



## **CAUTION**

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*Archives and Records Staff*

#2323  
Unit 14152

Leasing: JK

Analyst: \_\_\_\_\_

Maps: JK

GIS: ML

**MF 095943**

County	ROBERTSON (198)
Survey	W.COLEY A-253/H.FULLERTON A-153
Block	
Block Name	
Township	
Section/tract	
Land Part	COUNTY ROAD 203
Part Description	
Acres	
Name	UNION PACIFIC RESOURCES
Lease Date	7-5-1994
Primary Term	3-YEARS
Bonus (\$)	\$10.00
Rental (\$)	PAID UP
Lease Royalty	1/5



STATE LEASE - HROW - PAID UP

M-95943

COUNTY (CODE)	ROBERTSON (198)
SURVEY	W. COLEY A-253 & H. FULLERTON A-153
BLOCK	N/A
TOWNSHIP	N/A
SECTION(S)/TRACT(S)	N/A
PART	CO. RD. 203
ACRES	3.10
DEPTH LIMITS	N/A
BASE FILE (S)	N/A
CONTROL NO. (S)	85-90198-3
CONTROL NO. (S)	N/A

LESSEE	UNION PACIFIC RESOURCES CO.
DATE	07-05-94
PRIMARY TERM	THREE (3) YEARS
BONUS (\$)	310.00
ROYALTY (FULL)	1/5
RENTAL (\$)	PAID UP
VARIABLE ROYALTY	N/A

RENTALS

MS

LEASE  
ADMIN.

DR

MINERAL  
MAPS

26



CONTENTS OF FILE NO. M.95943

7 Row

1. Lease	7.5.94	
2. Memo	6.29.94	
3. LR Unit UPRC	5.13.94	
4. Plot	—	
5. App. of Plot	5.13.94	
6. Title opinion	3.31.94	
7. Row Deeds	—	
8. Adjacent leases	—	
9. LR Unit Des. A.O.	5.4.95	
10. Designation of Unit	9/35/00	
<u>Scanned sm 10/25/13</u>		
<u>See MF095707 #13 for Assignment #7186</u>		
scanned PJ 1-7-15		
(see MF095707 item #13)		
for Unit 14152 Packet		
"Milky Way Unit"		
<u>Scanned GD 5-21-2025</u>		
<u>see MF095707 #18 Division Order</u>		
Scanned GD 8-22-2025		

# The State of Texas



Austin, Texas

PAID-UP

OIL AND GAS LEASE NO. M-95943  
GENERAL LAND OFFICE  
AUSTIN, TEXAS

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress, Austin, Texas, 78701, hereinafter called "Lessor", hereunto authorized by the School Land Board, pursuant to the provisions of Chapters 32, 34 and 52 of the Natural Resources Code (hereinafter called N.R.C.), and amendments thereto, and all applicable rules promulgated by the School Land Board, and Union Pacific Resources Company, whose address is P.O. Box 7, Fort Worth, Texas 76101-0007, hereinafter called "Lessee".

1. Lessor, in consideration of Three Hundred Ten and 00/100 Dollars (\$310.00), receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of Robertson, State of Texas, and is described as follows:

3.1 acres of land, more or less, situated in said Robertson 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 3.1 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 July 5, 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 fifth (1/5) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such one fifth (1/5) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil;

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

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

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

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

(e) If at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check of lessee, as royalty, the sum of \$3840.00. 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 \$7680.00, 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 July 5, 1994.




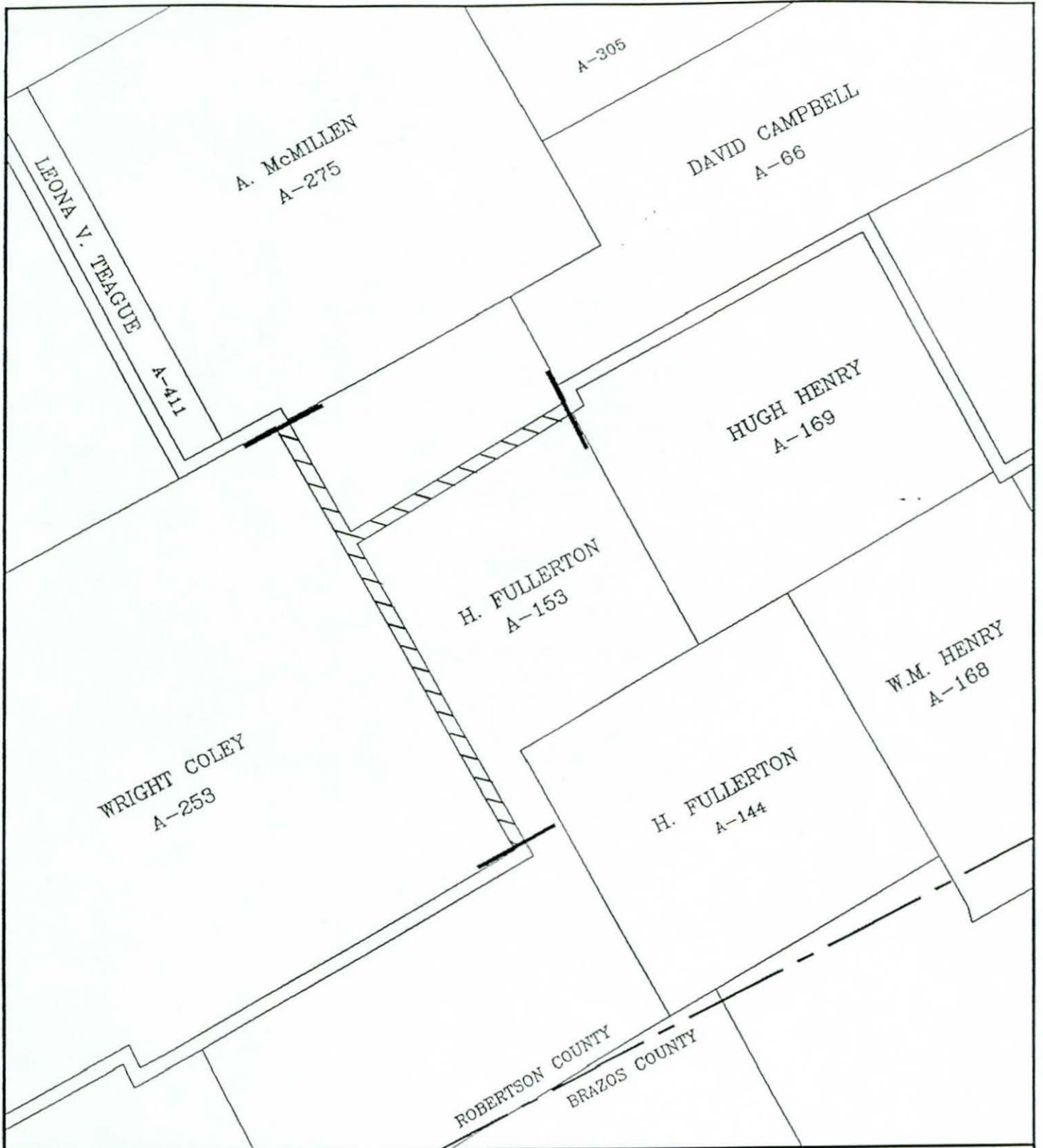
\_\_\_\_\_  
GARRY MAURO  
COMMISSIONER OF THE GENERAL LAND OFFICE  
OF THE STATE OF TEXAS

Approved:

Energy: At

Legal (Form): Am

Executive: 



MAP SHOWING

3.1 ACRE PORTION OF COUNTY ROAD 203

1 MILE NW OF BENCHLEY

ROBERTSON COUNTY



Texas General Land Office  
Garry Mauro, Commissioner

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

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Exhibit "A"

Acreage to be Leased from the State of Texas in Robertson County, Texas, being part of Co. Rd. 203.

3.10 acres of land, more or less, situated in the Henry Fullerton Survey, A-153, in Robertson County, Texas and being the same land described in the following Deeds to Robertson County, Texas, dated May 10, 1910, recorded in Volume 55, Page 10 and dated November 21, 1913, recorded in Volume 62, Page 35, both deeds being in the Deed Records of Robertson County, Texas.

M-95943

8

File No. MF-95943

Case  
7.5.94

Lease

Date Filed: 7/5/94

Jerry E. Patterson, Commissioner

By \_\_\_\_\_

GENERAL LAND OFFICE

GARRY MAURO  
COMMISSIONER

MEMORANDUM

July 5<sup>th</sup> / 95543

DATE: June 29, 1994

TO: School Land Board

FROM: Robert Hatter / Energy Resources

SUBJECT: Application To Lease Right-of-Way

APPLICANT: Union Pacific Resources Company

REFERENCE: Being 3.1 acres, more or less, of Co. Rd. 203, situated in the H. Fullerton Sur., A-153 in Robertson County, Texas.

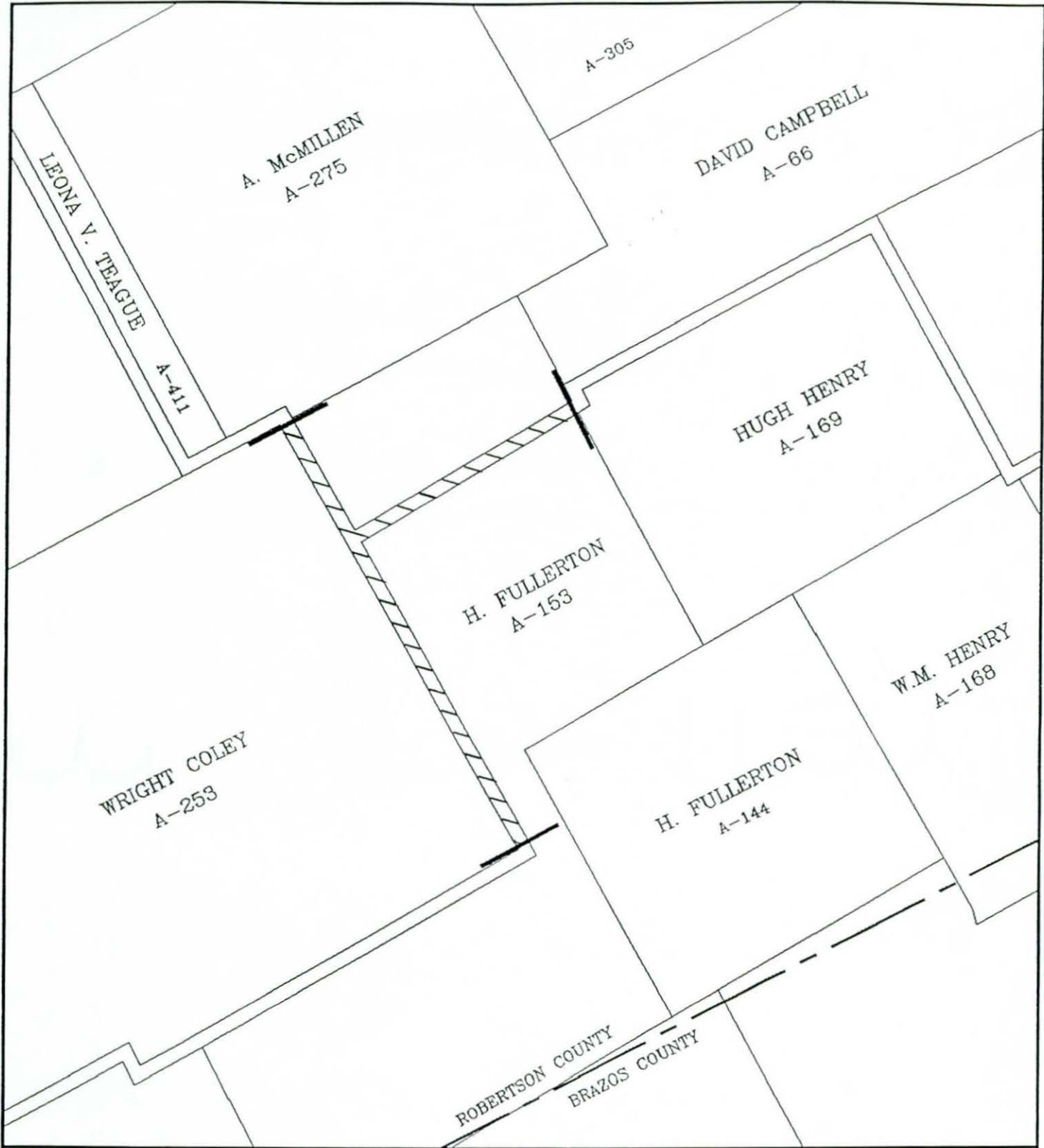
The following terms were provide for in the adjacent leases:

	<u>High</u>	<u>Low</u>
Bonus/Acre:	\$100.00	\$50.00
Royalty:	1/5	1/6
Delay Rental:	\$5.00	none
Primary Term:	3 year paid-up	3 year

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

Bonus/Acre:	\$100.00 per acre
Royalty:	1/5
Delay Rental:	\$5.00
Primary Term:	3 year paid-up

Union Pacific Resources Company 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 3.1 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.



MAP SHOWING

3.1 ACRE PORTION OF COUNTY ROAD 203

1 MILE NW OF BENCHLEY

ROBERTSON COUNTY



Texas General Land Office  
Garry Mauro, Commissioner

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

Exhibit "A"

Acreage to be Leased from the State of Texas in Robertson County, Texas, being part of Co. Rd. 203.

3.10 acres of land, more or less, situated in the Henry Fullerton Survey, A-153, in Robertson County, Texas and being the same land described in the following Deeds to Robertson County, Texas, dated May 10, 1910, recorded in Volume 55, Page 10 and dated November 21, 1913, recorded in Volume 62, Page 35, both deeds being in the Deed Records of Robertson County, Texas.

File No. MF- 95943

Memo

Date Filed: 6/29/94

Jerry E. Patterson, Commissioner

By \_\_\_\_\_

M-95943

Memo

6-29-94

(2)

P.O. BOX 890514  
HOUSTON, TEXAS 77289-0514

**DOUGLAS A. WILLIFORD & COMPANY**

LANDMEN  
OIL & GAS PROPERTIES  
OFF/FAX (713) 486-4426

15706 CAVENDISH DRIVE  
HOUSTON, TEXAS 77059

*Slut on 320. Per memo.*  
*100/50*  
*115/116*  
*5.00*  
*5 yr Paid-up*  
*In House*

May 13, 1994

Mr. Drew Reid  
Texas General Land Office  
Stephen F. Austin State Office Building  
1700 N. Congress Avenue  
Austin, Texas 78701-1495

Re: Application to lease a portion of County Road 203  
3.10 acres of land, more or less  
Henry Fullerton Survey, A-153  
Robertson County, Texas

*X* 310- **94056396**  
*X* 100- **94056397**

Dear Mr. Reid:

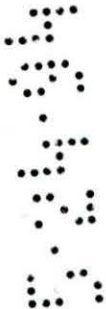
Our client, Union Pacific Resources Company (UPRC), wishes to acquire a three (3) year oil and gas lease covering the above referenced County Road tract.

*Douglas A. Williford & Co*

*170*  
*J.*

I enclose the following items for your review:

1. Photocopy of Deed from Riley Sadberry and Alice Sadberry to the County of Robertson, dated November 21, 1913 and recorded in Volume 62, Page 35 of the Deed Records of Robertson County, Texas, and covering 1.55 acres of land, more or less.  
  
Photocopy of Deed from Emelie Woiton and S.C. Woiton to the County of Robertson, dated May 10, 1910, and recorded in Volume 55, Page 10 of the Deed Records of Robertson County, Texas, and covering 1.55 acres of land, more or less.
2. Photocopy of General Highway Map from the State Department of Highways.
3. Plats showing the county road tract and showing the proposed Union Pacific Resources Company "Delley-Ruffino Unit".
4. A list of the owners of the minerals adjacent to the county road tract.
5. An Affidavit of Lease Consideration Paid owners for oil and gas leases owned by UPRC on interests adjacent to the county road tract.



Texas General Land Office  
Application for Lease  
May 13, 1994  
Page Two

6. Certified Copies of each lease referenced in the Lease Consideration Affidavit.
7. Title Opinion prepared by the law firm of Albert, Neely & Kuhlmann evidencing the ownership of the State of Texas under the subject public road.
8. A Statutory Notice Waiver, executed by me on behalf of UPRC.
9. Douglas A. Williford & Company Check Number 2433 in the amount of \$100.00, payable to the General Land Office, State of Texas, for processing fees regarding this application.
10. Douglas A. Williford & Company Check Number 2434 in the amount of \$310.00, payable to the General Land Office, State of Texas, representing a bonus payment, on behalf of UPRC, of \$100.00 per net mineral acre, for the 3.1 acres, more or less, covered by this lease application.

As evidenced by the plat outlining the proposed unit, the Delley-Ruffino Unit will be a horizontal well, therefore, no wellbore proximity affidavit is enclosed.

It is our understanding that the Texas Department of Transportation will notify this office if a net acreage bonus adjustment is necessary.

Please advise if further assistance or information is required.

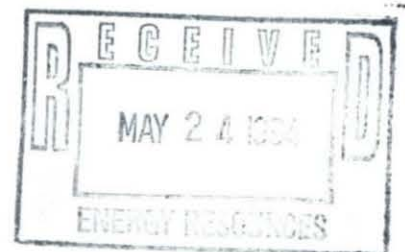
Yours very truly,

DOUGLAS A. WILLIFORD & COMPANY

By:

  
Douglas A. Williford

DAW/hb  
attach.



File No. MF-95943

Ltr from WPRC

Date Filed: 5/13/94

Jerry E. Patterson, Commissioner

By \_\_\_\_\_

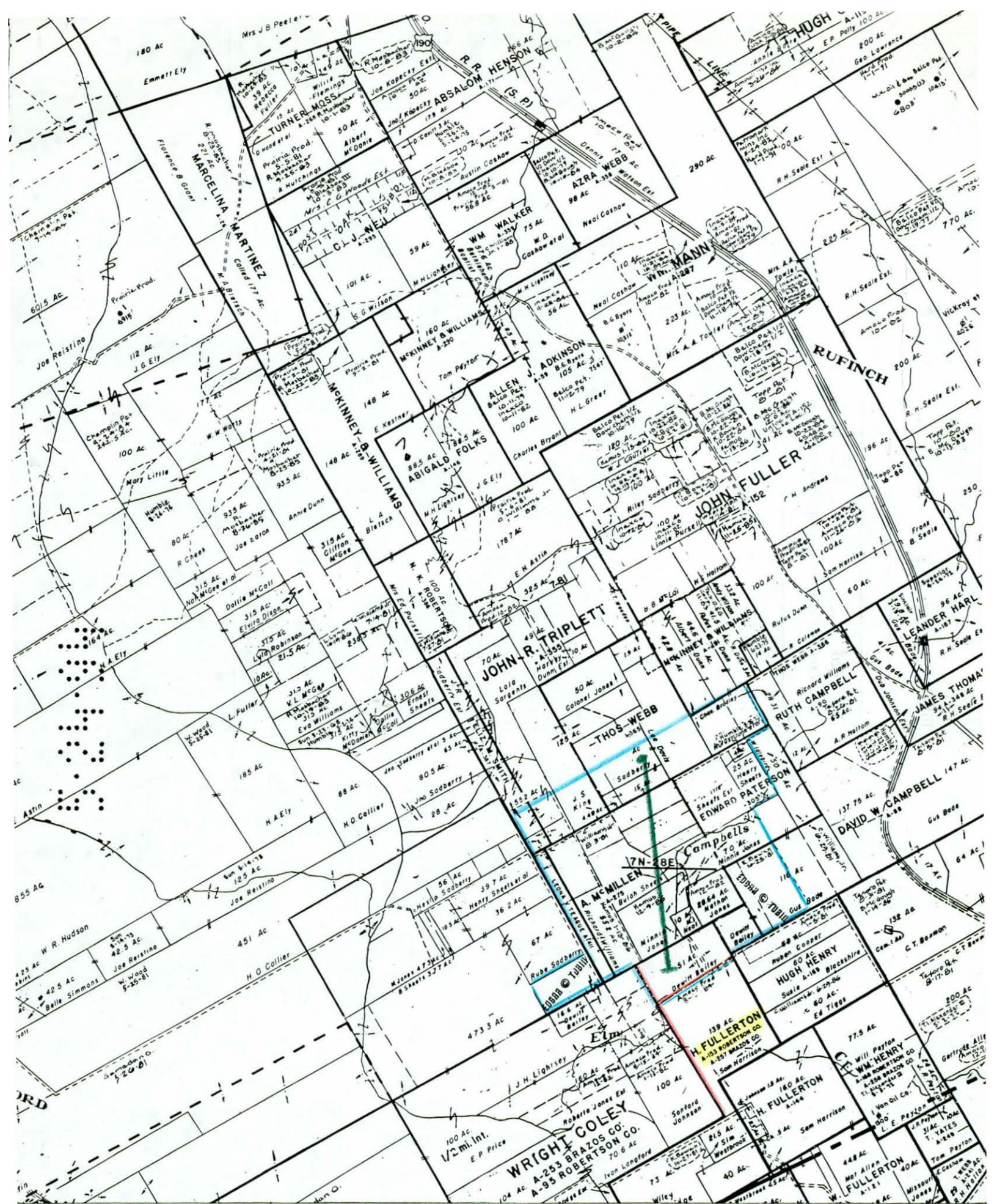
MF-95943

Ltr

5.13.94

(3)

25704



PLAT FOR APPLICATION OF LEASE  
 STATE OF TEXAS  
 ROBERTSON COUNTY, TEXAS

Road To be Leased

Proposed Delley-Ruffino

Proposed Borehole location



File No. MF-95943

Plat

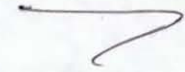
Date Filed: \_\_\_\_\_

Jerry E. Patterson, Commissioner

By \_\_\_\_\_

M-95943

Plat



25434

AFFIDAVIT OF FACT

STATE OF TEXAS  
COUNTY OF ROBERTSON

Before me the undersigned authority on this 13th day of May, 1994, personally appeared Douglas A. Williford, known to me to be a credible person, above the age of twenty one years, who after being duly sworn, deposes and says:

My name is Douglas A. Williford and while in the capacity of working for Union Pacific Resources Company, as an independent Petroleum Landman, I acquired Oil, Gas and Mineral Leases and Extension of Oil, Gas and Mineral Leases for Union Pacific Resources Company, for the stated dollar bonus per acre and the following royalty consideration on the following leases:

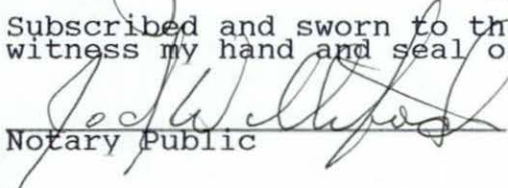
Bonus Per Acre	Royalty	Lessor
\$100.00	1/5	SANFORD Johnson, Jr.
\$50.00	3/16	Preston J. Ruffino, III
\$100.00	1/6	Sam Westbrook
\$100.00	1/6	James M. Allen
\$100.00	17%	M.H. Lightsey
\$100.00	1/5	Fannie W. Ransom

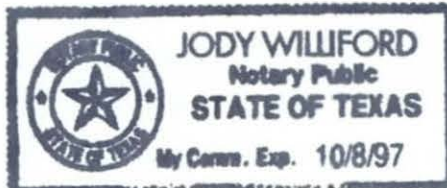
I further state that each of the above Oil, Gas and Mineral Leases are filed of record in the Public records of Robertson County, Texas.

Further affiant sayeth not.

  
DOUGLAS A. WILLIFORD

Subscribed and sworn to this 13th day of May, 1994 to certify which witness my hand and seal of office.

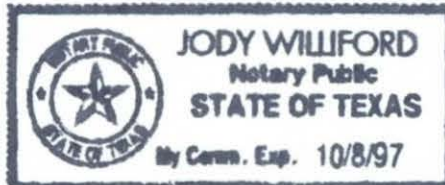
  
Notary Public



State of Texas  
County of Harris

This instrument was acknowledged before me on the 13th day of May, 1994 by Douglas A. Williford.

  
Notary Public





File No. MF-95943

Plt. of fact

Date Filed: 5/13/94

Jerry E. Patterson, Commissioner

By \_\_\_\_\_

M-95943  
App. filed  
5.13.94  
(5)

25434

ALBERT, NEELY & KUHLMANN, L.L.P.

ATTORNEYS AT LAW  
400 OIL & GAS BUILDING  
309 WEST SEVENTH STREET  
FORT WORTH, TEXAS 76102

1-920-1230 no.

TELEPHONE  
(817) 877-0055  
TELEFAX  
(817) 870-2849

KARL R. ALBERT\*  
ROGER T. NEELY  
WM. D. KUHLMANN, JR.  
PHILIP C. MANI  
STEPHEN B. O'REAR  
\*BOARD CERTIFIED  
OIL, GAS & MINERAL LAW

March 31, 1994

Mr. Marty Schardt  
Union Pacific Resources Company  
P. O. Box 7, Mail Station 3308  
Fort Worth, Texas 76101-0007

Re: Original Drilling Title Opinion (Union Pacific Resources Company's Preston J. Ruffino, III, et ux, Lease, 118.12 acres, more or less, out of the David W. Campbell Survey, Abstract No. 88, the Henry Fullerton Survey, Abstract No. 153, the Andrew McMillan Survey, Abstract No. 275, and the Wright Coley Survey, Abstract No. 95, Robertson County, Texas)

Dear Marty:

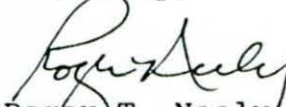
Enclosed is an original and one copy of an Original Drilling Title Opinion covering the above-described lands.

A Plat of the Subject Lands is attached to this Opinion as Exhibit "A".

Also enclosed are the Source Deeds describing the Subject Lands.

If you have any questions concerning the Opinion or the enclosed, please do not hesitate to call.

Sincerely,

  
Roger T. Neely

RTN/psg  
Enc.

cc: Mr. Chris Cirone  
Union Pacific Resources Company  
P.O. Box 7, Mail Station 4010  
Fort Worth, Texas 76101-0007

Douglas A. Williford & Company  
P.O. Box 890514  
Houston, Texas 77289-0514

ALBERT, NEELY & KUHLMANN, L.L.P.

ATTORNEYS AT LAW  
400 OIL & GAS BUILDING  
309 WEST SEVENTH STREET  
FORT WORTH, TEXAS 76102

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\*BOARD CERTIFIED  
OIL, GAS & MINERAL LAW

TELEPHONE  
(817) 877 0055  
TELEFAX  
(817) 870 2849

March 31, 1994

Union Pacific Resources Company  
P. O. Box 7, Mail Station 3308  
Fort Worth, Texas 76101-0007

Attention: Marty Schardt

Re: Union Pacific Resources Company's Preston J. Ruffino, III, et ux, Lease, 118.12 acres, more or less, out of the David W. Campbell Survey, Abstract No. 88, the Henry Fullerton Survey, Abstract No. 153, the Andrew McMillan Survey, Abstract No. 275, and the Wright Coley Survey, Abstract No. 95, Robertson County, Texas

ORIGINAL DRILLING TITLE OPINION

DESCRIPTION OF LANDS

118.12 acres of land, more or less, out of the David W. Campbell Survey, Abstract No. 88, the Henry Fullerton Survey, Abstract No. 153, the Andrew McMillan Survey, Abstract No. 275, and the Wright Coley Survey, Abstract No. 95, Robertson County, Texas, and being the same land described, in two (2) tracts, as follows, to wit:

Tract One: 118.12 acres of land, more or less, out of the David W. Campbell Survey, Abstract No. 88, the Henry Fullerton Survey, Abstract No. 153, the Andrew McMillan Survey, Abstract No. 275, and the Wright Coley Survey, Abstract No. 95, Robertson County, Texas, and being the same land described in a Warranty Deed, dated December 13, 1974, from Preston J. Ruffino, Jr., and wife, Callie Ruffino, Grantors, to Preston J. Ruffino, III, and wife, Bessie Jo Ruffino, Grantees, recorded in Volume 296, Page 26, Public Records, Robertson County, Texas; LESS AND EXCEPT Tract Two, below.

Tract Two: 0.05 acre, more or less, located in the Henry Fullerton Survey, Robertson County, Texas, being the same land described in that certain Warranty Deed, dated May 10, 1910, from Emilie Woiton, and husband, S. C. Woiton, Grantors, to Will C. Perry, County Judge of Robertson County, Texas, recorded in Volume 55, Page 10, Deed Records, Robertson County, Texas.

The above described tracts are hereinafter referred to as the "Subject Lands".

A Plat depicting the approximate location of the Subject Lands is attached hereto as Exhibit "A".

I.

MATERIALS EXAMINED

1. The records maintained in the Offices of the County and District Clerks of Robertson County, Texas, as reflected in that certain Limited Title Runsheet, prepared by Douglas A. Williford & Company, Independent Petroleum Landmen, Houston, Texas, purporting to cover title to the Subject Lands from January 1, 1900 to February 8, 1994, at 5:00 p.m.

2. Four (4) Tax Certificates, Nos. 388-390 and 392, dated February 14 and 15, 1994, issued by the Office of the Tax Assessor and Collector, Hearne Independent School District and Robertson CED, regarding the status of ad valorem taxes assessed against 118.35 acres, assumed by the examiner to cover all of the Subject Lands, out of the David W. Campbell, Henry Fullerton, Andrew McMillan, and the Wright Coley Surveys.

3. Four (4) Tax Certificates (unnumbered), dated February 11, 1994, issued by the Tax-Assessor Collector for Robertson County, Texas, regarding the status of ad valorem taxes assessed against 118.35 acres, assumed by the examiner to cover all of the Subject Lands, out of the David W. Campbell, Henry Fullerton, Andrew McMillan, and the Wright Coley Surveys.

II.

OWNERSHIP

Based upon our examination of the materials referenced above, and subject to the comments, requirements and limitations hereinafter set forth, we find title to the Subject Lands to be vested, as of February 8, 1994, at 5:00 p.m., as follows:

Ty. Moore - Atty.

Tract One

1. Surface

Preston J. Ruffino, III, and wife,  
Bessie Jo Ruffino All

2. Executive Rights and Mineral Fee

Preston J. Ruffino, III, and wife,  
Bessie Jo Ruffino\* All

\* Subject to NPR1, a perpetual non-participating  
royalty interest.

3. Oil and Gas Royalty

Source

Preston J. Ruffino, III, and wife,  
Bessie Jo Ruffino .093750 L1  
(1/2 of 3/16)

James McKinley Bryant .046875 NPR1  
(1/4 of 3/16)

Lorraine McMurrey *AKA BRYANT* .046875 NPR1  
(1/4 of 3/16)

Total Royalty Interest .187500

4. Oil and Gas Leasehold

(a) Overriding royalties

Source

Perry R. Bass, Trustee .007500 L1&A2  
(25% of 3%)

Sid R. Bass, Inc. .005625 L1&A2  
(18.75% of 3%)

Lee M. Bass, Inc. .005625 L1&A2  
(18.75% of 3%)

Keystone, Inc. .005625 L1&A2  
(18.75% of 3%)



Thru Line, Inc. (18.75% of 3%)	.005625	L1&A2
	<hr/>	
Total Overriding Royalty	.030000	

(b) Working Interest

<u>Name</u>	<u>Expense Interest</u>	<u>Revenue Interest</u>	<u>Source</u>
Union Pacific Resources Company	1.0	.7825	L1&A2
	<hr/>	<hr/>	
Total Working Interest	1.0	.7825	

Tract Two

1. <u>Surface</u>			
State of Texas		All	
2. <u>Executive Rights and Mineral Fee</u>			
State of Texas		All	<u>UNLEASED</u>

III.

OIL AND GAS LEASE

LEASE 1 (L1).

Lease Form: Producers 88 (7-69) Paid-Up with 640 Acres Pooling Provision. Pound Printing & Stationery Company, Houston, Texas

Date: March 29, 1991

Lessors: Preston J. Ruffino, III, and wife,  
Bessie Jo Ruffino

Lessee: J.L. Schneider and Company

Filing Date: May 20, 1991

Recorded: Volume 563, Page 64, Public Records,  
Robertson County, Texas

Lands Described: Tract One of the Subject Lands  
(118.12 acres)

Interest Covered: Full (8/8ths) interest in Tract One  
of the Subject Lands

Delay Rentals: None. L1 is a paid-up lease

Primary Term: Four (4) years (See Agreement to  
Extend Primary Term below)

Royalties: Three-sixteenths (3/16ths) royalty,  
oil and gas

Shut-in Royalties: See Lease Paragraph No. 3 and Spe-  
cial Provision Lease Paragraph No.  
19 below

Shut-in Royalty  
Depository: First City National Bank, 3000 Bri-  
arcrest, Bryan, Texas 77803

Pooling Provisions: See Lease Paragraph No. 4 and Spe-  
cial Provision Lease Paragraph Nos.  
13, 14 and 21 below

Special Provisions: See Lease Paragraph Nos. 12 - 33.  
Lease Paragraph No. 12. L1 covers  
only oil, gas including all other  
gaseous and liquid hydrocarbons as  
well as such other minerals or sub-  
stances produced incidental to and  
as a part of or mixed with oil, gas  
and other liquid or gaseous hydro-  
carbons

Lease Paragraph No. 13. Pugh clause; retained acreage and horizon provisions

Lease Paragraph No. 14. Pooling provisions in addition to Lease Paragraph No. 4 (and subject to Lease Paragraph No. 21, below); Lease Paragraph No. 14 provides that it is a "condition" of L1 that Lessee agrees that the initial well drilled pursuant to L1 shall be a horizontal drainhole well, as such is defined by the Railroad Commission of Texas, unless otherwise agreed to by Lessors; units for a well or wells having a horizontal drainhole shall be limited to the smallest unit size permitted or prescribed by the Railroad Commission, but said unit should not be limited in size to restrict the ability of the Lessee to obtain the maximum allowable relative to the horizontal drainhole length of the well or wells drilled; pooling authority restricted by applicable field rules, if any

Lease Paragraph No. 15. Lessee prohibited from drilling any well nearer than five hundred (500) feet to any house, waterwell, pond or tank on the lease premises without the prior written consent of Lessors

Lease Paragraph No. 16. Re-statement that royalty in L1 is three-sixteenths (3/16)

Lease Paragraph No. 17. Lessee prohibited from using surface water or water from Lessors' water wells; Lessee shall be permitted to use, free of cost, gas, oil and water produced from the lease premises for all operations, provided the use of fresh water shall be limited to use



of same for drilling, completion and re-completion operations; all pits into which saltwater or other deleterious substances are placed shall be constructed and sealed in a water tight manner so that such fluids cannot escape through or over such pits; if substantial quantities of saltwater are produced, the same shall be disposed of by transporting such substances off the lease premises; Lessee obligated to bury all pipelines, when the ditch therefore can be dug with the use of a conventional ditching machine; all pipelines will be buried at a minimum depth of three (3) feet and the surface restored to its original grade and condition as nearly as practicable

Lease Paragraph No. 18. Lessee obligated to furnish a copy of any Assignment of L1, within sixty (60) days after such Assignment; in the event Lessee fails to furnish copies of such Assignments, Lessee shall pay to Lessors Two Hundred Fifty Dollars (\$250.00) for each such Assignment as liquidated damages and not as a penalty

Lease Paragraph No. 19. Additional shut-in royalty provisions; increases shut-in royalty payment to Three Hundred Twenty Dollars (\$320.00) per month for each shut-in well located on the lease premises or lands pooled therewith; L1 may be maintained by the payment of shut-in royalties only for an aggregate period of eighteen (18) months

Lease Paragraph No. 20. Lessors reserve the option to elect to receive payment for royalty on oil and gas directly from the first purchaser of the same



Lease Paragraph No. 21. Pooling provision modification; all land covered by L1 must be included in any pooled unit; unless Lessors shall have given prior written consent to the contrary, none of the lease premises shall ever be included by Lessee, its successors or assigns within a unit for oil, a unit for gas, or a unit for oil and gas wherein, as to each and every producing horizon, zone, strata or formation, Lessor, Lessor's heirs, successors or assigns, do not share in production of oil and gas from the date of first production to the date that production ceases to maintain L1 in full force and effect

Lease Paragraph No. 22. Continuous drilling provision; express offset covenant

Lease Paragraph No. 23. Express development covenant

Lease Paragraph No. 24. Free royalty provision; Lessors shall not be required to pay and Lessor's royalty shall not be reduced on account of or charged with any cost of making the products produced under L1 ready and available for market including, but not limited to, the costs of transporting, dehydrating, operating, storing or treating, oil, gas or other gaseous or liquid hydrocarbons

Lease Paragraph No. 25. Royalty payment provision; if payment for production royalty is not initiated within ninety (90) days following the production of oil and gas produced from the lease premises, then payment shall be deemed to be delinquent, and unless the failure of Lessee to timely commence royalty



payments is due to a legitimate title problem, the delay of royalty owners in executing and returning to Lessee appropriate title curative instruments, (but not Division Orders whose contents alter, amend or add to L1) or some other circumstance reasonably beyond the control of Lessee, Lessee shall pay interest on the amount of delinquent royalty at the prime rate of interest at First City, Texas Bank, Fort Worth, plus two percent (2%) or the highest rate then permitted by law, whichever is less; after royalty payments commence, the same shall be paid on a monthly basis; in the event Lessee shall be delinquent with any royalty payment to Lessors under the terms of L1 for a period of more than One Hundred Eighty (180) days and such delinquency is due to or resulting from circumstances reasonably within the control of Lessee, then Lessors shall have the right to terminate L1 following thirty (30) days written notice to the attention of the Land Manager of Lessee by certified mail of such delinquency and default; acceptance by Lessors of royalties which are past due shall not act as a waiver or estoppel of its right to receive or recover all interest due thereon under the provisions of L1 unless the written acceptance and acknowledgement by Lessors to Lessee expressly so provides; attorney's fee provision

Lease Paragraph No. 26. Minimum royalty provision; in the event royalty from production payable to Lessor during any producing year does not equal Twenty-Five Dollars (\$25.00) per acre, then, within sixty (60) days after the end of the producing year Lessee shall pay Lessors at the depository bank named



above, the difference between the amount of royalty paid to Lessors and the minimum royalty sum provided for in L1

Lease Paragraph No. 27. Surface use, damage and restoration provisions

Lease Paragraph No. 28. Fence cutting and fence maintenance provision; cattleguard and gate provision

Lease Paragraph No. 29. Oil and gas pipeline provision

Lease Paragraph No. 30. Stipulated damage provision for surface use and surface damage

Lease Paragraph No. 31. L1 does not cover or include any right or privilege for hunting or fishing on the lease premises; prohibition on firearms; additional surface use provisions

Lease Paragraph No. 32. Prohibition on road usage

Lease Paragraph No. 33. Indemnity provision

Lease Amendment:

The materials reviewed in connection with this Original Drilling Title Opinion included that certain Agreement to Extend Primary Term, dated effective March 29, 1991, recorded in Volume 599, Page 705, Public Records, Robertson County, Texas, in which Preston J. Ruffino, III and wife, Bessie Jo Ruffino, as Lessors, agreed to extend the primary term of L1 from three (3) years to four (4) years from the date of L1



IV.

ASSIGNMENTS OF OIL AND GAS LEASE

ASSIGNMENT 1 (A1)

Date: July 30, 1991

Assignor: J.L. Schneider and Company

Assignee: Perry R. Bass, Trustee, Sid R. Bass, Inc., Lee M. Bass, Inc., Keystone, Inc. and Thru Line, Inc.

File Date: August 11, 1991

Recorded: Volume 566, Page 543, Public Records, Robertson County, Texas

Interest Assigned: 1.0 working interest (.8125 net revenue interest) in L1

Special Provisions and Reservations: None

ASSIGNMENT 2 (A2)

Date: September 27, 1991

Assignors: Perry R. Bass, Trustee, Sid R. Bass, Inc., Lee M. Bass, Inc., Keystone, Inc. and Thru Line, Inc.

Assignee: Union Pacific Resources Company

File Date: September 30, 1991

Recorded: Volume 569, Page 249, Public Records, Robertson County, Texas

Interest Assigned: 1.0 working interest (.7825 net revenue interest) in L1, and other interests in other leases

Special Provisions  
and Reservations:

Assignor reserved an overriding royalty interest of 3% of 8/8ths (.03) in and to L1; proportionate reduction clause; in the event Assignee acquires a renewal or new lease (including a "Protection Lease" obtained in order to satisfy any title deficiencies), or a portion of such a lease, covering an interest affected by L1 (or any of the other leases covered by the Assignment) within one (1) year after the expiration date of any such lease, the overriding royalty reserved by Assignors shall attach and apply to the entirety of such renewal, extension or new lease, as if such renewal, extension or new lease had originally been assigned under A2; Assignee is granted the right, at Assignee's election to pool and unitize the leases covered by A2 as permitted by the leases covered by A2

V.

INFORMATION CONCERNING NON-PARTICIPATING INTERESTS

NPR1 was conveyed in the following Royalty Deed.

Date:	October 6, 1949
Grantors:	Dewitte Bailey and wife, Pollie Bailey
Grantee:	James McKinley Bryant
Filed:	October 6, 1949
Recorded:	Volume 155, Page 70, Public Records, Robertson County, Texas

Lands Described: Tract One of the Subject Lands  
(118.12 acres) and other lands  
(141.28 total acres)

Interest Conveyed: An undivided one-half (1/2) interest  
in and to all of the royalties in  
oil, gas, casinghead gas and miner-  
als in, under and that may be pro-  
duced and mined from Tract One of  
the Subject Lands

Present Owners: James McKinley Bryant and Loraine  
McMurrey

VI.

ENCUMBRANCES

1. Deeds of Trust, Mortgages and similar Liens

The materials reviewed in connection with this Original  
Drilling Title Opinion included the following listed Deeds of  
Trust, and related documents:

A. Dated: September 29, 1989

Grantor: Preston J. Ruffino, III, and wife,  
Bessie Jo Ruffino

Grantee: Milton Lightsey, Trustee

Beneficiary: Bryan Production Credit Association

Filed: October 17, 1989

Recorded: Volume 538, Page 561, Public Re-  
cords, Robertson County, Texas

Lands Covered: Tract One of the Subject Lands  
(118.12 acres)

Present Owner: Heart of Texas Production Credit  
Association

Examiner's Notes:

(A) The above-described Deed of Trust was given to secure a Promissory Note, dated September 19, 1989, from Preston J. Ruffino, III and Bessie Jo Ruffino, to Bryan Production Credit Association, in the original principal amount of \$60,035.33, payable on demand or maturing on September 1, 1990.

(B) Bryan Production Credit Association was merged with other entities into Heart of Texas Production Credit Association, effective February 15, 1991 (Volume 560, Page 81, Public Records).

(C) The above-described Deed of Trust was renewed and extended by instrument dated August 26, 1992, recorded in Volume 582, Page 524, Public Records, Robertson County, Texas. Additionally, the parties replaced the above-described Promissory Note with a new Promissory Note, dated August 26, 1992, from Preston J. Ruffino, III and wife, Bessie Jo Ruffino, to Heart of Texas Production Credit Association, in the original principal amount of \$97,293.60, maturing on September 21, 1993.

B. By Assignment of Notes and Liens, dated July 27, 1990, recorded in Volume 550, Page 600, Public Records, Robertson County, Texas, First City, Texas-Dallas (formerly known as First City National Bank of Fort Worth) for itself, and as agent for Wells Fargo Bank, N.A., Banque Paribas, Houston Agency and First City, Texas-Houston, N.A. (formerly known as First City National Bank of Houston) assigned certain of its rights, titles and interests in and to the notes and liens described in and secured by the above-referenced Mortgage, Deed of Trust, Assignment of Production, Security Agreement and Financing Statement (Volume 525, Page 290) to First City-Dallas, Wells Fargo Bank, N.A. and Banque Paribas, Houston Agency.

By First Supplement to Mortgage, Deed of Trust, Assignment of Production, Security Agreement and Financing Statement, dated July 27, 1990, recorded in Volume 550, Page 616, Public Records, Robertson County, Texas, Thru Line, Inc. supplemented and amended the above-referenced Mortgage, Deed of Trust, Assignment of Production, Security Agreement and Financing Statement (Volume 525, Page 290).

By Second Supplement to Mortgage, Deed of Trust, Assignment of Production, Security Agreement and Financing Statement, dated August 21, 1991, recorded in Volume 568, Page 549, Public Records, Robertson County, Texas, Thru Line, Inc. supplemented and amended the above-referenced Mortgage, Deed of Trust, Assignment of Production, Security Agreement and Financing Statement (Volume 525, Page 290). Among other things, this Second Supplement indicated that Wells Fargo Bank, N.A., was the Agent for First City, Texas-Dallas, Banque Paribas, Houston Agency, Texas Commerce Bank, National Association and Team Bank.

By Assignment of Notes and Liens, dated August 22, 1991, recorded in Volume 568, Page 566, Public Records, Robertson County, Texas, First City, Texas-Dallas assigned portions of the notes and liens secured by the referenced Mortgage, Deed of Trust, Assignment of Production, Security Agreement and Financing Statement (Volume 525, Page 290) to Texas Commerce Bank, Team Bank and Wells Fargo Bank, N.A.

By Assignment of Notes and Liens, dated September 9, 1992, recorded in Volume 584, Page 80, Public Records, Robertson County, Texas, First City-Dallas, N.A., assigned certain interests in the notes and liens described in or secured by the above-referenced Mortgage, Deed of Trust, Assignment of Production, Security Agreement and Financing Statement (Volume 525, Page 290) to Wells Fargo Bank, N.A. This document recited that the "1992 Reconstituted Bank Group" consisted of Wells Fargo Bank, N.A., Banque Paribas, Houston Agency, Texas Commerce Bank and Team Bank.

By Third Supplement to Mortgage, Deed of Trust, Assignment of Production, Security Agreement and Financing Statement, dated September 9, 1992, recorded in Volume 584, Page 96, Public Records, Robertson County, Texas, Thru Line, Inc. supplemented and amended the above-referenced Mortgage, Deed of Trust, Assignment of Production, Security Agreement and Financing Statement (Volume 525, Page 290).

C. Fourth Supplement to Mortgage, Deed of Trust, Assignment of Production, Security Agreement and Financing Statement, dated August 27, 1991, recorded in Volume 568, Page 579, Public Records,

Robertson County, Texas, Keystone, Inc. (formerly known as Robert M. Bass Group, Inc.) to Wells Fargo Bank, N.A., for itself, and as Collateral Manager and Agent for The First National Bank of Boston, N.A., The Bank of New York, Banque Paribas, Houston Agency, NCNB Texas National Bank, Bank of America National Trust and Savings Association, First City, Texas-Dallas (Fort Worth Branch), and Continental Bank, N.A. This Fourth Supplement referred to, supplemented and amended previous Deeds of Trust between the parties recorded in Volume 460, Page 253, Volume 490, Page 377, Volume 514, Page 682, and Volume 534, Page 1, Public Records, Robertson County, Texas.

By Assignment of Notes and Liens, dated August 27, 1991, recorded in Volume 568, Page 599, Public Records, Robertson County, Texas, First City National Bank of Fort Worth assigned certain interests in the notes and liens described in and secured by the referenced Mortgages, Deeds of Trust, Assignments of Production, Security Agreements and Financing Statements to Continental Bank, N.A., NCNB Texas National Bank and Wells Fargo Bank, N.A.

By Assignment of Notes and Liens, dated September 9, 1992, recorded in Volume 584, Page 114, Public Records, Robertson County, Texas, First City, Texas-Dallas, N.A., assigned certain interests in the notes and liens described in and secured by the referenced Mortgages, Deeds of Trust, Assignments of Production, Security Agreements and Financing Statements to Wells Fargo Bank, et al.

By Fifth Supplement to Mortgage, Deed of Trust, Assignment of Production, Security Agreement and Financing Statement, dated September 9, 1992, recorded in Volume 584, Page 155, Public Records, Robertson County, Texas, Keystone, Inc. supplemented and amended the above-referenced Mortgages, Deeds of Trust, Assignments of Production, Security Agreements and Financing Statements.

The Grantors in all of the above-listed security documents (Thru Line, Inc. and Keystone, Inc.) previously owned working interests and presently own overriding royalty interests in L1, but L1 was never specifically described in any of the security documents. However, these security documents referred to loan agreements and other unrecorded agreements between the parties. These security documents were given to secure indebtedness in excess of Three Hundred and Fifty Million Dollars (\$350,000,000.00). We cannot determine, from the materials reviewed, whether any of the unrecorded agreements referred to in the security documents obligated the Mortgagors' to subject their interests in L1 to the liens created by the security documents.

2. Abstracts of Judgment

The materials reviewed in connection with this Original Drilling Title Opinion did not evidence the existence of any enforceable Abstracts of Judgment burdening the Subject Lands.

3. Easements and Right-of-Way Agreements

The materials reviewed in connection with this Original Drilling Title Opinion did not contain Right-of-Way Deeds, Agreements and/or Easements, for purposes other than roads, covering and affecting the Subject Lands.

4. Taxes

The materials reviewed contained Tax Certificates, identified in the "Materials Examined" Section of this Original Drilling Title Opinion, which indicate that ad valorem taxes assessed against Tract One, called "118.35" acres out of the David W. Campbell, Henry Fullerton, Andrew McMillan and the Wright Coley Surveys, owned by Preston J. Ruffino, III and wife, Bessie Jo Ruffino, have been paid for all years up to and including the year 1993. The examiner has presumed that the 118.35 acres covered in said Tax Certificates includes all of Tract One of the Subject Lands, save and except those portions occupied by public roads.

The examiner has assumed that Tract Two is tax exempt.

5. Unreleased Oil, Gas and Mineral Leases

A. Date: October 20, 1919  
Lessor: Allen Smith  
Lessees: H.J. Schlaply and Warren Oil Company  
Filed: December 15, 1919  
Recorded: Volume 1, Page 464, Oil and Gas Lease Records, Robertson County, Texas  
Lands Described: A 16.6 acre portion of the Subject Lands out of the Wright Coley Survey and other lands (180 total acres)

Primary Term: Five (5) years  
Present Owners: H.J. Schlaply and Warren Oil Company

B. Date: October 6, 1949  
Lessors: Dewitte Bailey and wife, Pollie Bailey  
Lessees: James McKinley Bryant, Frank Moore, and Loraine M. Bryant  
Filed: October 12, 1949  
Recorded: Volume 17, Page 357, Oil and Gas Lease Records, Robertson County, Texas  
Lands Described: Tract One of the Subject Lands and other lands (141.8 total acres)  
Primary Term: Ten (10) years  
Present Owner: James McKinley Bryant, Frank Moore, and Loraine McMurrey

C. Date: August 25, 1964  
Lessors: Pollie Bailey, Jeffery Bailey, Ellen Bailey Allen, and Bernice Bailey Prince  
Lessee: R. S. Hamilton  
Filed: December 3, 1964  
Recorded: Volume 43, Page 553, Oil and Gas Lease Records, Robertson County, Texas  
Lands Described: Tract One of the Subject Lands and other lands (130.68 total acres)  
Primary Term: Ten (10) years  
Present Owner: Exxon Company USA

D. Date: October 1, 1965  
Lessor: Bernice Prince Koehler  
Lessee: Robert B. Powell  
Filed: January 5, 1966  
Recorded: Volume 221, Page 436, Public Records, Robertson County, Texas  
Lands Described: Tract One of the Subject Lands and other lands (130.68 total acres)

Primary Term: Ten (10) years  
Present Owner: Exxon Company U.S.A.

E. Date: October 1, 1965  
Lessor: Altia (Altea) Mae Boney and Dewitt Bailey, Jr.  
Lessee: Robert B. Powell  
Filed: January 5, 1966  
Recorded: Volume 221, Page 438, Public Records, Robertson County, Texas  
Lands Described: Tract One of the Subject Lands and other lands (130.68 total acres)

Primary Term: Ten (10) years  
Present Owner: Exxon Company U.S.A.

F. Date: October 1, 1965  
Lessor: Lonnie Bailey  
Lessee: Robert B. Powell  
Filed: December 27, 1965  
Recorded: Volume 221, Page 4, Public Records, Robertson County, Texas

Lands Described: Tract One of the Subject Lands and other lands (130.68 total acres)  
Primary Term: Ten (10) years  
Present Owner: Exxon Company U.S.A.

G. Date: October 1, 1965  
Lessors: Willie Mae Pratt and Corine Pullins and husband, Tommy Pullins  
Lessee: Robert B. Powell  
Filed: December 27, 1965  
Recorded: Volume 221, Page 06, Public Records, Robertson County, Texas  
Lands Described: Tract One of the Subject Lands and other lands (130.68 total acres)  
Primary Term: Ten (10) years  
Present Owner: Exxon Company U.S.A.

H. Date: October 1, 1965  
Lessor: D. L. Bailey  
Lessee: Robert B. Powell  
Filed: February 24, 1966  
Recorded: Volume 223, Page 110, Public Records, Robertson County, Texas  
Lands Described: Tract One of the Subject Lands and other lands (130.68 total acres)  
Primary Term: Ten (10) years  
Present Owner: Exxon Company U.S.A.

I. Date: July 7, 1976

Lessors: Preston J. Ruffino, III, and wife,  
Bessie Jo Ruffino

Lessee: William C. Haverlah

Filed: July 29, 1976

Recorded: Volume 308, Page 827, Public Re-  
cords, Robertson County, Texas

Lands Described: Tract One of the Subject Lands  
(118.12 acres)

Primary Term: Five (5) year primary term with an  
option to extend primary term for an  
additional five (5) years

Present Owners: Clayton W. Williams, Jr. and Union  
Pacific Resources Company

VII.

COMMENTS AND REQUIREMENTS

The ownership set forth above is subject to the following comments, suggestions and requirements.

PATENTS

COMMENT NO. 1. The materials reviewed in connection with this Original Drilling Title Opinion contained copies of four (4) Patents, which are as follows:

(A) Patent, dated February 16, 1854, from the State of Texas to David W. Campbell, filed on March 19, 1954, recorded in Volume 173, Page 214, Deed Records, Robertson County, Texas, conveying all the State's right, title and interest in two 989,512/1,000,000 labors of land, more or less.

(B) Patent, dated April 7, 1852, from the State of Texas to Henry Fullerton, filed on December 10, 1853, recorded in Volume L, Page 288, Deed Records, Robertson County, Texas, conveying 320 acres of land, more or less.

(C) Patent, dated May 20, 1846, from the State of Texas to Andrew McMillan, filed on November 21, 1887, recorded in Volume 19, Page 95, Deed Records, Robertson County, Texas, conveying 320 acres of land, more or less.

(D) Patent, dated April 3, 1874, from the State of Texas to Wright Coley, filed November 2, 1916, recorded in Volume 66, Page 33, Deed Records, Robertson County, Texas, conveying 5,763,545 square varas, more or less.

A telephone conversation with the General Land Office of the State of Texas verifies that the David W. Campbell Survey, Abstract No. 88, the Henry Fullerton Survey, Abstract No. 153, the Andrew McMillan Survey, Abstract No. 275, and the Wright Coley Survey, Abstract No. 95, located in Robertson County, Texas, are not minerally classified.

REQUIREMENT NO. 1. None. This Comment is advisory only.

#### CHAIN OF TITLE

COMMENT NO. 2. The Subject Lands are comprised of 118.12 acres of land, more or less, out of the David W. Campbell Survey, Abstract No. 88, the Henry Fullerton Survey, Abstract No. 153, the Andrew McMillan Survey, Abstract No. 275, and the Wright Coley Survey, Abstract No. 95, Robertson County, Texas. As noted in the "Materials Examined" Section of this Original Drilling Title Opinion, the Title Runsheet examined in connection with this Opinion was limited from January 1, 1900 through February 8, 1994. The examiner has assumed that the chain of title to the Subject Lands, prior to January 1, 1900, contains no fee conveyances for road purposes, no mineral reservations, mineral deeds or mineral severances, and was regular and consistent, or, if it contained irregularities and defects, the same cannot be cured and any claim to the Subject Lands resulting from such irregularities and defects are presently barred by the applicable statutes of limitation.

**Early Chain of Title to that portion of the Subject Lands  
contained within the David W. Campbell Survey, Abstract No. 88**

The chain of title to that portion of the Subject Lands containing 43.08 acres, more or less, located within the David W. Campbell Survey, Abstract No. 88, Robertson County, Texas, is regular and consistent into Dewitte (Dewitt) E. Bailey. Specifically, Dewitte Bailey acquired this portion of the Subject Lands under three separate Warranty Deeds. The first Warranty Deed, dated November 23, 1924, from Henry Bowman, and wife, Helen Bowman, Grantors, to Dewitte Bailey, Grantee, conveyed a 23 acre tract of land (Volume 84, Page 504). The second Warranty Deed, dated August 25, 1928, from Henry Bowman, and wife, Helen Bowman, Grantors, to Dewitte Bailey, Grantee, conveyed a 7.8 acre tract of land adjacent to the above-referenced 23 acre tract on its eastern boundary (Volume 93, Page 71). The third Warranty Deed, dated November 8, 1944, from Sanford Johnson and wife, Annie Johnson, Grantors, to Dewitte Bailey, Grantee, conveyed a 12.28 acre tract of land, contiguous to the above-referenced two tracts on the northeast (Volume 134, Page 384).

**Early Chain of Title to that portion of the Subject Lands  
contained within the Henry Fullerton Survey, Abstract No. 153**

The chain of title to that portion of the Subject Lands containing 51 acres, more or less, located within the Henry Fullerton Survey, Abstract No. 153, Robertson County, Texas, is regular and consistent from January 1, 1900 through the Deeds to Dewitte Bailey (a 51 acre portion of Tract One) and to the State of Texas (Tract Two).

By Warranty Deed, dated in May of 1910, Emilie Woiton and husband, S.C. Woiton, as Grantors, conveyed Tract Two of the Subject Lands, a 15 foot by 2110.5 foot tract of land, located on along the western-most portion of the 51 acres of the Subject Lands contained within the Henry Fullerton Survey, to Will C. Perry, County Judge of Robertson County, Texas. This strip of land was for a public road and, accordingly, title to said road vested in the State of Texas.

In November of 1913 Riley Sadberry conveyed to Robertson County, Texas a 1.55 acre strip of land located along the complete length of the southeastern boundary of the Subject Lands as it is contained with the Henry Fullerton Survey (Volume 62, Page 35). This strip of land was for a public road and, accordingly, title to said road vested in the State of Texas on the date of this Deed.

In September, 1924, Allen Smith conveyed the residue of the 51 acre tract (Volume 84, Page 315) to DeWitte Bailey. This tract, called 51 acres, is actually 51 acres less and except the lands conveyed in the two Deeds, referenced above, for public roads.

**Early Chain of Title to that portion of the Subject Lands contained within the Andrew McMillan Survey, Abstract No. 275**

A portion of the Subject Lands, containing 10 acres, more or less, located in the Andrew McMillan Survey, Abstract No. 275, Robertson County, Texas, has certain irregularities and inconsistencies in its chain of title, from January 1, 1900, through the Deed into Dewitte and Pollie Bailey in 1946.

In January, 1894, J. W. English conveyed 160 acres of land, including the 10 acres referenced above to Jerry Couch (Volume 27, Page 568).

In November, 1913, Matilda Neal filed an Affidavit of Deed (Volume 61, Page 269) wherein she claimed that Isabella Couch, the surviving widow of Jerry Couch, conveyed to her a 10 acre tract of land as settlement of demands and in exchange for her interest in the Estate of Jerry Couch, deceased. This Affidavit did not describe the 10 acre tract either by reference to other recorded documents or by metes and bounds.

The materials examined did not contain an Affidavit of Heirship or Probate materials for Jerry Couch. The examiner has assumed that Jerry Couch died after May 8, 1909, but prior to November 25, 1913, with his sole heirs and/or devisees being Isabella Couch, Cassie May Couch, Benjamin Louis Cheeks and Matilda Neal.

In July, 1945, by Judgment in a Tax Foreclosure suit, the 10 acre tract referenced above was ordered to be sold to satisfy delinquent taxes on said land (Volume 4, Page 231, Tax Judgment Records). Thereafter, by Sheriff's Deed, recorded in Volume 138, Page 13, Deed Records, Robertson County, Texas, M.H. Lightsey acquired the interest of Matilda Neal in the 10 acre tract of land, subject to the right of redemption. This Deed did not describe the 10 acres conveyed.

In November, 1945, John Owens conveyed the 10 acre tract referenced above to J. T. Owens (Volume 139, Page 400).

The materials examined, did not contain an Affidavit of Heirship or Probate materials for Matilda Neal. The examiner has assumed, based on the recitations contained in the Warranty Deed to J. T. Owens, that Matilda Neal died intestate prior to November 1, 1945 with John Owens, her son, as her sole heir.

In July, 1946, M.H. Lightsey conveyed all of his right, title and interest in the 10 acre tract of land acquired in the above-referenced Sheriff's Deed to J. T. Owens (Volume 142, Page 198).

In August, 1946, J. T. Owens conveyed the 10 acre tract of land described above to DeWitte Bailey and wife, Pollie Bailey (Volume 142, Page 199).

**Early Chain of Title to that portion of the Subject Lands contained within the Wright Coley Survey, Abstract No. 95**

The chain of title to that portion of the Subject Lands, containing 16.6 acres, more or less, located in the Wright Coley Survey, Abstract No. 95, Robertson County, Texas, is regular and consistent from January 1, 1900, through a Deed into Dewitte Bailey in 1926.

In August, 1926, Allen Smith conveyed this 16.6 acre tract of land to DeWitte Bailey (Volume 88, Page 563).

**Recent Chain of Title**

As of August 17, 1946, Tract One of the Subject Lands , 118.12 acres, more or less, was owned by Dewitte Bailey and wife, Pollie Bailey. Tract Two of the Subject Lands, .05 acre, more or less, was owned by the State of Texas.

In October, 1949, Dewitte Bailey and wife, Pollie Bailey, conveyed an undivided one-half (1/2) of the royalty on oil, gas and minerals in Tract One of the Subject Lands and other lands (141.8 total acres) to James McKinley Bryant [Volume 155, Page 70].

By Divorce Decree entered August 4, 1955, James McKinley Bryant and Loraine Bryant were divorced (Volume 183, Page 29). In the Decree, Loraine M. Bryant's name was restored to Loraine McMurrey. The Decree recited that the Defendant, James McKinley Bryant, had concealed the community property acquired during their marriage and that, although the marriage was terminated, Plaintiff, Loraine McMurrey's rights to such community property were not determined and Plaintiff was granted the right to locate and seek

partition of community property subsequently discovered. The materials examined indicate NPR1 was likely the community property of their marriage and, therefore, the examiner has divided this interest accordingly.

In April, 1961, DeWitte Bailey died intestate survived by his wife, Pollie Bailey, and twenty (20) additional heirs who were his children and grandchildren. They were Lonnie Bailey, Corine Bailey Pullins, Searcy Bailey, Dewitt Bailey, Jr., Altia Mae Bailey Boney, Willie Mae Bailey Pratt, Bernice Bailey Prince, Jeffery Bailey, Ellen Bailey Allen, Pollie V. Bailey Smith, Delois Bailey, Linda Thomas, Altia Thomas, Tommy Thomas, Bennie Thomas, Leonard Thomas, Estellene C. Jones, Jimmie Dene Jones, Toni Helena Jones, and Willie Jean Jones McGhee.

In June, 1972, Pollie Bailey died intestate survived by the same twenty (20) children and grandchildren referenced above.

By January 1, 1974, through mesne conveyances Preston Ruffino, Jr. had acquired all right, title and interest in Tract One of the Subject Lands from the heirs of Dewitte Bailey and wife, Pollie Bailey (Volume 267, Page 305; Volume 270, Page 752; Volume 286, Page 449; Volume 289, Pages 236 and 245; and Volume 291, Pages 70, 73, 75, 77, 79, 81, and 84).

In December, 1974, Preston Ruffino, Jr. and wife, Callie Ruffino, conveyed Tract One of the Subject Lands to Preston J. Ruffino, III and wife, Bessie Jo Ruffino, (Volume 296, Page 26). This Deed described Tract One of the Subject Lands in two tracts, and was the first deed to describe all of Tract One of the Subject Lands by metes and bounds, including the 10 acre portion located in the Andrew McMillan Survey, Abstract No. 275. The metes and bounds description of the eastern 70.56 acres of Tract One contains a defective course call. Specifically, the call beginning "THENCE \_\_\_\_\_ (sic.) 31 deg. 00' W continuing along the Fazzino Tract, ..." should read "THENCE N 31 deg. 00' W continuing along the Fazzino Tract..."

REQUIREMENT NO. 2.

A. Obtain from two disinterested witnesses with personal knowledge of the facts set forth therein and file for record in the Office of the County Clerk of Robertson County, Texas, an Affidavit of Use and Adverse Possession, setting forth those individuals presently using and possessing the Subject Lands and facts establishing their use, possession and ownership of such tracts free of adverse claims, for in excess of twenty-five (25) years.

Need  
UP

This Affidavit should (1) identify and locate the "Fazzino tract" as it lies adjacent to the Subject Lands, and (2) have the corrected metes and bounds description of Tract One, as set forth in the Comment above, attached to it.

*no prob*

B. Obtain, and submit to the examiner copies of the probate proceedings entered in the Estate of Matilda Neal, if she died testate, or, if she died intestate, Affidavits of Heirship, from two disinterested witnesses with personal knowledge of the facts set forth therein which establish that she died intestate after November 25, 1913, but prior to November 1, 1945, with her sole and only heir at law being her son, John Owens.

RUFFINO LEASE (L1)

COMMENT NO. 3. L1 covers only Tract One of the Subject Lands, is dated March 29, 1991, and, as extended, provides for a four (4) year primary term and is a paid-up lease. As noted in the tabulation of L1 in Section III, above, L1 contains numerous special, unusual and restrictive provisions regarding pooling of the Subject Lands and other onerous provisions, including a free royalty provision (Lease Paragraph No. 24), a termination provision for late payment of royalty (see Lease Paragraph No. 25) and a minimum royalty provision (see Lease Paragraph No. 26).

With regard to the pooling provisions contained in L1, your attention is directed to Lease Paragraph No. 4, Lease Paragraph No. 13, Lease Paragraph No. 14, and Lease Paragraph No. 21. Each of these paragraphs contain provisions which impact, limit or restrict the Lessee's right to pool the lands covered by L1 with other lands. Your attention is directed to the fact that the restrictions contained in Lease Paragraph No. 13 (Pugh clause and retained acreage and horizon provision) are more restrictive than the provisions contained in Lease Paragraph Nos. 4 and 14.

L1 describes Tract One of the Subject Lands by reference to the Deed from Preston J. Ruffino, Jr., et ux to Preston J. Ruffino, III, et ux (Volume 296, Page 26). The referenced Deed contains a partially defective metes and bounds description of a 70.56 acre portion of Tract One (see Comment No. 2 and Requirement No. 2.A., above). The defective call contains a latter reference to an adjoinder (the Fazzino tract), along which the distance runs. In such a circumstance the call along the adjoinder is senior and controls over the course or distance. C.M. Frost v. Socony Mobil Oil Company, 433 S.W. 2d (Tex. 1968), and Camp v. Gulf Production Co., 61 S.W.2d 773 (Tex. 1933).

REQUIREMENT NO. 3.

A. You should acquaint yourself with all of the terms and provisions of L1 and assure yourself that your operations on the lands covered thereby observe, and are consistent with all of the terms and provisions of the same.

B. You should determine whether the prior owners of L1 complied with the provisions of Lease Paragraph No. 18 which obligated the Lessee to furnish a copy of any Assignment of L1 to the Lessors, and, failing compliance with this provision, obligated the Lessee to pay to Lessor the sum of Two Hundred Fifty Dollars (\$250.00) as liquidated damages.

C. With regard to the pooling provisions of L1, you should acquaint yourself with Lease Paragraph No. 4, Lease Paragraph No. 13, Lease Paragraph No. 14 and Lease Paragraph No. 21 in order to determine whether these provisions are consistent with the intended size and configuration of any unit into which the lands covered by L1 will be placed. In this regard, you should pay special attention to the restrictions contained in Lease Paragraph No. 13. In the event these provisions are not consistent with the intended size and configuration of the unit or units into which L1 will be placed, then you should obtain an Amendment to L1 so as to allow for the size and configuration of the planned units.

D. In the event that portion of Requirement No. 2.A., regarding identifying and locating the "Fazzino tract" cannot be satisfied or identifies more than one Fazzino tract adjacent to the Subject Lands, you should obtain and file for record an Amendment to L1 which contains the corrected metes and bounds description of Tract One of the Subject Lands.

UNLEASED INTEREST

COMMENT NO. 4. As noted in the Ownership section of the Original Drilling Title Opinion, Tract Two of the Subject Lands is owned by the State of Texas and was unleased, as of the closing date of this Opinion.

The metes and bounds description of the Subject Lands contained in the Source Deed for L1 (Volume 296, Page 26) does not reference or honor the existence of Tract Two as it is described by metes and bounds in the Deed creating it (Volume 55, Page 10).

REQUIREMENT NO. 4.

A. Obtain, file for record and submit to the examiner, an Oil, Gas and Mineral Lease from the State of Texas to Union Pacific Resources Company covering the interest of the State of Texas in Tract Two.

Thereafter, conduct a supplemental check of the records maintained in the Offices of the County and District Clerks of Robertson County, Texas from the closing date of this Opinion (February 8, 1994 at 5:00 p.m.) through the file date of the above-required Lease to assure yourself that the State of Texas' title in Tract Two has not changed.

B. Obtain a survey, from a Registered Public Surveyor, of Tract Two which identifies it by metes and bounds and sets out the acreage contained therein.

C. After Requirements 4A and 4B have been satisfied, you should obtain a Lease Description Amendment for L1 in which Tract Two of the Subject Lands is deleted from the description of the lands covered by L1.

NPR1

COMMENT NO. 5. The materials examined did not contain a Ratification of L1 from the present owners of NPR1.

REQUIREMENT NO. 5. Obtain, submit to the examiner, and file for record a Ratification of L1 from the present owners of NPR1 insofar as it covers Tract One of the Subject Lands. This Ratification should contain a separate tract clause.

Thereafter, conduct a supplemental check of the records maintained in the Offices of the District and County Clerks of Robertson County, Texas from the closing date of this Opinion (February 8, 1994 at 5:00 p.m.) through the file date of the above-required Ratification of L1 to assure yourself that ownership of NPR1 in the Subject Lands has not changed or become encumbered.

PUBLIC ROADS AND HIGHWAYS

COMMENT NO. 6.

A. The materials examined contained two (2) Deeds for public roads which affect or bound the Subject Lands. One of these Deeds is discussed under Comment and Requirement No. 4, above. The second of these Deeds is a Warranty Deed, dated November 21, 1913, from Riley Sadberry, Grantor, to the County of Robertson, State of Texas, Grantee, conveying a 1.55 acre strip of land, 15 feet wide and 2110.5 feet in length, out of a 51 acre portion of Tract One of the Subject Lands located in the Henry Fullerton Survey, Abstract No. 153, Robertson County, Texas (Volume 62, Page 35). This strip of land, located entirely within the Henry Fullerton Survey and adjacent to the Subject Lands on its southeastern boundary, is not located within the description of the Subject Lands.

B. The Plat attached to this Opinion as Exhibit "A", depicts the location of a public road bisecting a portion of Tract One of the Subject Lands, lying within the Henry Fullerton Survey. Additionally, the metes and bounds description of Tract One of the Subject Lands describes two tracts which call to the margins of the above-mentioned public road. The description of the Subject Lands does not include the road itself, however, the examiner has interpreted such road as being a prescriptive right-of-way with the owner of Tract One owning beneath it where it bisects Tract One.

For your information, L1 contains a Mother Hubbard Clause.

REQUIREMENT NO. 6.

*None*  
A. Advisory regarding ownership by the State of Texas of the 1.55 acre tract of land located along the southeastern boundary of Tract One of the Subject Lands, as it is contained in the Henry Fullerton Survey, Abstract No. 153. Accordingly, you should locate this road and refrain from conducting any operations on, under or within a legal distance of the same.

B. None. This portion of Comment No. 6 is advisory only.

RIVERS AND STREAMS

COMMENT NO. 7. The materials reviewed in connection with this Original Drilling Title Opinion did not evidence the existence of any perennial or navigable rivers or streams affecting or located within the Subject Lands.

REQUIREMENT NO. 7. None. This Comment is advisory only.

SURFACE LEASES

COMMENT NO. 8. The materials reviewed did not contain any surface lease agreements covering and affecting the Subject Lands.

REQUIREMENT NO. 8. In the event any portion of the Subject Lands is intended to contain your drillsite, you should investigate the existence of tenants on the Subject Lands and obtain Tenant's Consent Agreements, if possible.

GENERAL

COMMENT NO. 9. The following described requirements relate to Encumbrances, Easements, Taxes and Unreleased Oil and Gas Leases, as set forth in this Opinion.

ENCUMBRANCES

REQUIREMENT NO. 9A. You should obtain, and file for record in the Office of the County Clerk of Robertson County, Texas, from all of the owners of the notes and liens described in Paragraph VI.1.A., B. and C., above, Releases of the same, insofar and only insofar as they cover and affect L1.

In the alternative, if Releases cannot be obtained, and if the owners of these liens do not claim any interest in L1, then you should obtain, and file for record Disclaimer of Interest from all of the owners of liens listed above which confirms that these owners do not claim any interest in L1.

EASEMENTS

REQUIREMENT NO. 9B. The materials reviewed did not contain any Right-of-Way Agreements or Easements, for purposes other than roads, covering or affecting the Subject Lands.

### TAXES

REQUIREMENT NO. 9C. As noted above, the materials reviewed contained Tax Certificates purporting to cover "118.35 acres" out of the David W. Campbell Survey, Andrew McMillan Survey, Henry Fullerton Survey, and Wright Coley Survey, owned by Preston J. Ruffino, III and wife, Bessie Jo Ruffino. These certificates indicate that taxes assessed against such tract have been paid for all years up to and including 1993. The examiner has assumed that the above-referenced Tax Certificates cover all of Tract One of the Subject Lands.

The examiner has assumed that Tract Two is tax exempt.

### UNRELEASED OIL, GAS AND MINERAL LEASES

REQUIREMENT NO. 9D. You should obtain, and file for record in the Office of the County Clerk of Robertson County, Texas, Releases of all of the unreleased Oil, Gas and Mineral Leases listed herein.

Alternatively, in the event Releases cannot be obtained, you should obtain and file for record in Robertson County, Texas, from two disinterested witnesses with personal knowledge of the facts set forth therein, Affidavits of Non-Production and Cessation of Operations, setting forth facts sufficient to establish the termination of the prior, unreleased Oil, Gas and Mineral Leases.

Your attention is directed to the fact that some of the unreleased leases listed above covered lands in addition to the Subject Lands. Accordingly, and in the event you intend to rely on Affidavits to satisfy this requirement, the same should contain facts relating to all of the lands covered by the leases (and any lands pooled therewith) not just the Subject Lands.

### VIII.

#### LIMITATIONS

This Opinion does not cover (i) minerals other than oil, gas and associated hydrocarbons; (ii) the location of the property on the ground, questions of boundary, conflicts with adjacent surveys or matters of area; (iii) the genuineness, authenticity, or

enforceability of any instruments relied upon; or (iv) any other matters not discoverable with ordinary professional care by the methods of examination described. This Opinion presumes that all statements of fact contained in the materials reviewed are true and correct. Notwithstanding the references in this Opinion to the apparent surface ownership, no opinion is rendered regarding the ownership of surface rights. This Opinion is rendered solely for the benefit of the addressee and may not be relied on by any other person or entity for any purpose.

This Opinion is additionally subject to all of the limitations contained within the Title Runsheets from which it was prepared and all errors and omissions therein.

Please contact Roger T. Neely at (817) 877-0055 if you have any questions or comments concerning this Opinion or the comments and requirements set forth herein.

Respectfully Submitted,

ALBERT, NEELY & KUHLMANN  
400 Oil & Gas Building  
309 West Seventh Street  
Fort Worth, Texas 76102  
(817) 877-0055

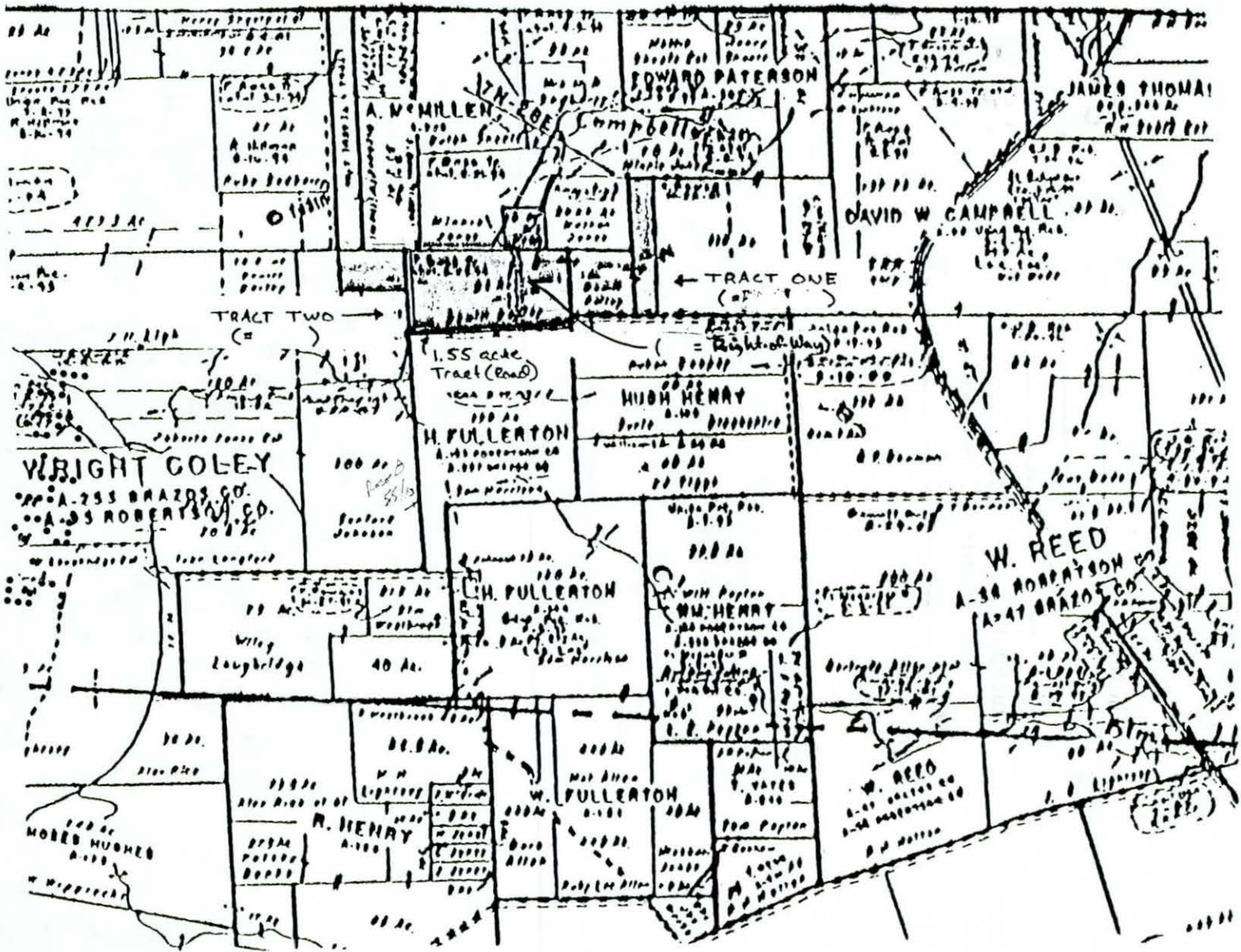
By:   
ROGER T. NEELY

By:   
PHILIP C. MANI

cc: Douglas A. Williford & Company

PCM#18/Ruffino.to

EXHIBIT "A"



File No. MF-95943

Title Opinion

Date Filed: 3/31/94

Jerry E. Patterson, Commissioner

By \_\_\_\_\_

MF-95943 (6)  
Title Opinion  
3.31.94

25434

62/35 Dr.

retract it.

Given under my hand and seal of office this 24 day of Nov, A.D. 1913.

Witness R.B. Dunn.

A.S. Coffield,

(L.S.)

Filed for record this the 17 day of February A.D. 1914. at 2.30 P.M. and duly recorded on the 21 day of February, A.D. 1914. at 4.30 P.M.

By Roy P. Moody Deputy Geo B. Trutt J.C.C.R.C.

The State of Texas,) County of Robertson) Know all men by these presents: That we Riley Sadberry and Alice Sadberry of the County of Robertson State of Texas, for and in consideration of the sum of Seventy five (\$75.00) Dollars to us paid and by Dunn Newton Co., of the County of Robertson State of Texas. thereceipt of which is hereby acknowledged as follows: have granted, sold and conveyed and by these presents do grant sell and convey unto the said County of Robertson of the County of Robertson State of Texas, all that certain tract or parcel of land lying and being situated in the County of Robertson State of Texas and being out of the Henry Fullerton survey in said County and being also a part of a tract of land sold by R.H. Harrison to Riley Sadberry more definitely described as follows Beginning in the east line of the Henry Fullerton survey at the south east corner of the Riley Sadberry 51 acre tract Thence South 60° W along the south line of said 51 acre tract 760 varas to a point in the <sup>East</sup> ~~West~~ line of a road Thence N 30 E 10-1/10 varas to a stake in the east line of the road. Thence N 60 W 1/10 varas to a stake in the east line of the said Henry Fullerton survey, Thence S 30 E 10-4/5 varas to the place of beginning containing 1-55/100 acres.

TO HAVE AND TO HOLD the above described premises together with all and singular the rights and appurtenances thereto in anywise belonging unto the said County of Robertson heirs and assigns forever and we do hereby bind ourselves heirs executors and administrators, to warrant and forever defend all and singular the said premises unto the said County of Robertson heirs and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof. But it is expressly agreed and stipulated that the vendor's lien is retained against the above described property premises and improvements until the above described note and all interest thereon are fully paid according to face and tenor effect and reading when this deed shall become absolute.

Witness our hands at Benchley this 21st day of Nov., A.D. 1913.

Witness at request of grantor: R.B. Dunn,

Riley Sadberry, Alice Sadberry,

The State of Texas,) County of Robertson) Before me, A.S. Coffield a notary public in and for Robertson County, Texas, on this day personally appeared Riley Sadberry 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 21 day of Nov., A.D. 1913.

(L.S.)

A.S. Coffield,

The State of Texas,) County of Robertson) Before me, A.S. Coffield, a notary public in and for Robertson County, Texas, on this day personally appeared Alice Sadberry wife of Riley Sadberry, 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 Alice Sadberry, acknowledged 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 21st day of Nov., A.D. 1913.

(L.S.)

A.S. Coffield.

Filed for record this the 17th day of February, A.D. 1914. at 2.30 O'clock P.M. and duly recorded on the 23rd. day of February A.D. 1914. at 1.30 O'clock P.M.

BY Roy P. Moody DEPUTY. Geo B. Trutt J.C.C.R.C.

The State of Texas,) County of Robertson) Know all men by these presents: That I. C. R. McCrary, of the County of Robertson and State of Texas, for and in consideration of the sum of Nine Hundred and Ninety-eight and 25/100 Dollars to me secured to be paid by Wade Morrow of the County of Robertson and State of Texas, as follows: his four certain promissory notes of even date herewith for \$249.56-1/4 each due and payable on the 1st day of November 1900, 1901, 1902, and 1903, respectively bearing interest at the rate of ten per cent per annum from date interest payable annually as it accrues, do by these presents, Bargain, Sell, Release, and forever Quitclaim unto the said Wade Morrow, his heirs and assigns all my right title and interest in and to that certain tract or parcel of land lying in the County of Robertson and State of Texas, and described as follows, to wit:

A part of the Ed McMillan headright being a part of the estate of J.J. Hodge, set apart to T.C. Glass in the partition of same and more particularly described by metes and bounds as follows, viz: Beginning at a stake set on the N side of the Calvert and Franklin road about 40 vrs E of the Bridge across Mud Creek, from which a post oak 12 in in diam, marked X brs N 21/2E 9-2/3 Vrs, Thence with said Calvert and Franklin road S 83 E. 700 vrs E 303 Vrs. S 68 E 445 Vrs. to a corner, a stake set in said road from from which a black jack 7 in. in diam, marked X brs, S 3 W 8 Vrs. Thence S 2-1/2 E 130 Vrs. to corner a stake set from which a black jack 12. in. in diam, marked X brs. N 78 E 3-2/5 Vrs. and a post oak 18 in. in diam, marked X brs. S 6-1/2 E 10 Vrs.

THE STATE OF TEXAS,) County of Brazos...) KNOW ALL MEN BY THESE PRESENTS: That I, Emelie Woiton, joined herein by my husband, S.C. Woiton, of the County of Brazos, State of Texas, for and in consideration of the sum of One Hundred & no/100 Dollars to us paid by Will C. Perry, County Judge of Robertson County, as follows: Cash, one hundred dollars, the receipt of which is hereby acknowledged, have granted, sold and conveyed and by these presents do grant, sell and convey unto the said Will C. Perry County Judge of Robertson County, Texas, and his successors in office, of the County of Robertson, State of Texas, all that certain tract or parcel of land, situated in the Henry Fullerton 320 acre survey and the Henry Fullerton labor survey in Robertson County, Texas, being fifteen(15) feet off of the west side of a 351 27/100 acre tract of land owned by Emelie Woiton, and described as follows, to-wit: Beginning at a point in the north boundary line of said 351 27/100 acre tract of land fifteen feet from the north west corner of same; Thence in a southerly direction and parallel with the west boundary line of said 351 & 27/100 acre tract to the Bryan and Mumford public road; Thence with said road to the west boundary line of said 351 27/100 acre tract; Thence in a northerly direction with the west boundary line of said tract to the north west corner of same; Thence fifteen feet (15) to the place of beginning. It is our intention to and we do hereby convey a strip of land fifteen feet wide off of the west side of said 351 27/100 acre tract of land.

TO HAVE AND TO HOLD the above described premises together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Will C. Perry, County Judge of Robertson County, Texas, and his successors in office, forever; And we do hereby bind our heirs executors and administrators to warrant and forever defend all and singular the said premises unto the said Will C. Perry County Judge of Robertson County, Texas, and his successors in office, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

WITNESS our hands at Bryan, Texas, this 10th day of May A.D. 1910.

S. C. Woiton.  
Emelie Woiton.

The State of Texas,) County of Brazos. ) Before me, W.C. Davis, a Notary Public in and for Brazos County, Texas, on this day personally appeared S.C. Woiton, 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 10th day of May A.D. 1910.

(L.S.)

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

The State of Texas,) County of Brazos.. ) Before me, W.C. Davis, a Notary Public in and for Brazos County, Texas, on this day personally appeared Mrs. Emelie Woiton, wife of S.C. Woiton, 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 Mrs. Emelie Woiton, acknowledged 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 10th day of May A.D. 1910.

(L.S.)

W. C. Davis, Notary Public,  
Brazos County, T E X A S .

FILED for record at 8 o'clock A.M. the 21st day of June 1910, and duly recorded at 10 o'clock A.M. the 21st day of June 1910.

BY Just Burt DEPUTY.

Ben C. Love G.C.C.R.C.

STATE OF TEXAS, ) Robertson County.) KNOW ALL MEN BY THESE PRESENTS: That I, Frederiecke Schillings of the County of Robertson, in the State of Texas, for and in consideration of One Dollars the receipt of which is hereby acknowledged and the further consideration of the natural love and affection that I have for my daughter Agnes Metzor of the County of Robertson in the State of Tex, have given, granted, bargained, sold and released and by these presents do give, grant, bargain, sell and release unto the said Agnes Metzor all that certain tract or parcel of land bounded and described as follows, to-wit: Situated in Robertson County, Texas and in the city of Hearne, better known and described as lots number six(6) and seven(7) in Block number three hundred & ninety eight(398) in the said town of Hearne, each of said lots having a width of twenty five (25) feet and a depth of one hundred and fifteen feet(115) according to a map of said town upon record in Book Z page 26 records of deeds for Robertson County, - together with all and singular the rights, members, hereditaments ad appurtenances to the same belonging, or in anywise incident or appertaining, to have and to hold all and singular the premises above described unto the said Agnes Metzor, her heirs and assigns forever. And I the said Frederiecke Schillings do hereby bind myself, heirs, executors and administrators to warrant and forever defend all and singular the title to the said premises unto the said Agnes Metzor heirs or assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof.

WITNESS my hand and seal (using scrawl for seal) this 26th day of April 1884.

Frederiecke Schilling (Seal)

The State of Texas,) County of Robertson) Before me, J.P. Burt a Justice of the Peace & Exofficio a Notary Public in and for said County, on this day personally appeared \_\_\_\_\_

File No. MF-95943

Row Deeds

Date Filed: \_\_\_\_\_

Jerry E. Patterson, Commissioner

By \_\_\_\_\_

M-95943  
Row Deeds

(T)

2.54.04

1296

# OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 29 day of March 19 91, between

Preston J. Ruffino, III and wife, Bessie Jo Ruffino

Lessor (whether one or more), whose address is: Rt. 1, Box 105, Bryan, Texas 77803 /Texas 77060  
and J.L. Schneider and Company, 363 N. Sam Houston Pkwy E., Suite 1450, Houston, Lessee, WITNESSETH:

1. Lessor, in consideration of Ten dollars and other valuable 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 Robertson, State of Texas, and is described as follows:

118.12 acres of land, more or less, in the Henry Fullerton Survey, A-153, D. W. Campbell Survey, A-88, A. McMillan Survey, A-275, and the Wright Coley Survey, A-95, Robertson County, Texas, and being the same land described as Tract One and Tract Two in a Deed dated December 13, 1974, recorded in Volume 296, Page 26 of the Deed Records of Robertson County, Texas.

FILED

AT.....10A...M. O'CLOCK

MAY 20 1991

MARY B. REAGAN  
CLERK, COUNTY COURT, ROBERTSON COUNTY, TX.

See Exhibit "A" to Oil, Gas and Mineral Lease attached hereto and made a part hereof for paragraphs 12 through 33, inclusive.

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 or other payment

hereunder, said land shall be deemed to contain 118.12 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 as lump sum consideration for this lease and all rights and options hereunder. (3) three

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of ~~(36.000)~~ 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. 3/16

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 ~~proportion~~ 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 ~~oil~~ 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 ~~proportion~~ 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, ~~proportion~~ 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 ~~such gas~~ 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 one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the

First City National Bank, 3000 Briarcrest Bank  
at Bryan, Texas 77803, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty.

If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then 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, drilled, 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 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. 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.

6. 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.

Vol. 563 Page 64

I, Mary B. Reagan, County Clerk, Robertson County, Texas do hereby certify that this is a true and correct copy as same appears of record in my office. Witness my hand and seal of office on 5-19-94



Mary B. Reagan, County Clerk  
*M. Reagan*

32298

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, 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 or to lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, 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, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

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 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 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.

Preston J. Ruffino, III  
Preston J. Ruffino, III  
SS# [REDACTED]

Bessie Jo Ruffino  
Bessie Jo Ruffino  
SS# [REDACTED]

LESSOR SS. OR TAX I.D. NO.

LESSOR SS. OR TAX I.D. NO.

STATE OF Texas  
COUNTY OF Brazos

This instrument was acknowledged before me on the  
Preston J. Ruffino, III and  
Bessie Jo Ruffino

Vol. 563 Page 65  
30 day of March

ACKNOWLEDGEMENT

Becky A Pope  
Notary Public, State of Texas  
Notary's name (printed): Becky A Pope  
Notary's commission expires: 6-25-93



ACKNOWLEDGEMENT

STATE OF  
COUNTY OF

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

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

STATE OF  
COUNTY OF

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

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

I, Mary B. Reagan, County Clerk, Robertson County, Texas  
do hereby certify that this is a true and correct copy as  
same appears of record in my office.  
Witness my hand and seal of office on 5-18-94



Mary B. Reagan, County Clerk  
By [Signature]

Producers 88 (7/69) - Paid Up  
with 640 Acres Pooling Provision

No. \_\_\_\_\_  
**Oil, Gas and Mineral Lease**  
FROM \_\_\_\_\_  
TO \_\_\_\_\_

Dated \_\_\_\_\_, 19\_\_\_\_,  
No. Acres \_\_\_\_\_, County, \_\_\_\_\_  
Term \_\_\_\_\_  
This instrument was filed for record on the \_\_\_\_\_  
day of \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_  
o'clock \_\_\_\_\_ M., and duly recorded in  
\_\_\_\_\_ Page \_\_\_\_\_  
of the \_\_\_\_\_ records of this office.

County Clerk  
Deputy \_\_\_\_\_  
When recorded return to \_\_\_\_\_

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

EXHIBIT "A"  
TO  
OIL, GAS AND MINERAL LEASE

March 29, 1991

BY AND BETWEEN  
Preston J. Ruffino, III, as LESSOR  
and wife, Bessie Jo Ruffino, AND  
J. L. Schneider and Company, as LESSEE

12. This Lease covers only oil and gas, including all other gaseous and liquid hydrocarbons, as well as such other minerals or substances as may be produced incidental to and as a part of or mixed with oil, gas and other liquid or gaseous hydrocarbons, but this Lease does not cover gravel, uranium, fissionable materials, coal, lignite or any hard minerals or any minerals or substances of any type which shall be produced from the leased premises separate and apart from, or independently of, oil, gas or other liquid or gaseous hydrocarbons.

13. At the expiration of the primary term this Lease shall terminate as to all of the land below 100' below the base of the then deepest producing formation established under the terms of this Lease, and it shall terminate as to all of the land covered hereby except as to those lands which are included within the geographical boundaries of a pooled unit or proration unit containing the minimum acreage required to obtain the maximum allowable established in conformity with the field rules or spacing laws permitted or prescribed by the State of Texas Railroad Commission on which there is located a well capable of producing oil and/or gas. If said lands are not then included in a pooled unit or proration unit then this Lease shall terminate as to all depths and lands as herein provided. It is agreed that as long as this Lease remains in force as to any part of the land covered hereby, any portion of the land as to which this Lease expires may, nevertheless, be used by LESSEE, its successors and assigns, to the extent reasonably necessary for ingress and egress for gathering, transporting, treating, heating, processing and storing oil and gas produced from the land as to which this Lease is in full force.

14. It is a condition of this Lease that LESSEE agrees that the initial well drilled pursuant to this Lease shall be a horizontal drainhole well, as such is defined by the Railroad Commission of Texas, unless otherwise agreed to by LESSOR. Notwithstanding anything in this Lease to the contrary, but subject to paragraph 21 hereof, and in addition to, but not in substitution for, the LESSEE'S rights under said paragraph 4 hereof, to pool or unitize any land covered by this Lease with other land covered by this Lease and/or with any other land, lease or leases, at any time either before or after the commencement of operations or completion of the well as a producer of oil and/or gas, whenever LESSEE in the exercise of its own discretion deems it necessary or proper to do so in order to prudently develop or operate the leased premises through the operations for and/or production from a well (or wells) having a horizontal drainhole as that term is hereinafter defined, provided that units for a well (or wells) having a horizontal drainhole shall be limited to the smallest unit size permitted or prescribed by the Railroad Commission, but said unit should not be limited in size to restrict the ability of the LESSEE to obtain the maximum allowable relative to the horizontal drainhole length of the well or wells drilled; however, in the event that field rules for wells having horizontal drainholes have been applied for, but not issued at the expiration of the primary term or at the end of any

Vol. 563 Page 66

35298

I, Mary B. Reagan, County Clerk, Robertson County, Texas  
do hereby certify that this is a true and correct copy as  
same appears of record in my office.  
Witness my hand and seal of office on 5-18-94



Mary B. Reagan, County Clerk

By [Signature]

continuous drilling operations as set forth herein below, whichever is the later date, then any such units pooled for production of oil may be established so as to contain not more than 320 acres, plus an acreage tolerance of ten percent (10%), and units pooled for the production of gas from horizontal drainholes may be established so as to contain not more than 640 acres, plus an acreage tolerance of ten percent (10%), provided further that should larger units for such wells, either at the time established, or after enlargement, be permitted or prescribed by any governmental authority having jurisdiction, LESSEE shall have the right, at its option, to form a unit for a well having a horizontal drainhole so as to conform to such well spacing pattern. However, in the event field rules for wells having horizontal drainholes be adopted which require less acreage for full allowable than set forth above, LESSEE will within six (6) months amend the unit or units to contain the amount of acreage permitted or prescribed in said field rules, and if this Lease is past the primary term as set forth herein LESSEE shall a) commence actual drilling operations of an additional well on the leased premises or on acreage pooled therewith, and thereafter shall drill additional wells with no more than six months between the date of completion of a well as a producer of oil and/or gas or the abandonment of a well as a dry hole and the commencement of actual drilling operations of additional wells until such time as all the leased premises have been included in a pooled unit or as maintained under the provisions of paragraph 4 as set forth herein, or b) release said acreage lying outside of the amended unit.

LESSEE'S exercise of its pooling rights under this paragraph 14 in one or more instances shall not exhaust such rights hereunder, and LESSEE shall have the continuing and recurring right, but not the obligation, to revise or modify any unit formed hereunder for a well having a horizontal drainhole by expansion or contraction, or both, at any time either before or after commencement of operations or completion of the well as a producer of oil and/or gas, in order to conform to the well density or spacing pattern prescribed or permitted by any governmental authority having jurisdiction, or to conform to any productive acreage determination made by any such governmental authority. In making any such revision or modification, LESSEE shall execute a recordable instrument identifying the revised or modified pooled unit and shall have such instrument filed in the public records of the county or counties where the leased premises are located. To the extent that any portion of the leased premises is included or excluded from the revised or modified pooled unit and/or to the extent that the acreage covered by this Lease included within such revised or modified unit represents a different share of the total acreage committed to such unit than it did prior to the LESSEE'S revision or modification of such unit, the proportion of such unit production on which royalties are payable hereunder shall be adjusted accordingly (on a surface acre basis as set forth in paragraph 4 above) from and after the date of the LESSEE'S revision or modification of the unit.

As used in this paragraph 14 "well having a horizontal drainhole" means any well in which either a) the horizontal displacement from vertical within the formation in which the well is completed exceeds 150 feet, or b) the horizontal displacement from vertical of the well bore within the formation in which the well is completed exceeds the actual vertical depth within such formation penetrated by such well bore. It is further understood and agreed by the LESSOR and LESSEE that the provisions of paragraphs 4 and 21 shall be applicable to any unit formed under this paragraph 14 except to the extent that the

I, Mary B. Reagan, County Clerk, Robertson County, Texas do hereby certify that this is a true and correct copy as same appears of record in my office. Witness my hand and seal of office on 5-18-94



Mary B. Reagan, County Clerk

By *Sarah Edwards*

provisions of paragraph 4 and 21 conflict with the provisions of this paragraph 14, in which case the terms of paragraph 21 shall govern.

15. No well shall be drilled nearer than five hundred (500) feet to any house, water well, pond or tank without the prior written consent of LESSOR.

16. The royalties to be paid to LESSOR on oil, gas and casinghead gas is 18.75 percent (3/16), and wherever the word "one-eighth" appears in Paragraph 3 hereinabove, the same is hereby amended to read "18.75 percent (3/16)".

17. Except for surface water or water from LESSOR'S water wells, LESSEE shall have the right to use, free of cost, gas, oil and water produced from the leased premises for all operations, provided the use of fresh water shall be limited to use of same for drilling, completion and recompletion operations. All pits into which salt water or other deleterious substances are placed shall be constructed and sealed in a watertight manner so that the same cannot escape through or over such pits, and if substantial quantities of salt water are produced, the same shall be disposed of by transporting such substances off the leased premises, and in all events salt water and other deleterious substances shall be handled in such a manner so as not to pollute fresh water. LESSEE shall bury all pipelines when the ditch therefor can be dug with the use of a conventional ditching machine; all pipelines will be buried at a minimum depth of three (3) feet, and the surface restored to its original grade and conditions as nearly as practicable. All such pipelines shall be marked and identified as to product(s) carried and facilities being serviced. Lessee shall maintain such pipelines in order to prevent erosion or exposure thereof.

18. LESSEE shall, within sixty (60) days after any assignment, furnish LESSOR a copy of each executed and delivered assignment showing all recording information thereon. In the event LESSEE fails to furnish such copies of such assignments as herein provided to LESSOR, LESSEE shall pay to LESSOR Two Hundred Fifty and No/100 Dollars (\$250.00) for each such assignment as liquidated damages, and not as penalty, to compensate LESSOR for the cost of researching the records of the County in which the leased premises are located to secure copies of such assignments.

19. If, at any time, LESSEE shall have completed a well or wells on the leased premises or lands pooled therewith which well or wells are capable of producing gas and/or condensate in paying quantities but are shut-in with the result that gas and/or condensate are not being sold or used, LESSEE may pay shut-in royalty to LESSOR for each such shut-in well on or before the expiration of sixty (60) days after the date such gas or condensate ceases to be sold or used, as the case may be, and at monthly intervals thereafter, an amount equal to Three Hundred Twenty and No/100 Dollars (\$320.00) per month, and upon making said payment it will be considered that each such well is producing gas in paying quantities within the meaning of this Lease during the month for which each month payment is so made. In like manner and upon like payments being made monthly on or before the expiration of the last preceding month for which such payment or tender has been made, it will be considered that said well or wells are producing gas in paying quantities for successive periods of one (1) month each; it is expressly provided, however, that such shut-in royalty payments shall in no event continue this Lease in force

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Mary B. Reagan, County Clerk

By [Signature]

with respect to any such well and the acreage and depths held thereby for more than an aggregate of eighteen months. All shut-in payments will be made by check or draft to LESSOR or to LESSOR'S credit in the \_\_\_\_\_, \_\_\_\_\_, Texas. If aforesaid depository bank should cease to exist, suspend business, liquidate, fail or be succeeded by another bank, or for any reason fail or refuse to accept shut-in royalty payments, LESSEE shall not be held in default for failure to make such payments 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. LESSEE may not deduct any such shut-in royalty payments out of future royalty payments due to LESSOR for actual production of oil or gas from the well for which such shut-in royalty payments were made.

First City National, Bryan, Texas

20. LESSOR shall have the option to elect to receive payment for royalty on oil and gas or oil or gas directly from the first purchaser of same.

21. Notwithstanding anything in this Lease to the contrary and particularly notwithstanding paragraphs four (4) and fourteen (14), LESSEE shall not pool the land covered by this Lease with other land except under the following conditions:

- (a) All the land covered by this Lease is included in the pooled unit.
- (b) At such time as this Lease has been fully developed such that there exists the maximum number of proration units on this Lease with producing wells or wells capable of producing located thereon and there exists a portion of the leased premises not in a proration unit which portion is not of sufficient acreage to constitute a full proration in accordance with the applicable field rules of the Railroad Commission of Texas, then such remaining acreage may be pooled in accordance with paragraph fourteen (14) and four (4) above.
- (c) Unless LESSOR shall have given prior written consent to the contrary, none of the leased premises shall ever be included by LESSEE, its successors or assigns within a unit for oil, a unit for gas, or a unit for oil and gas wherein, as to each and every producing horizon, zone, strata or formation, LESSOR, LESSOR'S heirs, successors or assigns, do not share in production of oil and gas from the date of first production to the date that production ceases to maintain this Lease in force and effect.
- (d) In the event a portion or portions of the leased premises is pooled or unitized with other land or otherwise included in a unit so as to form a unit or units, operations on, completion of a well upon, or production from such unit or units will not maintain this Lease in force as to land not included in such unit or units past the Primary Term.

22. If before discovery of oil or gas on said land, or from land pooled therewith, LESSEE should drill a dry hole or holes thereon, or if after discovery of oil or gas the production thereof should cease for any cause, this Lease shall remain in force as long as drilling or reworking operations are conducted upon said land with no cessation for more than sixty (60) consecutive days. If at the expiration of the Primary Term, oil and/or gas

32598

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is not being produced on said land, or on land pooled therewith, but LESSEE is then engaged in drilling or reworking operations thereon, the Lease shall remain in force so long as operations are prosecuted with no cessation of more than sixty (60) consecutive days, and if they result in the production of oil and/or gas, so long thereafter as oil and/or gas is produced from said land, or land pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and draining the leased premises, LESSEE shall within ninety (90) days after the completion of such well or wells drill such offset wells as a reasonable and prudent operator would drill under the same or similar circumstances or execute and deliver to LESSOR a release or releases covering the same strata or zones from which such well or wells are producing together with such portion or portions of the leased premises necessary to comprise a legally formed unit for drilling, production and proration purposes in accordance with the rules and regulations of the Governmental Agency or Agencies then having jurisdiction thereof and then obtaining and thereupon surrender this Lease as to such portion or portions and be relieved of all obligations as to such acreage and strata or zone surrendered. Any such well located within ~~900~~ <sup>467</sup> feet of the outside line of the land then remaining under this Lease shall be conclusively presumed to drain the leased premises. (or such other distance as specified by Field Rules, if applicable)

23. After the discovery of oil and/or gas in paying quantities on said premises or property pooled therewith, LESSEE shall reasonably develop the acreage retained hereunder, but in discharging this obligation it shall in no event be required to drill more than one well per unit area retained hereunder and capable of producing oil and/or gas in paying quantities, the size of said well unit to be governed by the terms of this Lease.

24. LESSOR'S royalty hereunder shall be a free royalty. LESSOR shall not be required to pay and LESSOR'S royalty shall not be reduced on account of or charged with any costs of making the products produced hereunder ready and available for market including, but not limited to, the costs of transporting, dehydrating, operating, storing, or treating, oil, gas or other gaseous or liquid hydrocarbons. LESSOR shall, however, bear and pay LESSOR'S proportionate part of all taxes.

25. (a) LESSEE shall initiate the payment of royalties under this Lease within Ninety (90) days following the production of oil or gas produced from the leased premises. If not paid within said Ninety (90) days, royalties shall be deemed to be delinquent. Unless the failure of LESSEE to timely commence royalty payments as provided herein is due to a legitimate title problem, the delay of royalty owners in executing and returning to LESSEE appropriate title curative instruments, (but not division orders whose contents alter, amend, or add to this Lease), or some other circumstances reasonably beyond the control of LESSEE, LESSEE shall pay interest on the amount of delinquent royalty at the prime rate of interest of First City, Texas Bank,     , Texas, plus two percent (2%) per annum, or the highest interest rate then permitted by law, whichever is less, calculated from thirty (30) days following the receipt of payments on production of oil or gas by LESSEE and continuing until the date that the payment of royalties is initiated by LESSEE. After royalty payments commence, royalty payments will be paid on a monthly basis, subject to previously described interest penalty for delays of payment. In the event title matters are shown to exist which make necessary curative work, royalties payable shall be suspended only to the extent that they are adversely affected by such title problem or dispute. Division

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563 70  
Vol. \_\_\_\_\_ Page \_\_\_\_\_

35298

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Mary B. Reagan, County Clerk

By [Signature]

orders which alter, add to, or amend any provisions or language in this Lease shall not be used as a basis for suspending royalty payment, and any payments suspended for such reason shall accrue interest as provided above;

(b) In the event LESSEE shall be delinquent with any royalty payment to LESSOR under the terms of this Lease for a period more than One Hundred Eighty (180) days, and such delinquency is due to or resulting from circumstances reasonably within the control of LESSEE, then LESSOR shall have the right to terminate this Lease following Thirty (30) days written notice to the attention of the Land Manager of LESSEE by certified mail of such delinquency and default. LESSEE shall have the right to maintain the Lease by payment to LESSOR of all delinquent sums and interest thereon before to the expiration of the 30th day following said notice. If such forfeiture is declared by LESSOR, LESSEE shall lose all its rights and estates under all producing acreage hereunder; however, forfeiture shall not relieve LESSEE from its responsibility of paying accrued royalties and interest thereon, and;

(c) Acceptance by LESSOR of royalties which are past due shall not act as a waiver or estoppel of its right to receive or recover all interest due thereon under the provisions hereof unless the written acceptance or acknowledgment by LESSOR to LESSEE expressly so provides. Any tender or payment to LESSOR of a sum less than the total amount due to LESSOR hereunder which is made or intended to be made as an offer of settlement or accord and satisfaction by or on behalf of LESSEE must be accompanied by a Notice of Settlement Offer, so denominated, addressed to LESSOR. Any such offer of settlement submitted solely by the tender of a check containing language of settlement or accord and satisfaction printed or otherwise inserted thereon shall not be deemed an offer of settlement or accord and satisfaction, unless preceded by such a Notice of Settlement Offer. LESSEE shall pay all reasonable attorney's fees incurred by LESSOR in connection with any lawsuit in which LESSOR is successful in recovering any royalties or interest or in terminating this Lease due to LESSEE'S failure to pay royalties within the period set forth herein.

26. If this Lease becomes productive and the royalty from production payable to LESSOR during any producing year does not equal \$25.00 per acre after the end of the Primary Term for each lease acre being kept in force by production as of the first of each producing year, then within sixty (60) days after the end of the producing year, LESSEE shall pay LESSOR at the depository bank the difference between the amount of royalty paid to LESSOR and the minimum royalty sum provided for herein. A producing year, for this Lease, shall be deemed to commence on the first day of the calendar month following the day on which production commences. The minimum royalty provided for herein shall not serve as or be a substitute for actual production of oil and gas or oil or gas in paying quantities. The payment of minimum royalty as herein provided shall not maintain this Lease in effect absent actual production of oil and gas or oil or gas as herein provided.

27. (a) Except during drilling and completion operations, all slush pits or excavations of any nature made by LESSEE on the leased premises shall be fenced by LESSEE at its cost and expense with fencing sufficient to turn cattle;

35299

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Mary B. Reagan, County Clerk

By M. B. Reagan

(b) Unless otherwise agreed to in writing by LESSOR, LESSEE agrees to vacuum all pits and fill said pits with subsoil and then cover same with top soil within sixty (60) days after cessation of use of such pits. LESSEE further agrees to remove all equipment, refuse, garbage, and contaminants from the surface therefrom and restore the surface of said land as nearly as possible to the level and condition existing before drilling and exploration was begun;

(c) LESSEE agrees that after drilling operations are concluded on a producing well all drilling equipment will be removed within sixty (60) days after the termination of drilling. All facilities shall be fenced by LESSEE at LESSEE'S cost and expense, and the wellsite, facilities and fencing shall be maintained, at LESSEE'S expense, in a neat, clean and appealing manner. Not less than quarterly each year, LESSEE shall remove all grasses or other noxious growth upon the wellsite;

(d) LESSEE further agrees that, if at any time in the future, a producing well or wells become nonproductive and cannot be brought back into production under the reworking or additional drilling provisions hereof, LESSEE, at LESSEE'S expense, will remove within six (6) months all production equipment, and the land around said well or wells shall be returned as nearly as practicable to its natural environmental state; and

(e) LESSEE agrees at all times to use reasonable care in all of LESSEE'S operations on the premises to prevent injury or damage to the cattle, livestock, buildings or other property situated on the surface of said land, and all water wells and tanks located thereon. LESSEE agrees to pay for any and all damages caused by LESSEE, or its business invitees, to the surface of said land and to cattle, crops (including hay crops), buildings, livestock, fences, tanks, water, water wells, roads, and, without limitations, any and all other property situated on the surface of the leased premises.

(f) LESSEE shall not construct any roads upon the leased premises without first obtaining the consent of LESSOR with respect to the location and route of such roads, which shall not be unreasonably withheld. Ingress and egress routes shall be reasonably direct. Any roads constructed by LESSEE shall be maintained by LESSEE in a condition to safely support and permit the passage and crossing of automobiles. Any roads used or constructed by LESSEE shall be constructed to have not less than a Six (6) inch base of crushed rock and maintained in a condition to safely support and permit the passage and crossing of automobiles.

28. LESSEE agrees that LESSEE will not cut or go over any fence or fences on the leased premises without first notifying LESSOR. LESSEE agrees prior to cutting any fence to brace the existing fence adequately on both sides of the proposed cut so that when the fence is cut there will be no slackening of the wires. If the cut in such fence is an outside fence, LESSEE agrees promptly after making such cut to install and maintain a substantial iron cattleguard (a minimum of twelve (12) feet in width) and after cessation of drilling operations install and maintain a metal gate which shall be kept locked at all times other than actual passage through such gate. If the cut in such fence is an inside fence, LESSEE agrees to promptly after making such cut to install a cattleguard. During the term of this Lease such gates and cattle guards shall be maintained by LESSEE. Upon termination of this Lease such gates and cattle guards shall become the property of the LESSOR at no

35298

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Mary B. Reagan, County Clerk

By *M. Reagan*

expense to the LESSOR or shall be removed by the LESSEE if the LESSOR so requests, in which case the fences shall be restored to their original condition. LESSEE agrees to promptly close all gates which LESSEE, its agents, servants and/or employees may use in LESSEE'S operations on the leased premises.

29. LESSEE'S right to lay pipelines or install other appurtenances shall be limited to such lines and other appurtenances as are necessary to transport oil and gas from wells located on LESSOR'S property (or property pooled therewith). Unless otherwise agreed to in writing by LESSOR, LESSEE'S pipelines are to be located on a reasonably direct route. All pipelines are to be buried at least three (3) feet measured from the surface of the ground to the top of the pipe as laid. Said license shall terminate and revert to the LESSOR when use thereof for the purpose aforesaid is not made by LESSEE for a period of twelve (12) consecutive months or when all wells served thereby are finally plugged and abandoned by the LESSEE.

30. In addition to LESSEE'S obligations to restore the surface of the leased premises, LESSEE agrees to pay LESSOR at the rate of \$1500.00 per acre or any part thereof, for any use, damage or injury done to the surface of the premises hereunder leased.

31. (a) This Lease does not cover or include any right or privilege of hunting or fishing on the leased premises and neither LESSEE nor LESSEE'S agents, servants, or employees shall be permitted to bring firearms onto the leased premises;

(b) The LESSEE shall make reasonable efforts to not destroy any mature trees, and;

(c) Notwithstanding the general terms of grant contained in this Lease, it is not intended to and does not include the right and privilege of LESSEE to erect and maintain refining facilities, or any other extraction or treating facilities not directly related to the production, treatment, and recovery of oil, gas, and related hydrocarbons covered by this Lease or on property pooled herewith; and all such facilities shall be only those reasonably necessary for production, treatment and recovery of such substances covered by this Lease.

32. Without the prior written consent of LESSOR, LESSEE shall never have any rights of ingress or egress for any purpose upon or across the herein leased premises upon any undedicated or private road with respect to or in connection with the drilling of a well other than upon the leased premises.

33. LESSEE agrees to indemnify and save harmless LESSOR from any and all liabilities, damages, costs, attorney's fees, expenses, causes of action, suits, claims, or judgments of any kind of character for injury to person or property arising out of LESSEE'S operations on the lands leased hereby or on any lands with which any portion of the LESSOR'S land may be pooled. This indemnity provision shall also extend to operations conducted by subcontractors, agents, suppliers, and other persons working under, for or on behalf of LESSEE, whether employees or independent contractors.

Preston J. Ruffino III  
Signed for Identification  
Preston J. Ruffino, III  
SS# [REDACTED]

Bessie Jo Ruffino  
Signed for Identification  
Bessie Jo Ruffino  
SS# [REDACTED]

Vol. 563 Page 73

35298

I, Mary B. Reagan, County Clerk, Robertson County, Texas do hereby certify that this is a true and correct copy as same appears of record in my office. 5-18-94  
Witness my hand and seal of office on



Mary B. Reagan, County Clerk  
By [Signature]

AGREEMENT TO EXTEND PRIMARY TERM

THE STATE OF TEXAS §

COUNTY OF ROBERTSON §

2527

FILED  
AT... 11:00 A.M. O'CLOCK

SEP 13 1993

MARY B. REAGAN  
CLERK, COUNTY COURT, ROBERTSON COUNTY, TX.  
BY..... DEPUTY

WHEREAS, on the 29th day of March, 1991, Preston J. Ruffino, III and wife, Bessie Jo Ruffino, as Lessor, executed an Oil, Gas and Mineral Lease in favor of J. L. Schneider and Company, as Lessee, recorded in Volume 563, Page 64 of the Official Records of Robertson County, Texas, covering and describing 118.12 acres of land, more or less out of the Henry Fullerton Survey, A-153, the D. W. Campbell Survey, A-88, the A. McMillan Survey, A-275, and the Wright Coley Survey, A-95 in Robertson County, Texas; and

WHEREAS, said lease is now owned by Perry R. Bass, Trustee, et al; and

WHEREAS, it is the desire of the parties hereto that the primary term of said lease be extended;

NOW, THEREFORE, the undersigned, the present owners of the oil, gas, and other minerals in, on and under said land, in consideration of the premises, the receipt of which is acknowledged do hereby agree that the primary term stipulated in Clause 2 of said lease is hereby changed from three (3) to four (4) years from the dated of said lease.

To effectuate the purposes and intent of the parties hereto, there is hereby lease and let unto Perry R. Bass, Trustee, et al, all the oil, gas and other minerals in, on and under said land for and during the term of said lease as herein amended and extended, subject to the provisions thereof. Except as herein changed, the provisions of said lease and any recorded amendments thereto shall remain in full force and effect, and are hereby ratified, adopted and confirmed the same as if incorporated herein.

IN WITNESS WHEREOF this instrument is executed and effective as of March 29, 1991.

Preston J. Ruffino III  
Preston J. Ruffino, III  
SS#: [REDACTED]

Bessie Jo Ruffino  
Bessie Jo Ruffino  
SS#: [REDACTED]

Vol. 599 Page 705

TX 1-43860 ym

I, Mary B. Reagan, County Clerk, Robertson County, Texas do hereby certify that this is a true and correct copy as same appears of record in my office. Witness my hand and seal of office on 5-18-94



Mary B. Reagan, County Clerk  
By [Signature]

ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF BRAZOS

This instrument was acknowledged before me on June 21, 1993 by Preston J. Ruffino III and Bessie Jo Ruffino.



My Commission Expires

Danny R Jarvis  
Notary Public for the State of Texas

Danny R Jarvis  
Notary's Printed Name

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9  
9  
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Vol. 599 Page 706

RECORDED  
INDEXED  
SERIALIZED  
MAY 18 1994  
COUNTY CLERK  
ROBERTSON COUNTY, TEXAS

I, Mary B. Reagan, County Clerk, Robertson County, Texas do hereby certify that this is a true and correct copy as same appears of record in my office. Witness my hand and seal of office on 5-18-94



Mary B. Reagan, County Clerk  
By Dorothy Edwards

# OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 10th day of May 19 93, between  
SAM WESTBROOK

Lessor (whether one or more), whose address is: 1301 W. 18 St. Bryan, Texas 77801  
and UNION PACIFIC RESOURCES COMPANY, P.O. BOX 7, FT. WORTH, TX 76101-0007 lessee, WITNESSETH:

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

Robertson County, Texas, to-wit:

5.64 acres, more or less, part of the H. Fullerton Survey, A-144 and the H. Fullerton Survey, A-153, Robertson County, Texas and being the same property as described in a Partition Deed dated November 11, 1960 from the Heirs of Sims Westbrook to Sam Westbrook and recorded in Volume 194, Page 501 of the Deed Records of Robertson County, Texas.

Notwithstanding anything to the contrary in this lease, royalty on oil and gas shall be one-sixth (1/6) of the oil and gas produced and saved under the terms of this lease and wherever the fraction one-eighth (1/8) appears, same shall be deemed to read one-sixth (1/6).

FILED  
AT...10A.....M. O'CLOCK

Vol. 594 Page 502

JUN 7 1993

MARY B. REAGAN  
CLERK, ROBERTSON COUNTY, TEXAS  
BY [Signature] DEPUTY

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

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipe line to which lessee may connect its wells, the equal one-eighth part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one-eighth part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one-eighth of the cost of treating oil to render it marketable pipe line oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee, one-eighth of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and

may be deposited in the \_\_\_\_\_ Bank at

\_\_\_\_\_, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

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

TX1-48152 EPM

I, Mary B. Reagan, County Clerk, Robertson County, Texas, do hereby certify that this is a true and correct copy as same appears of record in my office. Witness my hand and seal of office on 5-18-94



Mary B. Reagan, County Clerk

By [Signature]

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

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

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

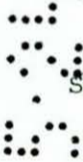
8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall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

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

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

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

Vol. 594 Page 503



Sam Westbrook  
SAM WESTBROOK SS# [REDACTED]

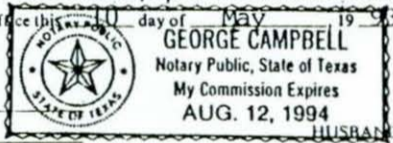
STATE OF TEXAS  
COUNTY OF ROBERTSON

INDIVIDUAL ACKNOWLEDGMENT

Before me, the undersigned authority, on this day personally appeared Sam Westbrook

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

Given under my hand and seal of office this 10 day of May, 19 94  
My Commission Expires \_\_\_\_\_



George Campbell  
Notary Public in and for the State of Texas

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

Notary's Printed Name

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

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_.

My Commission Expires \_\_\_\_\_

Notary Public in and for the State of Texas

I, Mary B. Reagan, County Clerk, Robertson County, Texas do hereby certify that this is a true and correct copy as same appears of record in my office. Witness my hand and seal of office on 5-18-94



Mary B. Reagan, County Clerk  
By [Signature]

# OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 27th day of April 1998, between  
JAMES M. ALLEN AND WIFE, WILLIE MAE ALLEN

Lessor (whether one or more), whose address is: Rt. 5, Box 182, Bryan, Texas 77803  
and UNION PACIFIC RESOURCES COMPANY, P.O. BOX 7, FT. WORTH, TX 76101-0007 Lessee, WITNESSETH:

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

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR LEGAL DESCRIPTION  
Notwithstanding anything to the contrary in this lease, royalty on oil and gas shall be one-sixth (1/6) of the oil and gas produced and saved under the terms of this lease and wherever the fraction one-eighth (1/8) appears, same shall be deemed to read one-sixth (1/6).

Vol. 594 Page 480

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 23.81 acres, whether it actually comprises more or less.

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

3. The royalties to be paid by Lessee are: (a) on oil, 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) 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; 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 and gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 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 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 Victoria Bank at Bryan, Texas

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 Hundred Nineteen and 05/100--

Dollars (\$ 119.05 ), (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 or rental until (thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders. If Lessee shall, on or before any anniversary date, make a bona fide attempt to pay or deposit rental to a Lessor entitled thereto according to Lessee's records or to a Lessor, who, prior to such attempted payment or deposit, has given Lessee notice, in accordance with subsequent provisions of this lease, of his right to receive rental, and if such payment or deposit shall be ineffective or erroneous in any regard, Lessee shall be unconditionally obligated to pay to such Lessor the rental properly payable for the rental period involved, and this lease shall not terminate but shall be maintained in the same manner as if such erroneous or ineffective rental payment or deposit had been properly made, provided that the erroneous or ineffective rental payment or deposit be corrected within 30 days after receipt by Lessee of written notice from such Lessor of such error accompanied by such instruments as are necessary to enable Lessee to make proper payment. The down cash payment is consideration for this lease according to its terms and shall not be allocated as a mere rental for a period. Lessee may at any time or times execute and deliver to lessor or to the depository above named or place of record a release or releases of this lease as to all or any part of the above-described premises, or of any mineral or horizon under all or any part thereof, and thereby be relieved of all obligations as to the released land or interest. If this lease is released as to all minerals and horizon under a portion of the land covered by this lease, the rentals and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the number of surface acres within such released portion bears to the total number of surface acres which was covered by this lease immediately prior to such release.

*TX 1-48099 jgm*

I, Mary B. Reagan, County Clerk, Robertson County, Texas do hereby certify that this is a true and correct copy as same appears of record in my office. 5-18-98 Witness my hand and seal of office on



Mary B. Reagan, County Clerk

By *Andy Brimbal*

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 operation 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 lease premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

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

James M. Allen  
JAMES M. ALLEN SS# [REDACTED]

Willie Mae Allen  
WILLIE MAE ALLEN SS# [REDACTED]

LESSOR SOCIAL SECURITY NUMBER LESSOR SOCIAL SECURITY NUMBER

594 481

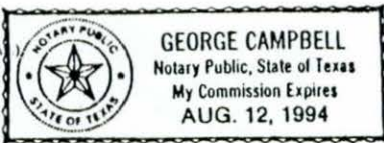
THE STATE OF TEXAS  
COUNTY OF ROBERTSON

Vol. Page

This instrument was acknowledged before me on April 27, 1993, by JAMES M. ALLEN

AND WILLIE MAE ALLEN, HUSBAND AND WIFE

(NOTARY SEAL)



George Campbell  
Notary Public in and for the State of Texas

Notary's typed or printed name: \_\_\_\_\_  
My commission expires: \_\_\_\_\_

I, Mary B. Reagan, County Clerk, Robertson County, Texas do hereby certify that this is a true and correct copy as same appears of record in my office. Witness my hand and seal of office on 5-18-94



Mary B. Reagan, County Clerk  
Mary B. Reagan

EXHIBIT "A"

ATTACHED HERETO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED APRIL 27, 1993, BY AND BETWEEN JAMES M. ALLEN AND WIFE WILLIE MAE ALLEN, AS LESSORS AND UNION PACIFIC RESOURCES COMPANY, AS LESSEE.

23.81 acres, more or less, a part of the H. Fullerton Survey, A-153 and the H. Fullerton Survey, A-144, Robertson County, Texas, and being the same land as described in a Partition Deed dated November 12, 1960 from Sims Westbrook et ux, to Mrs. Willie Mae Allen and husband, James M. Allen and recorded in Volume 194, Page 501 of the Deed Records of Robertson County, Texas.

SIGNED FOR IDENTIFICATION:

James M. Allen

Willie Mae Allen



Vol. 594 Page 482

FILED  
AT...10A.....M. O'CLOCK

JUN 7 1993

MARY B. REAGAN  
CLERK COUNTY COURT, ROBERTSON COUNTY, TX.  
BY...[Signature].....DEPUTY

I, Mary B. Reagan, County Clerk, Robertson County, Texas do hereby certify that this is a true and correct copy as same appears of record in my office.  
Witness my hand and seal of office on 5-18-94



Mary B. Reagan, County Clerk  
By [Signature]

# OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 15th day of April 19 93, between  
M.H. LIGHTSEY AND WIFE, MARTHA M. LIGHTSEY

Lessor (whether one or more), whose address is: Rt. 6, Box 2135, Bryan, Texas 77803  
and UNION PACIFIC RESOURCES COMPANY, P.O. Box 7, Ft. Worth, TX 76101-0007, Lessee, WITNESSETH:

I, Lessor in consideration of TEN AND OG & VC Dollars

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

Robertson County, Texas, to-wit:

SEE EXHIGIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR PROPERTY DESCRIPTION  
SEE EXHIBIT "B" FOR ADDITIONAL TERMS AND CONDITIONS OF THIS LEASE

Notwithstanding anything in this lease to the contrary, royalty on oil and gas shall be seventeen percent (17%) of the oil and gas produced and saved under the terms of this lease and wherever in this lease the fraction one-eighth (1/8) appears, the same shall deemed to read seventeen percent (17%).

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 426.705 acres, whether it actually comprises more or less.

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

3. The royalties to be paid by Lessee are: (a) on oil, 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) 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; 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 and gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 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 gas pooled unit which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. 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 American Bank at Bryan, Texas

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 Thousand One Hundred Thirty Three and 53/100--

Dollars (\$ 2,133.53), (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 or rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders. If Lessee shall, on or before any anniversary date, make a bona fide attempt to pay or deposit rental to a Lessor entitled thereto according to Lessee's records or to a Lessor, who, prior to such attempted payment or deposit, has given Lessee notice, in accordance with subsequent provisions of this lease, of his right to receive rental, and if such payment or deposit shall be ineffective or erroneous in any regard, Lessee shall be unconditionally obligated to pay to such Lessor the rental properly payable for the rental period involved, and this lease shall not terminate but shall be maintained in the same manner as if such erroneous or ineffective rental payment or deposit had been properly made, provided that the erroneous or ineffective rental payment or deposit be corrected within 30 days after receipt by Lessee of written notice from such Lessor of such error accompanied by such instruments as are necessary to enable Lessee to make proper payment. The down cash payment is consideration for this lease according to its terms and shall not be allocated as a mere rental for a period. Lessee may at any time or times execute and deliver to lessor or to the depository above named or place of record a release or releases of this lease as to all or any part of the above-described premises, or of any mineral or horizon under all or any part thereof, and thereby be relieved of all obligations as to the released land or interest. If this lease is released as to all minerals and horizon under a portion of the land covered by this lease, the rentals and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the number of surface acres within such released portion bears to the total number of surface acres which was covered by this lease immediately prior to such release.

Vol. 594 Page 467

TX1-47896(1) ymw

I, Mary B. Reagan, County Clerk, Robertson County, Texas do hereby certify that this is a true and correct copy as same appears of record in my office.  
Witness my hand and seal of office on 5-18-94



Mary B. Reagan, County Clerk  
By Nancy Benda

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 operation 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 lease premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

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

*M. H. Lightsey*  
M. H. LIGHTSEY SS# [REDACTED]

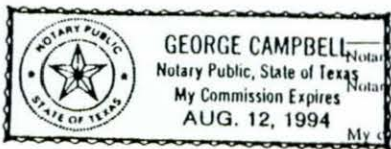
*Martha M. Lightsey*  
MARTHA M. LIGHTSEY SS# [REDACTED]

LESSOR SOCIAL SECURITY NUMBER LESSOR SOCIAL SECURITY NUMBER

THE STATE OF TEXAS Vol. 594 Page 468  
COUNTY OF ROBERTSON April 15 93  
This instrument was acknowledged before me on \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_

M. H. Lightsey and wife, Martha M. Lightsey

(NOTARY SEAL)



*George Campbell*  
Public in and for the State of Texas  
Notary's typed or printed name: \_\_\_\_\_  
My Commission expires: \_\_\_\_\_

I, Mary B. Reagan, County Clerk, Robertson County, Texas do hereby certify that this is a true and correct copy as same appears of record in my office. Witness my hand and seal of office on 5-18-94



Mary B. Reagan, County Clerk  
By *Nancy Binkhoff*

EXHIBIT "A"

Attached hereto and made a part hereof that certain Oil, Gas and Mineral Lease dated April 15, 1993 by and between M. H. Lightsey and wife, Martha M. Lightsey, as Lessors and Union Pacific Resources Company, as Lessee.


426.705 acres, more or less, part of the G. Antonio Nixon Survey, A-31, Wright Coley Survey, A-95, David Campbell Survey, A-88 and W. Reed Survey, A-36, Robertson County, Texas and being further described in Three Tracts as follows;

TRACT ONE: 382.90 acres, more or less, part of the G. Antonio Nixon Survey, A-31 and Wright Coley Survey, A-95, Robertson County, Texas and being further described in that certain deed dated February 8, 1974 from Virginia L. Capps et vir, C. C. Capps, to Maurice H. Lightsey and recorded in Volume 289, Page 785 of the Deed Records of Robertson County, Texas.

TRACT TWO: 39.50 acres, more or less, part of the David W. Campbell Survey, A-88, Robertson County, Texas and being further described in that certain deed dated March 10, 1955 from Henry M. Bowman, et ux to M. H. Lightsey and recorded in Volume 175, Page 391 of the Deed Records of Robertson County, Texas.

TRACT THREE: 4.305 acres, more or less, part of the W. Reed Survey, A-36, Robertson County, Texas and being further described in that certain deed dated March 16, 1955, from Grace Lightsey Locke et vir, Joe T. Locke, Jr. to M. H. Lightsey and wife Martha Lightsey and recorded in Volume 176, Page 510 of the Deed Records of Robertson County, Texas and resurveyed to 3.75 acres as reflected in that certain Receivers Deed dated July 12, 1985 from M. M. Ottera, Jr., Receiver in said Cause to Frank C. Rodriguez et ux, Doraelia Rodriguez and recorded in Volume 462, Page 184 of the Deed Records of Robertson County, Texas.

SIGNED FOR IDENTIFICATION:

  
M. H. LIGHTSEY

  
MARTHA M. LIGHTSEY

Vol. 594 Page 469

I, Mary B. Reagan, County Clerk, Robertson County, Texas do hereby certify that this is a true and correct copy as same appears of record in my office. Witness my hand and seal of office on 5-18-94



Mary B. Reagan, County Clerk  


EXHIBIT "B"

Attached hereto and made a part hereof that certain oil, gas and mineral lease dated April 15, 1993 by and between M. H. Lightsey and wife Martha M. Lightsey, as Lessors and Union Pacific Resources Company, as Lessee.

12. This lease to include oil, gas and liquid hydrocarbons only.

13. Notwithstanding anything contained herein to the contrary, it is expressly agreed and provided that this lease cannot be held, maintained or extended under and by virtue of the shut-in gas well provisions of this lease for a longer period beyond the primary term than two consecutive years immediately thereafter, or for shorter terms at various intervals not to exceed in the aggregate two years.

14. Notwithstanding anything contained herein to the contrary, drilling operations on or production from a pooled unit or units established under the provisions of paragraph four (4) herof, embracing land covered hereby and other land, shall maintain this lease in force only as to land included in such unit or units. This lease may be maintained in force as to the remainder of the land in any manner herein provided for, provided that if it be by rental payments, rentals shall be payable on the number of acres not included in such unit or units. Acreage held by rental payments will be maintained in force for one year after the primary term of this lease.

15. Should Lessor or tenant on the leased premises suffer loss of or damage to crops, trees, grasses, livestock, water wells, fences, roads, buildings or other improvements, as a result of the operations by Lessee under the terms of this lease, Lessee agrees to pay Lessor or tenant, the actual cost of said loss or damage. Lessee agrees to fill and level all pits and other excavations caused by the operations of Lessee and restore the surface of the leased premises to its original condition as near as possible after the use of said surface by Lessee. Lessee shall not use water from existing tanks without Lessors permission. Lessee agrees to take to take reasonable precautions to contain any saltwater in pits to prevent the contamination of existing water tanks.

16. Lessee agrees to consult with Lessor on the location of roads and drillsites on the leased premises.

17. The initial royalty payment to be made to Lessor with respect to any well on the leased premises pursuant to the terms hereof shall be paid within ninety (90) days after the first sale of production from such well, provided however that Lessor shall have promptly executed and returned any and all documents or instruments which Lessor has received and are necessary for the distribution of royalty payments by Lessee to Lessor in connection with production and sale of oil and gas from said well. Thereafter, all royalty payments from such well shall be paid within thirty (30) working days after the end of the month in which Lessee receives funds from said sale. Lessee shall pay Lessor a late charge of one percent (1%) per month of royalty payments not received by Lessor within the time periods specified above, the same to be paid each and every month such royalty payment is made.

SIGNED FOR IDENTIFICATION:

*M. H. Lightsey*  
M. H. LIGHTSEY

*Martha M. Lightsey*  
MARTHA M. LIGHTSEY

FILED  
AT... 10:11... M. O'CLOCK

JUN 7 1993

MARY B. REAGAN  
CLERK COUNTY COURT, ROBERTSON COUNTY, TX.  
BY *[Signature]* DEPUTY

Vol. 594 Page 470

I, Mary B. Reagan, County Clerk, Robertson County, Texas do hereby certify that this is a true and correct copy as same appears of record in my office. Witness my hand and seal of office on 5-18-94



Mary B. Reagan, County Clerk  
By *[Signature]*

# OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 15th day of May 1993, between  
LARRY JOHNSON, COURT APPOINTED GUARDIAN OF SANFORD JOHNSON, JR. AND  
DOROTHY MAE JOHNSON, WIFE OF SANFORD JOHNSON, JR.

Lessor (whether one or more), whose address is: 3350 Wichita, Houston, Texas 77004  
and UNION PACIFIC RESOURCES COMPANY, P.O. BOX 7, FT. WORTH, TX 76101-0007, Lessee, WITNESSETH:

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

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR LEGAL DESCRIPTION

Notwithstanding anything to the contrary in this lease, royalty on oil and gas shall be one-fifth (1/5) of the oil and gas produced and saved under the terms of this lease and wherever the fraction one-eighth (1/8) appears, same shall be deemed to read one-fifth (1/5).

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 272.21 acres, whether it actually comprises more or less.

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

3. The royalties to be paid by Lessee are: (a) on oil, 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) 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; 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 and gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 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 SANFORD JOHNSON bank at ENTERPRISE BANK, HOUSTON, TX Acct # [REDACTED]

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 Six Dollars and 37/100----

Dollars (\$ 1,206.37 ), (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 or rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders. If Lessee shall, on or before any anniversary date, make a bona fide attempt to pay or deposit rental to a Lessor entitled thereto according to Lessee's records or to a Lessor, who, prior to such attempted payment or deposit, has given Lessee notice, in accordance with subsequent provisions of this lease, of his right to receive rental, and if such payment or deposit shall be ineffective or erroneous in any regard, Lessee shall be unconditionally obligated to pay to such Lessor the rental properly payable for the rental period involved, and this lease shall not terminate but shall be maintained in the same manner as if such erroneous or ineffective rental payment or deposit had been properly made, provided that the erroneous or ineffective rental payment or deposit be corrected within 30 days after receipt by Lessee of written notice from such Lessor of such error accompanied by such instruments as are necessary to enable Lessee to make proper payment. The down cash payment is consideration for this lease according to its terms and shall not be allocated as a mere rental for a period. Lessee may at any time or times execute and deliver to lessor or to the depository above named or place of record a release or releases of this lease as to all or any part of the above-described premises, or of any mineral or horizon under all or any part thereof, and thereby be relieved of all obligations as to the released land or interest. If this lease is released as to all minerals and horizon under a portion of the land covered by this lease, the rentals and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the number of surface acres within such released portion bears to the total number of surface acres which was covered by this lease immediately prior to such release.

Vol. 538 Page 433

TX-48600(1) cgm

I, Mary B. Reagan, County Clerk, Robertson County, Texas do hereby certify that this is a true and correct copy as same appears of record in my office. Witness my hand and seal of office on 5-18-94



Mary B. Reagan, County Clerk  
[Signature]

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 operation 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 lease premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

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

LARRY JOHNSON, COURT APPOINTED GUARDIAN OF SANFORD JOHNSON, JR. SS# [REDACTED]  
DOROTHY MAE JOHNSON, WIFE OF SANFORD JOHNSON SS# [REDACTED]  
LESSOR SOCIAL SECURITY NUMBER LESSOR SOCIAL SECURITY NUMBER

THE STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on 7 JUNE, 1993, by Larry Johnson and Dorothy Johnson in the capacity therein stated.

(NOTARY SEAL)

Vol. 588 - 434

Vergie Sheppard  
Notary Public in and for the State of Texas  
Notary's typed or printed name: VERGIE SHEPPARD  
My commission expires: 06-19-93  
Notary Public  
STATE OF TEXAS  
My Comm. Exp. 06-19-'93

I, Mary B. Reagan, County Clerk, Robertson County, Texas do hereby certify that this is a true and correct copy as same appears of record in my office. Witness my hand and seal of office on 5-18-94



Mary B. Reagan, County Clerk

Marty Bushnell

EXHIBIT "A"

ATTACHED HERETO AND MADE A PART HEREOF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED MAY , 1993 BY AND BETWEEN LARRY JOHNSON, COURT APPOINTED GUARDIAN OF SANFORD JOHNSON AND DOROTHY MAE JOHNSON, LESSOR AND UNION PACIFIC RESOURCES COMPANY AS LESSEE.

272.21 acres, more or less, in Robertson and Brazos Counties, State of Texas and being described in FOUR TRACTS as follows;

TRACT ONE: 138.06, acres, more or less, a part of the H. Fullerton Survey, A-144, H. Fullerton Survey, A-153, Wright Coley Survey, A-95, Robertson County, Texas and being more particularly described in that certain deed dated August 26, 1971 from Essie Williams Cooper et al, to Sanford Johnson and recorded in Volume 269, Page 314 of the Deed Records of Robertson County, Texas.

TRACT TWO: 68.65 acres, more or less, a part of the Wright Coley Survey, A-95, Robertson County, Texas and being that same tract of land as described in a Deed of Trust dated April 4, 1967 from Sanford Johnson, Jr. to H. J. Bernard, Trustee and recorded in Volume 234, Page 78 of the Deed Records of Robertson County, Texas.

TRACT THREE: 24.5 acres, more or less, part of the R. Henry, Survey, 138, M. Hughes Survey, A-135, Brazos County, Texas and being a part of that same 60 acre tract described in a deed dated August 11, 1975 from Homer L. Rice to Sanford Johnson and recorded in Volume 342, Page 31 of the Deed Records of Brazos County, Texas SAVE AND EXCEPT: 35.5 acres, more or less, a part of the M. Hughes Survey, A-135, Brazos County, Texas and being the same land described in a deed dated September 23, 1922 from Francis Fountain Price to Alex Rice and recorded in Volume 59, Page 234 of the Deed Records of Brazos County, Texas.

TRACT FOUR: 100 acres, more or less, part of the Wright Coley Survey, A-95, Robertson County, Texas and being the same land described in a deed April 14, 1971 from Launclott Johnson to Sanford Johnson, Jr. recorded in Volume 234, Page 71 of the Deed Records of Robertson County, Texas and being the same land described in a deed dated June 26, 1939 from C. B. Carter, Receiver, to Sanford Johnson and wife Annie Johnson and recorded in Volume 119, Page 267 of the Deed Records of Robertson County, Texas SAVE AND EXCEPT: 25 acres, more or less, and 13.75 acres, more or less, and being that same land set aside in a Partition Deed dated April 19, 1967 to Sanford Johnson, Jr. and recorded in Volume 234, Page 65 of the Deed Records of Robertson County, Texas; SAVE AND EXCEPT; 20.0 acres, more or less, being the same land as described in a deed dated December 17, 1959 from Annie Kimbrough et al, to Henry Ransom et ux, and recorded in Volume 193, Page 150 of the Deed Records of Robertson County, Texas LEAVING 41.25 acres, more or less from the above 100 acres.

(SIGNED FOR IDENTIFICATION:

*[Signature]*  
Dorothy Mae Johnson

FILED  
AT.....10A.....M. O'CLOCK

AUG 16 1993

MARY B. REAGAN  
CLERK COUNTY COURT, ROBERTSON COUNTY, TX  
BY.....*[Signature]*.....DEPUTY

598 435

Vol. \_\_\_\_\_

I, Mary B. Reagan, County Clerk, Robertson County, Texas do hereby certify that this is a true and correct copy as same appears of record in my office.  
Witness my hand and seal of office on 5-18-94



Mary B. Reagan, County Clerk

*[Signature]*

STATE OF TEXAS

COUNTY OF BRAZOS

2886

3343

NOV 17 1993

KNOWN ALL MEN BY THESE PRESENTS, that FANNIE W. RANSOM AKA FANNIE L. RANSOM hereinafter called "Lessor", and UNION PACIFIC RESOURCES COMPANY, P.O. Box 7, Fort Worth, Texas 76101-0007, hereinafter called "Lessee", hereby acknowledge and give notice that Lessor has executed and delivered to Lessee an Oil, Gas and Mineral Lease under date of July 19, 1993 under the terms of which Lessor has granted, leased and let exclusively unto Lessee (subject to each and all of the other provisions thereof), for the purpose of investigating, exploring, drilling and mining for and producing oil, gas and (subject to the exceptions hereinafter set forth) other minerals, and for the purpose of laying pipelines, building tanks, roads, telephone lines, power stations, and all other structures thereon necessary or convenient to produce, save, take care of, treat, transport and own said products, all that land situated in Robertson County, Texas, more particularly described as follows:

319.0 acres, more or less, part of the H. Fullerton Survey, A-153, H. Fullerton Survey, A-144 and Wright Coley Survey, A-95, Robertson County, Texas and described in two tracts as follows:

FIRST TRACT: 20.0 acres, more or less, part of the Wright Coley Survey, A-95, Robertson County, Texas and being the same land as described in a deed dated December 17, 1959 from Annie Kimbrough Johnson, a widow, et als to Henry Ransom and wife Fannie L. Ransom and recorded in Volume 193, Page 150 of teh Deed Records of Robertson County, Texas.

SECOND TRACT: 299.0 acres, more or less, part of the H. Fullerton Survey, A-153 and H. Fullerton Survey, A-144, Robertson County, Texas and being the same land as described in a deed dated February 20, 1954 from R. Henry Harrison, Executor of the Estate of Sam E. Harrison, deceased and Francis Smith Harrison, Individually, to Henry B. Ransom and wife, Fannie L. Ransom and recorded in Volume 174, Page 55 of the Deed Records of Robertson County, Texas.

Both Lessor and Lessee have possession of a copy of said Oil, Gas and Mineral Lease effective on above stated date and the purpose of this Memorandum is to evdience the existence of said Oil, Gas and Mineral Lease, and this Memorandum is given in lieu of filing said Oil, Gas and Mineral Lease in full for record in the Records of Robertson County, Texas, so as to avoid unduly encumbering such Records.

IN WITNESS WHEREOF this instrument is executed this 30th day of August, 1993.

LESSOR:

LESSEE:

Fannie W. Ransom
FANNIE W. RANSOM
AKA FANNIE LAURA RANSOM

UNION PACIFIC RESOURCES COMPANY

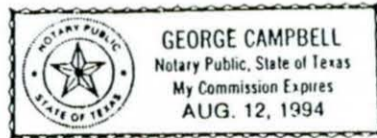
BY: Debra Johnson
Attorney-in-Fact

STATE OF TEXAS

COUNTY OF BRAZOS

This instrument was acknowledged before me on the 30th day of August, 1993 by FANNIE W. RANSOM, AKA FANNIE LAURA RANSOM.

George Campbell (seal or stamp)
Notary



STATE OF TEXAS

Vol. 603 Page 579

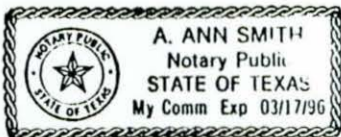
COUNTY OF TARRANT

This instrument was acknowledged before me on the 22nd day of October, 1993 by Debra Johnson as Attorney-in-Fact of UNION PACIFIC RESOURCES COMPANY, a Texas Corporation, in behalf of said Corporation.

A Ann Smith (seal or stamp)
Notary

FILED AT...3P.....M. O'CLOCK

OCT 8 1993



Vol. 601 Page 590

MARY B. REAGAN
CLERK COUNTY COURT, ROBERTSON COUNTY, TX
BY: [Signature] DEPUTY

BEING RE-RECORDED TO SHOW EXECUTION BY UNION PACIFIC RESOURCES COMPANY.

I, Mary B. Reagan, County Clerk, Robertson County, Texas do hereby certify that this is a true and correct copy as same appears of record in my office. Witness my hand and seal of office on 5-18-94



Mary B. Reagan, County Clerk
[Signature]

File No. MF-95943

Ads. Leases

Date Filed: \_\_\_\_\_

Jerry E. Patterson, Commissioner

By \_\_\_\_\_

M-95943  
Ads. Leases

(8)

2544



May 4, 1995

Union Pacific Resources  
P.O. Box 7  
Fort Worth, Tx. 76101-0007

**Re: Mineral File No. M-095943  
Property # 021145**

Dear Sir or Madam:

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

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

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

Sincerely,

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

EHM



A Subsidiary of Union Pacific Corporation

DIVISION ORDER

DATE: 02/17/95

ME

PROPERTY NUMBER: 021145 PRODUCT(S): CRUDE OIL

PROPERTY NAME: DELLEY-RUFFINO UNIT #1

COUNTY/PARISH: ROBERTSON

OPERATOR: UNION PACIFIC RESOURCES

STATE: TEXAS

LEGAL DESCRIPTION: 673.27 ACRES - H. FULLERTON SURVEY, A-153, ET AL. (UNIT DESIGNATION RECORDED VOLUME 624, PAGE 307)

STATE OF TEXAS
% COMMISSION GEN. LAND OFFICE
1700 N CONGRESS AVENUE
STEPHEN F. AUSTIN BLDG.
AUSTIN TX 78701

005772101001

100

IMPORTANT: YOU MUST PROVIDE YOUR SOCIAL SECURITY OR TAX ID NUMBER. YOUR SIGNATURE AND THOSE OF TWO WITNESSES MUST ALSO BE PROVIDED. YOUR SIGNATURE CONFIRMS THE INTEREST IDENTIFIED BELOW TO OWNER #0057721-01 DOI ID# 001, AND BINDS YOU TO THE TERMS ON THE REVERSE SIDE OF THIS DOCUMENT. FURTHER, YOU HEREBY CERTIFY UNDER PENALTIES OF PERJURY, AS REQUIRED BY THE INTERNAL REVENUE CODE, THAT THE NUMBER SHOWN ON THIS FORM IS YOUR CORRECT TAX ID NUMBER. PLEASE RETURN THE EXECUTED DIVISION ORDER TO UNION PACIFIC RESOURCES CO. P.O. BOX 2993, FORT WORTH, TEXAS 76113-2993. THIS DIVISION ORDER SHALL BE EFFECTIVE AS OF 7:00 A.M. ON THE FIRST DAY OF OCTOBER 1994.

OWNER SIGNATURE(S)/CORPORATE TITLE

SIGNATURE OF WITNESS #1

SOCIAL SECURITY OR TAX ID #

SIGNATURE OF WITNESS #2

NEW ADDRESS (IF CHANGED)

Table with 5 columns: OWNER NUMBER, DOI/ID, OWNER NAME, INTEREST TYPE, INTEREST PAID BY UPRC. Row 1: 0057721 01 001 STATE OF TEXAS RI 0.000544

INTEREST TYPE LEGEND:

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

UNION PACIFIC RESOURCES COMPANY

TO: Union Pacific Resources Company.  
P.O.Box 2993  
Fort Worth, Texas 76113-2993

1. **OIL** : Oil shall include crude oil, condensate and other liquid hydrocarbons marketed in conjunction with the production of oil and gas. The price of all oil marketed shall be a posted per barrel field price for similar oil for the field where produced or as established under applicable contract, less A) trucking, barging or pipeline expenses, if any, to the point of delivery designated by the purchaser; B) the cost of any treatment necessary to render such oil merchantable; C) any proper deduction for water, dirt, sediment and other impurities; and D) corrections for temperature and gravity made in accordance with established rules prevailing at the time and place of delivery. All oil marketed under the terms of this division order shall become the property of the purchaser to whom it is marketed by Union Pacific Resources Co. (UPRC) when delivered to such purchaser or when delivered into any pipeline or to any person, firm or corporation designated by such purchaser to receive or transport said oil for its account.
2. **GAS** : Gas shall include natural gas, gas liquids, casinghead gas, associated gaseous hydrocarbons and plant by-products marketed in conjunction with the production of oil and gas. The settlement for all gas produced and marketed from the property shall be made on the basis of measurements in accordance with industry standards and shall be priced in accordance with the applicable gas sales contract or processing agreement, less any fair and reasonable charges for, but not limited to, A) compression, B) processing, C) making it merchantable, and D) transportation, if sold or taken off the property.
3. **COMMINGLING** : If production from the property is commingled with production from other properties, a portion of the total shall be allocated to the property on the basis of lease meter readings or any other method generally accepted in the industry.
4. **UNITIZATION** : In the event the production from the property is pooled, unitized or communitized with one or more other properties by voluntary agreement, declaration, operation of law, or by action of a governmental authority with jurisdiction, the oil and/or gas allocated to the property from the total oil and/or gas produced and marketed from the pooled, unitized or communitized area shall be deemed for all purposes to have been actually produced from the property.
5. **TITLES** : If any dispute or question arises concerning title to the interest of the owner(s) in the property or the proceeds from the sale of production therefrom, UPRC shall be furnished, at its request, such evidence of title as it may require. Until such evidence of title is furnished and such dispute or question is resolved to the satisfaction of UPRC, or until satisfactory indemnity is furnished to UPRC, UPRC is authorized to withhold proceeds due the owner(s) of the disputed or questioned interest. If any action or suit is filed in any state or federal court or administrative body affecting an owner(s) interest or proceeds due, owner(s) shall immediately provide written notice to UPRC stating the court or administrative body in which the action is filed and the title of the action.
6. **CHANGE OF OWNERSHIP** : Owner(s), their heirs, representatives, successors or assigns, shall timely notify UPRC, at the address above, of each change in the person or entity entitled to receive payment hereunder. No transfer of ownership or change in the person or entity entitled to receive payment, however effected, shall be binding upon UPRC until it has received, at no expense to UPRC: A) a properly recorded instrument or instruments evidencing such transfer or change; B) such further evidence as UPRC may require; and C) a properly executed division order/transfer order executed by all parties in interest. Furthermore, owner(s) relieve UPRC from the responsibility and liability for determining when and whether such owner's interest shall change or revert to or otherwise become owned by another party. Owner(s) shall indemnify UPRC and hold UPRC harmless from any and all claims, causes of action, damages or losses including, but not limited to, court costs and reasonable attorney's fees which may arise or result to any owner in the event of a change of ownership for which timely and sufficient notice is not received by UPRC. The accounting for all such transfers or changes of interests shall be as of 7:00 AM on the first day of the calendar month following the month in which notice is received by UPRC.
7. **WARRANTIES** : Owner(s) hereby warrants and agrees to forever defend the title to such owner's interest including that owner's share in proceeds from sales. The operator and other working interest owners severally represent that all oil and/or gas produced and marketed from the property has been or will be produced in compliance with all applicable federal, state and local laws, rules and regulations.
8. **TAXES AND ASSESSMENTS** : UPRC shall deduct, as required by applicable law, from any proceeds due an owner, any or all production, severance, ad valorem, excise, sales, and other or dissimilar taxes. Any charges or assessments or any interest or penalties in connection therewith, now or hereafter levied, assessed or placed on such proceeds or an owners interest by a governmental authority will also be deducted.
9. **SETTLEMENT** : Settlement shall be made monthly to owner(s). If the proceeds payable to an owner in any one month amount to less than twenty-five dollars (\$25.00), UPRC may, at its option, accrue such proceeds and proceeds of subsequent months, until the amounts accrued total twenty-five dollars (\$25.00).
10. **EXECUTION** : This document shall be binding upon all signatory parties, their heirs, representatives, successors or assigns.



# Union Pacific Resources

A Subsidiary of Union Pacific Corporation

## DIVISION ORDER

DATE: 02/17/95

ME

PROPERTY NUMBER: 021145 PRODUCT(S): CRUDE OIL

PROPERTY NAME: DELLEY-RUFFINO UNIT #1

COUNTY/PARISH: ROBERTSON

OPERATOR: UNION PACIFIC RESOURCES

STATE: TEXAS

LEGAL DESCRIPTION: 673.27 ACRES - H. FULLERTON SURVEY, A-153, ET AL.  
(UNIT DESIGNATION RECORDED VOLUME 624, PAGE 307)

STATE OF TEXAS  
% COMMISSION GEN. LAND OFFICE  
1700 N CONGRESS AVENUE  
STEPHEN F. AUSTIN BLDG.  
AUSTIN TX 78701

005772101001

100

THIS IS YOUR COPY. PLEASE RETAIN FOR YOUR RECORDS.

IMPORTANT: YOU MUST PROVIDE YOUR SOCIAL SECURITY OR TAX ID NUMBER. YOUR SIGNATURE AND THOSE OF TWO WITNESSES MUST ALSO BE PROVIDED. YOUR SIGNATURE CONFIRMS THE INTEREST IDENTIFIED BELOW TO OWNER #0057721-01 DOI ID# 001, AND BINDS YOU TO THE TERMS ON THE REVERSE SIDE OF THIS DOCUMENT. FURTHER, YOU HEREBY CERTIFY UNDER PENALTIES OF PERJURY, AS REQUIRED BY THE INTERNAL REVENUE CODE, THAT THE NUMBER SHOWN ON THIS FORM IS YOUR CORRECT TAX ID NUMBER. PLEASE RETURN THE EXECUTED DIVISION ORDER TO UNION PACIFIC RESOURCES CO. P.O. BOX 2993, FORT WORTH, TEXAS 76113-2993. THIS DIVISION ORDER SHALL BE EFFECTIVE AS OF 7:00 A.M. ON THE FIRST DAY OF OCTOBER 1994.

OWNER SIGNATURE(S)/CORPORATE TITLE

SIGNATURE OF WITNESS #1

SOCIAL SECURITY OR TAX ID #

SIGNATURE OF WITNESS #2

### NEW ADDRESS (IF CHANGED)

OWNER NUMBER	DOI/ID	OWNER NAME	INTEREST TYPE	INTEREST PAID BY UPRC
0757051 02	001	PERRY R. BASS	OR	0.006302
2132981 01	001	THRU LINE INC.	OR	0.004729
2171920 01	001	BASS, SID R. INC.	OR	0.004729
2171932 01	001	KEYSTONE, INC.	OR	0.004729
2171944 01	001	BASS, LEE M. INC.	OR	0.004729
0057721 01	001	STATE OF TEXAS	RI	0.000544

### INTEREST TYPE LEGEND:

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

UNION PACIFIC RESOURCES COMPANY

TO: Union Pacific Resources Company.  
P.O.Box 2993  
Fort Worth, Texas 76113-2993

1. **OIL** : Oil shall include crude oil, condensate and other liquid hydrocarbons marketed in conjunction with the production of oil and gas. The price of all oil marketed shall be a posted per barrel field price for similiar oil for the field where produced or as established under applicable contract, less A) trucking, barging or pipeline expenses, if any, to the point of delivery designated by the purchaser; B) the cost of any treatment necessary to render such oil merchantable; C) any proper deduction for water, dirt, sediment and other impurities; and D) corrections for temperature and gravity made in accordance with established rules prevailing at the time and place of delivery. All oil marketed under the terms of this division order shall become the property of the purchaser to whom it is marketed by Union Pacific Resources Co. (UPRC) when delivered to such purchaser or when delivered into any pipeline or to any person, firm or corporation designated by such purchaser to receive or transport said oil for its account.
2. **GAS** : Gas shall include natural gas, gas liquids, casinghead gas, associated gaseous hydrocarbons and plant by-products marketed in conjunction with the production of oil and gas. The settlement for all gas produced and marketed from the property shall be made on the basis of measurements in accordance with industry standards and shall be priced in accordance with the applicable gas sales contract or processing agreement, less any fair and reasonable charges for, but not limited to, A) compression, B) processing, C) making it merchantable, and D) transportation, if sold or taken off the property.
3. **COMMINGLING** : If production from the property is commingled with production from other properties, a portion of the total shall be allocated to the property on the basis of lease meter readings or any other method generally accepted in the industry.
4. **UNITIZATION** : In the event the production from the property is pooled, unitized or communitized with one or more other properties by voluntary agreement, declaration, operation of law, or by action of a governmental authority with jurisdiction, the oil and/or gas allocated to the property from the total oil and/or gas produced and marketed from the pooled, unitized or communitized area shall be deemed for all purposes to have been actually produced from the property.
5. **TITLES** : If any dispute or question arises concerning title to the interest of the owner(s) in the property or the proceeds from the sale of production therefrom, UPRC shall be furnished, at its request, such evidence of title as it may require. Until such evidence of title is furnished and such dispute or question is resolved to the satisfaction of UPRC, or until satisfactory indemnity is furnished to UPRC, UPRC is authorized to withhold proceeds due the owner(s) of the disputed or questioned interest. If any action or suit is filed in any state or federal court or administrative body affecting an owner(s) interest or proceeds due, owner(s) shall immediately provide written notice to UPRC stating the court or administrative body in which the action is filed and the title of the action.
6. **CHANGE OF OWNERSHIP** : Owner(s), their heirs, representatives, successors or assigns, shall timely notify UPRC, at the address above, of each change in the person or entity entitled to receive payment hereunder. No transfer of ownership or change in the person or entity entitled to receive payment, however effected, shall be binding upon UPRC until it has received, at no expense to UPRC: A) a properly recorded instrument or instruments evidencing such transfer or change; B) such further evidence as UPRC may require; and C) a properly executed division order/transfer order executed by all parties in interest. Furthermore, owner(s) relieve UPRC from the responsibility and liability for determining when and whether such owner's interest shall change or revert to or otherwise become owned by another party. Owner(s) shall indemnify UPRC and hold UPRC harmless from any and all claims, causes of action, damages or losses including, but not limited to, court costs and reasonable attorney's fees which may arise or result to any owner in the event of a change of ownership for which timely and sufficient notice is not received by UPRC. The accounting for all such transfers or changes of interests shall be as of 7:00 AM on the first day of the calendar month following the month in which notice is received by UPRC.
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10. **EXECUTION** : This document shall be binding upon all signatory parties, their heirs, representatives, successors or assigns.

OWNER NUMBER	DOI/ID	NAME	INTEREST TYPE	INTEREST PAID BY UPRC
2080363 01	001	PRESTON J. RUFFINO III AND BESSIE JOE RUFFINO	RI	0.014650
2216174 01	001	GERALDINE A.W. CARTER	RI	0.001972
2216186 01	001	BARBARA G.W. DIXON	RI	0.001972
2216198 01	001	JOYCE M.W. MITCHELL	RI	0.001972
2216205 01	001	GLORIA VIVIAN W. WHITE	RI	0.001972
2216229 01	001	HERMAN ELTON WILLIAMS SR.	RI	0.001972
2216231 01	001	RICHARD LEE WILLIAMS JR.	RI	0.001972
2216243 01	001	ELOIS LYNELL W. WOOTEN	RI	0.001972
2280448 01	001	JOHN J. FAZZINO AND DORA FAZZINO	RI	0.008076
2387947 01	001	THEOPHILUS C. TAYLOR	RI	0.006548
2387959 01	001	AUSTINE C. BRADLEY	RI	0.006548
2387961 01	001	ULYSSES YOUNG	RI	0.000727
2387973 01	001	RUBY LEE DAVIS LIFE ESTATE	RI	0.000595
2387985 01	001	SYLVIA ADAMS	RI	0.002546
2387997 01	001	HEMUS, INC.	RI	0.005432
2388005 01	001	AUGUSTINE DAVIS TIGGS BROWN	RI	0.003573
2388017 01	001	ESPANOLA DAVIS	RI	0.001429
2388029 01	001	KENNETH D. DAVIS	RI	0.000125
2388029 01	002	KENNETH D. DAVIS	RI	0.000045
2388031 01	001	KENDRA D. DAVIS	RI	0.000125
2388031 01	002	KENDRA D. DAVIS	RI	0.000045
2388043 01	001	DEBRA D. DAVIS	RI	0.000125
2388043 01	002	DEBRA D. DAVIS	RI	0.000045

INTEREST TYPE LEGEND:

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

UNION PACIFIC RESOURCES COMPANY

TO: Union Pacific Resources Company.  
P.O.Box 2993  
Fort Worth, Texas 76113-2993

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# Union Pacific Resources

A Subsidiary of Union Pacific Corporation

OWNER NUMBER	DOI/ID	NAME	INTEREST TYPE	INTEREST PAID BY UPRC
2388055 01	001	ANGELA L. DAVIS	RI	0.000125
2388055 01	002	ANGELA L. DAVIS	RI	0.000045
2388067 01	001	ROBERT C. DAVIS	RI	0.000125
2388067 01	002	ROBERT C. DAVIS	RI	0.000045
2388079 01	001	EARL L. DAVIS	RI	0.000125
2388079 01	002	EARL L. DAVIS	RI	0.000045
2388081 01	001	SHANNON L. DAVIS	RI	0.000125
2388081 01	002	SHANNON L. DAVIS	RI	0.000045
2388093 01	001	RAYDELL WILLIAMS/ESTATE	RI	0.001786
2388100 01	001	KANT STUART	RI	0.014019
2388205 01	001	WILSON CHAPEL CEMETERY FUND	RI	0.000485
2388217 01	001	ROSE MARJORIE KEMPER	RI	0.000551
2388217 01	002	ROSE MARJORIE KEMPER	RI	0.000528
2388229 01	001	DARRELL KEMPER JR.	RI	0.000528
2388229 01	002	DARRELL KEMPER JR.	RI	0.000551
2388231 01	001	HOZA SADBERRY AND MADLINE SADBERRY	RI	0.002114
2388243 01	001	RUBY HARRIS	RI	0.009094
2388255 01	001	LORAIN MCMURREY	RI	0.007325
2388255 01	002	LORAIN MCMURREY	RI	0.007325
2388267 01	001	FREDERICA ANN BECKETT	RI	0.000394
2388279 01	001	GEORGE RILEY WILLIAMS, JR.	RI	0.000394
2388281 01	001	J. ANTHONY WILLIAMS/TRUST	RI	0.000394
2388293 01	001	KENNETH WAYNE WILLIAMS	RI	0.000394
2388300 01	001	SUSIE ANNETTE WILLIAMS	RI	0.000394

**INTEREST TYPE LEGEND:**

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PP - PRODUCTION PAYMENT      TP - TOTAL PRODUCTION

UNION PACIFIC RESOURCES COMPANY

TO: Union Pacific Resources Company.  
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4. **UNITIZATION** : In the event the production from the property is pooled, unitized or communitized with one or more other properties by voluntary agreement, declaration, operation of law, or by action of a governmental authority with jurisdiction, the oil and/or gas allocated to the property from the total oil and/or gas produced and marketed from the pooled, unitized or communitized area shall be deemed for all purposes to have been actually produced from the property.
5. **TITLES** : If any dispute or question arises concerning title to the interest of the owner(s) in the property or the proceeds from the sale of production therefrom, UPRC shall be furnished, at its request, such evidence of title as it may require. Until such evidence of title is furnished and such dispute or question is resolved to the satisfaction of UPRC, or until satisfactory indemnity is furnished to UPRC, UPRC is authorized to withhold proceeds due the owner(s) of the disputed or questioned interest. If any action or suit is filed in any state or federal court or administrative body affecting an owner(s) interest or proceeds due, owner(s) shall immediately provide written notice to UPRC stating the court or administrative body in which the action is filed and the title of the action.
6. **CHANGE OF OWNERSHIP** : Owner(s), their heirs, representatives, successors or assigns, shall timely notify UPRC, at the address above, of each change in the person or entity entitled to receive payment hereunder. No transfer of ownership or change in the person or entity entitled to receive payment, however effected, shall be binding upon UPRC until it has received, at no expense to UPRC: A) a properly recorded instrument or instruments evidencing such transfer or change; B) such further evidence as UPRC may require; and C) a properly executed division order/transfer order executed by all parties in interest. Furthermore, owner(s) relieve UPRC from the responsibility and liability for determining when and whether such owner's interest shall change or revert to or otherwise become owned by another party. Owner(s) shall indemnify UPRC and hold UPRC harmless from any and all claims, causes of action, damages or losses including, but not limited to, court costs and reasonable attorney's fees which may arise or result to any owner in the event of a change of ownership for which timely and sufficient notice is not received by UPRC. The accounting for all such transfers or changes of interests shall be as of 7:00 AM on the first day of the calendar month following the month in which notice is received by UPRC.
7. **WARRANTIES** : Owner(s) hereby warrants and agrees to forever defend the title to such owner's interest including that owner's share in proceeds from sales. The operator and other working interest owners severally represent that all oil and/or gas produced and marketed from the property has been or will be produced in compliance with all applicable federal, state and local laws, rules and regulations.
8. **TAXES AND ASSESSMENTS** : UPRC shall deduct, as required by applicable law, from any proceeds due an owner, any or all production, severance, ad valorem, excise, sales, and other or dissimilar taxes. Any charges or assessments or any interest or penalties in connection therewith, now or hereafter levied, assessed or placed on such proceeds or an owners interest by a governmental authority will also be deducted.
9. **SETTLEMENT** : Settlement shall be made monthly to owner(s). If the proceeds payable to an owner in any one month amount to less than twenty-five dollars (\$25.00), UPRC may, at its option, accrue such proceeds and proceeds of subsequent months, until the amounts accrued total twenty-five dollars (\$25.00).
10. **EXECUTION** : This document shall be binding upon all signatory parties, their heirs, representatives, successors or assigns.



OWNER NUMBER	DOI/ID	NAME	INTEREST TYPE	INTEREST PAID BY UPRC
2388312 01	001	R. Q. SADBERRY	RI	0.003852
2388324 01	001	JOHN R. MCDANIEL SR AND RACHAEL A. MCDANIEL	RI	0.003501
2388324 02	001	JOHN R. MCDANIEL SR.	RI	0.000207
2388336 01	001	WINSTON KEMPER	RI	0.000207
2388336 01	002	WINSTON KEMPER	RI	0.001057
2388348 01	001	KATHRYN SADBERRY MCGEE	RI	0.000413
2388350 01	001	CLEO SADBERRY	RI	0.000413
2388362 01	001	LILLIAN SADBERRY LEE	RI	0.000413
2388374 01	001	IMOGENE SADBERRY CHARLES	RI	0.000413
2388386 01	001	VERCILLE SADBERRY MILLER	RI	0.000413
2388398 01	001	HOZA SADBERRY	RI	0.000413
2388405 01	001	RUBY SADBERRY	RI	0.000413
2388417 01	001	GLORIA SAM	RI	0.000207
2388429 01	001	LOLA MAE SADBERRY SARGENT	RI	0.004397
2388431 01	001	RICKIE SADBERRY AND VERDIE R. SADBERRY	RI	0.001466
2388443 01	001	OTRIS M. KING JR. AND CARLEE KING	RI	0.006458
2388455 01	001	DORIS M. VAULTS AND GEORGE U. VAULTS	RI	0.006458
2388467 01	001	CHARLES W. BROWN AND CAROLYN SADBERRY BROWN	RI	0.014033
2388467 01	002	CHARLES W. BROWN AND CAROLYN SADBERRY BROWN	RI	0.000646
2388479 01	001	MARJORIE SADBERRY DELLEY	RI	0.008858
2388479 01	002	MARJORIE SADBERRY DELLEY	RI	0.000519

INTEREST TYPE LEGEND:

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

UNION PACIFIC RESOURCES COMPANY

TO: Union Pacific Resources Company.  
P.O.Box 2993  
Fort Worth, Texas 76113-2993

1. **OIL** : Oil shall include crude oil, condensate and other liquid hydrocarbons marketed in conjunction with the production of oil and gas. The price of all oil marketed shall be a posted per barrel field price for similar oil for the field where produced or as established under applicable contract, less A) trucking, barging or pipeline expenses, if any, to the point of delivery designated by the purchaser; B) the cost of any treatment necessary to render such oil merchantable; C) any proper deduction for water, dirt, sediment and other impurities; and D) corrections for temperature and gravity made in accordance with established rules prevailing at the time and place of delivery. All oil marketed under the terms of this division order shall become the property of the purchaser to whom it is marketed by Union Pacific Resources Co. (UPRC) when delivered to such purchaser or when delivered into any pipeline or to any person, firm or corporation designated by such purchaser to receive or transport said oil for its account.
2. **GAS** : Gas shall include natural gas, gas liquids, casinghead gas, associated gaseous hydrocarbons and plant by-products marketed in conjunction with the production of oil and gas. The settlement for all gas produced and marketed from the property shall be made on the basis of measurements in accordance with industry standards and shall be priced in accordance with the applicable gas sales contract or processing agreement, less any fair and reasonable charges for, but not limited to, A) compression, B) processing, C) making it merchantable, and D) transportation, if sold or taken off the property.
3. **COMMINGLING** : If production from the property is commingled with production from other properties, a portion of the total shall be allocated to the property on the basis of lease meter readings or any other method generally accepted in the industry.
4. **UNITIZATION** : In the event the production from the property is pooled, unitized or communitized with one or more other properties by voluntary agreement, declaration, operation of law, or by action of a governmental authority with jurisdiction, the oil and/or gas allocated to the property from the total oil and/or gas produced and marketed from the pooled, unitized or communitized area shall be deemed for all purposes to have been actually produced from the property.
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8. **TAXES AND ASSESSMENTS** : UPRC shall deduct, as required by applicable law, from any proceeds due an owner, any or all production, severance, ad valorem, excise, sales, and other or dissimilar taxes. Any charges or assessments or any interest or penalties in connection therewith, now or hereafter levied, assessed or placed on such proceeds or an owners interest by a governmental authority will also be deducted.
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OWNER NUMBER	DOI/ID	NAME	INTEREST TYPE	INTEREST PAID BY UPRC
2388479 02	001	MARJORIE SADBERRY DELLEY AND ROBERT L. DELLEY	RI	0.002445
2388481 01	001	EUNELL SADBERRY MARTIN WEBSTER	RI	0.003312
2388481 01	002	EUNELL SADBERRY MARTIN WEBSTER	RI	0.000473
2388493 01	001	ALPEARL SADBERRY CONNER	RI	0.003312
2388493 01	002	ALPEARL SADBERRY CONNER	RI	0.000473
2388500 01	001	CAROLYN JOYCE SADBERRY BROWN	RI	0.003312
2388500 01	002	CAROLYN JOYCE SADBERRY BROWN	RI	0.000473
2388512 01	001	MABEL SADBERRY BARROWS	RI	0.003312
2388512 01	002	MABEL SADBERRY BARROWS	RI	0.000473
2388524 01	001	HELSIP SADBERRY JR.	RI	0.000488
2388524 01	002	HELSIP SADBERRY JR.	RI	0.000069
2388536 01	001	THOYMMEE DELL PHILLIPS	RI	0.003436
2388536 01	002	THOYMMEE DELL PHILLIPS	RI	0.000491
1536001 01	001	UNION PACIFIC RESOURCES CO.	WI	0.700000
1536001 01	002	UNION PACIFIC RESOURCES CO.	WI	0.086018

**INTEREST TYPE LEGEND:**

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

UNION PACIFIC RESOURCES COMPANY

TO: Union Pacific Resources Company.  
P.O.Box 2993  
Fort Worth, Texas 76113-2993

1. **OIL** : Oil shall include crude oil, condensate and other liquid hydrocarbons marketed in conjunction with the production of oil and gas. The price of all oil marketed shall be a posted per barrel field price for similiar oil for the field where produced or as established under applicable contract, less A) trucking, barging or pipeline expenses, if any, to the point of delivery designated by the purchaser; B) the cost of any treatment necessary to render such oil merchantable; C) any proper deduction for water, dirt, sediment and other impurities; and D) corrections for temperature and gravity made in accordance with established rules prevailing at the time and place of delivery. All oil marketed under the terms of this division order shall become the property of the purchaser to whom it is marketed by Union Pacific Resources Co. (UPRC) when delivered to such purchaser or when delivered into any pipeline or to any person, firm or corporation designated by such purchaser to receive or transport said oil for its account.
2. **GAS** : Gas shall include natural gas, gas liquids, casinghead gas, associated gaseous hydrocarbons and plant by-products marketed in conjunction with the production of oil and gas. The settlement for all gas produced and marketed from the property shall be made on the basis of measurements in accordance with industry standards and shall be priced in accordance with the applicable gas sales contract or processing agreement, less any fair and reasonable charges for, but not limited to, A) compression, B) processing, C) making it merchantable, and D) transportation, if sold or taken off the property.
3. **COMMINGLING** : If production from the property is commingled with production from other properties, a portion of the total shall be allocated to the property on the basis of lease meter readings or any other method generally accepted in the industry.
4. **UNITIZATION** : In the event the production from the property is pooled, unitized or communitized with one or more other properties by voluntary agreement, declaration, operation of law, or by action of a governmental authority with jurisdiction, the oil and/or gas allocated to the property from the total oil and/or gas produced and marketed from the pooled, unitized or communitized area shall be deemed for all purposes to have been actually produced from the property.
5. **TITLES** : If any dispute or question arises concerning title to the interest of the owner(s) in the property or the proceeds from the sale of production therefrom, UPRC shall be furnished, at its request, such evidence of title as it may require. Until such evidence of title is furnished and such dispute or question is resolved to the satisfaction of UPRC, or until satisfactory indemnity is furnished to UPRC, UPRC is authorized to withhold proceeds due the owner(s) of the disputed or questioned interest. If any action or suit is filed in any state or federal court or administrative body affecting an owner(s) interest or proceeds due, owner(s) shall immediately provide written notice to UPRC stating the court or administrative body in which the action is filed and the title of the action.
6. **CHANGE OF OWNERSHIP** : Owner(s), their heirs, representatives, successors or assigns, shall timely notify UPRC, at the address above, of each change in the person or entity entitled to receive payment hereunder. No transfer of ownership or change in the person or entity entitled to receive payment, however effected, shall be binding upon UPRC until it has received, at no expense to UPRC: A) a properly recorded instrument or instruments evidencing such transfer or change; B) such further evidence as UPRC may require; and C) a properly executed division order/transfer order executed by all parties in interest. Furthermore, owner(s) relieve UPRC from the responsibility and liability for determining when and whether such owner's interest shall change or revert to or otherwise become owned by another party. Owner(s) shall indemnify UPRC and hold UPRC harmless from any and all claims, causes of action, damages or losses including, but not limited to, court costs and reasonable attorney's fees which may arise or result to any owner in the event of a change of ownership for which timely and sufficient notice is not received by UPRC. The accounting for all such transfers or changes of interests shall be as of 7:00 AM on the first day of the calendar month following the month in which notice is received by UPRC.
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8. **TAXES AND ASSESSMENTS** : UPRC shall deduct, as required by applicable law, from any proceeds due an owner, any or all production, severance, ad valorem, excise, sales, and other or dissimilar taxes. Any charges or assessments or any interest or penalties in connection therewith, now or hereafter levied, assessed or placed on such proceeds or an owners interest by a governmental authority will also be deducted.
9. **SETTLEMENT** : Settlement shall be made monthly to owner(s). If the proceeds payable to an owner in any one month amount to less than twenty-five dollars (\$25.00), UPRC may, at its option, accrue such proceeds and proceeds of subsequent months, until the amounts accrued total twenty-five dollars (\$25.00).
10. **EXECUTION** : This document shall be binding upon all signatory parties, their heirs, representatives, successors or assigns.

## TO ALL INTEREST OWNERS:

- Enclosed please find two copies of the Division Order(s) or Transfer Order(s). Please return one fully executed copy to the following address. **KEEP ONE COPY FOR YOUR RECORDS.**

**UNION PACIFIC RESOURCES COMPANY**  
**P. O. Box 2993, Mail Station 3110**  
**Fort Worth, Texas 76113-2993**  
**Fax #(817) 877-7486**  
**Voicemail #(817) 877-6369**

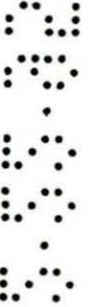
- Sign exactly as shown on the Division Order or Transfer Order. Signatures must be witnessed by two people. If joint ownership, all owners must sign.
- Signatures by Agents, Attorneys-in-Fact, Guardians, or Trustees must be verified by attaching evidence of the rights vested in the signatory party.
- Include the correct Social Security Number or Tax Identification Number in the space provided below your signature. Federal income tax law states 31% of proceeds must be withheld if not provided.
- If you have any questions and do not know your area representative, leave a message at this **VOICEMAIL** number (817) 877-6369. Our goal is to return your call within 48 hours. Please provide the following information which will assist us in serving you:

- 1) Owner number
- 2) County and state where well is located
- 3) Well name and/or property number
- 4) Telephone number with AREA CODE
- 5) Reason for the call

- **Address Changes** must be submitted in writing to the above address. Provide your owner number, social security number, old address, new address and telephone number.
- **Name/Ownership Changes** must be submitted in writing to the above address. Please include proper documentation confirming the changes such as a: Marriage Certificate, Divorce Decree, Certificate of Merger, Deed, Will, Assignment, etc. **NOTE:** Documents which convey interest must be recorded in the county in which the property is located prior to sending them to our office.
- **Settlement Check/Stop Payment** requests must be submitted in writing to the address below. Please wait ten (10) working days before submitting request. Include owner number and date of check. **NOTE:** Funds will be replaced during our regular settlement cycle within the next 6 to 8 weeks.

Union Pacific Resources Company  
Attn: Stop Payment  
P.O. Box 7, MS 2605  
Fort Worth, TX 76101-0007

**-KEEP THIS INFORMATION FOR FUTURE REFERENCE-**



## HOW TO READ YOUR CHECK ATTACHMENT

To help you understand the essential information which accompanies your check, we are providing a sample check stub. Please keep this as a permanent part of your records.

**UNION PACIFIC RESOURCES COMPANY**  
**SETTLEMENT STATEMENT**  
 P.O. BOX 2993 MS 3110  
 FT. WORTH, TX 76113-2993  
 VOICE MAIL (817) 877-6369  
 FAX (817) 877-7486

-RETAIN THIS STATEMENT-  
 FOR TAX PURPOSES  
 DUPLICATES CANNOT BE FURNISHED

INTEREST TYPE PP...PRODUCTION PAYMENT OR...OVERRIDING ROYALTY RL...ROYALTY INTEREST SO...SURFACE OWNER TP...TOTAL PRODUCTION WL...WORKING INTEREST
ADJUSTMENT CODE
A...PRODUCTION TAX C...OTHER

PRODUCT CODE 100...CRUDE OIL 120...CONDENSATE 200...GAS 210...CASINGHEAD GAS 300...GAS LIQUID PRODUCTS 410...SULPHUR 500...HELIUM/OTHER
--

**PLEASE CASH YOUR CHECK WITHIN THE ALLOTTED 180 DAYS  
 TIME PERIOD. ALL CHECKS WILL BE VOID AFTER THAT DATE.**

OWNER NAME

TAX I.D. NO.: 99-9999999

1	2	3	4	5	6	7	8	9	10	11	12	13	
PROPERTY NUMBER	PROD. DATE	PROD. CODE	INT. TYP	OWNER DECIMAL	COMPUTED DECIMAL	QUANTITY	PRICE	GROSS VALUE	TAXES/ADJUSTMENT	ADJ. CODE	NET VALUE PROPERTY	NET VALUE OWNER	
02345 PROPERTY OWNER	08/93	100	MC	GRUDER-ANDERSON #1		COUNTY: 176.93	BRAZOS 16.13700	2,855.12	STATE: TEXAS 132.22-	A	2,722.90	145.22	
	08/93	100	WI		0.053333	9.44		152.27	7.05-				
023458 PROPERTY OWNER	08/93	100	MC	GRUDER-ANDERSON #2		COUNTY: 25,599.91	BRAZOS 16.13700	413,105.77	STATE: TEXAS 19,130.88-	A	393,974.89	723.33	
	08/93	100	OR		0.001836	47.00		758.46	35.13-				
PROPERTY OWNER	06/93	100				11,011.86-	17.25800	190,042.69-	8,797.02-	A	181,245.67-	332.79- 18	
	06/93	100	OR		0.001836	20.22-		348.94-	16.15				
14 OWNER NUMBER 1234567-01										16 PAGE TOTAL	535.76		
CHECK NUMBER 03666841					15 DATE 09/25/93			PAGE 001		17 CHECK AMOUNT		535.76	

- |  |  |  |
|--|--|--|
| <p><b>1</b> The <b>PROPERTY NUMBER</b> is used to identify the oil and/or gas producing property. This number is referenced on your Division Order.</p> <p><b>2</b> The <b>PRODUCTION DATE</b> is the month and year in which the oil or gas was sold.</p> <p><b>3</b> The <b>PRODUCT CODE</b> is the three digit code used to identify the product which was sold. Please refer to the <b>PRODUCT CODE</b> legend in the upper left-hand corner of the check stub.</p> <p><b>4</b> The <b>INTEREST TYPE</b> shows the type of interest you own. Please refer to the <b>INTEREST TYPE</b> legend in the upper right-hand corner of the check stub.</p> <p><b>5</b> The <b>OWNER DECIMAL</b> column reflects your share of the proceeds from sales for which UPRC is responsible. This interest is also reflected on your Division Order.</p> <p><b>6</b> The <b>COMPUTED DECIMAL INTEREST</b> column reflects your share of proceeds received by UPRC. (If UPRC receives less than 100% of production, this figure may be an inflation of your actual decimal interest).</p> | <p><b>7</b> The <b>QUANTITY</b> is the gross volume shown in barrels, tons, or MCF (Thousand Cubic Feet) which was sold from the property. The figure shown immediately below is determined by multiplying your Computed Decimal by the total property level Quantity.</p> <p><b>8</b> The <b>PRICE</b> is calculated by dividing the total Gross Value by the Quantity. The Price may be omitted on certain adjustments.</p> <p><b>9</b> The <b>GROSS VALUE</b> is the total value of sales for each product delivered. The figure shown immediately below is determined by multiplying your Computed Decimal by the property level Gross Value.</p> <p><b>10</b> The <b>TAXES/ADJUSTMENT</b> column is used to show state severance or other production taxes which were paid as required. The figure shown immediately below is your proportionate share of these taxes. This column will also be used to reflect any manual adjustments made to your account.</p> <p><b>11</b> The <b>ADJUSTMENT CODE</b> is a one digit code identifying the type of adjustment made. Please refer to the <b>ADJUSTMENT CODE</b> legend in the upper right-hand corner of the check stub.</p> | <p><b>12</b> The <b>NET VALUE PROPERTY</b> shows the value of the total sales for the property after state tax deductions.</p> <p><b>13</b> The <b>NET VALUE OWNER</b> shows the amount payable to you and is determined by multiplying your Computed Decimal by the property level Net Value in the previous column.</p> <p><b>14</b> Your <b>OWNER NUMBER</b> is uniquely assigned to you and should be included when corresponding with UPRC.</p> <p><b>15</b> The <b>CHECK NUMBER</b> and <b>CHECK DATE</b> of this payment are shown on the bottom of the check stub.</p> <p><b>16</b> The <b>PAGE TOTAL</b> reflects the total value of the Owner Net Value lines on each page of your check stub. If there is more than one page of detail, each page total should be added to arrive at the total check amount.</p> <p><b>17</b> The <b>CHECK AMOUNT</b> is the total of the page totals on your check stub.</p> <p><b>18</b> A minus sign (" - ") following any amount means a deduction. A deduction normally reflects applicable taxes or a prior month adjustment.</p> |
|--|--|--|

### ADDITIONAL INFORMATION CONCERNING YOUR CHECK

**SMALL PAYMENTS AND NEGATIVE BALANCES** - Small payments will be accumulated until the amount exceeds \$25. In November of each year, however, we pay all accumulated balances greater than two dollars. Should an overpayment be made to you, future proceeds may be held and applied towards the negative balance created by the overpayment.

**NO SALES** - Payments are made only for those months in which the property has sales. If, in a particular month, there are no sales for any properties in which you own an interest, no proceeds will be applied to your account for that month. No notification will be sent if a check is not mailed.

**PAYMENTS FROM SUSPENSE** - Occasionally, payments are held because of a notice of a transfer in the interest, an incorrect address, etc. If this happens, payments due you will be accumulated and released when the matter is resolved.

**TAXES** - Most states levy a severance or production tax on revenues from oil and gas sales. This tax is calculated in accordance with each states' law and is deducted from your payments.

**INCOME TAX INFORMATION** - An IRS Form 1099-MISC will be furnished to you by January 31st of each year if you received over \$10 in royalty income or \$600 in working interest income during the previous year.

PROPERTY NUMBER: 021145 PRODUCT(S): GAS  
 PROPERTY NAME: DELLEY-RUFFINO UNIT #1 COUNTY/PARISH: ROBERTSON  
 OPERATOR: UNION PACIFIC RESOURCES STATE: TEXAS  
 LEGAL DESCRIPTION: 673.27 ACRES - H. FULLERTON SURVEY, A-153, ET AL.  
 (UNIT DESIGNATION RECORDED VOLUME 624, PAGE 307)

STATE OF TEXAS 005772101001  
 % COMMISSION GEN. LAND OFFICE  
 1700 N CONGRESS AVENUE  
 STEPHEN F. AUSTIN BLDG. 200  
 AUSTIN TX 78701

IMPORTANT: YOU MUST PROVIDE YOUR SOCIAL SECURITY OR TAX ID NUMBER. YOUR SIGNATURE AND THOSE OF TWO WITNESSES MUST ALSO BE PROVIDED. YOUR SIGNATURE CONFIRMS THE INTEREST IDENTIFIED BELOW TO OWNER #0057721-01 DOI ID# 001, AND BINDS YOU TO THE TERMS ON THE REVERSE SIDE OF THIS DOCUMENT. FURTHER, YOU HEREBY CERTIFY UNDER PENALTIES OF PERJURY, AS REQUIRED BY THE INTERNAL REVENUE CODE, THAT THE NUMBER SHOWN ON THIS FORM IS YOUR CORRECT TAX ID NUMBER. PLEASE RETURN THE EXECUTED DIVISION ORDER TO UNION PACIFIC RESOURCES CO. P.O. BOX 2993, FORT WORTH, TEXAS 76113-2993. THIS DIVISION ORDER SHALL BE EFFECTIVE AS OF 7:00 A.M. ON THE FIRST DAY OF OCTOBER 1994.

OWNER SIGNATURE(S)/CORPORATE TITLE

SIGNATURE OF WITNESS #1

SOCIAL SECURITY OR TAX ID #

SIGNATURE OF WITNESS #2

NEW ADDRESS (IF CHANGED)

OWNER NUMBER	DOI/ID	OWNER NAME	INTEREST TYPE	INTEREST PAID BY UPRC
0057721 01	001	STATE OF TEXAS	RI	0.000544

INTEREST TYPE LEGEND:

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

UNION PACIFIC RESOURCES COMPANY

TO: Union Pacific Resources Company.  
P.O.Box 2993  
Fort Worth, Texas 76113-2993

1. **OIL** : Oil shall include crude oil, condensate and other liquid hydrocarbons marketed in conjunction with the production of oil and gas. The price of all oil marketed shall be a posted per barrel field price for similar oil for the field where produced or as established under applicable contract, less A) trucking, barging or pipeline expenses, if any, to the point of delivery designated by the purchaser; B) the cost of any treatment necessary to render such oil merchantable; C) any proper deduction for water, dirt, sediment and other impurities; and D) corrections for temperature and gravity made in accordance with established rules prevailing at the time and place of delivery. All oil marketed under the terms of this division order shall become the property of the purchaser to whom it is marketed by Union Pacific Resources Co. (UPRC) when delivered to such purchaser or when delivered into any pipeline or to any person, firm or corporation designated by such purchaser to receive or transport said oil for its account.
2. **GAS** : Gas shall include natural gas, gas liquids, casinghead gas, associated gaseous hydrocarbons and plant by-products marketed in conjunction with the production of oil and gas. The settlement for all gas produced and marketed from the property shall be made on the basis of measurements in accordance with industry standards and shall be priced in accordance with the applicable gas sales contract or processing agreement, less any fair and reasonable charges for, but not limited to, A) compression, B) processing, C) making it merchantable, and D) transportation, if sold or taken off the property.
3. **COMMINGLING** : If production from the property is commingled with production from other properties, a portion of the total shall be allocated to the property on the basis of lease meter readings or any other method generally accepted in the industry.
4. **UNITIZATION** : In the event the production from the property is pooled, unitized or communitized with one or more other properties by voluntary agreement, declaration, operation of law, or by action of a governmental authority with jurisdiction, the oil and/or gas allocated to the property from the total oil and/or gas produced and marketed from the pooled, unitized or communitized area shall be deemed for all purposes to have been actually produced from the property.
5. **TITLES** : If any dispute or question arises concerning title to the interest of the owner(s) in the property or the proceeds from the sale of production therefrom, UPRC shall be furnished, at its request, such evidence of title as it may require. Until such evidence of title is furnished and such dispute or question is resolved to the satisfaction of UPRC, or until satisfactory indemnity is furnished to UPRC, UPRC is authorized to withhold proceeds due the owner(s) of the disputed or questioned interest. If any action or suit is filed in any state or federal court or administrative body affecting an owner(s) interest or proceeds due, owner(s) shall immediately provide written notice to UPRC stating the court or administrative body in which the action is filed and the title of the action.
6. **CHANGE OF OWNERSHIP** : Owner(s), their heirs, representatives, successors or assigns, shall timely notify UPRC, at the address above, of each change in the person or entity entitled to receive payment hereunder. No transfer of ownership or change in the person or entity entitled to receive payment, however effected, shall be binding upon UPRC until it has received, at no expense to UPRC: A) a properly recorded instrument or instruments evidencing such transfer or change; B) such further evidence as UPRC may require; and C) a properly executed division order/transfer order executed by all parties in interest. Furthermore, owner(s) relieve UPRC from the responsibility and liability for determining when and whether such owner's interest shall change or revert to or otherwise become owned by another party. Owner(s) shall indemnify UPRC and hold UPRC harmless from any and all claims, causes of action, damages or losses including, but not limited to, court costs and reasonable attorney's fees which may arise or result to any owner in the event of a change of ownership for which timely and sufficient notice is not received by UPRC. The accounting for all such transfers or changes of interests shall be as of 7:00 AM on the first day of the calendar month following the month in which notice is received by UPRC.
7. **WARRANTIES** : Owner(s) hereby warrants and agrees to forever defend the title to such owner's interest including that owner's share in proceeds from sales. The operator and other working interest owners severally represent that all oil and/or gas produced and marketed from the property has been or will be produced in compliance with all applicable federal, state and local laws, rules and regulations.
8. **TAXES AND ASSESSMENTS** : UPRC shall deduct, as required by applicable law, from any proceeds due an owner, any or all production, severance, ad valorem, excise, sales, and other or dissimilar taxes. Any charges or assessments or any interest or penalties in connection therewith, now or hereafter levied, assessed or placed on such proceeds or an owners interest by a governmental authority will also be deducted.
9. **SETTLEMENT** : Settlement shall be made monthly to owner(s). If the proceeds payable to an owner in any one month amount to less than twenty-five dollars (\$25.00), UPRC may, at its option, accrue such proceeds and proceeds of subsequent months, until the amounts accrued total twenty-five dollars (\$25.00).
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PROPERTY NUMBER: 021145 PRODUCT(S):GAS  
 PROPERTY NAME: DELLEY-RUFFINO UNIT #1 COUNTY/PARISH: ROBERTSON  
 OPERATOR: UNION PACIFIC RESOURCES STATE: TEXAS  
 LEGAL DESCRIPTION: 673.27 ACRES - H. FULLERTON SURVEY, A-153, ET AL.  
 (UNIT DESIGNATION RECORDED VOLUME 624, PAGE 307)

STATE OF TEXAS  
 % COMMISSION GEN. LAND OFFICE  
 1700 N CONGRESS AVENUE  
 STEPHEN F. AUSTIN BLDG.  
 AUSTIN TX 78701

005772101001

200

THIS IS YOUR COPY. PLEASE RETAIN FOR YOUR RECORDS.

IMPORTANT: YOU MUST PROVIDE YOUR SOCIAL SECURITY OR TAX ID NUMBER. YOUR SIGNATURE AND THOSE OF TWO WITNESSES MUST ALSO BE PROVIDED. YOUR SIGNATURE CONFIRMS THE INTEREST IDENTIFIED BELOW TO OWNER #0057721-01 DOI ID# 001, AND BINDS YOU TO THE TERMS ON THE REVERSE SIDE OF THIS DOCUMENT. FURTHER, YOU HEREBY CERTIFY UNDER PENALTIES OF PERJURY, AS REQUIRED BY THE INTERNAL REVENUE CODE, THAT THE NUMBER SHOWN ON THIS FORM IS YOUR CORRECT TAX ID NUMBER. PLEASE RETURN THE EXECUTED DIVISION ORDER TO UNION PACIFIC RESOURCES CO. P.O. BOX 2993, FORT WORTH, TEXAS 76113-2993. THIS DIVISION ORDER SHALL BE EFFECTIVE AS OF 7:00 A.M. ON THE FIRST DAY OF OCTOBER 1994.

OWNER SIGNATURE(S)/CORPORATE TITLE

SIGNATURE OF WITNESS #1

SOCIAL SECURITY OR TAX ID #

SIGNATURE OF WITNESS #2

NEW ADDRESS (IF CHANGED)

OWNER NUMBER	DOI/ID	OWNER NAME	INTEREST TYPE	INTEREST PAID BY UPRC
0757051 02	001	PERRY R. BASS	OR	0.006302
2132981 01	001	THRU LINE INC.	OR	0.004729
2171920 01	001	BASS, SID R. INC.	OR	0.004729
2171932 01	001	KEYSTONE, INC.	OR	0.004729
2171944 01	001	BASS, LEE M. INC.	OR	0.004729
0057721 01	001	STATE OF TEXAS	RI	0.000544

INTEREST TYPE LEGEND:

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

UNION PACIFIC RESOURCES COMPANY

TO: Union Pacific Resources Company.  
P.O.Box 2993  
Fort Worth, Texas 76113-2993

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# Union Pacific Resources

A Subsidiary of Union Pacific Corporation

OWNER NUMBER	DOI/ID	NAME	INTEREST TYPE	INTEREST PAID BY UPRC
2080363 01	001	PRESTON J. RUFFINO III AND BESSIE JOE RUFFINO	RI	0.014650
2216174 01	001	GERALDINE A.W. CARTER	RI	0.001972
2216186 01	001	BARBARA G.W. DIXON	RI	0.001972
2216198 01	001	JOYCE M.W. MITCHELL	RI	0.001972
2216205 01	001	GLORIA VIVIAN W. WHITE	RI	0.001972
2216229 01	001	HERMAN ELTON WILLIAMS SR.	RI	0.001972
2216231 01	001	RICHARD LEE WILLIAMS JR.	RI	0.001972
2216243 01	001	ELOIS LYNELL W. WOOTEN	RI	0.001972
2280448 01	001	JOHN J. FAZZINO AND DORA FAZZINO	RI	0.008076
2387947 01	001	THEOPHILUS C. TAYLOR	RI	0.006548
2387959 01	001	AUSTINE C. BRADLEY	RI	0.006548
2387961 01	001	ULYSSES YOUNG	RI	0.000727
2387973 01	001	RUBY LEE DAVIS LIFE ESTATE	RI	0.000595
2387985 01	001	SYLVIA ADAMS	RI	0.002546
2387997 01	001	HEMUS, INC.	RI	0.005432
2388005 01	001	AUGUSTINE DAVIS TIGGS BROWN	RI	0.003573
2388017 01	001	ESPANOLA DAVIS	RI	0.001429
2388029 01	001	KENNETH D. DAVIS	RI	0.000125
2388029 01	002	KENNETH D. DAVIS	RI	0.000045
2388031 01	001	KENDRA D. DAVIS	RI	0.000125
2388031 01	002	KENDRA D. DAVIS	RI	0.000045
2388043 01	001	DEBRA D. DAVIS	RI	0.000125
2388043 01	002	DEBRA D. DAVIS	RI	0.000045

**INTEREST TYPE LEGEND:**

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

UNION PACIFIC RESOURCES COMPANY

TO: Union Pacific Resources Company,  
P.O.Box 2993  
Fort Worth, Texas 76113-2993

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2388055 01	001	ANGELA L. DAVIS	RI	0.000125
2388055 01	002	ANGELA L. DAVIS	RI	0.000045
2388067 01	001	ROBERT C. DAVIS	RI	0.000125
2388067 01	002	ROBERT C. DAVIS	RI	0.000045
2388079 01	001	EARL L. DAVIS	RI	0.000125
2388079 01	002	EARL L. DAVIS	RI	0.000045
2388081 01	001	SHANNON L. DAVIS	RI	0.000125
2388081 01	002	SHANNON L. DAVIS	RI	0.000045
2388093 01	001	RAYDELL WILLIAMS/ESTATE	RI	0.001786
2388100 01	001	KANT STUART	RI	0.014019
2388205 01	001	WILSON CHAPEL CEMETERY FUND	RI	0.000485
2388217 01	001	ROSE MARJORIE KEMPER	RI	0.000551
2388217 01	002	ROSE MARJORIE KEMPER	RI	0.000528
2388229 01	001	DARRELL KEMPER JR.	RI	0.000528
2388229 01	002	DARRELL KEMPER JR.	RI	0.000551
2388231 01	001	HOZA SADBERRY AND MADLINE SADBERRY	RI	0.002114
2388243 01	001	RUBY HARRIS	RI	0.009094
2388255 01	001	LORAIN MCMURREY	RI	0.007325
2388255 01	002	LORAIN MCMURREY	RI	0.007325
2388267 01	001	FREDERICA ANN BECKETT	RI	0.000394
2388279 01	001	GEORGE RILEY WILLIAMS, JR.	RI	0.000394
2388281 01	001	J. ANTHONY WILLIAMS/TRUST	RI	0.000394
2388293 01	001	KENNETH WAYNE WILLIAMS	RI	0.000394
2388300 01	001	SUSIE ANNETTE WILLIAMS	RI	0.000394

INTEREST TYPE LEGEND:

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UNION PACIFIC RESOURCES COMPANY

TO: Union Pacific Resources Company.  
P.O.Box 2993  
Fort Worth, Texas 76113-2993

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2388312 01	001	R. Q. SADBERRY	RI	0.003852
2388324 01	001	JOHN R. MCDANIEL SR AND RACHAEL A. MCDANIEL	RI	0.003501
2388324 01	002	JOHN R. MCDANIEL SR AND RACHAEL A. MCDANIEL	RI	0.000207
2388336 01	001	WINSTON KEMPER	RI	0.000207
2388336 01	002	WINSTON KEMPER	RI	0.001057
2388348 01	001	KATHRYN SADBERRY MCGEE	RI	0.000413
2388350 01	001	CLEO SADBERRY	RI	0.000413
2388362 01	001	LILLIAN SADBERRY LEE	RI	0.000413
2388374 01	001	IMOGENE SADBERRY CHARLES	RI	0.000413
2388386 01	001	VERCILLE SADBERRY MILLER	RI	0.000413
2388398 01	001	HOZA SADBERRY	RI	0.000413
2388405 01	001	RUBY SADBERRY	RI	0.000413
2388417 01	001	GLORIA SAM	RI	0.000207
2388429 01	001	LOLA MAE SADBERRY SARGENT	RI	0.004397
2388431 01	001	RICKIE SADBERRY AND VERDIE R. SADBERRY	RI	0.001466
2388443 01	001	OTRIS M. KING JR. AND CARLEE KING	RI	0.006458
2388455 01	001	DORIS M. VAULTS AND GEORGE U. VAULTS	RI	0.006458
2388467 01	001	CHARLES W. BROWN AND CAROLYN SADBERRY BROWN	RI	0.014033
2388467 01	002	CHARLES W. BROWN AND CAROLYN SADBERRY BROWN	RI	0.000646
2388479 01	001	MARJORIE SADBERRY DELLEY	RI	0.008858
2388479 01	002	MARJORIE SADBERRY DELLEY	RI	0.000519

## INTEREST TYPE LEGEND:

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



OWNER NUMBER	DOI/ID	NAME	INTEREST TYPE	INTEREST PAID BY UPRC
2388479 02	001	MARJORIE SADBERRY DELLEY AND ROBERT L. DELLEY	RI	0.002445
2388481 01	001	EUNELL SADBERRY MARTIN WEBSTER	RI	0.003312
2388481 01	002	EUNELL SADBERRY MARTIN WEBSTER	RI	0.000473
2388493 01	001	ALPEARL SADBERRY CONNER	RI	0.003312
2388493 01	002	ALPEARL SADBERRY CONNER	RI	0.000473
2388500 01	001	CAROLYN JOYCE SADBERRY BROWN	RI	0.003312
2388500 01	002	CAROLYN JOYCE SADBERRY BROWN	RI	0.000473
2388512 01	001	MABEL SADBERRY BARROWS	RI	0.003312
2388512 01	002	MABEL SADBERRY BARROWS	RI	0.000473
2388524 01	001	HELSIP SADBERRY JR.	RI	0.000488
2388524 01	002	HELSIP SADBERRY JR.	RI	0.000069
2388536 01	001	THOYMMEE DELL PHILLIPS	RI	0.003436
2388536 01	002	THOYMMEE DELL PHILLIPS	RI	0.000491
1536001 01	001	UNION PACIFIC RESOURCES CO.	WI	0.700000
1536001 01	002	UNION PACIFIC RESOURCES CO.	WI	0.086018

INTEREST TYPE LEGEND:

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

UNION PACIFIC RESOURCES COMPANY

TO: Union Pacific Resources Company.  
P.O.Box 2993  
Fort Worth, Texas 76113-2993

1. **OIL** : Oil shall include crude oil, condensate and other liquid hydrocarbons marketed in conjunction with the production of oil and gas. The price of all oil marketed shall be a posted per barrel field price for similiar oil for the field where produced or as established under applicable contract, less A) trucking, barging or pipeline expenses, if any, to the point of delivery designated by the purchaser; B) the cost of any treatment necessary to render such oil merchantable; C) any proper deduction for water, dirt, sediment and other impurities; and D) corrections for temperature and gravity made in accordance with established rules prevailing at the time and place of delivery. All oil marketed under the terms of this division order shall become the property of the purchaser to whom it is marketed by Union Pacific Resources Co. (UPRC) when delivered to such purchaser or when delivered into any pipeline or to any person, firm or corporation designated by such purchaser to receive or transport said oil for its account.
2. **GAS** : Gas shall include natural gas, gas liquids, casinghead gas, associated gaseous hydrocarbons and plant by-products marketed in conjunction with the production of oil and gas. The settlement for all gas produced and marketed from the property shall be made on the basis of measurements in accordance with industry standards and shall be priced in accordance with the applicable gas sales contract or processing agreement, less any fair and reasonable charges for, but not limited to, A) compression, B) processing, C) making it merchantable, and D) transportation, if sold or taken off the property.
3. **COMMINGLING** : If production from the property is commingled with production from other properties, a portion of the total shall be allocated to the property on the basis of lease meter readings or any other method generally accepted in the industry.
4. **UNITIZATION** : In the event the production from the property is pooled, unitized or communitized with one or more other properties by voluntary agreement, declaration, operation of law, or by action of a governmental authority with jurisdiction, the oil and/or gas allocated to the property from the total oil and/or gas produced and marketed from the pooled, unitized or communitized area shall be deemed for all purposes to have been actually produced from the property.
5. **TITLES** : If any dispute or question arises concerning title to the interest of the owner(s) in the property or the proceeds from the sale of production therefrom, UPRC shall be furnished, at its request, such evidence of title as it may require. Until such evidence of title is furnished and such dispute or question is resolved to the satisfaction of UPRC, or until satisfactory indemnity is furnished to UPRC, UPRC is authorized to withhold proceeds due the owner(s) of the disputed or questioned interest. If any action or suit is filed in any state or federal court or administrative body affecting an owner(s) interest or proceeds due, owner(s) shall immediately provide written notice to UPRC stating the court or administrative body in which the action is filed and the title of the action.
6. **CHANGE OF OWNERSHIP** : Owner(s), their heirs, representatives, successors or assigns, shall timely notify UPRC, at the address above, of each change in the person or entity entitled to receive payment hereunder. No transfer of ownership or change in the person or entity entitled to receive payment, however effected, shall be binding upon UPRC until it has received, at no expense to UPRC: A) a properly recorded instrument or instruments evidencing such transfer or change; B) such further evidence as UPRC may require; and C) a properly executed division order/transfer order executed by all parties in interest. Furthermore, owner(s) relieve UPRC from the responsibility and liability for determining when and whether such owner's interest shall change or revert to or otherwise become owned by another party. Owner(s) shall indemnify UPRC and hold UPRC harmless from any and all claims, causes of action, damages or losses including, but not limited to, court costs and reasonable attorney's fees which may arise or result to any owner in the event of a change of ownership for which timely and sufficient notice is not received by UPRC. The accounting for all such transfers or changes of interests shall be as of 7:00 AM on the first day of the calendar month following the month in which notice is received by UPRC.
7. **WARRANTIES** : Owner(s) hereby warrants and agrees to forever defend the title to such owner's interest including that owner's share in proceeds from sales. The operator and other working interest owners severally represent that all oil and/or gas produced and marketed from the property has been or will be produced in compliance with all applicable federal, state and local laws, rules and regulations.
8. **TAXES AND ASSESSMENTS** : UPRC shall deduct, as required by applicable law, from any proceeds due an owner, any or all production, severance, ad valorem, excise, sales, and other or dissimilar taxes. Any charges or assessments or any interest or penalties in connection therewith, now or hereafter levied, assessed or placed on such proceeds or an owners interest by a governmental authority will also be deducted.
9. **SETTLEMENT** : Settlement shall be made monthly to owner(s). If the proceeds payable to an owner in any one month amount to less than twenty-five dollars (\$25.00), UPRC may, at its option, accrue such proceeds and proceeds of subsequent months, until the amounts accrued total twenty-five dollars (\$25.00).
10. **EXECUTION** : This document shall be binding upon all signatory parties, their heirs, representatives, successors or assigns.



## TO ALL INTEREST OWNERS:

- Enclosed please find two copies of the Division Order(s) or Transfer Order(s). Please return one fully executed copy to the following address. **KEEP ONE COPY FOR YOUR RECORDS.**

**UNION PACIFIC RESOURCES COMPANY  
P. O. Box 2993, Mail Station 3110  
Fort Worth, Texas 76113-2993  
Fax #(817) 877-7486  
Voicemail #(817) 877-6369**

- Sign exactly as shown on the Division Order or Transfer Order. Signatures must be witnessed by two people. If joint ownership, all owners must sign.
- Signatures by Agents, Attorneys-in-Fact, Guardians, or Trustees must be verified by attaching evidence of the rights vested in the signatory party.
- Include the correct Social Security Number or Tax Identification Number in the space provided below your signature. Federal income tax law states 31% of proceeds must be withheld if not provided.
- If you have any questions and do not know your area representative, leave a message at this **VOICEMAIL** number (817) 877-6369. Our goal is to return your call within 48 hours. Please provide the following information which will assist us in serving you:

- 1) Owner number
- 2) County and state where well is located
- 3) Well name and/or property number
- 4) Telephone number with AREA CODE
- 5) Reason for the call

- **Address Changes** must be submitted in writing to the above address. Provide your owner number, social security number, old address, new address and telephone number.
- **Name/Ownership Changes** must be submitted in writing to the above address. Please include proper documentation confirming the changes such as a: Marriage Certificate, Divorce Decree, Certificate of Merger, Deed, Will, Assignment, etc. **NOTE:** Documents which convey interest must be recorded in the county in which the property is located prior to sending them to our office.
- **Settlement Check/Stop Payment** requests must be submitted in writing to the address below. Please wait ten (10) working days before submitting request. Include owner number and date of check. **NOTE:** Funds will be replaced during our regular settlement cycle within the next 6 to 8 weeks.

Union Pacific Resources Company  
Attn: Stop Payment  
P.O. Box 7, MS 2605  
Fort Worth, TX 76101-0007

**-KEEP THIS INFORMATION FOR FUTURE REFERENCE-**

## HOW TO READ YOUR CHECK ATTACHMENT

To help you understand the essential information which accompanies your check, we are providing a sample check stub. Please keep this as a permanent part of your records.

**UNION PACIFIC RESOURCES COMPANY**  
**SETTLEMENT STATEMENT**  
 P.O. BOX 2993 MS 3110  
 FT. WORTH, TX 76113-2993  
 VOICE MAIL (817) 877-6369  
 FAX (817) 877-7486

-RETAIN THIS STATEMENT-  
 FOR TAX PURPOSES  
 DUPLICATES CANNOT BE FURNISHED

INTEREST TYPE PP...PRODUCTION PAYMENT OR...OVERRIDING ROYALTY RI...ROYALTY INTEREST SO...SURFACE OWNER TP...TOTAL PRODUCTION WL...WORKING INTEREST
ADJUSTMENT CODE
A...PRODUCTION TAX C...OTHER

PRODUCT CODE 100...CRUDE OIL 120...CONDENSATE 200...GAS 210...CASINGHEAD GAS 300...GAS LIQUID PRODUCTS 410...SULPHUR 500...HELIUM/OTHER
--

**PLEASE CASH YOUR CHECK WITHIN THE ALLOTTED 180 DAYS  
 TIME PERIOD. ALL CHECKS WILL BE VOID AFTER THAT DATE.**

OWNER NAME

TAX I.D. NO.: 99-9999999

1	2	3	4	5	6	7	8	9	10	11	12	13
PROPERTY NUMBER	PROD. DATE	PROD. CODE	INT. TYP	OWNER DECIMAL	COMPUTED DECIMAL	QUANTITY	PRICE	GROSS VALUE	TAXES/ADJUSTMENT	ADI. CODE	NET VALUE PROPERTY	NET VALUE OWNER
012345 PROPERTY OWNER	08/93 08/93	100 100	MC WI	GRUDER-ANDERSON #1 0.053333	0.053333	COUNTY: 176.93 9.44	BRAZOS 16.13700	2,855.12 152.27	STATE: TEXAS 132.22- 7.05-	A	2,722.90	145.22
023458 PROPERTY OWNER	08/93 08/93	100 100	MC OR	GRUDER-ANDERSON #2 0.001836	0.001836	COUNTY: 25,599.91 47.00	BRAZOS 16.13700	413,105.77 758.46	STATE: TEXAS 19,130.88- 35.13-	A	393,974.89	723.33
PROPERTY OWNER	06/93 06/93	100 100		0.001836	0.001836	11,011.86- 20.22-	17.25800	190,042.69- 348.94-	8,797.02- 16.15	A	181,245.67-	332.79- 18
<b>16</b> PAGE TOTAL											<b>535.76</b>	<b>18</b>
<b>14</b> OWNER NUMBER 1234567-01						<b>15</b> CHECK NUMBER 03666841	DATE 09/25/93	PAGE 001	<b>17</b> CHECK AMOUNT		<b>535.76</b>	

- 1** The **PROPERTY NUMBER** is used to identify the oil and/or gas producing property. This number is referenced on your Division Order.
- 2** The **PRODUCTION DATE** is the month and year in which the oil or gas was sold.
- 3** The **PRODUCT CODE** is the three digit code used to identify the product which was sold. Please refer to the **PRODUCT CODE** legend in the upper left-hand corner of the check stub.
- 4** The **INTEREST TYPE** shows the type of interest you own. Please refer to the **INTEREST TYPE** legend in the upper right-hand corner of the check stub.
- 5** The **OWNER DECIMAL** column reflects your share of the proceeds from sales for which UPRC is responsible. This interest is also reflected on your Division Order.
- 6** The **COMPUTED DECIMAL INTEREST** column reflects your share of proceeds received by UPRC. (If UPRC receives less than 100% of production, this figure may be an inflation of your actual decimal interest).

- 7** The **QUANTITY** is the gross volume shown in barrels, tons, or MCF (Thousand Cubic Feet) which was sold from the property. The figure shown immediately below is determined by multiplying your Computed Decimal by the total property level Quantity.
- 8** The **PRICE** is calculated by dividing the total Gross Value by the Quantity. The Price may be omitted on certain adjustments.
- 9** The **GROSS VALUE** is the total value of sales for each product delivered. The figure shown immediately below is determined by multiplying your Computed Decimal by the property level Gross Value.
- 10** The **TAXES/ADJUSTMENT** column is used to show state severance or other production taxes which were paid as required. The figure shown immediately below is your proportionate share of these taxes. This column will also be used to reflect any manual adjustments made to your account.
- 11** The **ADJUSTMENT CODE** is a one digit code identifying the type of adjustment made. Please refer to the **ADJUSTMENT CODE** legend in the upper right-hand corner of the check stub.

- 12** The **NET VALUE PROPERTY** shows the value of the total sales for the property after state tax deductions.
- 13** The **NET VALUE OWNER** shows the amount payable to you and is determined by multiplying your Computed Decimal by the property level Net Value in the previous column.
- 14** Your **OWNER NUMBER** is uniquely assigned to you and should be included when corresponding with UPRC.
- 15** The **CHECK NUMBER** and **CHECK DATE** of this payment are shown on the bottom of the check stub.
- 16** The **PAGE TOTAL** reflects the total value of the Owner Net Value lines on each page of your check stub. If there is more than one page of detail, each page total should be added to arrive at the total check amount.
- 17** The **CHECK AMOUNT** is the total of the page totals on your check stub.
- 18** A minus sign (" - ") following any amount means a deduction. A deduction normally reflects applicable taxes or a prior month adjustment.

### ADDITIONAL INFORMATION CONCERNING YOUR CHECK

**SMALL PAYMENTS AND NEGATIVE BALANCES** - Small payments will be accumulated until the amount exceeds \$25. In November of each year, however, we pay all accumulated balances greater than two dollars. Should an overpayment be made to you, future proceeds may be held and applied towards the negative balance created by the overpayment.

**NO SALES** - Payments are made only for those months in which the property has sales. If, in a particular month, there are no sales for any properties in which you own an interest, no proceeds will be applied to your account for that month. No notification will be sent if a check is not mailed.

**PAYMENTS FROM SUSPENSE** - Occasionally, payments are held because of a notice of a transfer in the interest, an incorrect address, etc. If this happens, payments due you will be accumulated and released when the matter is resolved.

**TAXES** - Most states levy a severance or production tax on revenues from oil and gas sales. This tax is calculated in accordance with each states' law and is deducted from your payments.

**INCOME TAX INFORMATION** - An IRS Form 1099-MISC will be furnished to you by January 31st of each year if you received over \$10 in royalty income or \$600 in working interest income during the previous year.

M. 95943  
Division Order  
File Dated 5.4.95

(9)

DO NOT DESTROY

GLO-36-10-84

-MEMO-

Operator UPRC

Unit Name DELLEY-RUFFINO UNIT

County ROBERTSON

Effective Date 12-8-94

Unitized for: Oil  Gas  Oil & Gas

1. M.F. No. 095943

Area CARD ROW Tr. 1

Sec.      Blk.      Survey     

$$\frac{1.83}{673.27} \times \frac{1}{5} = .0543 \%$$

$$.002718 \cdot 200000 = .000543$$

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:

DESIGNATION OF UNIT  
DELLEY-RUFFINO UNIT

FILED FOR RECORD  
COUNTY CLERK  
REPUBLIC OF TEXAS  
DEC 14 AM 9:50

STATE OF TEXAS  
COUNTY OF ROBERTSON  
3988

*Mary B. Reagan*  
MARY B. REAGAN, COUNTY CLERK

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, being the owner of valid and subsisting oil, gas, and mineral leases listed in Exhibit "A", attached hereto and made a part hereof, insofar as said oil, gas, and mineral leases cover and affect the land and depths described on Exhibit "B", attached hereto and made a part hereof, do, by virtue of the authority conferred by the terms of such oil, gas, and mineral leases and all amendments and corrections thereto, hereby pool, consolidate, combine, and unitize said oil, gas, and mineral leases, the leasehold rights, overriding royalty, and royalty interests therein and thereunder, for the purpose of drilling for, development, and production of oil, gas, and liquid hydrocarbons (including condensate, distillate, and other liquids). The unit (hereinafter "Unit") shall be comprised of the land and interval described on the attached Exhibit "B", as depicted on the Plat attached hereto as Exhibit "C".

If at any time any tract of land or interest within the Unit is not properly pooled or unitized hereby or is not otherwise committed to the Unit, such fact shall not affect, terminate, impair, or invalidate the Unit as to any interest properly pooled or unitized hereby or otherwise.

This Designation of Unit covers all production from the land and depths described on the attached Exhibit "B" which is produced from any well drilled to the unitized interval underlying the Unit area. Production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion which the number of surface acres in each of such tracts bears to the total number of surface acres in the Unit.

The undersigned reserves the right to amend this Designation of Unit from time to time, and at any time, in order to correct any error herein or to include in this Unit any newly acquired interests within the Unit boundaries or to enlarge or reduce the Unit area in accordance with the applicable rules and regulations of any governmental regulatory body or agency having jurisdiction insofar as such right is granted in the subject leases, by appropriate amendments or instruments.

By execution of this Designation of Unit, the undersigned does not exhaust its 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 it expressly reserves to itself, its assignees, or successors in interest, the right and power to pool or unitize the above described leases and lands with

other leases, lands, horizons, or strata in the vicinity and so as the power, right, and authority to do so is granted in the subject leases and various agreements and so long as such power and authority is exercised in accordance with applicable rules and regulations of any governmental regulatory body or agency having jurisdiction.

This Unit may not be ratified or joined in by any party who is named hereinbelow without the consent of the parties hereto.

The Unit hereby created shall be effective as of the date operations are commenced anywhere on the Unit; provided that, if a lease covered hereby prescribes another date on which pooling shall become effective, the Unit shall be effective as to such lease on another date. The Unit shall remain in force as long as the leased minerals are being produced from the Unit, or so long as the leases covering the Unit are maintained in force by payment or tender of shut-in royalties or by other means, in accordance with the terms of said leases.

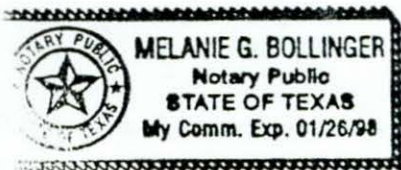
IN WITNESS WHEREOF, this Designation of Unit is executed on the 8<sup>th</sup> day of December, 1994.

UNION PACIFIC RESOURCES COMPANY

By: Carolyn J. David *MS*  
Its: Attorney-in-Fact *LED*

STATE OF TEXAS  
CITY OF TARRANT

This instrument was acknowledged before me on the 8<sup>th</sup> day of December, 1994, by Carolyn J. David, Attorney-in-Fact of UNION PACIFIC RESOURCES COMPANY, a Delaware corporation, on behalf of said corporation.



Melanie G. Bollinger  
Notary Public in and for the  
State of Texas  
My commission expires: 1/26/98

Department Approved  
Form 2 (Revised 4/4/94)

EXHIBIT "A"

attached to and made a part of that certain "Designation of Unit -  
Lley-Ruffino" effective the date of First Production.

- 1) Oil, Gas and Mineral Lease dated March 29, 1991, by and between, Preston J. Ruffino, III and wife, Bessie Jo Ruffino, as Lessor, and J. L. Schneider and Company, as Lessee, covering 118.12 acres, more or less, as recorded in Volume 563, Page 64, Deed Records, Robertson County, Texas.
- 2) Oil, Gas and Mineral Lease dated May 9, 1994, by and between, Heslip Sadbery, a single man, as Lessor, and Union Pacific Resources Company, as Lessee, covering 10.246 acres, more or less, as recorded in Volume 615, Page 380, of the Deed Records, Robertson County, Texas.
- 3) Oil, Gas and Mineral Lease dated May 10, 1991, by and between, Maxine McKinley and husband, Keith R. McKinley, as Lessor, and J. L. Schneider and Company, as Lessee, covering 144.0 acres, more or less, as recorded in Volume 564, Page 596, of the Deed Records of Robertson County, Texas.
- 4) Oil, Gas and Mineral Lease dated July 25, 1991, by and between, George W. Lown and wife, Alicia B. Lown, as Lessor, and J. L. Schneider and Company, as Lessee, covering 144.0 acres, more or less, as recorded in Volume 567, Page 14, of the Deed Records of Robertson County, Texas. As amended by that certain Amendment and Extension of Oil, Gas and Mineral Lease dated July 25, 1991, and recorded in Volume 602, Page 686, of the Deed Records of Robertson County, Texas.
- 5) Oil, Gas and Mineral Lease dated February 21, 1991, by and between, Theophilus C. Taylor a/k/a Theophilus Taylor, wife of Willie Taylor, dealing herein in her sole and separate property, as Lessor, and J. L. Schneider and Company, as Lessee, covering 125.2 acres, more or less, as recorded in Volume 561, Page 727, of the Deed Records of Robertson County, Texas. As amended by that certain Amendment and Extension of Oil, Gas and Mineral Lease dated February 21, 1991, and recorded in Volume 599, Page 700, of the Deed Records of Robertson County, Texas.
- 6) Oil, Gas and Mineral Lease dated February 21, 1991, by and between, Austine C. Bradley, a single woman, dealing herein in her sole and separate property, as Lessor, and J. L. Schneider and Company, as Lessee, covering 125.2 acres, more or less, as recorded in Volume 561, Page 723, of the Deed Records of Robertson County, Texas. As amended by that certain Amendment and Extension of Oil, Gas and Mineral Lease dated February 21, 1991, recorded in Volume 608, Page 214, of the Deed Records of Robertson County, Texas.
- 7) Oil, Gas and Mineral Lease dated February 21, 1991, by and between, Ulysses Young, a single man, dealing herein in his sole and separate property, as Lessor, and J. L. Schneider and Company, as Lessee, covering 125.2 acres, more or less, as recorded in Volume 561, Page 719, of the Deed Records of Robertson County, Texas. As amended by that certain Amendment and Extension of Oil, Gas and Mineral Lease dated February 21, 1991, recorded in Volume 605, Page 62, of the Deed Records of Robertson County, Texas.

- 8) Oil, Gas and Mineral Lease dated February 21, 1991, by and between, Ruby Harris, a single woman and John Riley Cashaw, a/k/a John R. Cashaw, a single man, dealing herein with their sole and separate property, as Lessor, and J. L. Schneider and Company, as Lessee, covering 125.2 acres, more or less, as recorded in Volume 564, Page 110, of the Deed Records of Robertson County, Texas. As amended by that certain Amendment and Extension of Oil, Gas and Mineral Lease dated February 21, 1991, recorded in Volume 609, Page 195, of the Deed Records of Robertson County, Texas.
- 9) Oil, Gas and Mineral Lease dated January 1, 1994, by and between, Hemus, Inc., A Texas Corporation, as Lessor, and Union Pacific Resources Company, as Lessee, covering 125.2 acres, more or less, as recorded in Volume 612, Page 621, of the Deed Records of Robertson County, Texas.
- 10) Oil, Gas and Mineral Lease dated November 17, 1993, by and between, Sylvia Adams a/k/a Sylvia Stewart Adams, a single woman, as Lessor, and Union Pacific Resources Company, as Lessee, covering 125.2 acres, more or less, as recorded in Volume 612, Page 619, of the Deed Records of Robertson County, Texas.
- 11) Oil, Gas and Mineral Lease dated April 3, 1991, by and between, Charles W. Brown and wife, Carolyn Sadberry Brown, a/k/a Carolyn Joyce Sadberry Brown, as Lessor, and J. L. Schneider and Company, as Lessee, covering 51.972 acres, more or less, as recorded in Volume 563, Page 451, of the Deed Records of Robertson County, Texas. As amended by that certain Amendment and Extension of Oil, Gas and Mineral Lease dated April 3, 1991, recorded in Volume 599, Page 745, of the Deed Records of Robertson County, Texas.
- 12) Oil, Gas and Mineral Lease dated March 12 1994, by and between, Cloteal S. Rogers a/k/a Cloteal Sheets Rogers a/k/a Cloteal S. Harris and husband, Eddie Z. Rogers and Beulah Sadberry Sheets Thomas a/k/a Beulah Sheets Thomas a/k/a Beulah S. Thomas a/k/a Beulah Sadberry Sheets a/k/a Beulah Thomas, a widow, as Lessor, and J. L. Schneider and Company, as Lessee, covering 111.932 acres, more or less, as recorded in Volume 563, Page 60, of the Deed Records of Robertson County, Texas. As amended by that certain Amendment and Extension of Oil, Gas and Mineral Lease dated March 12, 1991, recorded in Volume 599, Page 743, of the Deed Records of Robertson County, Texas.
- 13) Oil, Gas and Mineral Lease dated May 9, 1994, by and between, Heslip Sadberry, a single man, as Lessor, and Union Pacific Resources Company, as Lessee, covering 10.246 acres, more or less, as recorded in Volume , Page , of the Deed Records of Robertson County, Texas.
- 14) Oil, Gas and Mineral Lease dated April 3, 1991, by and between, A. Sadberry Connor a/k/a Alpearl Sadberry Connor, dealing herein with her sole and separate property, as Lessor, and J. L. Schneider and Company, as Lessee, covering 13.58 acres, more or less, as recorded in Volume 564, Page 338, of the Deed Records of Robertson County, Texas.
- 15) Oil, Gas and Mineral Lease dated April 3, 1991, by and between, Marjorie Sadberry Delley, dealing herein with her sole and separate property, as Lessor, and J. L. Schneider and Company, as Lessee, covering 13.58 acres, more or less, as recorded in Volume 563, Page 223, of the Deed Records of Robertson County, Texas.

- 16) Oil, Gas and Mineral Lease dated April 3, 1991, by and between, Eunell Sadberry Webster a/k/a Eunell Sadberry Martin Webster, dealing herein with her sole and separate property, as Lessor, and J. L. Schneider and Company, as Lessee, covering 13.58 acres, more or less, as recorded in Volume 563, Page 475, of the Deed Records of Robertson County, Texas.
- 17) Oil, Gas and Mineral Lease dated April 3, 1991, by and between, Carolyn Sadberry Brown a/k/a Carolyn Joyce Sadberry Brown, dealing herein with her sole and separate property, as Lessor, and J. L. Schneider and Company, as Lessee, covering 13.58 acres, more or less, as recorded in Volume 563, Page 495, of the Deed Records of Robertson County, Texas.
- 18) Oil, Gas and Mineral Lease dated April 3, 1991, by and between, Mabel Sadberry Barrows, dealing herein with her sole and separate property, as Lessor, and J. L. Schneider and Company, as Lessee, covering 13.58 acres, more or less, as recorded in Volume 563, Page 505, of the Deed Records of Robertson County, Texas.
- 19) Oil, Gas and Mineral Lease dated April 3, 1991, by and between, Thoymmee Dell Sadberry Phillips, dealing herein with her sole and separate property, as Lessor, and J. L. Schneider and Company, as Lessee, covering 13.58 acres, more or less, as recorded in Volume 563, Page 519, of the Deed Records of Robertson County, Texas.
- 20) Oil, Gas and Mineral Lease dated April 5, 1991, by and between, Marjorie Sadberry Delley, dealing herein with her sole and separate property, as Lessor, and J. L. Schneider and Company, as Lessee, covering 28.272 acres, more or less, as recorded in Volume 563, Page 213, of the Deed Records of Robertson County, Texas. As amended by that certain Amendment and Extension of Oil, Gas and Mineral Lease dated April 5, 1991, recorded in Volume 599, Page 734, of the Deed Records of Robertson County, Texas.
- 21) Oil, Gas and Mineral Lease dated April 3, 1991, by and between, Robert L. Delley and wife, Marjorie Sadberry Delley, as Lessor, and J. L. Schneider and Company, as Lessee, covering 33.0 acres, more or less, as recorded in Volume 563, Page 465, of the Deed Records of Robertson County, Texas. As amended by that certain Amendment and Extension of Oil, Gas and Mineral Lease dated April 3, 1991, recorded in Volume 599, Page 730, of the Deed Records of Robertson County, Texas.
- 22) Oil, Gas and Mineral Lease dated March 22, 1991, by and between, Rickie Sadberry and wife, Verdie R. Sadberry, as Lessor, and J. L. Schneider and Company, as Lessee, covering 44.66 acres, more or less, as recorded in Volume 563, Page 447, of the Deed Records of Robertson County, Texas. As amended by that certain Amendment and Extension of Oil, Gas and Mineral Lease dated March 22, 1991, recorded in Volume 601, Page 591, of the Deed Records of Robertson County, Texas.
- 23) Oil, Gas and Mineral Lease dated March 7, 1991, by and between, Lola Mae Sadberry Sargent a/k/a Lola Sadberry Sargent, a widow, dealing herein with her sole and separate property, as Lessor, and Union Pacific Resources Company, as Lessee, covering 125.2 acres, more or less, as recorded in Volume 561, Page 731, of the Deed Records of Robertson County, Texas. As amended by that certain Amendment and Extension of Oil, Gas and Mineral Lease

dated March 7, 1991, recorded in Volume 599, Page 710, of the Deed Records of Robertson County, Texas.

- 24) Oil, Gas and Mineral Lease dated March 4, 1991, by and between, George U. Vaults and wife, Doris M. Vaults, as Lessor, and J. L. Schneider and Company, as Lessee, covering 176.963 acres, more or less, as recorded in Volume 561, Page 750, of the Deed Records of Robertson County, Texas. As amended by that certain Amendment and Extension of Oil, Gas and Mineral Lease dated March 4, 1991, recorded in Volume 599, Page 712, of the Deed Records of Robertson County, Texas.
- 25) Oil, Gas and Mineral Lease dated March 1, 1991, by and between, Otris M. King, Jr. a/k/a Otris King, Jr. and wife, Carlee King a/k/a Carolee King, as Lessor, and J. L. Schneider and Company, as Lessee, covering 113.02 acres, more or less, as recorded in Volume 561, Page 736, of the Deed Records of Robertson County, Texas. As amended by that certain Amendment and Extension of Oil, Gas and Mineral Lease dated March 1, 1991, recorded in Volume 599, Page 714, of the Deed Records of Robertson County, Texas.
- 26) Oil, Gas and Mineral Lease dated February 20, 1991, by and between, Ruby Lee Davis, a widow, Earl L. Davis, Robert C. Davis, Shannon L. Davis, Angela L. Davis, Debra D. Davis, Kendra D. Davis a/k/a Kendra Davis, and Kenneth D. Davis, single persons, dealing herein with their sole and separate property, as Lessor, and J. L. Schneider and Company, as Lessee, covering 96.0 acres, more or less, as recorded in Volume 563, Page 199, of the Deed Records of Robertson County, Texas. As amended by that certain Amendment and Extension of Oil, Gas and Mineral Lease dated February 20, 1991, recorded in Volume 606, Page 481, of the Deed Records of Robertson County, Texas.
- 27) Oil, Gas and Mineral Lease dated February 12, 1991, by and between, Espanola Davis, a widow, as Lessor, and J. L. Schneider and Company, as Lessee, covering 96.0 acres, more or less, as recorded in Volume 561, Page 471, of the Deed Records of Robertson County, Texas. As amended by that certain Amendment and Extension of Oil, Gas and Mineral Lease dated February 12, 1991, recorded in Volume 604, Page 505, of the Deed Records of Robertson County, Texas.
- 28) Oil, Gas and Mineral Lease dated February 12, 1991, by and between, Augustine Davis Brown, a widow, as Lessor, and J. L. Schneider and Company, as Lessee, covering 96.0 acres, more or less, as recorded in Volume 561, Page 467, of the Deed Records of Robertson County, Texas.
- 29) Oil, Gas and Mineral Lease dated February 12, 1991, by and between, Ray Dell Williams, a single woman, as Lessor, and J. L. Schneider and Company, as Lessee, covering 96.0 acres, more or less, as recorded in Volume 561, Page 463, of the Deed Records of Robertson County, Texas.
- 30) Oil, Gas and Mineral Lease dated March 5, 1991, by and between, Kant, Stuart & Fitzgerald Orthopedic Associates, P. A. Employees Profit Sharing Plan and Trust, represented by Andrew P. Kant, Trustee, Mark A. S. Stuart, Trustee, and Ray M. Fitzgerald, Trustee, as Lessor, and J. L. Schneider and Company, as Lessee, covering 108.2 acres, more or less, as recorded in Volume 563, Page 74, of the Deed Records of Robertson County, Texas. As amended by that certain Amendment and Extension

of Oil, Gas and Mineral Lease dated March 5, 1991, recorded in Volume 602, Page 688, of the Deed Records of Robertson County, Texas.

- 31) Oil, Gas and Mineral Lease dated June 20, 1994, by and between, Doris K. Vaults, Chairman; Carolyn S. Brown, Secretary; and Theophilus C. Taylor, Treasurer; being all of the duly elected officials of the Wilson Chapel Cemetery Fund, as Lessor, and Union Pacific Resource Company, as Lessee, covering 1.0 acres, more or less, as recorded in Volume 614, Page 697, of the Deed Records of Robertson County, Texas.
- 32) Oil, Gas and Mineral Lease dated April 5, 1994, by and between, John J. Fazzino and wife, Dora Fazzino, as Lessor, and Union Pacific Resources Company, as Lessee, covering 28.64 acres, more or less, as recorded in Volume 618, Page 744, of the Deed Records of Robertson County, Texas.
- 33) Oil, Gas and Mineral Lease dated April 28, 1994, by and between, Frederica Ann Beckett, Independent Executrix and Trustee of the Estate of George Riley Williams-Deceased, as Lessor, and Union Pacific Resources Company, as Lessee, covering 55.2 acres, more or less, as recorded in Volume 622, Page 369, of the Deed Records of Robertson County, Texas.
- 34) Oil, Gas and Mineral Lease dated April 11, 1991, by and between, Herman Elton Williams, Sr., dealing herein with his sole and separate property, as Lessor, and J. L. Schneider and Company, as Lessee, covering 55.20 acres, more or less, as recorded in Volume 564, Page 324, of the Deed Records of Robertson County, Texas. As amended by that certain Amendment and Extension of Oil, Gas and Mineral Lease dated April 11, 1991, and recorded in Volume 603, Page 580, of the Deed Records of Robertson County, Texas.
- 35) Oil, Gas and Mineral Lease dated May 1, 1991, by and between, Gloria Vivian Williams White, dealing herein with her sole and separate property, a/k/a Gloria V. White, as Lessor, and J. L. Schneider and Company, as Lessee, covering 55.2 acres, more or less, as recorded in Volume 565, Page 55, of the Deed Records of Robertson County, Texas. As amended by that certain Amendment and Extension of Oil, Gas and Mineral Lease dated May 1, 1991, and recorded in Volume 608, Page 224, of the Deed Records of Robertson County, Texas.
- 36) Oil, Gas and Mineral Lease dated April 11, 1991, by and between, Richard Lee Williams, Jr., dealing herein with his sole and separate property, as Lessor, and J. L. Schneider and Company, as Lessee, covering 55.2 acres, more or less, as recorded in Volume 564, Page 320, of the Deed Records of Robertson County, Texas. As amended by that certain Amendment and Extension of Oil, Gas and Mineral Lease dated April 11, 1991, and recorded in Volume 601, Page 593, of the Deed Records of Robertson County, Texas.
- 37) Oil, Gas and Mineral Lease dated November 30, 1993, by and between, Geraldine Carter, acting in the control and management of her own separate property, as Lessor, and Union Pacific Resources Company, as Lessee, covering 55.2 acres, more or less, as recorded in Volume 606, Page 500, of the Deed Records of Robertson County, Texas.
- 38) Oil, Gas and Mineral Lease dated November 30, 1993, by

and between, Joyce M. Mitchell, acting in the control and management of her own separate property, as Lessor, and Union Pacific Resources Company, as Lessee, covering 55.2 acres, more or less, as recorded in Volume 606, Page 502, of the Deed Records of Robertson County, Texas.

- 39) Oil, Gas and Mineral Lease dated December 2, 1993, by and between, Barbara G. Dixon, acting in the control and management of her own separate property, as Lessor, and Union Pacific Resources Company, as Lessee, covering 55.2 acres, more or less, as recorded in Volume 608, Page 226, of the Deed Records of Robertson County, Texas.
- 40) Oil, Gas and Mineral Lease dated November 30, 1993, by and between, Elois L. Wooten, acting in the control and management of her own separate property, as Lessor, and Union Pacific Resources Company, as Lessee, covering 55.2 acres, more or less, as recorded in Volume 608, Page 228, of the Deed Records of Robertson County, Texas.
- 41) Oil, Gas and Mineral Lease dated January 24, 1994, by and between, R. Q. Sadberry, acting in the control and management of his own separate property, as Lessor, and Union Pacific Resources Company, as Lessee, covering 28.762 acres, more or less, as recorded in Volume 611, Page 393, of the Deed Records of Robertson County, Texas.
- 42) Oil, Gas and Mineral Lease dated April 2, 1991, by and between, John McDaniel a/k/a John R. McDaniel, Sr., dealing herein with his separate and sole property, as Lessee, covering 12.210 acres, more or less, as recorded in Volume 563, Page 233, of the Deed Records of Robertson County, Texas. As amended by that certain Amendment and Extension of Oil, Gas and Mineral Lease dated April 2, 1991, and recorded in Volume 606, Page 496, of the Deed Records of Robertson County, Texas.
- 43) Oil, Gas and Mineral Lease dated February 1, 1994, by and between, Hoza Sadberry a/k/a Hoza Sadberry, Sr. and his wife Maudline Sadberry, as Lessor, and Union Pacific Resources Company, as Lessee, covering 28.762 acres, more or less, as recorded in Volume 622, Page 365, of the Deed Records of Robertson County, Texas.

Attached to and made a part of that certain "Designation of Unit - Delley-Ruffino Unit", dated December 8, 1994.

Delley-Ruffino Unit Well No. 1  
673.27 Acre Unit  
Union Pacific Resources Company  
H. Fullerton Survey, A-153  
David W. Campbell Survey, A-88  
Edward Patterson Survey, A-305  
Thos. Webb Survey, A-365  
A. McMillen Survey, A-275  
Leona V. Teague Survey, A-411  
John R. Triplett Survey, A-355  
Eliz. M. Smith Survey, A-387  
Robertson County, Texas

Field notes of a 673.27 acre tract or parcel of land, lying and being situated in the H. Fullerton Survey, Abstract No. 153, in the David W. Campbell Survey, Abstract No. 88, in the Edward Patterson Survey, Abstract No. 305, in the Thos. Webb Survey, Abstract No. 365, in the A. McMillen Survey, Abstract No. 275, in the Leona V. Teague Survey, Abstract No. 411, in the John R. Triplett Survey, Abstract No. 355, and in the Eliz. M. Smith Survey, Abstract No. 387, Robertson County, Texas, and consisting of the following tracts:

All of the called 70.56 acre - Tract Two and part of the called 47.56 acre - Tract One described in the deed recorded in Volume 296, Page 26, of the Deed Records of Robertson County, Texas;

All of the called 28.64 acre tract described in the deed recorded in Volume 175, Page 383, of the Deed Records of Robertson County, Texas;

All of the called 49.89 acre - Tract 1 - Share No. 6, part of the called 70 acre - Tract 2 - Share No. 6 and all of the called 0.58 acre - Tract 3 - Share No. 6 described in the Decree of Partition recorded in Volume 155, Page 526, of the Deed Records of Robertson County, Texas;

All of the called 55.32 acre tract described in the deed recorded in Volume 566, Page 126, of the Deed Records of Robertson County, Texas;

All of the called 12.211 acre Tract 1-B described in the Partition Deed recorded in Volume 334, Page 358, of the Deed Records of Robertson County, Texas;

All of the called 12.210 acre tract described in the deed recorded in Volume 345, Page 662, of the Deed Records of Robertson County, Texas;

All of the called 14.642 acre Tract 10-B described in the deed recorded in Volume 564, Page 226, of the Deed Records of Robertson County, Texas;

All of the called 14.643 acre Tract 9-B described in the Partition Deed recorded in Volume 334, Page 358, of the Deed Records of Robertson County, Texas;

Part of the called 44.66 acre tract described in the deed recorded in Volume 443, Page 177, of the Deed Records of Robertson County, Texas;

Part of the called 55.2 acre tract described in the deed recorded in Volume 402, Page 493, of the Deed Records of Robertson County, Texas;

Part of the called 70 acre tract described in the deed recorded in Volume 402, Page 496, of the Deed Records of Robertson County, Texas;

VOL 624 PAGE 315

Delley-Ruffino Unit Well No. 1  
673.27 Acre Unit  
Union Pacific Resources Company  
H. Fullerton Survey, A-153  
Robertson County, Texas  
Continued - Page 2

All of the called 51.982 acre tract described in the deed recorded in Volume 473, Page 138, of the Deed Records of Robertson County, Texas;

All of the called 13.58 acre - Tract Three described in the deed recorded in Volume 280, Page 319, of the Deed Records of Robertson County, Texas;

All of the called 13.58 acre - Tract Three described in the deed recorded in Volume 280, Page 314, of the Deed Records of Robertson County, Texas;

All of the called 13.58 acre - Third Tract described in the deed recorded in Volume 280, Page 309, of the Deed Records of Robertson County, Texas;

All of the called 13.58 acre - Third Tract described in the deed recorded in Volume 280, Page 304, of the Deed Records of Robertson County, Texas;

All of the called 13.58 acre - Tract Three described in the deed recorded in Volume 280, Page 292, of the Deed Records of Robertson County, Texas;

All of the called 2.00 acre - Tract Four described in the deed recorded in Volume 280, Page 299, of the Deed Records of Robertson County, Texas;

All of the called 13.58 acre - Third Tract described in the deed recorded in Volume 280, Page 287, of the Deed Records of Robertson County, Texas;

Part of the called 33 acre - First Tract described in the deed recorded in Volume 145, Page 329, of the Deed Records of Robertson County, Texas;

Part of the called 28.272 acre tract described in the deed recorded in Volume 561, Page 179, of the Deed Records of Robertson County, Texas;

Part of the called 96 acre (NET) tract described in the deed recorded in Volume 62, Page 213, of the Deed Records of Robertson County, Texas;

All of the called 50 acre - Third Tract described in the deed recorded in Volume 495, Page 295, of the Deed Records of Robertson County, Texas;

All of the called 1 acre tract described in the deed from J. Cashaw, et ux to The Deacons of Wilson Chapel Church, as recorded in Volume 63, Page 427, of the Deed Records of Robertson County, Texas;

All of the 15' wide strip for road purposes described in the deed recorded in Volume 55, Page 10, of the Deed Records of Robertson County, Texas;

And all of the called 1.55 acre road strip described in the deed recorded in Volume 62, Page 35, of the Deed Records of Robertson County, Texas, and said 673.27 acre tract being more particularly described as follows:

**BEGINNING** at the south corner of the called 21¼ acre tract described in Volume 503, Page 302, of the Deed Records of Robertson County, Texas, same being in the northwest line of the beforementioned 96 acre tract and same being at or near the interior ell corner of the abovementioned Thomas Webb Survey, from which a 10" oak tree fence corner bears N 15° 53' 40" W - 37.4 feet;

Delley-Ruffino Unit Well No. 1  
673.27 Acre Unit  
Union Pacific Resources Company  
H. Fullerton Survey, A-153  
Robertson County, Texas  
Continued - Page 3

THENCE S 31° 00' 38" E along the common line between the beforementioned 21¼ acre tract and the beforementioned 96 acre tract for a distance of 1111.11 feet to the east corner of the 96 acre tract and the south corner of the 21¼ acre tract, from which a 6" creosote post fence corner bears S 15° 16' 20" E - 102.2 feet;

THENCE N 58° 59' 22" E along the common line between the beforementioned 21¼ acre tract and the beforementioned 50 acre tract (495/295), adjacent to and 100 feet northwest of a fence, for a distance of 143.04 feet to the north corner of the 50 acre tract, same being the west corner of the called 25 acre (NET) tract described in Volume 341, Page 114, of the Deed Records of Robertson County, Texas, from which a ½" iron rod found at a crosstie fence corner bears S 30° 22' 16" E - 101.64 feet;

THENCE S 30° 26' 12" E along the common line between the beforementioned 25 acre tract and the beforementioned 50 acre tract for a distance of 1733.73 feet to the east corner of the 50 acre tract in the northwest line of the beforementioned 70 acre tract (155/526);

THENCE N 59° 04' 36" E along the common line between the beforementioned 25 acre tract and the beforementioned 70 acre tract for a distance of 127.50 feet and corner;

THENCE S 30° 05' 25" E across the beforementioned 70 acre tract for a distance of 1073.08 feet to the southeast line of the 70 acre tract;

THENCE S 59° 07' 25" W along the southeast line of the beforementioned 70 acre tract for a distance of 190.03 feet to a ½" iron rod found in fence marking the north corner of the called 4.55 acre tract described in Volume 155, Page 274, of the Deed Records of Robertson County, Texas;

THENCE S 59° 54' 35" W continuing along the southeast line of the beforementioned 70 acre tract and along the northwest line of the beforementioned 4.55 acre tract and the called 10.00 acre tract described in Volume 472, Page 302, of the Deed Records of Robertson County, Texas, for a distance of 691.50 feet to the north corner of the beforementioned 70.56 acre tract and the west corner of the 10.00 acre tract;

THENCE S 30° 05' 25" E along the northeast line of the beforementioned 70.56 acre tract for a distance of 2047.80 feet to the east corner of the 70.56 acre tract in the southeast line of the beforementioned D. W. Campbell Survey, and same being near the fenced northwest line of County Road No. 203, from which a crosstie fence corner bears N 58° 52' 43" E - 382.0 feet;

THENCE S 59° 40' 16" W along the southeast line of the beforementioned D. W. Campbell Survey and along County Road No. 203 for a distance of 1469.56 feet to the south corner of the Campbell Survey in the northeast line of the beforementioned Fullerton Survey;

THENCE S 29° 38' 27" E along the northeast line of the beforementioned Fullerton Survey for a distance of 86.98 feet to the north corner of the F. W. Ransom - 320 acre tract described in Volume 108, Page 679, of the Deed Records of Robertson County, Texas, same being the east corner of the beforementioned road strip (62/35);

624-317

Delley-Ruffino Unit Well No. 1  
673.27 Acre Unit  
Union Pacific Resources Company  
H. Fullerton Survey, A-153  
Robertson County, Texas  
Continued - Page 4

THENCE along the common occupied line between the beforementioned 320 acre tract and the beforementioned road strip, as follows:

S 56° 51' 39" W at a distance of 18.0 feet, pass a 12" hackberry tree fence angle point, continue on with a fence for a total distance of 801.71 feet to a crosstie fence angle point,  
N 84° 05' 35" W for a distance of 86.97 feet to a crosstie fence angle point where existing road turns to the northwest,  
S 59° 40' 16" W leaving existing road and adjacent to a fence for a distance of 1254.78 feet to the southwest line of the Fullerton Survey, same being the west corner of the 320 acre tract, same being a south corner of the beforementioned 47.56 acre tract, from which an 8" elm tree fence angle point bears S 49° 17' 54" W - 24.5 feet;

THENCE N 29° 59' 47" W along the southwest line of the beforementioned Fullerton Survey, across the beforementioned 47.56 acre tract and along the southwest line of the beforementioned 15' wide road strip, at a distance of 1044.4 feet, pass a crosstie fence corner in the southeast fenced line of Old Mumford Road, continue on for a total distance of 1065.17 feet to the northwest line of the 47.56 acre tract, same being in the southeast line of the beforementioned 0.58 acre tract and same being in the center of the travelway of Old Mumford Road;

THENCE S 58° 53' 25" W along the center of the travelway of Old Mumford Road for a distance of 981.91 feet and corner where said road turns to the northwest;

THENCE along the center of the travelway of Old Mumford Road as follows:

N 29° 59' 05" W for a distance of 762.43 feet,  
N 30° 28' 27" W for a distance of 1693.85 feet,  
N 31° 12' 22" W for a distance of 1747.45 feet to a 1" square iron bar found in the southwest line of said road, same being the west corner of the beforementioned 14.643 acre tract;

THENCE N 29° 58' 47" W along the southwest line of the beforementioned 44.66 acre tract for a distance of 719.24 feet and corner;

THENCE N 58° 59' 22" E across the beforementioned 44.66 acre tract, the beforementioned 55.2 acre tract, the beforementioned 70 acre tract (402/496), the beforementioned 33 acre tract, the beforementioned 28.272 acre tract and the beforementioned 96 acre tract for a distance of 5201.90 feet to the **PLACE OF BEGINNING**, containing 673.27 acres of land, more or less.

Bearings based on True North, as obtained by Solar Observation.

Prepared 08/31/94 LIMITED, from the surface down to the base of the Georgetown  
kes94-02b:\delley.ruf formation.

VOL 624 PAGE 318

RUTH CAMPBELL SURVEY, A-90

DAVID W. CAMPBELL SURVEY, A-88

EDWARD PATTERSON SURVEY, A-305

C. BRADLEY  
21.25 AC.  
341/878

M. LIGHTSEY  
50 AC  
123/513

SCALE: 1"=1000'

E. FIN  
AC.  
302

3.6 AC.  
03/302

THOS. WEBB SURVEY, A-365

M. MYERS & DORIS JOHNSON  
553/616

MAE F. WELLS  
20 AC.  
196/215

P.O.B.

23  
30.79  
AC. CALC.

26  
50.34  
AC. CALC.

5  
109.72  
AC. CALC.

EDWARD PATTERSON SURVEY, A-305

DAVID W. CAMPBELL SURVEY, A-88

CHARLES COOPER  
60 AC.  
121/392

A. McMILLEN SURVEY, A-275

2  
105.21  
AC. CALC.

22  
18.74  
AC. CALC.

4  
29.00  
AC. CALC.

20  
14.10  
AC. CALC.

19  
2.00  
AC. CALC.

17  
13.59  
AC. CALC.

16  
13.59  
AC. CALC.

15  
13.59  
AC. CALC.

14  
14.93  
AC. CALC.

H. FULLERTON SURVEY, A-153

2  
105.21  
AC. CALC.

F.W. RANSOM  
320 AC.  
108/679

12  
46.38  
AC. CALC.

13  
52.71  
AC. CALC.

5  
109.72  
AC. CALC.

673.27 AC.  
PROR. UNIT

30  
7.26  
AC. CALC.

DELLEY-RUFFINO UNIT  
WELL NO. 1 SURF.  
LOCATION ELEV: 247

W. R. TRIPLETT SURVEY, A-355

Z. M. SMITH SURVEY, A-387

11  
21.05  
AC. CALC.

10  
14.84  
AC. CALC.

9  
15.18  
AC. CALC.

8  
12.57  
AC. CALC.

6  
56.65  
AC. CALC.

A. McMILLEN SURVEY, A-275

LEONA V. TEAGUE SURVEY, A-411

WRIGHT COLEY SURVEY, A-95

29  
47.56 AC.  
1ST TR.  
296/26

J.H. LIGHTSEY  
290.5 AC.  
594/467

L19

AP. KANT  
39.7 AC  
495/295

7  
12.55  
AC. CALC.

R. SADBERRY  
36.4 AC.

GEO. ANTONIO NIXON SURVEY, A-31

R.L. DELLEY  
67 AC  
145/329

OLD MUMFORD ROAD

WRIGHT COLEY SURVEY, A-95

RINGS BASED ON TRUE NORTH  
OBTAINED BY SOLAR OBSERVATION.

UNIT LOCATED S30°E-10.6 MI.  
FROM HEARNE, TX.

DOTTED LINE INDICATES LIMITS OF UNIT.

LOC. POSITION:  
AZIMUTH: 30°44'35.352"N  
DISTANCE: 96°29'58.112"W

FROM LOC. POSITION:  
AZIMUTH: 30°45'21.069"N  
DISTANCE: 96°30'17.604"W

MEASURED FROM TRIMBLE NAVIGATION  
STATION - G.P.S.

ACCURACY: 5 TO 7 METERS.

EXHIBIT 'A' FOR ACREAGE TABLE

UNIT PERIMETER METES.

EXHIBIT 'A' FOR "AS-DRILLED"

WELLS

UNIT PLAT

DATED: 11/30/94

PREPARED FROM

RECORDS AND

FIELD SURVEY:

1994

M. KLING



M. KLING R.P.L.S. NO. 2003

EXHIBIT "C"

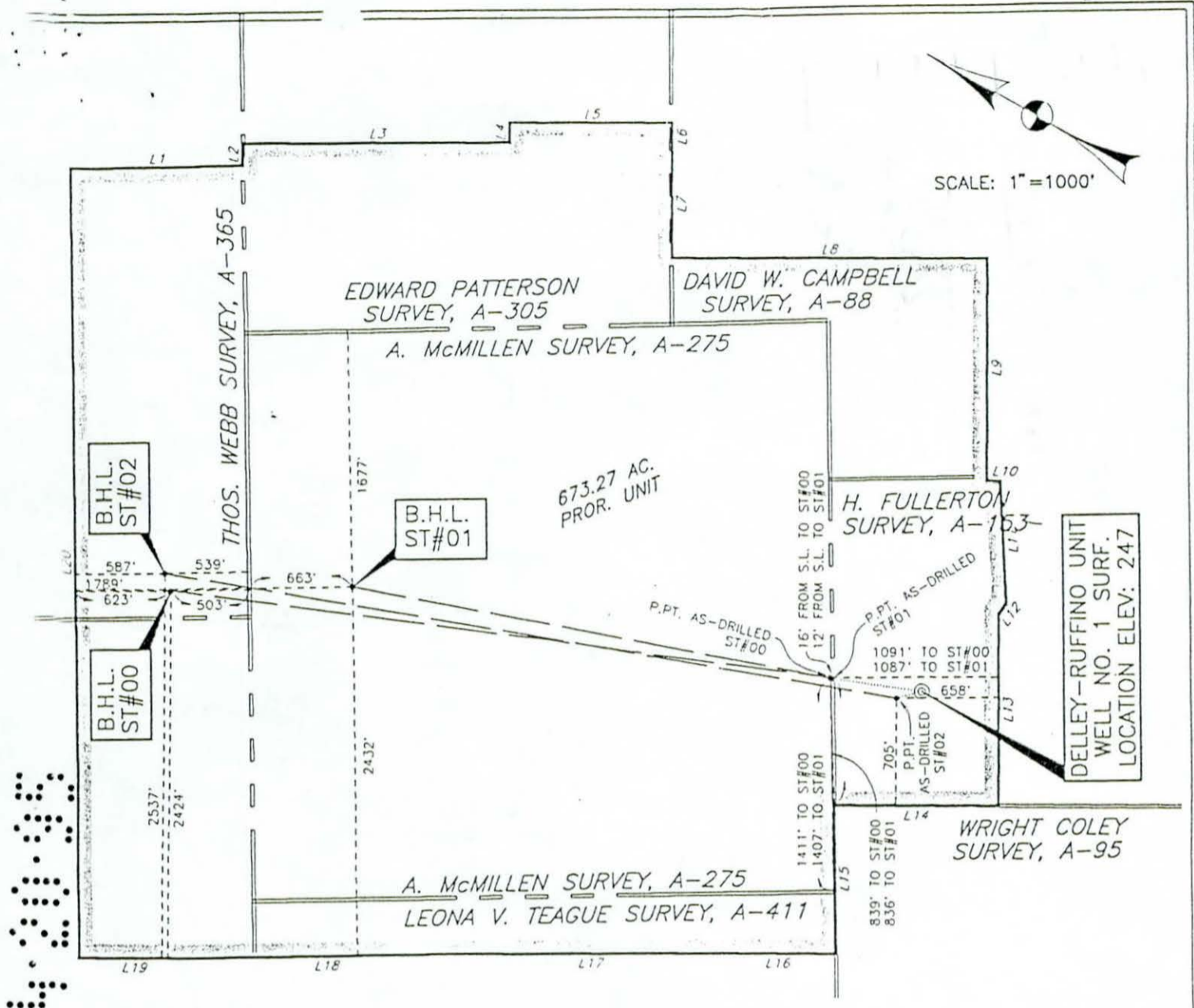
Attached to and made a part of that certain "Designation  
of Unit - Delley-Ruffino Unit" dated December 8, 1994.

VOL. 624 PAGE 319

# "AS-DRILLED" PRORATION UNIT PLAT DELLEY-RUFFINO UNIT WELL NO. 1

UNION PACIFIC RESOURCES COMPANY  
H. FULLERTON SURVEY, A-153  
A. McMILLEN SURVEY, A-275  
THOMAS WEBB SURVEY, A-365  
ROBERTSON COUNTY, TEXAS

SCALE: 1"=1000' NOVEMBER, 1994 Pg.1 of 2



**DELLEY-RUFFINO UNIT WELL NO. 1**

ACREAGE IN UNIT	LEASE	VOL/PG
-	-	-
105.21	PRESTON RUFFINO, III, etux	563/64
-	-	-
29.00	JOHN E. FAZZINO, etux	-
109.72	THOEPHILUS C. TAYLOR *	-
56.65	HERMAN ELTON WILLIAMS, SR. *	564/324
12.35	R.O. SADBERRY	-
12.57	JOHN McDANIEL	563/233
15.18	HOZA SADBERRY	-
14.84	ERVIN SADBERRY	563/51
21.05	RICKIE SADBERRY, etux	563/447
46.38	GEORGE V. VAULTS, etux OTRIS M. KING, JR.	561/736
52.71	CLOTEAL S. RODGERS, etoli	563/59
14.93	MARJORIE SADBERRY DELLEY	563/223
13.58	EUNELL SADBERRY WEBSTER	563/475
13.59	A. SADBERRY CONNOR	564/338
13.59	CAROLYN SADBERRY BROWN	563/495
13.59	MABEL SADBERRY BARROWS	563/505
2.00	HESLIP SADBERRY	-
14.10	THOYMEE DILL SADBERRY PHILLIPS	563/519
8.78	ROBERT L. DELLEY, etux	563/465
18.74	MARJORIE SADBERRY DELLEY	563/213
30.79	RUBY LEE DAVIS a widow, etoli *	-
-	-	-
50.34	KANT, STUART & FITZGERALD ORTHOPEDIC ASSOCIATES	563/74
-	-	-
1.74	CEMETERY-CALLED 1 Ac-63/427	-
0.37	STATE OF TX.- ROAD Vol.55,Pg.10	-
1.46	STATE of TX.-ROAD Vol.62,Pg.35	-
673.27	TOTAL ACRES IN UNIT	-

\*S TRACT COVERED BY SEVERAL LEASES NOT LISTED HERE.

**UNIT PERIMETER METES:**

LINE	BEARING	DIST.
1	S 31°00'38"E	1111.11
2	N 58°59'22"E	143.04
3	S 30°26'12"E	1733.73
4	N 59°04'36"E	127.50
5	S 30°05'25"E	1073.08
6	S 59°07'25"W	190.03
7	S 59°54'35"W	691.50
8	S 30°05'25"E	2047.80
9	S 59°40'16"W	1469.56
10	S 29°38'27"E	86.98
11	S 56°51'39"W	801.71
12	N 84°05'35"W	86.97
13	S 59°40'16"W	1254.78
14	N 29°59'47"W	1065.17
15	S 58°53'25"W	981.91
16	N 29°59'05"W	762.43
17	N 30°28'27"W	1693.85
18	N 31°12'22"W	1747.45
19	N 29°58'47"W	719.24
20	N 58°59'22"E	5201.90

A.P.I. #42-395-30411  
 SURF. LOC. TO P.P.T. ST#00:  
 N21°27'W~598'  
 SURF. LOC. TO P.P.T. ST#01:  
 N21°44'W~593'  
 SURF. LOC. TO P.P.T. ST#02:  
 N45°44'W~164'

HORIZONTAL CLOSURES:  
 B.H.L. ST#00:  
 N22°40'W~4328'  
 B.H.L. ST#01:  
 N19°23'W~3186'  
 B.H.L. ST#02:  
 N20°29'W~4830'

PROR. UNIT PLAT  
 PREPARED: 11/30/94

VOL. 624 PAGE 320

**EXHIBIT 'A'**  
**DELLEY-RUFFINO**  
**UNIT WELL NO. 1**

**UNION PACIFIC RESOURCES COMPANY**  
 H. FULLERTON SURVEY, A-153  
 A. McMILLEN SURVEY, A-275  
 THOMAS WEBB SURVEY, A-365  
 ROBERTSON COUNTY, TEXAS

10.

File No. MF095943

Designation of Unit

Date Filed 9/25/00

By *[Signature]*  
David [unclear], [unclear]

4.50.02