Total		(160.00)	(152.18)
part of old Jones Unit II			
3	Fred R. & E.K. Jones	113.50	113.50
P4	Hugo J. Endler	4.54	5.33
5	Joe C. Burt	2.25	2.63
Unit Total		(120.29)	(121.46)
15	State of Texas		12.93
(SH 21 right-of-way area)			
Total Acres		680.29	679.61

Surface Location (Prewitt Survey)
 Lease: 1,879.89 feet from S/W Line & 1,048.10 feet from S/E Line
 Unit: 782.67 feet from N/W Line & 700.00 feet from N/E Line
 Survey: 1,879.89 feet from S/W Line & 1,048.10 feet from S/E Line

Point of Entry (Prewitt Survey)
 Lease: 1,875.79 feet from S/W Line & 1,028.56 feet from S/E Line
 Unit: 802.25 feet from N/W Line & 704.13 feet from N/E Line
 Survey: 1,875.79 feet from S/W Line & 1,028.56 feet from S/E Line

Bottom Hole Location (Neville Survey)
 Lease: 1,223.17 feet from N/E Line & 964.78 feet from S/E Line
 Unit: 1,223.17 feet from N/E Line & 700.00 feet from S/E Line
 Survey: 745.50 feet from S/W Line & 964.78 feet from S/E Line



Edsel J. Burkhart



BUCHANAN/SOIL MECHANICS, INC.

CIVIL & GEOTECHNICAL ENGINEERING
 MATERIALS • BORINGS • SURVEYING

206 N. SIMS ST. BRYAN, TEXAS 77803
 P. O. BOX 672 BRYAN, TEXAS 77806
 (409) 822-3767

WELL LOCATION AND UNIT PLAT FOR HOUSTON PRODUCTION DISTRICT

✓ GARRETT-JONES UNIT 1. 679.61 ACRES REVISED LOCATION PLAT WELL NO. 1 (GIDDINGS FIELD)

HARDIN NEVILLE SURVEY, A-184
 JAMES PREWITT SURVEY, A-193
 H.R. CARTMELL SURVEY, A-87
 JOSHUA SEALE SURVEY, A-214

BRAZOS COUNTY, TEXAS

EXHIBIT "B"

Attached to Amended Declaration of Pooling for the Garrett-Jones Unit I

CHEVRON U.S.A., INC.

GARRETT-JONES UNIT 1, 679.61 ACRES (REVISION 2)

(GIDDINGS FIELD)

HARDIN NEVILLE SURVEY, A-184

JAMES PREWITT SURVEY, A-193

H.R. CARTMELL SURVEY, A-87

JOSHUA SEALE SURVEY, A-214

BRAZOS COUNTY, TEXAS

Field Notes of a 679.61 acres tract or parcel of land lying and being situated in the Hardin Neville Survey, A-184, James Prewitt Survey, A-193, H.R. Cartmell Survey, A-87, and the Joshua Seale Survey, A-214, all of Brazos County, Texas, and being comprised of the following Lessor acreages:

Item 1. Fred R. and Edelweiss K. Jones, 87.45 acres as surveyed and being called 93.89 acres in the old Jones Unit III, and being part of a called 100 acres tract, part of a 150 acres tract, the Deed of said two tracts recorded in Volume 77, Page 443, and also part of an 80 acres tract called The First Tract in the Deed recorded in Volume 242, Page 35:

Item 2. Fred R. and Edelweiss K. Jones, 177.11 acres as surveyed, and being part of a called 191.69 acres (190.72 acres as computed from oil plat), old Jones Unit IV, and being part of a called 140 acres tract, 145 acres tract, and a called 150 acres tract, the Deed of said three tracts recorded in Volume 77, Page 443:

Item 3. Fred R. and Edelweiss K. Jones, 113.50 acres as surveyed, and called 113.50 acres old Jones Unit II, and being part of a called 140 acres tract, 145 acres tract, and a called 150 acres tract, the Deed of said three tracts recorded in Volume 77, Page 443:

Item 4. Hugo J. Endler, 5.33 acres as surveyed in the reconstructed old Jones Unit II (called 4.54 acres), 2.41 acres as surveyed in the (reconstructed) old Jones Unit I (called 3.86 acres) both being the called 8 acres tract recorded in Volume 283, Page 594:

Item 5. Joe C. Burt, 2.63 acres as surveyed in the reconstructed old Jones II (called 2.25 acres) and being part of the 9.00 acres tract recorded in Volume 275, Page 533:

Item 6. Joe C. Burt, 1.15 acres as surveyed in the reconstructed old Jones Unit I (called 1.73 acres) and being part of the 9.00 acres tract recorded in Volume 275, Page 533:

Item 7. Feather Crest Enterprises, Inc., 4.38 acres as surveyed in the reconstructed old Jones Unit I (called 5.24 acres) and being part of a 57.5 acres tract recorded in Volume 300, Page 433:

Item 8. Carvey T. Neville, 24.65 Acres as surveyed in the reconstructed old Jones Unit I (called 24.65 acres) and being part of the First Tract of 100 Acres recorded in Volume 220, Page 457:

Item 9. Fred R. and Edelweiss K. Jones, 103.43 acres as surveyed in the reconstructed old Jones Unit I (called 108.36 acres) and being part of a 150 acres tract recorded in Volume 77, Page 443:

CHEVRON U.S.A., INC.
GARRETT-JONES UNIT 1, 679.61 ACRES REVISED
(Giddings Field)
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Page 2

Item 10. Roy M. Noblett, 16.16 acres as surveyed in the reconstructed old Jones Unit I (called 16.16 acres) and being part of a 150 acres tract recorded in Volume 77, Page 443;

Item 11. Roy N. Noblett, 20.31 acres as surveyed and being called 20.31 acres in the old Jones Unit III, and being part of a said 150 acres tract recorded in Volume 77, Page 443;

Item 12. Robert C. Garrett, 45.80 acres as surveyed and called 45.80 acres in the old Jones Unit III, and being part of the south half of a called 448 acres tract recorded in Volume V, Page 572;

Item 13. Robert C. Garrett, 50.71 acres as surveyed and being part of the called 111.15 acres in the old Garrett and Wilson Unit I, and being part of the south half of a called 448 acres tract recorded in Volume V, Page 572;

Item 14. James D. Wilson, 11.66 acres as surveyed and being part of a called 48.85 acres in the old Garrett and Wilson Unit I, and being part of a called 97.7 acres tract recorded in Volume 150, Page 520;

Item 15. State of Texas 12.93 acres as surveyed and being State Highway No. 21 right-of-way area lying in said described Unit and being a portion of the same land conveyed to the State by Deed from W.R. Lawless recorded in Volume 78, Page 244, and all of the same lands conveyed to the State by Deeds from Fred Jones recorded in Volume 78, Pages 300 and 302;

All of the above items recorded in the Deed Records of Brazos County, Texas, said 679.61 acres tract being more particularly described as follows:

BEGINNING at an iron rod found on the northeasterly line of said Item 1 in a fence corner marking the southeasterly right-of-way line of State Highway No. 21:

THENCE along a fence line marking the said northeasterly line of Item 1 and also Item 2 for the following calls:

S 47° 05' 56" E, 483.53 feet to a steel "T" post found for angle point,
S 46° 10' 06" E, 409.97 feet to an iron pipe found for corner;

THENCE along a fence line marking the southeasterly line of said Item 2 for the following calls:

S 02° 23' 59" W, 63.50 feet to an 18" elm tree found for corner,
S 38° 08' 11" W, 134.40 feet to a 6" creosote post found for corner;

THENCE along a fence line marking the northeasterly line of said Item 2 for the following calls:

CHEVRON U.S.A., INC.
GARRETT-JONES UNIT 1, 679.61 ACRES REVISED
(Giddings Field)
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S 41° 09' 23" E, 212.93 feet to an 18" elm tree found for corner,
S 77° 13' 57" E, 66.51 feet to a 24" water oak tree found for corner,
S 48° 02' 32" E, 1,139.61 feet to a 14" post oak tree found for angle
point,
S 48° 51' 40" E, 1,496.99 feet to a point for the east corner of said
Item 2, from said point an iron rod found in a fence corner marking the
east corner of the said 140 acres tract recorded in the said Volume 77,
Page 443;

THENCE S 41° 59' 21" W, 2,391.01 feet along the southeasterly line of
said Item 2 to a point for the south corner of said Item 2, from said point,
an iron rod found in a fence corner marking the east corner of the said called
145 acres tract recorded in Volume 77, Page 443, bears N 64° 05' 23" E,
438.72 feet;

THENCE N 47° 35' 32" W, 927.60 feet along the southwesterly line of
said Item 2, to the east corner of said Item 3;

THENCE along the southeasterly lines of said Item 3 for the following
calls:

S 42° 24' 28" W, 1,324.52 feet to a point for corner,
N 47° 35' 32" W, 660.50 feet to a point for corner,
S 42° 23' 59" W, 810.50 feet to a 4" creosote post found for corner;

THENCE along a fence line marking the southwesterly line of Item 3, for
the following calls:

N 46° 33' 15" W, 527.66 feet to an 18" post oak tree found for angle
point,
N 49° 26' 49" W, 146.30 feet to an 18" post oak tree found for angle
point,
N 48° 46' 45" W, 386.08 feet to an 18" post oak tree found for angle
point,
N 50° 07' 45" W, 159.82 feet to a found 5/8" iron rod marking the east
corner of Item 4;

THENCE S 48° 44' 47" W, 351.39 feet along a fence line marking the
southeasterly line of said Item 4, to a concrete monument found for angle
point, said monument marking a common corner of said Item 4, and Item 5;

THENCE along a fence line marking the southeasterly line of said Item
5, for the following calls:

S 35° 04' 10" W, 140.85 feet to a 14" post oak tree for angle point,
S 42° 28' 32" W, 34.95 feet to a point for corner;

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THENCE N 47° 48' 19" W, 955.55 feet along the southwesterly line of said Item 5. and Item 6. to the west corner of said Item 6. in a fence line marking the southeasterly right-of-way of said State Highway No. 21;

THENCE S 41° 13' 58" W, 95.26 feet along the said right-of-way line of Highway No. 21 to a point for corner;

THENCE N 47° 48' 19" W, 2,208.45 feet along the southwesterly line of said Items 6., 7., and 8. to the west corner of said Item 8.;

THENCE N 42° 11' 41" E, 3,776.19 feet along the northwesterly lines of said Items 8., 9., 10., 11., and 12. to the south corner of said Item 13.;

THENCE N 47° 35' 32" W, 900.00 feet to the west corner of said Item 13., from said west corner, a found iron rod lying on the northwesterly line of said Creek Road at, or near, the west corner of the said south half of the 448 acres tract bears S 63° 28' 24" W, 605.23 feet;

THENCE N 42° 26' 31" E, 1,986.29 feet along the northwesterly line of said Item 13. to a point for the north corner of said Item 13.;

THENCE S 47° 43' 35" E, along the northeasterly line of said Item 13., passing at 1,824.46 feet the north corner of said Item 14., continue along the northeasterly line of said Item 14. for a total distance of 2,928.76 feet to a point for the east corner of said Item 14. in a fence line marking the northwesterly right-of-way line of said Highway No. 21;

THENCE S 41° 30' 46" W, 459.13 feet along the said right-of-way line of said Highway No. 21 marking the southeasterly line of said Item 14. to a point for corner;

THENCE S 49° 10' 49" E, 100.03 feet to the PLACE OF BEGINNING containing 679.61 acres of land more or less.

Note: Bearings based on NAD 1927 Grid.



Prepared from survey made under my supervision in October 1993, revised in December 1993, and April 1994


Edsel J. Burkhart, P.E.
Registered Professional Land
Surveyor No. 2715

10. DESIGNATION OF
UNIT

M-95739

10-6-94

*** OIL AND GAS W-2/G-1 RECORD ***

INQUIRY

API #: 041 31793 SOURCE: RRC
DIST: 03 LSE/ID: 22420 WELL#: 1 TYPE: OIL CNTY: BRAZOS
FLD: GIDDINGS (AUSTIN CHALK-3) LSE: GARRETT-JONES UNIT 1
OPER: MCDANIEL COMPANY, INC., THE

COMPLETION: 04 20 1994 DRILLING PERMIT #: 418553
W2-G1: 05 18 1994 BUILT: 07 19 1994 R-37 EXCEP CASE #:
ATTACHMENTS: ON FILE WATER INJECT PERM #:
KEY 'S' TO VIEW ATTACH: _ SALT WATER DISP #:
DOCKET NUMBER:

DRILL COMPLETED: 04 17 1994
ELEVATION: 315 GL
TOTAL DEPTH: 12583 WELLBORE PLUGGED: YES
PLUGBACK DEPTH: 12583

LOCATION SEC: BLK: ABST: 193
SUR: JAMES A PREWITT

SUR/SECT: 001879 FT FROM SW AND 001048 FT FROM SE

NOTE=> REMARKS ON FILE FOR THIS DATE

* SCREEN OPTIONS: 12=FORM/SQZE 13=REMARKS 14=WATER 19=PERMITS/WELLIDS
* SELECT OPTION: _ (01=RETURN TO MENU, 00= HELP AND OTHER OPTIONS)
PRESS 'ENTER' FOR NEXT SCREEN

*** OIL AND GAS DIVISION ***
PLUGGING DATA

INQUIRY

TYPE/WELL(O/G/D/S): O API NUMBER: 041 31793
DIST: 03 LEASE/ID: 22420 WELL #: 1
FIELD NAME: GIDDINGS (AUSTIN CHALK-3)
LEASE NAME: GARRETT-JONES UNIT 1
OPER NAME: MCDANIEL COMPANY, INC., THE
DRILL PERM ISSUED: 01 / 12 / 1994 PERMIT #: 418553 SFPC:
DRILL COMPLETED: 04 / 17 / 1994 WELL PLUGGED: 03 / 04 / 2000
DATE W-3 FILED: 03 / 27 / 2000 TOTAL DEPTH: 8184

WAS THIS A MULTIPLE COMPLETION? N WELL WAS CONVERTED TO FRESH WATER USE? N

	PLUG 1	PLUG 2	PLUG 3	PLUG 4	PLUG 5	PLUG 6	PLUG 7	PLUG 8
BOTT DEP:	3710	2860	1855	1085	575	250	13	_____
SACK CEM:	45	25	22	50	50	50	5	_____
CALC TOP:	2485	2740	1745	985	475	150		_____
TOP/PLUG:							1	_____
TYPE CEM:	H	H	H	H	H	H	H	_____

*

* SCREEN OPTIONS: 17=PLUG CAS/TUB/PERFS, 18=WATER/LOGS/REMARKS *

* SELECT OPTION: ____ (01=RETURN TO MENU, 00=HELP AND OTHER OPTIONS) *

DEPRESS ENTER TO SEE PLUG CASING/TUBING/PERFS

M-95739 (2)
UNIT WELL PLUGGING
5/8/02 YF

Memorandum

To: File MF095739
CC: Jesse Arellano
From: Carl Bonn
Date: 1/12/2007
Re: MF095739; Unit #2253 Garrett-Jones Unit #1

This lease and unit terminated for lack of production effective March 3, 2000. The effective date is based on the plugging date of the last productive well, API 041-31793.

Therefore, no notice of termination letter went out based on lack of production. There is no evidence in the file that the lessee filed the required release.

CFB



(13)

File No. MF-095739
Termin Memo

Date Filed: 1-12-07

Jerry E. Patterson, Commissioner
By Carl Benn