

MF096404

Lease Type	Control	Basefile	County
	04-103051	154702	BURLESON
	Survey	Singleton P	
	Block		
	Block Name		
	Township		
	Section/Tract		
	Land Part	ALL	
	Acres	Net: 38.850000	Gross: 38.850000
	Depth Below	Depth Above	Depth Other
			Allow All Depths
	Name	SENECA RESOURCES CORPORATION	
	Lease Date	4/4/1995	
	Primary Term	3 years	
	Bonus	\$38.85	
	Lease Royalty	0.20000000	
	Paid Up		

Leasing:    JH     
Maps:    JH     
GIS:    Mc     
Scanlab:           

M  
F  
0  
9  
6  
4  
0  
4

F292354

SENECA RESOURCES CORPORATION

# 2421 → # 2472

2.141 UNIT AC.  
17.44 NON-UNITAC.

STATE LEASE - UPLANDS

M-96404

# 2581

8.29 UNIT ACRES  
9.15 TOTAL NON UNITACRES

COUNTY (CODE)	BURLESON (26)
SURVEY	B.C.I.D. #1
BLOCK	N/A
TOWNSHIP	N/A
SECTION(S)/TRACT(S)	12
PART	N/A
ACRES	38.85 29.70
DEPTH LIMITS	N/A
BASE FILE (S)	154702
CONTROL NO. (S)	04-10305-1
CONTROL NO. (S)	N/A

LESSEE	SENECA RESOURCES
DATE	04-4-95
PRIMARY TERM	THREE (3) YEARS
BONUS (\$)	\$10,787.87
ROYALTY (FULL)	1/4
RENTAL (\$)	5.00 PER AC.
VARIABLE ROYALTY	YES

RENTALS	MS.
LEASE ADMIN.	KSA
MINERAL MAPS	KAB

LTS = JP

CONTENTS OF FILE NO. MF096404

1. BID FORM	04-04-95	Burdison Cnty. M. Wilkins #7-
2. LEASE	04-04-95	# 5700-Seneca Resources 42498
3. TRANSMITTAL LETTER	04-26-95	27. Permit to drill well 7H. 11-7-96
4. Pooling Committee Rpt	4-29-96	See MF095092 #17
5. Term Pooling Agreement	4-29-96	for assignment 12/18/02
6. Appl. to Drill Well # 7H	"	28. Pooling Committee Report 4/8/03
7. Division Order	8-9-96	29. Pooling Committee Report
8. Designation of Unit	8-9-96	+ Amendment to Pooling
9. " " "	8-9-96	Agreement 6/6/03
10. Pooling Committee Rpt.	9-6-96	30. Division Order 6/5/03
11. Pooling Agreement <sup>permanent</sup>	"	Scanned IW 1-12-2016
12. Appl. to Drill Well # 7H	"	(See MF095091 #19 Consent
13. Completion Rpt well # 7H	"	to Assign to Verdun 4-6-18
E-LOG Well # 7H		scanned PJ 4-10-2018
14. Rental 3-26-96	2-5-97	(See 096403 #4 for
15. Pooling Committee Rpt + Pooling Agreement dated	1-7-97	min. royalty
		Scanned WMI 8-4-2025
16. Pooling Committee Rpt + Pooling Agreement	6-3-97	
17. Appl. to drill well # 7H	8-21-97	
18. Completion Rpt well # 7H	U+L	
E-LOG well # 7H		
19. D.O. letter from Seneca	6-3-97	
19.A. D.O.	7-7-1997	
20. P.O. letter to "	7-9-97	
21. Ltr to Seneca (unit royalty)	9-18-97 (permanent)	
22. Ltr. from Seneca dated 9/11/97 with Recorded Copy of Pooling Agmt.	Filed 9/25/97	
23. Ltr. from Seneca dated 8/20/96 with Recorded copy of Pooling Agmt.	Filed 10/15/97	
24. Rental payment, 32497 filed	11-25-97	
25. Ltr. from Seneca 12/5/97 Ref. Roy. reduction rate		
26. E-log #194, clay field, Deep-Town, S		



Texas General Land Office  
Garry Mauro, Commissioner

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

96404

APRIL 4, 1995

**MINERAL LEASE BID APPLICATION**

Texas General Land Office ED - CA-040(8-93)

**APPLICANT AGREEMENT**

I agree, if awarded a lease on the referenced tract, to comply with all terms and conditions of said lease and with all applicable laws that so govern said lease, as those laws may be amended.

**APPLICANT IDENTIFICATION TO APPEAR ON LEASE (type/print)**

Name Seneca Resources Corporation  
Address 333 Clay Street, Suite 4150  
City Houston State TX Zip 77002-4176  
(Include +4 Code)  
Telephone (713) 658-0191

**AREA DESCRIPTION**

County(ies) Burleson Survey/Area 12 (P. Singleton, A-56)  
(If Applicable)  
Block/Tsp. -- Section/Tract BCID Levee Acres 38.85  
(If Applicable) 95045710

**BID SUBMISSION**

(A) Cash Bonus Enclosed (\$) 10,787.87 (type/print amount below)  
Ten Thousand Seven Hundred Eighty-seven and 87/100 Dollars  
(B) Sales Fee Attached (\$) 161.82 95045711 (type/print amount below)  
One Hundred Sixty-one and 82/100 Dollars.  
This Sales Fee is 1 - 1/2% of the cash bonus as provided in Section 32.110 of the Natural Resources Code as amended.

MGL. NO.

7

APPLICANT (same as above)

Seneca Resources Corporation

BONUS AMOUNT ONLY (A)

(Do Not include sales fee)

(\$) 10,787.87

APPLICANT TAX I.D. #

SIGNATURE OF AGENT

(type/print below)

Emmett Wassell

by: Emmett Wassell  
General Manager - Gulf Coast Division

① M-96401  
bid form  
4.4.95

11754038

11754038

11754038

Lease Form  
Revised 10/94  
6 - 1/11

2284

# The State of Texas



Austin, Texas

OIL AND GAS LEASE  
NO. M-96404

WHEREAS, pursuant to the Texas Natural Resources Code Chapters 32, 33, 51, and Chapter 52, Subchapters A-D and H, (said Code being hereinafter referred to as N.R.C.), and subject to all rules and regulations promulgated by the Commissioner of the General Land Office and/or the School Land Board pursuant thereto, and all other applicable statutes and amendments to said N.R.C., the following area, to-wit:

TRACT 12, BURLISON COUNTY IMPROVEMENT DISTRICT NO. 1, (LEVEE), CONTAINING APPROXIMATELY 38.85 ACRES, BEING TWO PARTS, THE NORTH PART CONTAINING 29.69 ACRES AND THE SOUTH PART CONTAINING 9.16 ACRES, LOCATED WITHIN THE PHILLIP SINGLETON SURVEY, A-56, BURLISON COUNTY, TEXAS, AS SHOWN ON THE MAP FILED AS BURLISON COUNTY ROLLED SKETCH NO. 1 (FF), NOW ON FILE IN THE SURVEYING DIVISION OF THE TEXAS GENERAL LAND OFFICE, AUSTIN, TEXAS,

was, after being duly advertised, offered for lease on the 4th day of April, 1995, at 10:00 o'clock a.m., by the Commissioner of the General Land Office of the State of Texas and the School Land Board of the State of Texas, for the sole and only purpose of prospecting and drilling for, and producing oil and/or gas that may be found and produced from the above described area; and

WHEREAS, after all bids and remittances which were received up to said time have been duly considered by the Commissioner of the General Land Office and the School Land Board at a regular meeting thereof in the General Land Office, on the 4th day of April, 1995, hereinafter the "effective date" and it was found and determined that Seneca Resources Corporation whose address is 333 Clay Street, Suite 4150, Houston, TX 77002-4176 had offered the highest and best bid for a lease of the area above described and is, therefore, entitled to receive a lease thereon:

NOW, THEREFORE, I, Garry Mauro, Commissioner of the General Land Office of the State of Texas, hereinafter sometimes referred to as "Lessor," whose address is Austin, Texas, by virtue of the authority vested in me and in consideration of the payment by the hereinafter designated Lessee, the sum of Ten Thousand Seven Hundred Eighty Seven and 87/100 Dollars (\$10,787.87), receipt of which is hereby acknowledged and of the royalties, covenants, stipulations and conditions contained and hereby agreed to be paid, observed and performed by Lessee, do hereby demise, grant, lease and let unto the above mentioned bidder the exclusive right to prospect for, produce and take oil and/or gas from the aforesaid area upon the following terms and conditions, to-wit:

1. **RESERVATION:** There is hereby excepted and reserved to Lessor the full use of the property covered hereby and all rights with respect to the surface and subsurface thereof for any and all purposes except those granted and to the extent herein granted to Lessee, together with the rights of ingress and egress and use of said lands by Lessor and its mineral lessees, for purposes of exploring for and producing the minerals which are not covered, or which may not be covered in the future, under the terms of this lease, but which may be located within the surface boundaries of the leased area. All of the rights in and to the leased premises retained by Lessor and all of the rights in and to the leased premises granted to Lessee herein shall be exercised in such a manner that neither shall unduly interfere with the operations of the other.

2. **TERM:** Subject to the other provisions hereof, this lease shall be for a term of three (3) years from the effective date hereof (herein called "primary term") and as long thereafter as oil or gas is produced in paying quantities from said area.

3. **DELAY RENTALS:** If no well be commenced on the land hereby leased on or before the anniversary date of this lease, this lease shall terminate as to both parties unless the Lessee on or before said date shall pay or tender to the Commissioner of the General Land Office of the State of Texas at Austin, Texas, the sum of Five Dollars (\$5.00), per acre, which shall operate as rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively during the primary term hereof.

4. **PRODUCTION ROYALTIES:** Subject to the provisions for royalty reductions set out in subparagraph (E) of this paragraph 4, upon production of oil and/or gas, the Lessee agrees to pay or cause to be paid to the Commissioner of the General Land Office in Austin, Texas, for the use and benefit of the State of Texas, during the term hereof:

STATE OF TEXAS  
COUNTY OF BURLISON  
The document to which this certificate is affixed  
is a full, true and correct copy of the original on  
file and of record in my office.  
Thereby certified, at 07-26-95

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*Endy M. Henry*  
County Clerk  
Burlison County, Texas

(A) OIL: As a royalty on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided,  $\frac{1}{4}$  part of the gross production or the market value thereof, at the option of the Lessor, such value to be determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity in the general area where produced and when run, or 2) the highest market price thereof offered or paid in the general area where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before any gas produced from the land hereby leased is sold, used or processed in a plant, it will be run free of cost to Lessor through an adequate oil and gas separator of conventional type or other equipment at least as efficient to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered. Upon written consent of Lessor, the requirement that such gas be run through such a separator or other equipment may be waived upon such terms and conditions as prescribed by Lessor.

(B) NON-PROCESSED GAS: As a royalty on any gas (including flared gas), which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (A) above, produced from any well on said land (except as provided herein with respect to gas processed in a plant for the extraction of gasoline, liquid hydrocarbons or other products)  $\frac{1}{4}$  part of the gross production or the market value thereof, at the option of the Lessor, such value to be based on the highest market price paid or offered for gas of comparable quality in the general area where produced and when run, or the gross price paid or offered to the producer, whichever is greater provided that the maximum pressure base in measuring the gas under this lease contract shall not at any time exceed 14.65 pounds per square inch absolute, and the standard base temperature shall be sixty (60) degrees Fahrenheit, correction to be made for pressure according to Boyle's Law, and for specific gravity according to test made by the Balance Method or by the most approved method of testing being used by the industry at the time of testing.

(C) PROCESSED GAS: As a royalty on any gas processed in a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons,  $\frac{1}{4}$  part of the residue gas and the liquid hydrocarbons extracted or the market value thereof, at the option of the Lessor. All royalties due herein shall be based on one hundred percent (100%) of the total plant production of residue gas attributable to gas produced from this lease, and on fifty percent (50%) or that percent accruing to Lessee, whichever is the greater, of the total plant production of liquid hydrocarbons, attributable to the gas produced from this lease; provided that if liquid hydrocarbons are recovered from gas processed in a plant in which Lessee (or its parent, subsidiary or affiliate) owns an interest, then the percentage applicable to liquid hydrocarbons shall be fifty percent (50%) or the highest percent accruing to a third party processing gas through such plant under a processing agreement negotiated at arms' length (or if there is no such third party, the highest percent then being specified in processing agreements or contracts in the industry), whichever is the greater. The respective royalties on residue gas and on liquid hydrocarbons shall be determined by 1) the highest market price paid or offered for any gas (or liquid hydrocarbons) of comparable quality in the general area or 2) the gross price paid or offered for such residue gas (or the weighted average gross selling price for the respective grades of liquid hydrocarbons), whichever is the greater. In no event, however, shall the royalties payable under this paragraph be less than the royalties which would have been due had the gas not been processed.

(D) OTHER PRODUCTS: As a royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead," "dry" or any other gas, by fractionating, burning or any other processing,  $\frac{1}{4}$  part of gross production of such products, or the market value thereof, at the option of Lessor, such market value to be determined as follows:

- (1) On the basis of the highest market price of each product, during the same month in which such product is produced, or
- (2) On the basis of the average gross sale price of each product for the same month in which such products are produced; whichever is the greater.

(E) VARIABLE ROYALTY: (i) Subject to the other provisions of this lease, it is hereby provided that in the event production in paying quantities is established pursuant to the terms of this lease and such production is brought on line and sales thereof are commenced within eighteen (18) months of the effective date hereof, the royalty rate provided herein shall be reduced to 20%, and shall apply to each subsequent well drilled and produced on the land covered by this lease. Provided that, if during such eighteen (18) month term during which Lessee may earn a reduced royalty rate of 20% as herein provided, Lessee should drill in good faith and complete the first well as a dry hole on the land covered by this lease, Lessee may receive a three (3) month extension of the term in which to earn a reduced royalty rate by giving notice to the Commissioner of the General Land Office, commencing drilling operations on an additional well prior to the expiration of such three (3) month period and prosecuting diligently and in good faith the drilling of such additional well and completing same so that production in paying quantities is established and so that such production is brought on line and sales thereof are commenced prior to the expiration of such three (3) month extension period.

(ii) In the event production in paying quantities is established pursuant to the terms of this lease and such production is brought on line and sales thereof are commenced after the expiration of eighteen (18) months from the effective date hereof but prior to the expiration of thirty-six (36) months from the effective date hereof, the royalty rate provided herein shall be reduced to 22.5% and shall apply to each subsequent well drilled and produced on the land covered by this lease.

(F) NO DEDUCTIONS: Lessee agrees that all royalties accruing to Lessor under this lease shall be without deduction for the cost of producing, transporting, and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

(G) ROYALTY IN KIND: Notwithstanding anything contained herein to the contrary, Lessor may, at its option, upon not less than 60 days notice to Lessee, require at any time or from time to time that payment of all or any royalties accruing to Lessor under this lease be made in kind without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use. Lessor's right to take its royalty in kind shall not diminish or negate Lessor's rights or Lessee's obligations, whether express or implied, under this lease.

well 241 sec 706

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STATE OF TEXAS  
COUNTY OF BURLESON

The document to which this certificate is affixed  
is a full, true and correct copy of the original on  
file and of record in my office.

Thereby certified, on 7-26-95



*Earl M. Henry*  
County Clerk  
Burleson County, Texas

(H) **PLANT FUEL AND RECYCLED GAS:** No royalty shall be payable on any gas as may represent this lease's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding anything contained herein to the contrary, and subject to the consent in writing of the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises after the liquid hydrocarbons contained in the gas have been removed, and no royalties shall be payable on the gas so recycled until such time as the same may thereafter be produced and sold or used by Lessee in such manner as to entitle Lessor to a royalty thereon under the royalty provisions of this lease.

(I) **MINIMUM ROYALTY:** During any year after the expiration of the primary term of this lease, if this lease is maintained by production, the royalties paid to Lessor in no event shall be less than an amount equal to the total annual delay rental herein provided; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of this lease a sum equal to the total annual rental less the amount of royalties paid during the preceding year.

(J) **MARGINAL PRODUCTION ROYALTY:** Upon Lessee's written application, the School Land Board may reduce the royalty rate set out in this paragraph and/or the minimum royalty set out in subparagraph 4 (I) to extend the economic life of this lease and encourage recovery of oil or gas that might otherwise remain unrecovered. Any such royalty reduction must conform to the requirements of any School Land Board administrative rules on this subject. Royalty may not be reduced below the applicable statutory minimum.

5. **ROYALTY PAYMENTS AND REPORTS:** All royalties not taken in kind shall be paid to the Commissioner of the General Land Office at Austin, Texas, in the following manner:

Payment of royalty on production of oil and gas shall be as provided in the rules set forth in the Texas Register. Rules currently provide that 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, then 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.

6. (A) **RESERVES, CONTRACTS AND OTHER RECORDS:** Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of oil and gas reserves underlying this lease or allocable to this lease and shall furnish said Commissioner with copies of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts within thirty (30) days after entering into or making such contracts, agreements or amendments. Such contracts and agreements when received by the General Land Office shall be held in confidence by the General Land Office unless otherwise authorized by Lessee. All other contracts and records pertaining to the production, transportation, sale and marketing of the oil and gas produced on said premises, including the books and accounts, receipts and discharges of all wells, tanks, pools, meters, and pipelines shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, the Governor, or the representative of any of them.

(B) **DRILLING RECORDS:** Written notice of all operations on this lease shall be submitted to the Commissioner of the General Land Office by Lessee or operator five (5) days before spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above-described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall have an electrical and/or radioactivity survey made on the bore-hole section, from the base of the surface casing to the total depth of well, of all wells drilled on the above described premises and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.

(C) **PENALTIES:** Lessee shall incur a penalty whenever reports, documents or other materials are not filed in the General Land Office when due. The penalty for late filing shall be set by the General Land Office administrative rule which is effective on the date when the materials were due in the General Land Office.

7. **RETAINED ACREAGE:** Notwithstanding any provision of this lease to the contrary, after a well producing or capable of producing oil or gas has been completed on the leased premises, Lessee shall exercise the diligence of a reasonably prudent operator in drilling such additional well or wells as may be reasonably necessary for the proper development of the leased premises and in marketing the production thereon.

STATE OF TEXAS  
COUNTY OF BURLESON  
The document to which this certificate is affixed  
is a full, true and correct copy of the original on  
file and of record in my office.  
Thereby certified, on 7-26-95



*Carolyn M. Henry*  
County Clerk  
Burleson County, Texas

(A) VERTICAL: In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 11 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Natural Resources Code Sections 52.151-52.153, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. Within 90 days of a partial termination of this lease in accordance with this subparagraph and upon payment of the minimum filing fee set by General Land Office rules in effect at the time of the partial termination, Lessee shall have the right to obtain a surface lease for ingress and egress on and across the terminated portion of the leased premises as may be reasonably necessary for the continued operation of the portions of the lease remaining in force and effect. If Lessee fails to apply for a surface lease within the 90 day period specified above, Lessee may apply for a surface lease from the Land Office, but the Land Commissioner has the discretion to grant or deny such application and to set the fee for such surface lease.

(B) HORIZONTAL: In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall further terminate as to all depths below 100 feet below the total depth drilled (hereinafter "deeper depths") in each well located on acreage retained in Paragraph 7 (A) above, unless on or before two (2) years after the primary or extended term Lessee pays an amount equal to one-half (1/2) of the bonus originally paid as consideration for this lease (as specified on page 1 hereof). If such amount is paid, this lease shall be in force and effect as to such deeper depths, and said termination shall be delayed for an additional period of two (2) years and so long thereafter as oil or gas is produced in paying quantities from such deeper depths covered by this lease.

(C) IDENTIFICATION AND FILING: The surface acreage retained hereunder as to each well shall, as nearly as practical, be in the form of a square with the well located in the center thereof, or such other shape as may be approved by the School Land Board. Within thirty (30) days after partial termination of this lease as provided herein, Lessee shall execute and record a release or releases containing a satisfactory legal description of the acreage and/or depths not retained hereunder. The recorded release, or a certified copy of same, shall be filed in the General Land Office, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date the release is filed. If Lessee fails or refuses to execute and record such release or releases within ninety (90) days after being requested to do so by the General Land Office, then the Commissioner at his sole discretion may designate by written instrument the acreage and/or depths to be released hereunder and record such instrument at Lessee's expense in the county or counties where the lease is located and in the official records of the General Land Office and such designation shall be binding upon Lessee for all purposes. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes.

8. OFFSET WELLS: If oil and/or gas should be produced in commercial quantities from a well located on land privately owned or on State land leased at a lesser royalty, which well is within one thousand (1,000) feet of the area included herein, or which well is draining the area covered by this lease, the Lessee shall, within sixty (60) days after such initial production from the draining well or the well located within one thousand (1,000) feet from the area covered by this lease begin in good faith and prosecute diligently the drilling of an offset well on the area covered by this lease, and such offset well shall be drilled to such depth as may be necessary to prevent the undue drainage of the area covered by this lease, and the Lessee, manager or driller shall use all means necessary in a good faith effort to make such offset well produce oil and/or gas in commercial quantities. Only upon the determination of the Commissioner and with his written approval, may the payment of a compensatory royalty satisfy the obligation to drill an offset well or wells required under this Paragraph.

9. DRY HOLE/CESSATION OF PRODUCTION DURING PRIMARY TERM: If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if during the primary term hereof and after the discovery and actual production of oil or gas from the leased premises such production thereof should cease from any cause, this lease shall not terminate if on or before the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or pays or tenders the next annual delay rental in the same manner as provided in this lease. If, during the last year of the primary term or within sixty (60) days prior thereto, a dry hole be completed and abandoned, or the production of oil or gas should cease for any cause, Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term; and if Lessee has not resumed production in paying quantities at the expiration of the primary term, Lessee may maintain this lease by conducting additional drilling or reworking operations pursuant to Paragraph 10, using the expiration of the primary term as the date of cessation of production under Paragraph 10. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in oil or gas well within the primary term hereof, Lessee may resume payment of the annual rental in the same manner as provided herein on or before the rental paying date following the expiration of sixty (60) days from the date of completion of such shut-in oil or gas well and upon the failure to make such payment, this lease shall ipso facto terminate. If at the expiration of the primary term or any time thereafter a shut-in oil or gas well is located on the leased premises payments may be made in accordance with the shut-in provisions hereof.

10. CESSATION, DRILLING, AND REWORKING: If, after the expiration of the primary term, production of oil or gas from the leased premises, after once obtained, should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within sixty (60) days after such cessation, and this lease shall remain in full force and effect for so long as such operations continue in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days. If such drilling or reworking operations result in the production of oil or gas, the lease shall remain in full force and effect for so long as oil or gas is produced from the leased premises in paying quantities or payment of shut-in oil or gas well royalties or payment of compensatory royalties is made as provided herein or as provided by law. If the drilling or reworking operations result in the

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STATE OF TEXAS  
COUNTY OF BURLESON  
The document to which this certificate is affixed  
is a full, true and correct copy of the original on  
file and of record in my office.  
Thereby certified, on 7-26-95



*Endy M. Henry*  
County Clerk  
Burleson County, Texas

completion of a well as a dry hole, the lease will not terminate if the Lessee commences additional drilling or reworking operations within sixty (60) days after the completion of the well as a dry hole, and this lease shall remain in effect so long as Lessee continues drilling or reworking operations in good faith and in a workmanlike manner without interruptions totaling more than sixty (60) days. Lessee shall give written notice to the General Land Office within thirty (30) days of any cessation of production.

11. **SHUT-IN ROYALTIES:** For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If at any time after the expiration of the primary term of a lease that, until being shut in, was being maintained in force and effect, a well capable of producing oil or gas in paying quantities is located on the leased premises, but oil or gas is not being produced for lack of suitable production facilities or lack of a suitable market, then Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease, but not less than \$1,200 a year for each well capable of producing oil or gas in paying quantities. To be effective, each initial shut-in oil or gas royalty must be paid on or before: (1) the expiration of the primary term, (2) 60 days after the Lessee ceases to produce oil or gas from the leased premises, or (3) 60 days after Lessee completes a drilling or reworking operation in accordance with the lease provisions; whichever date is latest. If the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term, or from the first day of the month following the month in which production ceased, and, after that, if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

12. **COMPENSATORY ROYALTIES:** If, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the leased premises and completed in the same producing reservoir, or in any case in which drainage is occurring, the right to continue to maintain the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the lease for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in the lease of the market value of production from the well causing the drainage or which is completed in the same producing reservoir and within one thousand (1,000) feet of the leased premises. The compensatory royalty is to be paid monthly to the Commissioner beginning on or before the last day of the month following the month in which the oil or gas is produced from the well causing the drainage or that is completed in the same producing reservoir and located within one thousand (1,000) feet of the leased premises; if the compensatory royalty paid in any 12-month period is in an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period; and none of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in N.R.C. Section 52.034; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties shall satisfy the obligation to drill offset wells. Compensatory royalty payments which are not timely paid will accrue penalty and interest in accordance with Paragraph 5 of this lease.

13. **EXTENSIONS:** If, at the expiration of the primary term of this lease, production of oil or gas has not been obtained on the leased premises but drilling operations are being conducted thereon in good faith and in a good and workmanlike manner, Lessee may, on or before the expiration of the primary term, file in the General Land Office written application to the Commissioner of the General Land Office for a thirty (30) day extension of this lease, accompanied by payment of Three Thousand Dollars (\$3,000.00) if this lease covers six hundred forty (640) acres or less and Six Thousand Dollars (\$6,000.00) if this lease covers more than six hundred forty (640) acres and the Commissioner shall, in writing, extend this lease for a thirty (30) day period from and after the expiration of the primary term and so long thereafter as oil or gas is produced in paying quantities; provided further, that Lessee may, so long as such drilling operations are being conducted make like application and payment during any thirty (30) day extended period for an additional extension of thirty (30) days and, upon receipt of such application and payment, the Commissioner shall, in writing, again extend this lease so that same shall remain in force for such additional thirty (30) day period and so long thereafter as oil or gas is produced in paying quantities; provided, however, that this lease shall not be extended for more than a total of three hundred ninety (390) days from and after the expiration of the primary term unless production in paying quantities has been obtained.

14. **USE OF WATER; SURFACE:** Lessee shall have the right to use water produced on said land necessary for operations hereunder and solely upon the leased premises; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for water flood operations without the prior written consent of Lessor. Subject to its obligation to pay surface damages, Lessee shall have the right to use so much of the surface of the land that may be reasonably necessary for drilling and operating wells and transporting and marketing the production therefrom, such use to be conducted under conditions of least injury to the surface of the land. Lessee shall pay surface damages in an amount set by the General Land Office fee schedule which is effective on the date when the activity requiring the payment of surface damages occurs.

15. **POLLUTION:** In developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties.

(A) **UPLANDS:** Lessee shall build and maintain fences around its slush, surp, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level all slush pits and cellars and completely clean up the drilling site of all rubbish thereon.

(B) **SUBMERGED LANDS:** No discharge of solid waste or garbage shall be allowed into State waters from any drilling or support vessels, production platform, crew or supply boat, barge, jack-up rig or other equipment located on the leased area. Solid waste shall include but shall not be limited to containers, equipment, rubbish, plastic, glass, and any other man-made non-biodegradable items. A sign must be displayed in a high traffic area on all vessels and manned platforms stating, "Discharge of any solid waste or garbage into State waters from vessels or platforms is strictly prohibited and may subject a State of Texas lease to forfeiture." Such statement shall be in lettering of at least 1" in size.

STATE OF TEXAS

COUNTY OF BURLESON

The document to which this certificate is affixed is a full, true and correct copy of the original on file and of record in my office.

Thereby certified, on

7-26-95



*Evelyn M. Newmy*  
County Clerk  
Burleson County, Texas

(C) RIVERS: To the extent necessary to prevent pollution, the provisions found in subsections (a) and (b) of this paragraph shall also apply to rivers and riverbeds.

(D) PENALTY: Failure to comply with the requirements of this provision may result in the maximum penalty allowed by law including forfeiture of the lease. Lessee shall be liable for the damages caused by such failure and any costs and expenses incurred in cleaning areas affected by the discharged waste.

16. IDENTIFICATION MARKERS: Lessee shall erect, at a distance not to exceed twenty-five (25) feet from each well on the premises covered by this lease, a legible sign on which shall be stated the name of the operator, the lease designation and the well number. Where two or more wells on the same lease or where wells on two or more leases are connected to the same tank battery, whether by individual flow line connections direct to the tank or tanks or by use of a multiple header system, each line between each well and such tank or header shall be legibly identified at all times, either by a firmly attached tag or plate or an identification properly painted on such line at a distance not to exceed three (3) feet from such tank or header connection. Said signs, tags, plates or other identification markers shall be maintained in a legible condition throughout the term of this lease.

17. ASSIGNMENTS: The lease may be transferred at any time. All transfers must reference the lease by the file number and must be recorded in the county where the area 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 W.R.C. Section 52.026, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such transfer or certified copy thereof. 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.

18. RELEASES: 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 filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such relinquishment or certified copy thereof. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

19. LIEN: In accordance with W.R.C. Section 52.136, the State shall have a first lien upon all oil and gas produced from the area covered by this lease to secure payment of all unpaid royalty and other sums of money that may become due under this lease. By acceptance of this lease, Lessee grants the State, in addition to the lien provided by W.R.C. Section 52.136 and any other applicable statutory lien, an express contractual lien on and security interest in all leased minerals in and extracted from the leased premises, all proceeds which may accrue to Lessee from the sale of such leased minerals, whether such proceeds are held by Lessee or by a third party, and all fixtures on and improvements to the leased premises used in connection with the production or processing of such leased minerals in order to secure the payment of all royalties or other amounts due or to become due under this lease and to secure payment of any damages or loss that Lessor may suffer by reason of Lessee's breach of any covenant or condition of this lease, whether express or implied. This lien and security interest may be foreclosed with or without court proceedings in the manner provided in the Title 1, Chapter 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's acquisition of this lease. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this lease forfeited as provided herein.

20. FORFEITURE: If Lessee shall fail or refuse to make the 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, the School Land Board, or the Railroad Commission, 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 Lessee shall knowingly violate any of the material provisions of this lease, or if this lease is assigned and the 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 to the highest bidder, under the same regulations controlling the original sale of leases. However, nothing herein shall be construed as waiving the automatic termination of this lease by operation 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.

21. RIVERBED TRACTS: In the event this lease covers a riverbed, Lessee is hereby specifically granted the right of eminent domain and condemnation as provided for in W.R.C. Sections 52.092-52.093, as a part of the consideration moving to Lessor for the covenants herein made by Lessee.

22. APPLICABLE LAWS AND DRILLING RESTRICTIONS: This lease shall be subject to all rules and regulations, and amendments thereto, promulgated by the Commissioner of the General Land Office governing drilling and producing operations on Permanent Free School Land, payment of royalties, and auditing procedures, and shall be subject to all other valid statutes, rules, regulations, orders and ordinances that may affect operations under the provisions of this lease. Without limiting the generality of the foregoing, Lessee hereby agrees, by the acceptance of this lease, to be bound by and subject to all statutory and regulatory provisions relating to the

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STATE OF TEXAS  
COUNTY OF BURLESON  
The document to which this certificate is affixed  
is a full, true and correct copy of the original on  
file and of record in my office.  
Thereby certified, on 7-26-95



*Evelyn M. Henry*   
County Clerk  
Burleson County, Texas

General Land Office's audit billing notice and audit hearings procedures. Said provisions are currently found at 31 Texas Administrative Code, Chapter 4, and Texas Natural Resources Code Sections 52.135 and 52.137 through 52.140. In the event this lease covers land franchised or leased or otherwise used by a navigation district or by the United States for the purpose of navigation or other purpose incident to the operation of a port, then Lessee shall not be entitled to enter or possess such land without prior approval as provided under Section 61.117 of the Texas Water Code, but Lessee shall be entitled to develop such land for oil and gas by directional drilling; provided, however, that no surface drilling location may be nearer than 660 feet and special permission from the Commissioner of the General Land Office is necessary to make any surface location nearer than 2,160 feet measured at right angles from the nearest bulkhead line or from the nearest dredged bottom edge of any channel, slip, or turning basin which has been authorized by the United States as a federal project for future construction, whichever is nearer.

**23. REMOVAL OF EQUIPMENT:** Upon the termination of this lease for any cause, Lessee shall not, in any event, be permitted to remove the casing or any part of the equipment from any producing, dry, or abandoned well or wells without the written consent of the Commissioner of the General Land Office or his authorized representative; nor shall Lessee, without the written consent of said Commissioner or his authorized representative remove from the leased premises the casing or any other equipment, material, machinery, appliances or property owned by Lessee and used by Lessee in the development and production of oil or gas therefrom until all dry or abandoned wells have been plugged and until all slush or refuse pits have been properly filled and all broken or discarded lumber, machinery, or debris shall have been removed from the premises to the satisfaction of the said Commissioner or his authorized representative.

**24. FORCE MAJEURE:** Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling operations thereon, or from producing oil and/or gas therefrom, after effort made in good faith, by reason of war, rebellion, riots, strikes, fires, acts of God or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended upon proper and satisfactory proof presented to the Commissioner of the General Land Office in support of Lessee's contention and Lessee shall not be liable for damages for failure to comply therewith (except in the event of lease operations suspended as provided in the rules and regulations adopted by the School Land Board); and this lease shall be extended while and so long as Lessee is prevented, by any such cause, from drilling, reworking operations or producing oil and/or gas from the leased premises; provided, however, that nothing herein shall be construed to suspend the payment of rentals during the primary or extended term, nor to abridge Lessee's right to a suspension under any applicable statute of this State.

**25. RAILROAD COMMISSION HEARINGS ON GAS:** 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 of Texas 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. However, the Railroad Commission of Texas may grant exceptions to these provisions as set forth in N.R.C. Section 52.296.

**26. LEASE SECURITY:** Lessee shall take the highest degree of care and all proper safeguards to protect said premises and to prevent theft of oil, gas, and other hydrocarbons produced from said lease. This includes, but is not limited to, the installation of all necessary equipment, seals, locks, or other appropriate protective devices on or at all access points at the lease's production,

gathering and storage systems where theft of hydrocarbons can occur. Lessee shall be liable for the loss of any hydrocarbons resulting from theft and shall pay the State of Texas royalties thereon as provided herein on all oil, gas or other hydrocarbons lost by reason of theft.

**27. REDUCTION OF PAYMENTS:** If, during the primary term, a portion of the land covered by this lease is included within the boundaries of a pooled unit that has been approved by the School Land Board in accordance with Natural Resources Code Sections 52.151-52.153, or if, at any time after the expiration of the primary term or the extended term, this lease covers a lesser number of acres than the total amount described herein, payments that are made on a per acre basis hereunder shall be reduced according to the number of acres pooled, released, surrendered, or otherwise severed, so that payments determined on a per acre basis under the terms of this lease during the primary term shall be calculated based upon the number of acres outside the boundaries of a pooled unit, or, if after the expiration of the primary term, the number of acres actually retained and covered by this lease.

**28. SUCCESSORS AND ASSIGNS:** The covenants, conditions and agreements contained herein shall extend to and be binding upon the heirs, executors, administrators, successors or assigns of Lessee herein.

**29. ANTIQUITIES CODE:** In the event that any feature of archeological or historical interest is encountered during the activities authorized by this lease, Lessee will immediately cease activities and will immediately notify the General Land Office and the Texas Antiquities Committee so that adequate measures may be undertaken to protect or recover such discoveries or findings, as appropriate. Lessee is expressly placed on notice of the National Historical Preservation Act of 1966 (PB-89-66, 80 Statute 915; 16 U.S.C.A. 470) and the Antiquities Code of Texas, Chapter 191, Natural Resources Code.

COUNTY CLERK'S MEMO.  
Portions of This Document  
Not Legible When Received.

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STATE OF TEXAS

COUNTY OF BURLESON

The document to which this certificate is affixed  
is a full, true and correct copy of the original on  
file and of record in my office.

Thereby certified, on 7-26-95



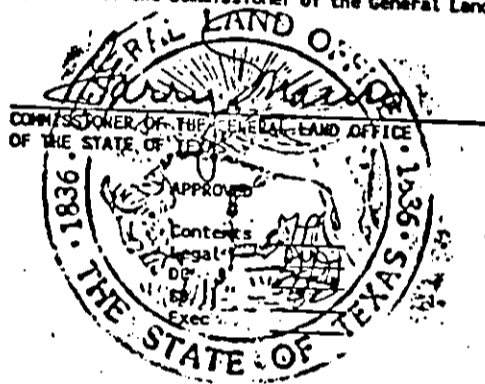
*Endy M. Henry*  
County Clerk  
Burleson County, Texas

30. LEASE FILING: Pursuant to Chapter 9 of the Tex. Bus. & Com. Code, this lease must be filed of record in the office of the County Clerk in any county in which all or any part of the leased premises is located, and certified copies thereof must be filed in the General Land Office. The prescribed filing fee shall accompany the certified copies sent to the General Land Office.

31. EXECUTION: This oil and gas lease must be signed and acknowledged by the Lessee before it is filed of record in the county records and in the General Land Office of the State of Texas.

Seneca Resources Corporation *rw*  
LESSEE  
BY: *Emmett Wassell*  
TITLE: Emmett Wassell  
Vice President  
DATE: May 19, 1995

IN TESTIMONY WHEREOF, witness the signature of the Commissioner of the General Land Office of the State of Texas under the seal of the General Land Office.



COUNTY CLERK'S MEMO.  
Portions of This Document  
Not Legible When Received.

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STATE OF TEXAS  
COUNTY OF BURLESON  
The document to which this certificate is affixed  
is a full, true and correct copy of the original on  
file and of record in my office.  
Thereby certified, on 7-26-95  
*Earlyn M. Newby*  
County Clerk  
Burleson County, Texas



FILED FOR RECORD  
at 9:00 o'clock A. M.  
JUN 1 1995  
*Evelyn M. Henry*  
EVELYN M. HENRY  
COUNTY CLERK, BURLESON CO., TEX.

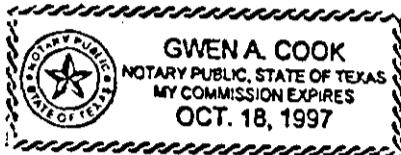
STATE OF TEXAS  
COUNTY OF HARRIS

(CORPORATION ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared EMMETT WASSSELL  
known to me to be the person whose name is subscribed to the foregoing instrument, as VICE PRESIDENT of  
SENECA RESOURCES CORPORATION and acknowledged to me that he executed the same  
for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 19<sup>th</sup> day of May, 1995.

Gwen A. Cook  
Notary Public in and for The State of  
TEXAS



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

(INDIVIDUAL ACKNOWLEDGMENT)

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

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

Notary Public in and for \_\_\_\_\_

STATE OF TEXAS  
COUNTY OF BURLESON  
The document to which this certificate is affixed  
is a full, true and correct copy of the original on  
file and of record in my office.  
Thereby certified, on 7-26-95  
*Evelyn M. Henry*  
County Clerk  
Burleson County, Texas



VOL 241 PAGE 713

THE STATE OF TEXAS  
COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument  
of writing with its certificate of authentication was filed for record in my office on the \_\_\_\_\_  
day of June, 1995, at 9:00 o'clock A. M. and duly recorded on \_\_\_\_\_  
day of June, 1995, in the Oil and Gas Lease  
Record of said County, in Vol. 241 Page 705-713.

Witness my hand and official seal of the County Court of said County, at my office in Caldwell, Texas,  
the day and year above written.

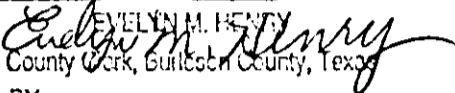
By Violet Ann Turner, Deputy

Evelyn M. Henry  
County Clerk, Burleson County, Texas

STATE OF TEXAS  
COUNTY OF BURLESON

I, EVELYN M. HENRY, County Clerk, Burleson County, Texas, do hereby certify that the foregoing is a true and correct copy of the original, as same appears of record in Vol. 241, Page 705-713, Oil & Gas Lease Records, Burleson County, Texas.

Witness my hand and seal of office on this the 26 day of July A.D., 19 95.

  
EVELYN M. HENRY  
County Clerk, Burleson County, Texas

BY \_\_\_\_\_  
Deputy

OIL AND GAS LEASE NO. 96404  
DATE APR 04 1995

JUL 27 1995

# The State of Texas



Austin, Texas

OIL AND GAS LEASE  
NO. M-96404

WHEREAS, pursuant to the Texas Natural Resources Code Chapters 32, 33, 51, and Chapter 52, Subchapters A-D and H, (said Code being hereinafter referred to as N.R.C.), and subject to all rules and regulations promulgated by the Commissioner of the General Land Office and/or the School Land Board pursuant thereto, and all other applicable statutes and amendments to said N.R.C., the following area, to-wit:

TRACT 12, BURLESON COUNTY IMPROVEMENT DISTRICT NO. 1, (LEVEE), CONTAINING APPROXIMATELY 38.85 ACRES, BEING TWO PARTS, THE NORTH PART CONTAINING 29.69 ACRES AND THE SOUTH PART CONTAINING 9.16 ACRES, LOCATED WITHIN THE PHILLIP SINGLETON SURVEY, A-56, BURLESON COUNTY, TEXAS, AS SHOWN ON THE MAP FILED AS BURLESON COUNTY ROLLED SKETCH NO. 1 (FF), NOW ON FILE IN THE SURVEYING DIVISION OF THE TEXAS GENERAL LAND OFFICE, AUSTIN, TEXAS,

was, after being duly advertised, offered for lease on the 4th day of April, 1995, at 10:00 o'clock a.m., by the Commissioner of the General Land Office of the State of Texas and the School Land Board of the State of Texas, for the sole and only purpose of prospecting and drilling for, and producing oil and/or gas that may be found and produced from the above described area; and

WHEREAS, after all bids and remittances which were received up to said time have been duly considered by the Commissioner of the General Land Office and the School Land Board at a regular meeting thereof in the General Land Office, on the 4th day of April, 1995, hereinafter the "effective date" and it was found and determined that Seneca Resources Corporation whose address is 333 Clay Street, Suite 4150, Houston, TX 77002-4176 had offered the highest and best bid for a lease of the area above described and is, therefore, entitled to receive a lease thereon:

NOW, THEREFORE, I, Garry Mauro, Commissioner of the General Land Office of the State of Texas, hereinafter sometimes referred to as "Lessor," whose address is Austin, Texas, by virtue of the authority vested in me and in consideration of the payment by the hereinafter designated Lessee, the sum of Ten Thousand Seven Hundred Eighty Seven and 87/100 Dollars (\$10,787.87), receipt of which is hereby acknowledged and of the royalties, covenants, stipulations and conditions contained and hereby agreed to be paid, observed and performed by Lessee, do hereby demise, grant, lease and let unto the above mentioned bidder the exclusive right to prospect for, produce and take oil and/or gas from the aforesaid area upon the following terms and conditions, to-wit:

1. **RESERVATION:** There is hereby excepted and reserved to Lessor the full use of the property covered hereby and all rights with respect to the surface and subsurface thereof for any and all purposes except those granted and to the extent herein granted to Lessee, together with the rights of ingress and egress and use of said lands by Lessor and its mineral lessees, for purposes of exploring for and producing the minerals which are not covered, or which may not be covered in the future, under the terms of this lease, but which may be located within the surface boundaries of the leased area. All of the rights in and to the leased premises retained by Lessor and all of the rights in and to the leased premises granted to Lessee herein shall be exercised in such a manner that neither shall unduly interfere with the operations of the other.

2. **TERM:** Subject to the other provisions hereof, this lease shall be for a term of three (3) years from the effective date hereof (herein called "primary term") and as long thereafter as oil or gas is produced in paying quantities from said area.

3. **DELAY RENTALS:** If no well be commenced on the land hereby leased on or before the anniversary date of this lease, this lease shall terminate as to both parties unless the Lessee on or before said date shall pay or tender to the Commissioner of the General Land Office of the State of Texas at Austin, Texas, the sum of Five Dollars (\$5.00), per acre, which shall operate as rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively during the primary term hereof.

\* 4. **PRODUCTION ROYALTIES:** Subject to the provisions for royalty reductions set out in subparagraph (E) of this paragraph 4, upon production of oil and/or gas, the Lessee agrees to pay or cause to be paid to the Commissioner of the General Land Office in Austin, Texas, for the use and benefit of the State of Texas, during the term hereof:

**(A) OIL:** As a royalty on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided,  $\frac{1}{4}$  part of the gross production or the market value thereof, at the option of the Lessor, such value to be determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity in the general area where produced and when run, or 2) the highest market price thereof offered or paid in the general area where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before any gas produced from the land hereby leased is sold, used or processed in a plant, it will be run free of cost to Lessor through an adequate oil and gas separator of conventional type or other equipment at least as efficient to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered. Upon written consent of Lessor, the requirement that such gas be run through such a separator or other equipment may be waived upon such terms and conditions as prescribed by Lessor.

**(B) NON-PROCESSED GAS:** As a royalty on any gas (including flared gas), which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (A) above, produced from any well on said land (except as provided herein with respect to gas processed in a plant for the extraction of gasoline, liquid hydrocarbons or other products)  $\frac{1}{4}$  part of the gross production or the market value thereof, at the option of the Lessor, such value to be based on the highest market price paid or offered for gas of comparable quality in the general area where produced and when run, or the gross price paid or offered to the producer, whichever is greater provided that the maximum pressure base in measuring the gas under this lease contract shall not at any time exceed 14.65 pounds per square inch absolute, and the standard base temperature shall be sixty (60) degrees Fahrenheit, correction to be made for pressure according to Boyle's Law, and for specific gravity according to test made by the Balance Method or by the most approved method of testing being used by the industry at the time of testing.

**(C) PROCESSED GAS:** As a royalty on any gas processed in a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons,  $\frac{1}{4}$  part of the residue gas and the liquid hydrocarbons extracted or the market value thereof, at the option of the Lessor. All royalties due herein shall be based on one hundred percent (100%) of the total plant production of residue gas attributable to gas produced from this lease, and on fifty percent (50%) or that percent accruing to Lessee, whichever is the greater, of the total plant production of liquid hydrocarbons, attributable to the gas produced from this lease; provided that if liquid hydrocarbons are recovered from gas processed in a plant in which Lessee (or its parent, subsidiary or affiliate) owns an interest, then the percentage applicable to liquid hydrocarbons shall be fifty percent (50%) or the highest percent accruing to a third party processing gas through such plant under a processing agreement negotiated at arms' length (or if there is no such third party, the highest percent then being specified in processing agreements or contracts in the industry), whichever is the greater. The respective royalties on residue gas and on liquid hydrocarbons shall be determined by 1) the highest market price paid or offered for any gas (or liquid hydrocarbons) of comparable quality in the general area or 2) the gross price paid or offered for such residue gas (or the weighted average gross selling price for the respective grades of liquid hydrocarbons), whichever is the greater. In no event, however, shall the royalties payable under this paragraph be less than the royalties which would have been due had the gas not been processed.

**(D) OTHER PRODUCTS:** As a royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead," "dry" or any other gas, by fractionating, burning or any other processing,  $\frac{1}{4}$  part of gross production of such products, or the market value thereof, at the option of Lessor, such market value to be determined as follows:

- (1) On the basis of the highest market price of each product, during the same month in which such product is produced, or
- (2) On the basis of the average gross sale price of each product for the same month in which such products are produced; whichever is the greater.

**(E) VARIABLE ROYALTY:** (i) Subject to the other provisions of this lease, it is hereby provided that in the event production in paying quantities is established pursuant to the terms of this lease and such production is brought on line and sales thereof are commenced within eighteen (18) months of the effective date hereof, the royalty rate provided herein shall be reduced to 20%, and shall apply to each subsequent well drilled and produced on the land covered by this lease. Provided that, if during such eighteen (18) month term during which Lessee may earn a reduced royalty rate of 20% as herein provided, Lessee should drill in good faith and complete the first well as a dry hole on the land covered by this lease, Lessee may receive a three (3) month extension of the term in which to earn a reduced royalty rate by giving notice to the Commissioner of the General Land Office, commencing drilling operations on an additional well prior to the expiration of such three (3) month period and prosecuting diligently and in good faith the drilling of such additional well and completing same so that production in paying quantities is established and so that such production is brought on line and sales thereof are commenced prior to the expiration of such three (3) month extension period.

(ii) In the event production in paying quantities is established pursuant to the terms of this lease and such production is brought on line and sales thereof are commenced after the expiration of eighteen (18) months from the effective date hereof but prior to the expiration of thirty-six (36) months from the effective date hereof, the royalty rate provided herein shall be reduced to 22.5% and shall apply to each subsequent well drilled and produced on the land covered by this lease.

**(F) NO DEDUCTIONS:** Lessee agrees that all royalties accruing to Lessor under this lease shall be without deduction for the cost of producing, transporting, and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

**(G) ROYALTY IN KIND:** Notwithstanding anything contained herein to the contrary, Lessor may, at its option, upon not less than 60 days notice to Lessee, require at any time or from time to time that payment of all or any royalties accruing to Lessor under this lease be made in kind without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use. Lessor's right to take its royalty in kind shall not diminish or negate Lessor's rights or Lessee's obligations, whether express or implied, under this lease.

(H) **PLANT FUEL AND RECYCLED GAS:** No royalty shall be payable on any gas as may represent this lease's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding anything contained herein to the contrary, and subject to the consent in writing of the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises after the liquid hydrocarbons contained in the gas have been removed, and no royalties shall be payable on the gas so recycled until such time as the same may thereafter be produced and sold or used by Lessee in such manner as to entitle Lessor to a royalty thereon under the royalty provisions of this lease.

(I) **MINIMUM ROYALTY:** During any year after the expiration of the primary term of this lease, if this lease is maintained by production, the royalties paid to Lessor in no event shall be less than an amount equal to the total annual delay rental herein provided; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of this lease a sum equal to the total annual rental less the amount of royalties paid during the preceding year.

(J) **MARGINAL PRODUCTION ROYALTY:** Upon Lessee's written application, the School Land Board may reduce the royalty rate set out in this paragraph and/or the minimum royalty set out in subparagraph 4 (I) to extend the economic life of this lease and encourage recovery of oil or gas that might otherwise remain unrecovered. Any such royalty reduction must conform to the requirements of any School Land Board administrative rules on this subject. Royalty may not be reduced below the applicable statutory minimum.

5. **ROYALTY PAYMENTS AND REPORTS:** All royalties not taken in kind shall be paid to the Commissioner of the General Land Office at Austin, Texas, in the following manner:

Payment of royalty on production of oil and gas shall be as provided in the rules set forth in the Texas Register. Rules currently provide that 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, then 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.

6. (A) **RESERVES, CONTRACTS AND OTHER RECORDS:** Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of oil and gas reserves underlying this lease or allocable to this lease and shall furnish said Commissioner with copies of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts within thirty (30) days after entering into or making such contracts, agreements or amendments. Such contracts and agreements when received by the General Land Office shall be held in confidence by the General Land Office unless otherwise authorized by Lessee. All other contracts and records pertaining to the production, transportation, sale and marketing of the oil and gas produced on said premises, including the books and accounts, receipts and discharges of all wells, tanks, pools, meters, and pipelines shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, the Governor, or the representative of any of them.

(B) **DRILLING RECORDS:** Written notice of all operations on this lease shall be submitted to the Commissioner of the General Land Office by Lessee or operator five (5) days before spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above-described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall have an electrical and/or radioactivity survey made on the bore-hole section, from the base of the surface casing to the total depth of well, of all wells drilled on the above described premises and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.

(C) **PENALTIES:** Lessee shall incur a penalty whenever reports, documents or other materials are not filed in the General Land Office when due. The penalty for late filing shall be set by the General Land Office administrative rule which is effective on the date when the materials were due in the General Land Office.

7. **RETAINED ACREAGE:** Notwithstanding any provision of this lease to the contrary, after a well producing or capable of producing oil or gas has been completed on the leased premises, Lessee shall exercise the diligence of a reasonably prudent operator in drilling such additional well or wells as may be reasonably necessary for the proper development of the leased premises and in marketing the production thereon.

**(A) VERTICAL:** In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 11 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Natural Resources Code Sections 52.151-52.153, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. Within 90 days of a partial termination of this lease in accordance with this subparagraph and upon payment of the minimum filing fee set by General Land Office rules in effect at the time of the partial termination, Lessee shall have the right to obtain a surface lease for ingress and egress on and across the terminated portion of the leased premises as may be reasonably necessary for the continued operation of the portions of the lease remaining in force and effect. If Lessee fails to apply for a surface lease within the 90 day period specified above, Lessee may apply for a surface lease from the Land Office, but the Land Commissioner has the discretion to grant or deny such application and to set the fee for such surface lease.

**(B) HORIZONTAL:** In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall further terminate as to all depths below 100 feet below the total depth drilled (hereinafter "deeper depths") in each well located on acreage retained in Paragraph 7 (A) above, unless on or before two (2) years after the primary or extended term Lessee pays an amount equal to one-half (1/2) of the bonus originally paid as consideration for this lease (as specified on page 1 hereof). If such amount is paid, this lease shall be in force and effect as to such deeper depths, and said termination shall be delayed for an additional period of two (2) years and so long thereafter as oil or gas is produced in paying quantities from such deeper depths covered by this lease.

**(C) IDENTIFICATION AND FILING:** The surface acreage retained hereunder as to each well shall, as nearly as practical, be in the form of a square with the well located in the center thereof, or such other shape as may be approved by the School Land Board. Within thirty (30) days after partial termination of this lease as provided herein, Lessee shall execute and record a release or releases containing a satisfactory legal description of the acreage and/or depths not retained hereunder. The recorded release, or a certified copy of same, shall be filed in the General Land Office, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date the release is filed. If Lessee fails or refuses to execute and record such release or releases within ninety (90) days after being requested to do so by the General Land Office, then the Commissioner at his sole discretion may designate by written instrument the acreage and/or depths to be released hereunder and record such instrument at Lessee's expense in the county or counties where the lease is located and in the official records of the General Land Office and such designation shall be binding upon Lessee for all purposes. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes.

**8. OFFSET WELLS:** If oil and/or gas should be produced in commercial quantities from a well located on land privately owned or on State land leased at a lesser royalty, which well is within one thousand (1,000) feet of the area included herein, or which well is draining the area covered by this lease, the Lessee shall, within sixty (60) days after such initial production from the draining well or the well located within one thousand (1,000) feet from the area covered by this lease begin in good faith and prosecute diligently the drilling of an offset well on the area covered by this lease, and such offset well shall be drilled to such depth as may be necessary to prevent the undue drainage of the area covered by this lease, and the Lessee, manager or driller shall use all means necessary in a good faith effort to make such offset well produce oil and/or gas in commercial quantities. Only upon the determination of the Commissioner and with his written approval, may the payment of a compensatory royalty satisfy the obligation to drill an offset well or wells required under this Paragraph.

**9. DRY HOLE/CESSATION OF PRODUCTION DURING PRIMARY TERM:** If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if during the primary term hereof and after the discovery and actual production of oil or gas from the leased premises such production thereof should cease from any cause, this lease shall not terminate if on or before the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or pays or tenders the next annual delay rental in the same manner as provided in this lease. If, during the last year of the primary term or within sixty (60) days prior thereto, a dry hole be completed and abandoned, or the production of oil or gas should cease for any cause, Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term; and if Lessee has not resumed production in paying quantities at the expiration of the primary term, Lessee may maintain this lease by conducting additional drilling or reworking operations pursuant to Paragraph 10, using the expiration of the primary term as the date of cessation of production under Paragraph 10. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in oil or gas well within the primary term hereof, Lessee may resume payment of the annual rental in the same manner as provided herein on or before the rental paying date following the expiration of sixty (60) days from the date of completion of such shut-in oil or gas well and upon the failure to make such payment, this lease shall ipso facto terminate. If at the expiration of the primary term or any time thereafter a shut-in oil or gas well is located on the leased premises payments may be made in accordance with the shut-in provisions hereof.

**10. CESSATION, DRILLING, AND REWORKING:** If, after the expiration of the primary term, production of oil or gas from the leased premises, after once obtained, should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within sixty (60) days after such cessation, and this lease shall remain in full force and effect for so long as such operations continue in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days. If such drilling or reworking operations result in the production of oil or gas, the lease shall remain in full force and effect for so long as oil or gas is produced from the leased premises in paying quantities or payment of shut-in oil or gas well royalties or payment of compensatory royalties is made as provided herein or as provided by law. If the drilling or reworking operations result in the

completion of a well as a dry hole, the lease will not terminate if the Lessee commences additional drilling or reworking operations within sixty (60) days after the completion of the well as a dry hole, and this lease shall remain in effect so long as Lessee continues drilling or reworking operations in good faith and in a workmanlike manner without interruptions totaling more than sixty (60) days. Lessee shall give written notice to the General Land Office within thirty (30) days of any cessation of production.

**11. SHUT-IN ROYALTIES:** For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If at any time after the expiration of the primary term of a lease that, until being shut in, was being maintained in force and effect, a well capable of producing oil or gas in paying quantities is located on the leased premises, but oil or gas is not being produced for lack of suitable production facilities or lack of a suitable market, then Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease, but not less than \$1,200 a year for each well capable of producing oil or gas in paying quantities. To be effective, each initial shut-in oil or gas royalty must be paid on or before: (1) the expiration of the primary term, (2) 60 days after the Lessee ceases to produce oil or gas from the leased premises, or (3) 60 days after Lessee completes a drilling or reworking operation in accordance with the lease provisions; whichever date is latest. If the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term, or from the first day of the month following the month in which production ceased, and, after that, if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

**12. COMPENSATORY ROYALTIES:** If, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the leased premises and completed in the same producing reservoir, or in any case in which drainage is occurring, the right to continue to maintain the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the lease for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in the lease of the market value of production from the well causing the drainage or which is completed in the same producing reservoir and within one thousand (1,000) feet of the leased premises. The compensatory royalty is to be paid monthly to the Commissioner beginning on or before the last day of the month following the month in which the oil or gas is produced from the well causing the drainage or that is completed in the same producing reservoir and located within one thousand (1,000) feet of the leased premises; if the compensatory royalty paid in any 12-month period is in an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period; and none of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in N.R.C. Section 52.034; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties shall satisfy the obligation to drill offset wells. Compensatory royalty payments which are not timely paid will accrue penalty and interest in accordance with Paragraph 5 of this lease.

**13. EXTENSIONS:** If, at the expiration of the primary term of this lease, production of oil or gas has not been obtained on the leased premises but drilling operations are being conducted thereon in good faith and in a good and workmanlike manner, Lessee may, on or before the expiration of the primary term, file in the General Land Office written application to the Commissioner of the General Land Office for a thirty (30) day extension of this lease, accompanied by payment of Three Thousand Dollars (\$3,000.00) if this lease covers six hundred forty (640) acres or less and Six Thousand Dollars (\$6,000.00) if this lease covers more than six hundred forty (640) acres and the Commissioner shall, in writing, extend this lease for a thirty (30) day period from and after the expiration of the primary term and so long thereafter as oil or gas is produced in paying quantities; provided further, that Lessee may, so long as such drilling operations are being conducted make like application and payment during any thirty (30) day extended period for an additional extension of thirty (30) days and, upon receipt of such application and payment, the Commissioner shall, in writing, again extend this lease so that same shall remain in force for such additional thirty (30) day period and so long thereafter as oil or gas is produced in paying quantities; provided, however, that this lease shall not be extended for more than a total of three hundred ninety (390) days from and after the expiration of the primary term unless production in paying quantities has been obtained.

**14. USE OF WATER; SURFACE:** Lessee shall have the right to use water produced on said land necessary for operations hereunder and solely upon the leased premises; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for water flood operations without the prior written consent of Lessor. Subject to its obligation to pay surface damages, Lessee shall have the right to use so much of the surface of the land that may be reasonably necessary for drilling and operating wells and transporting and marketing the production therefrom, such use to be conducted under conditions of least injury to the surface of the land. Lessee shall pay surface damages in an amount set by the General Land Office fee schedule which is effective on the date when the activity requiring the payment of surface damages occurs.

**15. POLLUTION:** In developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties.

**(A) UPLANDS:** Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level all slush pits and cellars and completely clean up the drilling site of all rubbish thereon.

**(B) SUBMERGED LANDS:** No discharge of solid waste or garbage shall be allowed into State waters from any drilling or support vessels, production platform, crew or supply boat, barge, jack-up rig or other equipment located on the leased area. Solid waste shall include but shall not be limited to containers, equipment, rubbish, plastic, glass, and any other man-made non-biodegradable items. A sign must be displayed in a high traffic area on all vessels and manned platforms stating, "Discharge of any solid waste or garbage into State Waters from vessels or platforms is strictly prohibited and may subject a State of Texas lease to forfeiture." Such statement shall be in lettering of at least 1" in size.

(C) RIVERS: To the extent necessary to prevent pollution, the provisions found in subsections (a) and (b) of this paragraph shall also apply to rivers and riverbeds.

(D) PENALTY: Failure to comply with the requirements of this provision may result in the maximum penalty allowed by law including forfeiture of the lease. Lessee shall be liable for the damages caused by such failure and any costs and expenses incurred in cleaning areas affected by the discharged waste.

16. IDENTIFICATION MARKERS: Lessee shall erect, at a distance not to exceed twenty-five (25) feet from each well on the premises covered by this lease, a legible sign on which shall be stated the name of the operator, the lease designation and the well number. Where two or more wells on the same lease or where wells on two or more leases are connected to the same tank battery, whether by individual flow line connections direct to the tank or tanks or by use of a multiple header system, each line between each well and such tank or header shall be legibly identified at all times, either by a firmly attached tag or plate or an identification properly painted on such line at a distance not to exceed three (3) feet from such tank or header connection. Said signs, tags, plates or other identification markers shall be maintained in a legible condition throughout the term of this lease.

17. ASSIGNMENTS: The lease may be transferred at any time. All transfers must reference the lease by the file number and must be recorded in the county where the area 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 filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such transfer or certified copy thereof. 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.

18. RELEASES: 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 filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such relinquishment or certified copy thereof. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

19. LIEN: In accordance with N.R.C. Section 52.136, the State shall have a first lien upon all oil and gas produced from the area covered by this lease to secure payment of all unpaid royalty and other sums of money that may become due under this lease. By acceptance of this lease, Lessee grants the State, in addition to the lien provided by N.R.C. Section 52.136 and any other applicable statutory lien, an express contractual lien on and security interest in all leased minerals in and extracted from the leased premises, all proceeds which may accrue to Lessee from the sale of such leased minerals, whether such proceeds are held by Lessee or by a third party, and all fixtures on and improvements to the leased premises used in connection with the production or processing of such leased minerals in order to secure the payment of all royalties or other amounts due or to become due under this lease and to secure payment of any damages or loss that Lessor may suffer by reason of Lessee's breach of any covenant or condition of this lease, whether express or implied. This lien and security interest may be foreclosed with or without court proceedings in the manner provided in the Title 1, Chapter 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's acquisition of this lease. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this lease forfeited as provided herein.

20. FORFEITURE: If Lessee shall fail or refuse to make the 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, the School Land Board, or the Railroad Commission, 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 Lessee shall knowingly violate any of the material provisions of this lease, or if this lease is assigned and the 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 to the highest bidder, under the same regulations controlling the original sale of leases. However, nothing herein shall be construed as waiving the automatic termination of this lease by operation 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.

21. RIVERBED TRACTS: In the event this lease covers a riverbed, Lessee is hereby specifically granted the right of eminent domain and condemnation as provided for in N.R.C. Sections 52.092-52.093, as a part of the consideration moving to Lessor for the covenants herein made by Lessee.

22. APPLICABLE LAWS AND DRILLING RESTRICTIONS: This lease shall be subject to all rules and regulations, and amendments thereto, promulgated by the Commissioner of the General Land Office governing drilling and producing operations on Permanent Free School Land, payment of royalties, and auditing procedures, and shall be subject to all other valid statutes, rules, regulations, orders and ordinances that may affect operations under the provisions of this lease. Without limiting the generality of the foregoing, Lessee hereby agrees, by the acceptance of this lease, to be bound by and subject to all statutory and regulatory provisions relating to the

General Land Office's audit billing notice and audit hearings procedures. Said provisions are currently found at 31 Texas Administrative Code, Chapter 4, and Texas Natural Resources Code Sections 52.135 and 52.137 through 52.140. In the event this lease covers land franchised or leased or otherwise used by a navigation district or by the United States for the purpose of navigation or other purpose incident to the operation of a port, then Lessee shall not be entitled to enter or possess such land without prior approval as provided under Section 61.117 of the Texas Water Code, but Lessee shall be entitled to develop such land for oil and gas by directional drilling; provided, however, that no surface drilling location may be nearer than 660 feet and special permission from the Commissioner of the General Land Office is necessary to make any surface location nearer than 2,160 feet measured at right angles from the nearest bulkhead line or from the nearest dredged bottom edge of any channel, slip, or turning basin which has been authorized by the United States as a federal project for future construction, whichever is nearer.

**23. REMOVAL OF EQUIPMENT:** Upon the termination of this lease for any cause, Lessee shall not, in any event, be permitted to remove the casing or any part of the equipment from any producing, dry, or abandoned well or wells without the written consent of the Commissioner of the General Land Office or his authorized representative; nor shall Lessee, without the written consent of said Commissioner or his authorized representative remove from the leased premises the casing or any other equipment, material, machinery, appliances or property owned by Lessee and used by Lessee in the development and production of oil or gas therefrom until all dry or abandoned wells have been plugged and until all slush or refuse pits have been properly filled and all broken or discarded lumber, machinery, or debris shall have been removed from the premises to the satisfaction of the said Commissioner or his authorized representative.

**24. FORCE MAJEURE:** Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling operations thereon, or from producing oil and/or gas therefrom, after effort made in good faith, by reason of war, rebellion, riots, strikes, fires, acts of God or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended upon proper and satisfactory proof presented to the Commissioner of the General Land Office in support of Lessee's contention and Lessee shall not be liable for damages for failure to comply therewith (except in the event of lease operations suspended as provided in the rules and regulations adopted by the School Land Board); and this lease shall be extended while and so long as Lessee is prevented, by any such cause, from drilling, reworking operations or producing oil and/or gas from the leased premises; provided, however, that nothing herein shall be construed to suspend the payment of rentals during the primary or extended term, nor to abridge Lessee's right to a suspension under any applicable statute of this State.

**25. RAILROAD COMMISSION HEARINGS ON GAS:** 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 of Texas 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. However, the Railroad Commission of Texas may grant exceptions to these provisions as set forth in N.R.C. Section 52.296.

**26. LEASE SECURITY:** Lessee shall take the highest degree of care and all proper safeguards to protect said premises and to prevent theft of oil, gas, and other hydrocarbons produced from said lease. This includes, but is not limited to, the installation of all necessary equipment, seals, locks, or other appropriate protective devices on or at all access points at the lease's production,

gathering and storage systems where theft of hydrocarbons can occur. Lessee shall be liable for the loss of any hydrocarbons resulting from theft and shall pay the State of Texas royalties thereon as provided herein on all oil, gas or other hydrocarbons lost by reason of theft.

**27. REDUCTION OF PAYMENTS:** If, during the primary term, a portion of the land covered by this lease is included within the boundaries of a pooled unit that has been approved by the School Land Board in accordance with Natural Resources Code Sections 52.151-52.153, or if, at any time after the expiration of the primary term or the extended term, this lease covers a lesser number of acres than the total amount described herein, payments that are made on a per acre basis hereunder shall be reduced according to the number of acres pooled, released, surrendered, or otherwise severed, so that payments determined on a per acre basis under the terms of this lease during the primary term shall be calculated based upon the number of acres outside the boundaries of a pooled unit, or, if after the expiration of the primary term, the number of acres actually retained and covered by this lease.

**28. SUCCESSORS AND ASSIGNS:** The covenants, conditions and agreements contained herein shall extend to and be binding upon the heirs, executors, administrators, successors or assigns of Lessee herein.

**29. ANTIQUITIES CODE:** In the event that any feature of archeological or historical interest is encountered during the activities authorized by this lease, Lessee will immediately cease activities and will immediately notify the General Land Office and the Texas Antiquities Committee so that adequate measures may be undertaken to protect or recover such discoveries or findings, as appropriate. Lessee is expressly placed on notice of the National Historical Preservation Act of 1966 (PB-89-66, 80 Statute 915; 16 U.S.C.A. 470) and the Antiquities Code of Texas, Chapter 191, Natural Resources Code.

30. **LEASE FILING:** Pursuant to Chapter 9 of the Tex. Bus. & Com. Code, this lease must be filed of record in the office of the County Clerk in any county in which all or any part of the leased premises is located, and certified copies thereof must be filed in the General Land Office. The prescribed filing fee shall accompany the certified copies sent to the General Land Office.

31. **EXECUTION:** This oil and gas lease must be signed and acknowledged by the Lessee before it is filed of record in the county records and in the General Land Office of the State of Texas.

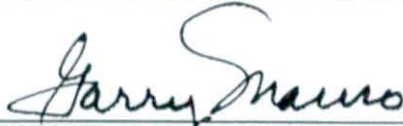
\_\_\_\_\_  
LESSEE

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

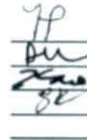
DATE: \_\_\_\_\_

IN TESTIMONY WHEREOF, witness the signature of the Commissioner of the General Land Office of the State of Texas under the seal of the General Land Office.

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

APPROVED

Contents  
Legal  
DC  
SD  
Exec



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

(CORPORATION ACKNOWLEDGMENT)

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

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_  
known to me to be the person whose name is subscribed to the foregoing instrument, as \_\_\_\_\_ of  
\_\_\_\_\_ and acknowledged to me that he executed the same  
for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

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

\_\_\_\_\_  
Notary Public in and for \_\_\_\_\_  
\_\_\_\_\_

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

(INDIVIDUAL ACKNOWLEDGMENT)

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

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

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

\_\_\_\_\_  
Notary Public in and for \_\_\_\_\_  
\_\_\_\_\_

② M-96404

Lead

4.4.95



**Texas General Land Office**  
Garry Mauro, Commissioner

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

April 26, 1995

Mr. Emmett Wassell  
Seneca Resources Corporation  
333 Clay Street, Suite 4150  
Houston, TX 77002-4176

Dear Mr. Wassell:

Thank you for your participation in the State of Texas Oil and Gas Lease Sale held on April 4, 1995. You helped make the sale a tremendous success.

I am pleased to inform you that you were the high bidder on the marginal number listed below, which has been assigned the corresponding lease number:

MGL NO. 7                      M-96404

The lease agreement for this marginal number is enclosed and will serve as your receipt for the amount of your bid. As stated in Sections 31 and 32, this lease form must be signed and acknowledged by the lessee, and then recorded in the County Clerk's office of the county or counties in which lands covered by the lease are located. After signing and recording the lease, please submit a certified copy of the recorded lease to the attention of Kristin Anderson at the Texas General Land Office. These requirements are material provisions of the lease; therefore, please return the certified copy at your earliest convenience.

The lessee's other contractual and statutory responsibilities are outlined in the lease agreement, such as Section 6(B), which requires operators to submit written notice of all drilling, production, and related activities. When lessees file specific forms with the Texas Railroad Commission and the Department of Energy, they are required to submit copies of these forms to the Texas General Land Office. Examples of these forms are:

- W-1, Application to Drill, Deepen, or Plug Back with Plat;
- W-2, Oil Well Potential Test, Completion or Recompletion Report and Log;
- W-3, Plugging Record;
- G-1, Gas Well Back Pressure Test, Completion/Recompletion Report and Log;
- G-5, Gas Well Classification Report;
- G-10, Gas Well Status Report;
- W-10, Oil Well Status Report;
- W-12, Inclination Report;
- Electrical Logs (any scale and within fifteen (15) days after they are made);
- Directional Surveys;

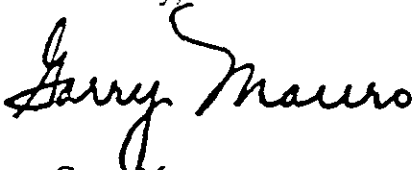
P-12, Certificate of Pooling Authority  
F-1, NGPA Supplemental Application; and  
FERC-121, Application for Determination

When production is secured from this lease, production/royalty reports outlining production/disposition activities (GLO Forms 1,1a,2,2a) are required to be submitted to this office. If you are not familiar with the required forms and procedures, please call the Royalty Management Division of the Land Office at (512) 463-5042 and request the Oil and Gas Reports and Payment Procedures booklet. With respect to any applicable Resource Management Codes, lessees should contact the Texas General Land Office for updates and any additional information prior to drilling.

Your cooperation in complying with the reporting requirements outlined above will be greatly appreciated and will contribute to this office's efforts to effectively manage the State of Texas' oil and gas resources. Failure to comply with these requirements will subject your lease to possible forfeiture.

Please do not hesitate to contact my office at (512) 463-5042 if you need any assistance in the future or if you have questions concerning any state lease that you operate.

Sincerely,

A handwritten signature in cursive script that reads "Garry Mauro". The signature is written in dark ink and is positioned above the typed name.

Garry Mauro  
Texas Land Commissioner

GM/RH/ka

Enclosures

(3) M-96404  
Transmittal Letter  
4.26.95

Unit #2421

DO NOT DESTROY

GLO-36-10-84

-MEMO-

Operator Suena Resources

Unit Name Moore, Robert 7-H

County Burlison, Brazos

Effective Date 2/6/96 or 1st Production

Unitized for: Oil      Gas      Oil & Gas X

1. M.F. No. 096404

Area A-41 A-56 Tr. 4

*BCD#1 SLIPEN PT.*

Sec.      Blk.      Survey JAS. D. MILLICAN

*21.41*

*\* 1/5*

*TLIP SINGLETON*

*576.49*

*x 1/5*

*%*

*.037139*

*.20*

*.007428*

2. M.F. No. 97059

Area A-41 A-56 Tr. 2

*SLIPEN PT.*

Sec.      Blk.      Survey JAS. D. MILLICAN

*126.42*

*\* 1/5*

*TLIP SINGLETON*

*576.49*

*x 1/5*

*%*

*.219293*

*.20*

*.043859*

3. M.F. No.           

Area            Tr.           

Sec.            Blk.            Survey           

           x           

           %

4. M.F. No.           

Area            Tr.           

Sec.            Blk.            Survey           

           x           

           %

REMARKS:

*Suena requested 2  
day month temporary oil &  
gas pooling. \* Lease is subject  
to royalty reduction if com-  
pleted and on-line by  
November 19, 1996. (See  
Remarks) Keyed 9/26/00 JTB*

\* Unit # 2421  
(6-month temporary unit approved)

POOLING COMMITTEE REPORT

TO: SCHOOL LAND BOARD  
DATE: February 6, 1996  
OPERATOR: Seneca Resources Corp. COUNTY: Burleson/Brazos  
UNIT NAME: Robert Moore 7-H FIELD: Clay, N.E.  
(Austin Chalk 11,350)

STATE LEASE(S) IN UNIT

Lease *Type	State Number	State Royalty	Expiration Date	Term Year	Acres	Acres In Unit	Lessee of Record
SF	M-97059	1/4 **	1/2/99	3	137.0	126.42	Seneca
SF	M-96404	1/4 **	5/19/98	3	26.69	21.41	Seneca

38.85 Acres

\*\* Subject to royalty reduction clause in the state lease

- \* RAL = Relinquishment Act
- \* SF = State Fee
- \* FR = Free Royalty

PRIVATE ACRES: 428.66  
 STATE ACRES: 147.83  
 TOTAL UNIT ACRES: 576.49

Unitized for: Oil \_\_\_\_\_ Gas \_\_\_\_\_ Both x  
 Depth(s): See Remarks  
 Formation: See Remarks  
 Well Location: State Land x  
 Private Land x

Participation: Basis Surface acreage  
 State Acreage 25.643%  
 State Unit Royalty 5.129%  
 Railroad Commission Rules: Spacing 740 Acres  
 Acreage Factor 100%

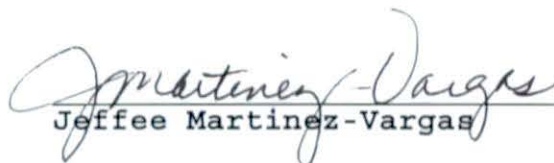
Agree to drill to density of field rules: Yes x No \_\_\_\_\_  
 Holds only acreage included in the unit past primary term: Yes x No \_\_\_\_\_  
 Satisfactory geological data furnished: Yes x No \_\_\_\_\_


REMARKS:

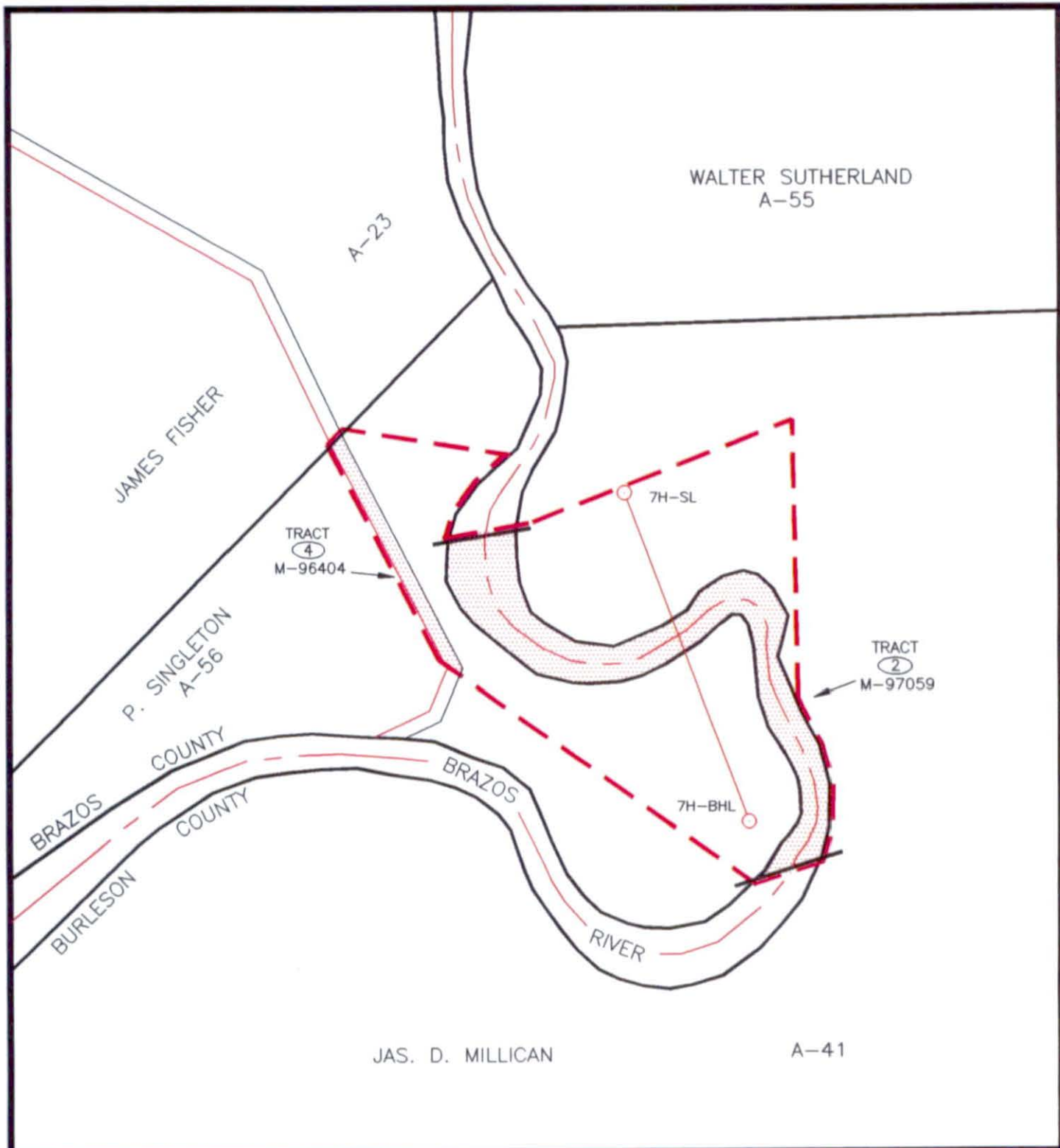
- . \* Seneca Resources Corporation is requesting six month temporary oil and gas pooling to all depths.
- . The applicant spudded the proposed horizontal unit well on January 13, 1996, to test the Austin Chalk Formation. The proposed total depth of the well is 16,600 feet.
- . \* If the unit is approved and the proposed unit well is completed and on-line by November 19, 1996, the applicant will earn a reduced royalty to 20%, making the state's unit royalty participation 5.129%.
- . Horizontal severance is provided for in the state leases.
- . APPROVAL BY THE SCHOOL LAND BOARD IN NO WAY RATIFIES ANY OF THE STATE LEASES INCLUDED IN THIS PROPOSED UNIT.

POOLING COMMITTEE RECOMMENDATION:

- . The Pooling Committee recommends Board approval of a six month temporary unit, under the above stated provisions.

  
\_\_\_\_\_  
Jeffee Martinez-Vargas

Al Gonzales  
  
\_\_\_\_\_  
Peter A. Boone



1-98\MWARD\98-5

SENECA RESOURCES CORPORTATION  
 ROBERT MOORE 7-H UNIT  
 CLAY, NE (AUSTIN CHALK 11350)  
 BRAZOS AND BURLESON COUNTIES  
 M-97059, M-96404

④ M-96404

Pooling Committee Rpt.  
FILED: 4-29-96

**TERM POOLING AGREEMENT  
SENECA RESOURCES CORPORATION  
ROBERT MOORE 7-H  
BRAZOS AND BURLESON COUNTIES, TEXAS**

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Seneca Resources Corporation, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

PURPOSES:

1.

This Pooling Agreement ("Agreement") is made for the purposes of conservation and utilization of the pooled mineral, to prevent waste, to facilitate orderly development and to preserve correlative rights. To such end, it is the purpose of this Agreement to effect equitable participation within the unit formed hereby. This Agreement is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of the pooled mineral and in its interpretation and application shall, in all things, be subject thereto.

UNIT DESCRIPTION:

2.

The oil and gas leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C".

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to all depths underlying the surface boundaries of the pooled unit ("unitized interval").

POOLING AND EFFECT:

4.

The parties hereto commit all of their interests which are within the unit to the extent and as above described into said unit and unitize and pool hereunder the separate tracts described on the attached Exhibit "B", for and during the term hereof, so that such pooling or unitization shall have the following effect:

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional well drilled under the unitized area from a surface location on adjacent or adjoining lands not included within the boundaries of the unitized area, such operations shall be considered to have been commenced on the unitized area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the unitized area and production of oil or gas from the unitized area through any directional well surfaced on adjacent or adjoining land or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations, as the case may be, on the unitized area for all purposes under this Agreement. Nothing in this Agreement is intended or shall be construed as granting to Lessee any leasehold interest, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, easements, or other rights which the lessee, operator or other interest owner in the unitized area may have lawfully acquired from the state or others.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.
- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners.

- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration of less than 576.49 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offset to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.
- (j) Should this Agreement terminate for any cause, in whole or in part, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION:

5.

For the purpose of computing the share of production of the pooled mineral to which each interest owner shall be entitled from the pooled unit, there shall be allocated to each tract committed to said unit that pro rata portion of the pooled mineral produced from the pooled unit which the number of surface acres covered by each such tract and included in the unit bears to the total number of surface acres included in said unit, and the share of production to which each interest owner is entitled shall be computed on the basis of such owner's interest in the production so allocated to each tract.

TAKING ROYALTY IN KIND:

6.

Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this pooling or unitization agreement be made in kind, without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

FULL MARKET VALUE:

7.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

- (a) As to royalty on oil by (1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) gross proceeds of the sale thereof, whichever is the greater;
- (b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Agreement "field" means the general area in which the lands covered hereby are located.)

EFFECTIVE DATE:

8.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of February 6, 1996; however, it is agreed that the State will participate in production from the Unit well or wells on a unitized basis from the date the pooled mineral was or is first produced.

TERM:

9.

Unless this agreement expires earlier pursuant to the terms of the respective leases included as a part of this Agreement, or on such other date approved by the School Land Board and mutually agreed to by the undersigned parties, their successors or assigns, this Agreement shall expire on August 6, 1996 Nothing herein shall amend

or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof which are contained in any State lease covered by this Agreement.

STATE LAND: 10.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code having been duly considered, made and obtained.

DISSOLUTION: 11.

The unit covered by this Agreement may be dissolved by Lessee, his heirs, successors or assigns, by an instrument filed for record in Brazos and Burleson Counties, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production or upon such other date as may be approved by the School Land Board and mutually agreed to by the undersigned parties, their successors or assigns.

RATIFICATION/WAIVER: 12.

Nothing in this Agreement, nor the approval of this Agreement by the School Land Board, nor the execution of this Agreement by the Commissioner shall: (1) operate as a ratification or revivor of any State lease that has expired, terminated, or has been released in whole or in part or terminated under the terms of such State lease or the laws applicable thereto; (2) constitute a waiver or release of any claim for money, oil, gas or other hydrocarbons, or other thing due to the State by reason of the existence or failure of such lease; (3) constitute a waiver or release of any claim by the State that such lease is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or failure of consideration; (4) constitute a confirmation or recognition of any boundary or acreage of any tract or parcel of land in which the State has or claims an interest; or (5) constitute a ratification of, or a waiver or release of any claim by the State with respect to any violation of a statute, regulation, or any of the common laws of this State, or any breach of any contract, duty, or other obligation owed to the State.

COUNTERPARTS: 13.

This Agreement may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement upon the respective dates indicated below.

Date Executed 3/6/96

Legal  
Content  
Geology  
Execution

[Signature]

STATE OF TEXAS

By Garry Mauro  
Garry Mauro, Commissioner  
of the General Land Office

Date Executed March 1, 1996

SENECA RESOURCES CORPORATION

By Tommy A. Wainell  
its Vice President Operations

ATTEST:  
\_\_\_\_\_

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 6th day of February, 1996, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

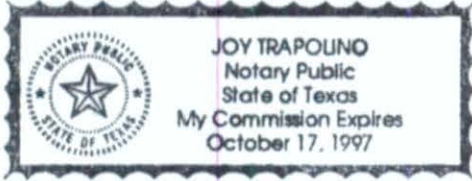
IN TESTIMONY WHEREOF, witness my hand this the 6th day of March, 1996.

Linda K. Fisher  
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on March 1, 1996, by EMMETT WASSELL as  
Vice President Operations of Seneca Resources Corporation, a Pennsylvania corporation, on behalf  
of said corporation.



  
Notary Public in and for the  
State of Texas

THE STANLEY B. KANE REVOCABLE TRUST

By: *Stanley B. Kane*  
Stanley B. Kane, Trustee FDOL K500-72270-245-D

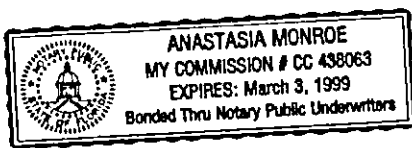
THE DANIEL KANE REVOCABLE TRUST

By: \_\_\_\_\_  
Daniel Kane, Trustee

\_\_\_\_\_  
LAWRENCE BLUM

STATE OF FLORIDA §  
  §  
COUNTY OF Sarasota §

This instrument was acknowledged before me on this the 26 day of February, 1996 by Stanley B. Kane, Trustee of THE STANLEY B. KANE REVOCABLE TRUST, on behalf of said Trust.



*Anastasia Monroe*  
Notary Public *ANASTASIA MONROE*

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

This instrument was acknowledged before me on this the \_\_\_\_\_ day of February, 1996 by Daniel Kane, Trustee of THE DANIEL KANE REVOCABLE TRUST, on behalf of said Trust.

\_\_\_\_\_  
Notary Public

THE STANLEY B. KANE REVOCABLE TRUST

By: \_\_\_\_\_  
Stanley B. Kane, Trustee

THE DANIEL KANE REVOCABLE TRUST

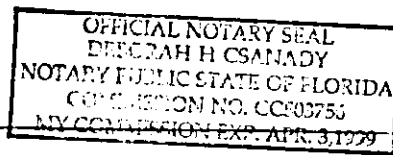
By: Daniel Kane  
Daniel Kane, Trustee

\_\_\_\_\_  
LAWRENCE BLUM

~~STATE OF FLORIDA §  
COUNTY OF SARASOTA §~~

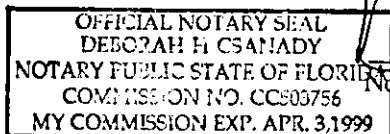
This instrument was acknowledged before me on this the 23 day of February, 1996 by Stanley B. Kane, Trustee of THE STANLEY B. KANE REVOCABLE TRUST, on behalf of said Trust.

Deborah H. Csanady  
Notary Public



STATE OF FLORIDA §  
COUNTY OF SARASOTA §

This instrument was acknowledged before me on this the 23 day of February, 1996 by Daniel Kane, Trustee of THE DANIEL KANE REVOCABLE TRUST, on behalf of said Trust.



Deborah H. Csanady  
Notary Public

THE STANLEY B. KANE REVOCABLE TRUST

By: \_\_\_\_\_  
Stanley B. Kane, Trustee

THE DANIEL KANE REVOCABLE TRUST

By: \_\_\_\_\_  
Daniel Kane, Trustee

  
LAWRENCE BLUM

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

This instrument was acknowledged before me on this the \_\_\_\_ day of February, 1996 by Stanley B. Kane, Trustee of THE STANLEY B. KANE REVOCABLE TRUST, on behalf of said Trust.

\_\_\_\_\_  
Notary Public

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

This instrument was acknowledged before me on this the \_\_\_\_\_ day of February, 1996 by Daniel Kane, Trustee of THE DANIEL KANE REVOCABLE TRUST, on behalf of said Trust.

\_\_\_\_\_  
Notary Public

STATE OF ILLINOIS

§

COUNTY OF COOK

§

§

This instrument was acknowledged before me on this the 24 day of February, 1996 by LAWRENCE BLUM.



  
Notary Public

EXHIBIT "A"  
Attached to and made a part of that certain  
Term Pooling Agreement  
Robert Moore No. 7-H Well  
Brazos and Burleson Counties, Texas

1. That certain Oil, Gas and Mineral Lease, dated July 20, 1977, by and between Robert T. Moore and Robert T. Moore, Trustee, as Lessors and Randall Shawell, as Lessee, recorded in Volume 27, Page 351 of the Official Records of Brazos County, Texas.
2. That certain Oil, Gas and Mineral Lease, dated November 7, 1973 by and between Jesse B. Moore, as Lessor and Jack B. Brogdon, recorded in Volume 15, Page 164 of the Oil and Gas Records of Burleson County, Texas.
3. That certain Oil, Gas and Mineral Lease, dated August 22, 1990, by and between Robert S. Fleming, as Lessor, and Seneca Resources Corporation, as Lessee, recorded in Volume 174, Page 423, et seq. of the Oil & Gas Lease Records of Burleson County, Texas.
4. That certain Oil, Gas and Mineral Lease, dated August 22, 1990, by and between Frederic A. Fleming, Jr., as Lessor, and Seneca Resources Corporation, as Lessee, recorded in Volume 174, Page 427, et seq. of the Oil & Gas Lease Records of Burleson County, Texas.
5. That certain Oil, Gas and Mineral Lease, dated August 22, 1990, by and between Elizabeth Hohlt Pecore, as Lessor, and Seneca Resources Corporation, as Lessee, recorded in Volume 174, Page 435, et seq. of the Oil & Gas Lease Records of Burleson County, Texas.
6. That certain Oil, Gas and Mineral Lease, dated August 22, 1990, by and between Joan Hohlt Wich, as Lessor, and Seneca Resources Corporation, as Lessee, recorded in Volume 174, Page 431, et seq. of the Oil & Gas Lease Records of Burleson County, Texas.
7. That certain Oil, Gas and Mineral Lease, dated August 22, 1990, by and between TRAAC Company, a Texas General Partnership, Marian W. Fleming, Managing General Partner, as Lessor, and Seneca Resources Corporation, as Lessee, recorded in Volume 174, Page 439, et seq. of the Oil & Gas Lease Records of Burleson County, Texas.
8. That certain Oil, Gas and Mineral Lease, dated April 4, 1995, by and between State of Texas (M-96404), as Lessor, and Seneca Resources Corporation, as Lessee, recorded in Volume 241, Page 705, et seq. of the Oil & Gas Lease Records of Burleson County, Texas.
9. That certain Oil, Gas and Mineral Lease, dated January 2, 1996, by and between State of Texas (M-97059), as Lessor, and Seneca Resources Corporation, as Lessee, recorded in Volume \_\_\_\_\_, Page \_\_\_\_\_, et seq. of the Oil & Gas Lease Records of Burleson County, Texas and Volume \_\_\_\_\_, Page \_\_\_\_\_, et seq. of the Deed Records of Brazos County, Texas.

EXHIBIT "B"  
Attached to and made a part of that certain  
Term Pooling Agreement  
Robert Moore No. 7-H Well  
Brazos and Burleson Counties, Texas

FIELD NOTES TO ACCOMPANY UNIT PLAT

ROBERT MOORE 7-H  
576.49 ACRE UNIT  
Page 1 of 3

FIELD NOTES DESCRIPTION OF 576.49 ACRES OF LAND LOCATED IN BURLESON AND BRAZOS COUNTIES, TEXAS; BEING 240.59 ACRES OUT OF THE P. SINGLETON SURVEY, ABSTRACT NO. 56 IN BURLESON COUNTY, TEXAS AND BEING OUT OF TRACT 1 AND 3 AS CONVEYED TO JESSE MOORE BY DEED RECORDED IN VOLUME 203, PAGE 87 OF THE DEED RECORDS OF BURLESON COUNTY, TEXAS; BEING 21.41 ACRES OUT OF THE P. SINGLETON SURVEY, ABSTRACT NO. 56 IN BURLESON COUNTY, TEXAS AND BEING OUT OF THAT CERTAIN TRACT CONVEYED TO THE BURLESON COUNTY IMPROVEMENT DISTRICT FOR THE CONSTRUCTION OF A LEVEE AND BEING DESCRIBED IN VOLUME 47, PAGE 131 OF THE DEED RECORDS OF BURLESON COUNTY, TEXAS; BEING 126.42 ACRES OF LAND LOCATED IN BOTH BURLESON AND BRAZOS COUNTIES AND BEING THE PORTION OF THE BRAZOS RIVER LOCATED WITHIN THE HEREIN DESCRIBED UNIT; BEING A PORTION OF THE JAS.D.MILLICAN SURVEY, ABSTRACT NO. 41, IN BRAZOS COUNTY, TEXAS AND BEING 1.51 ACRES OUT OF TRACT 6 AND 186.56 ACRES OUT OF TRACT 1 AS CONVEYED TO ROBERT T. MOORE RECORDED IN VOLUME 283, PAGE 91 OF THE DEED RECORDS OF BRAZOS COUNTY, TEXAS. THE SAID 576.49 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a point on the approximate southeast line of the said James Fisher Survey, Abstract No. 23 and the approximate northwest line of the said P. Singleton Survey, Abstract No. 56, Burleson County, Texas, the same being the northwest line of the said Tract 1 conveyed to Jesse Moore recorded in Volume 203, Page 87 and being at the most westerly or northwest corner of the said Burleson County Improvement District tract recorded in Volume 47, Page 131 of the Deed Records of Burleson County, Texas, from which a 30 inch diameter post oak at the most westerly corner of the said Tract 1 bears S 44°51'00" W, a distance of 13,606.28 feet;

THENCE, N 44°51'00" E, a distance of 273.57 feet to an iron rod found at the most northerly corner of the said Tract 1 and the most westerly corner of that certain tract awarded to Old River Ranch in Cause No. 15,535 and recorded in Volume 220, Page 249 of the Deed Records of Burleson County, Texas;

THENCE, S 80°55'01" E, a distance of 2320.70 feet along the southwest line of the said Old River Ranch tract to a point on the west bank of the Brazos River;

THENCE, along the west bank of the Brazos River the following seven (7) courses and distances:

ROBERT MOORE 7-H

Page 2 of 3

- 1) S 37°47'20" W, 21.16 feet to a point;
- 2) S 48°31'36" W, 298.59 feet to a point;
- 3) S 45°51'18" W, 274.99 feet to a point;
- 4) S 42°01'41" W, 275.99 feet to a point;
- 5) S 34°28'18" W, 269.38 feet to a point;
- 6) S 26°14'33" W, 280.91 feet to a point;
- 7) S 04°51'26" W, 76.58 feet to a point;

THENCE, N 80°45'52" E, a distance of 1091.77 feet to a point on the east bank of the Brazos River;

THENCE, N 69°18'58" E, a distance of 4111.94 feet, crossing the interior of the said Robert T. Moore Tract 1 and Tract 6 to a point in the interior of the said Tract 6, from which a fence corner post found on the approximate north line of the said Jas.D.Millican Survey bears N 0°53'46" W, 1434.80 feet and N 88°32'14" E, 5901.92 feet;

THENCE, S 0°53'46" E, passing an exterior corner of the said Tract 1, the same being an interior corner of the said Tract 6, and continuing along the most easterly line of the said Tract 1 and a westerly line of the said Tract 6 for a total distance of 3886.03 feet to a point on the east bank of the Brazos River;

THENCE, with the east bank of the Brazos River, the following eight (8) courses and distances:

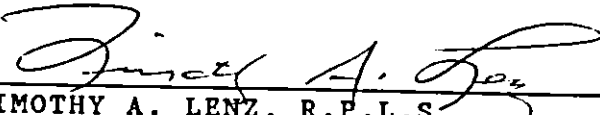
- 1) S 18°46'24" E, 294.64 feet to a point;
- 2) S 21°17'40" E, 343.44 feet to a point;
- 3) S 12°41'16" E, 375.96 feet to a point;
- 4) S 09°55'34" E, 329.33 feet to a point;
- 5) S 03°43'46" E, 334.45 feet to a point;
- 6) S 02°40'17" E, 308.57 feet to a point;
- 7) S 14°18'41" W, 333.19 feet to a point;
- 8) S 21°05'18" W, 196.86 feet to a point, from which a point on the north right-of-way line of the A.T.& S.F. Railroad, at Station 873+41.55, bears S 01°22'05" E, a distance of 2943.45 feet and from said point on right-of-way, a section of steel track found driven vertically in the ground on the said north right-of-way line bears S 89°33'08" W, a distance of 3761.65 feet;

THENCE, S 72°37'13" W, a distance of 903.28 feet to a point on the west bank of the Brazos River, the same being the east line of the said Tract 1 conveyed to Jesse Moore in Volume 203, Page 87 of the Deed Records of Burleson County, Texas;

ROBERT MOORE 7-H  
Page 3 of 3

THENCE, N 54°06'48" W, crossing the said Jesse Moore Tract 1 to an angle point in the west line of the said tract conveyed to the Burleson County Improvement District described in Volume 47, Page 131;

THENCE, N 26°56'52" W, a distance of 3543.48 feet along the west line of the said Burleson County Improvement District tract to the PLACE OF BEGINNING, containing 576.49 acres of land, more or less.

  
TIMOTHY A. LENZ, R.P.L.S.  
January 24, 1996

SIMPSON-LENZ & ASSOCIATES  
301 Hesters Crossing, No. 150  
Round Rock, Texas 78681  
(512) 388-6052



# BURLESON & BRAZOS COUNTIES, TEXAS

## PLAT TO ACCOMPANY FIELD NOTE DESCRIPTION

EXHIBIT "C"  
Attached to and made a part of that certain  
Term Pooling Agreement  
Robert Moore No. 7-H Well  
Brazos and Burleson Counties, Texas

3/91  
CT 5

SUTHERLAND  
A-55

BRAZOS  
COUNTY

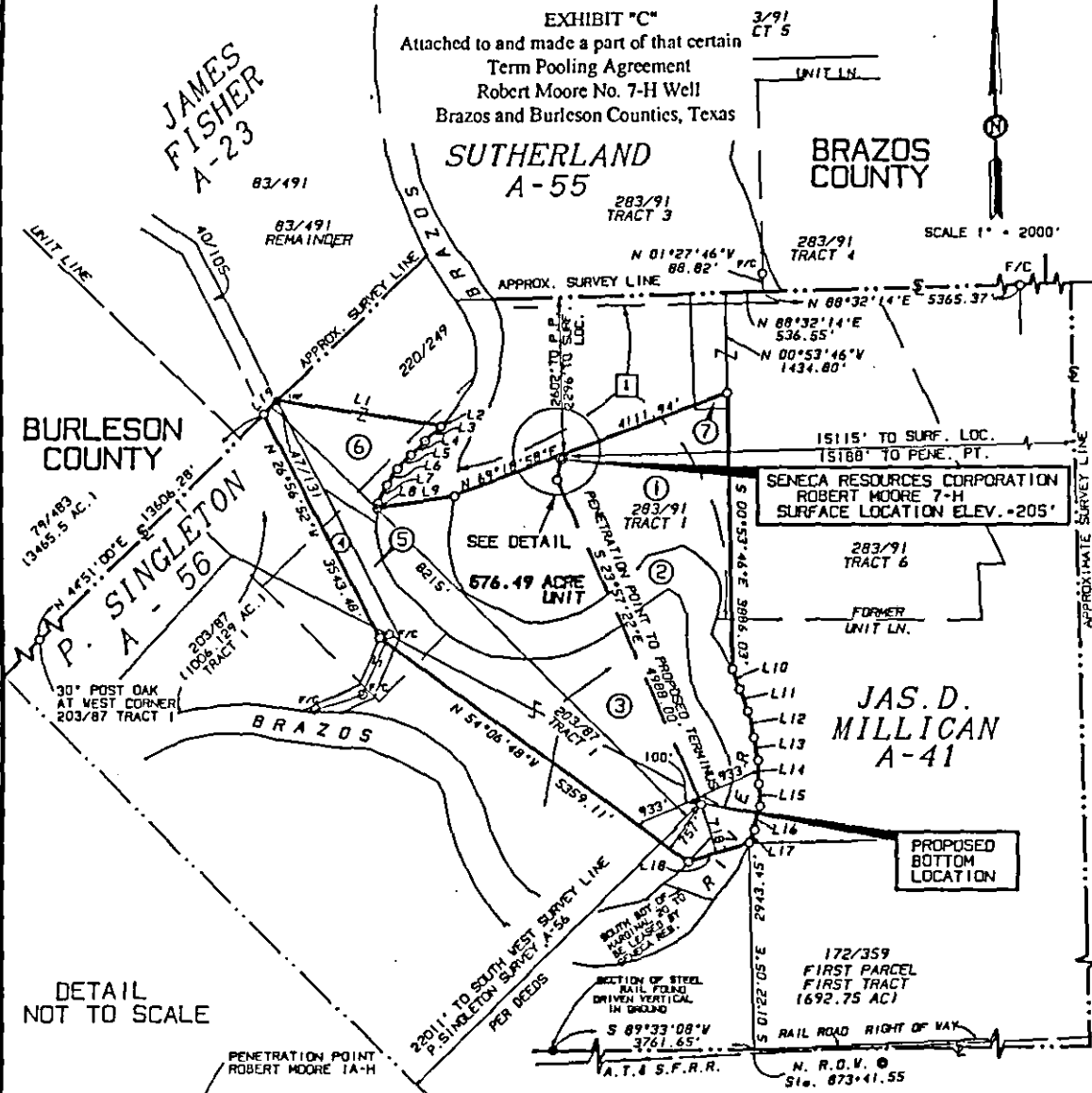
JAMES  
FISHER  
A-23

BURLESON  
COUNTY

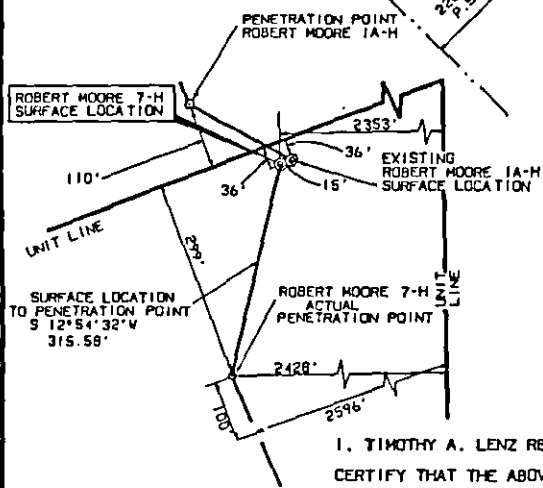
P. A. SINGLETON  
A-56

JAS. D.  
MILLICAN  
A-41

SCALE 1" = 2000'



DETAIL  
NOT TO SCALE



I, TIMOTHY A. LENZ REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4393 DO HEREBY  
CERTIFY THAT THE ABOVE PLAT CORRECTLY SHOWS THE ABOVE WELL LOCATION AS PROPOSED.

*Timothy A. Lenz*  
TIMOTHY A. LENZ

REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4393

PAGE 1 OF 2  
OCTOBER 19, 1995  
REVISED NOVEMBER 2, 1995 (LATERAL)  
REVISED DEC. 19, 1995 (TR. MARGINAL 20)  
REVISED JAN. 10, 1996 (SURFACE LOCATION)  
REVISED JAN. 24, 1996 (TITLE)  
REVISED FEBRUARY 6, 1996 (PENE. PT. & LATERAL)  
REVISED FEBRUARY 7, 1996 (TRACT 2 LEASE)

DWG RM0R7H  
JOB 941203

SIMPSON-LENZ & ASSOCIATES

301. HESTERS CROSSING, SUITE 150

ROUND ROCK, TEXAS 78681

PHONE 512-388-6052

# BURLESON & BRAZOS COUNTIES, TEXAS

## LINE TABLE

LINE	BEARING	DISTANCE
L 1	S 80°55'01"E	2320.70'
L 2	S 37°47'20"V	21.16'
L 3	S 48°31'36"V	298.59'
L 4	S 45°51'18"V	274.99'
L 5	S 42°01'41"V	275.99'
L 6	S 34°28'18"V	269.38'
L 7	S 26°14'33"V	280.91'
L 8	S 04°51'26"V	76.58'
L 9	N 80°45'52"E	1091.77'
L 10	S 18°46'24"E	294.64'
L 11	S 21°17'40"E	343.44'
L 12	S 12°41'16"E	375.96'
L 13	S 09°55'34"E	329.33'
L 14	S 03°43'46"E	334.45'
L 15	S 02°40'17"E	308.57'
L 16	S 14°18'41"V	333.19'
L 17	S 21°05'18"V	196.86'
L 18	S 72°37'13"V	903.28'
L 19	N 44°51'00"E	273.57'

## ROBERT MOORE 7-H

TRACT	ACRES IN UNIT	DESCRIPTION	DEED / OFFICIAL RECORDS VOL/PG, COUNTY
1	186.56	ROBERT T. MOORE	283/91 TRACT 1 BRAZOS
2	126.42	STATE OF TEXAS	M-97059
3	175.24	CONTRACT TRACT 28 JESSE MOORE	203/87 TRACT 1 BURLESON
4	21.41	STATE OF TEXAS	M-96404 47/131 BURLESON
5	30.14	CONTRACT TRACT 27 MRS. MARGARET THOMAS BELIN et al.	203/87 TRACTS 1 & 3 BURLESON 220/249 BURLESON
6	35.21	CONTRACT TRACT 26 MRS. MARGARET THOMAS BELIN et al.	203/87 TRACTS 1 & 3 BURLESON 220/249 BURLESON
7	1.51	ROBERT T. MOORE	283/91 TRACT 6 BRAZOS
576.49 TOTAL ACRES IN UNIT			

## ROBERT MOORE 1A

TRACT	ACRES IN UNIT	DESCRIPTION	DEED / OFFICIAL RECORDS VOL/PG, COUNTY
1	185.39	FORMER 640 AC OIL/GAS WELL UNIT DESIGNATION	478/31 BRAZOS

### NOTES:

- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- 2) WELL IS LOCATED 5.4 MILES SOUTHWEST OF MILLICAN, TEXAS
- 3) ● IRON ROD FOUND
- 4) ● IRON PIPE FOUND
- 5) ○ FENCE CORNER
- 6) THE ABOVE TRACTS DESCRIBED AS "CONTRACT TRACTS" WERE ESTABLISHED FROM SKETCHES PROVIDED BY SENECA RESOURCES CORPORATION.

PAGE 2 OF 2  
 OCTOBER 19, 1995  
 REVISED NOVEMBER 2, 1995 (LATERAL)  
 REVISED DEC. 19, 1995 (TR. MARGINAL 20)  
 REVISED JAN. 10, 1996 (SURFACE LOCATION)  
 REVISED JAN. 24, 1996 (TITLE)  
 REVISED FEBRUARY 6, 1996 (PENE. PT. & LATERAL)  
 REVISED FEBRUARY 7, 1996 (TRACT 2 LEASE)

DWG RM0R7H  
 JOB 941203

## SIMPSON-LENZ & ASSOCIATES

301. HESTERS CROSSING, SUITE 150  
 ROUND ROCK, TEXAS 78681  
 PHONE 512-388-6052

⑤ M-96404

Term Pooling Agreement

FILED: 4-29-96

**RAILROAD COMMISSION OF TEXAS**  
Oil and Gas Division

Return each W-1 with plat and applicable fee. Make a check or money order payable to the State Treasurer of Texas.

Address to:  
Railroad Commission of Texas  
Oil and Gas Division, Drilling Permits  
P. O. Box 12967  
Austin, Texas 78711-2967

**Application for Permit to Drill, Deepen, Plug Back, or Re-Enter**

File a copy of W-1 and plat in RRC District Office

Read Instructions on Back

EFFECTIVE SEPT. 1, 1991, PERMIT APPLICATION FEE WILL VARY ACCORDING TO THE TOTAL DEPTH SHOWN IN ITEM 9. RATES: 0-2000' - \$109, 2001' - 4000' - \$129, 4001' - 6000' - \$149

Purpose of filing (mark appropriate boxes): <input checked="" type="checkbox"/> Drill <input type="checkbox"/> Deepen (below casing) <input type="checkbox"/> Deepen (within casing) <input type="checkbox"/> Plug Back <input type="checkbox"/> Re-Enter <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Directional Well <input type="checkbox"/> Sidetrack <input type="checkbox"/> Amended Permit (enter permit no. at right & explain fully in Remarks)								Enter here, if assigned:		API No. <b>42-</b>		Permit No.	
1. Operator's Name (exactly as shown on Form P-5, Organization Report) <b>Seneca Resources Corporation</b>			3. RRC Operator No. <b>767060</b>		4. RRC District No. <b>03</b>		5. County of Well Site <b>Brazos/Burleson</b>		Rule 37 Case No.				
2. Address (including city and zip code) <b>333 Clay St., Suite 4150 Houston, TX 77002</b>			6. Lease Name (32 spaces maximum) <b>Robert Moore</b>			7. RRC Lease/ID No.		8. Well No. <b>7H</b>		9. Total Depth <b>12000' TVD</b>			
10. Location <b>SL &amp; PEN PT: Jas. D. Millican A-41</b> • Section _____ Block _____ Survey <b>TL: P. Singleton</b> Abstract No. <b>A-56</b> • This well is to be located <b>5.4</b> miles in a <b>SW</b> direction from <b>Millican</b> which is the nearest town in the county of the well site.													
11. Distance from proposed location to nearest lease or unit line <b>PEN PT: 100</b> ft.						12. Number of contiguous acres in lease, pooled unit, or unitized tract <b>576.49</b> (OUTLINE ON PLAT.)							
13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line.				14. Completion depth	15. Spacing pattern (ft.)	16. Density pattern (acres)	17. Number of acres in drilling unit for this well OUTLINE ON PLAT.	18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks.	19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir. (ft.)	20. Oil, gas, or other type well (Specify)	21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir.		
<b>Clay, N.E. (Austin Chalk 11350)</b>				<b>12000' TVD</b>	<b>100/1867</b>	<b>640/320</b>	<b>576.49</b>	<b>No</b>	<b>N/A</b>	<b>gas</b>	<b>0</b>	<b>1</b>	
22. Perpendicular surface location from two nearest designated lines: • Lease/Unit <b>36' FNL &amp; 2357' FEL</b> BHL/TL • Lease/Unit <b>716' FSWL &amp; 907' FSEL</b> • Survey/Section <b>15120' FEL &amp; 2298' FNL</b> • Survey/Section <b>7958' FNWL &amp; 21928' FSWL</b> If a directional well, show also projected bottom-hole location:													
23. Is this a pooled unit? Yes <input checked="" type="checkbox"/> (Attach Form P-12 and certified plat.)    No <input type="checkbox"/>						24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes <input type="checkbox"/> (Attach Form W-1A)    No <input checked="" type="checkbox"/>							
25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>						If subject to Rule 36, is Form H-9 filed? Yes <input type="checkbox"/> No <input type="checkbox"/> If not filed, explain in Remarks.							
26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37. Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>						I certify that information stated in this application is true and complete, to the best of my knowledge. <i>Patricia A. Rygg</i> Patricia A. Rygg, Agent Signature    Name and title of operator's representative <b>1/5/95</b> <b>713-654-2600 Operator</b> Date: mo. day yr. Tel: Area Code Number 512-266-3066 Agent							
Remarks <b>PEN PT: 100' FNL &amp; 2336' FEL of lease/unit 15098' FEL &amp; 2358' FNL of survey</b>						• RRC Use Only •							

SL:

SENECA

RAILROAD COMMISSION OF TEXAS  
OIL AND GAS DIVISION

CERTIFICATE OF POOLING AUTHORITY

I, Patricia A. Rygg, being of lawful age, being familiar with the matter, and having full knowledge of the facts set out, do state:

(1) That the acreage claimed for the purpose of establishing a pooled drilling or proration unit under applicable orders of the Railroad Commission of Texas, for the

NAME OF OPERATOR: Seneca Resources Corporation

NAME OF POOLED UNIT: Robert Moore WELL NO. 7H

FIELD: Clay, N.E. (Austin Chalk 11350), Brazos/Burleson COUNTY,

TEXAS, contains 576.49 acres; that with respect to such pooled unit, as it is hereafter described, parties now owning a mineral interest or mineral interests (including royalty interests, working interests, or other mineral interests) therein either (1) acquired such interest as they now have subject to the provisions of an instrument or instruments now in effect and which permit the pooling of said interests or (2) have, by virtue of the execution of an instrument or instruments the provisions of which are now in effect, pooled such of said interests as they now own therein, in such manner that all of such pooled unit shall be considered by the Commission as one base tract as if all rights with respect thereto has been acquired under a single contract.

(2) That the pooled unit described in the preceding paragraph is made up of and contains the hereafter described individual tracts of land no part of which is embraced within any other pooled unit in the same field and which, by virtue of the pooling agreements referred to in the preceding paragraph, are now contained within the pooled unit herein described.

(3) That where a non-pooled undivided interest exists in any of the individual tracts pooled, that certain non-pooled interest is noted in the margin of this instrument beside the tract description to identify the existence of the non-pooled interests in that tract:


(OVER)

DESCRIPTION OF INDIVIDUAL TRACTS OR LEASES CONTAINED  
WITHIN POOLED UNIT REFERRED TO IN PARAGRAPH (1) ABOVE

	NAME OF HOLDER OF LEASE	LEASE NAME	NO. OF ACRES	MARGIN
ct 1	Seneca Resources Corporation	Robert T. Moore	186.56	
ct 2	Seneca Resources Corporation	State of Texas M-95092	126.42	
ct 3	Seneca Resources Corporation	Jesse Moore	175.24	
ct 4	Seneca Resources Corporation	State of Texas M-96404	21.41	
ct 5	Seneca Resources Corporation	Mrs. Margaret Thomas	30.14	
		Belin et al		
ct 6	Seneca Resources Corporation	Mrs. Margaret Thomas	35.21	
		Belin et al		
ct 7	Seneca Resources Corporation	Robert T. Moore	1.51	
		Total	576.49 Acres	

**CERTIFICATE:**

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

	Patricia A. Rygg	Agent	1/5/96
Representative of Operator		Title	Date
	Telephone 713	654-2600 (Operator)	
	A / C	Number	
	512-266-3066 (Agent)		

**INSTRUCTIONS**

Where two or more tracts are pooled to form either a drilling unit or a proration unit as permitted by Commission regulation, the operator thereof must furnish a certificate of pooling authority at the time action by the Commission is sought either for a permit to drill on a pooled drilling unit or for establishment of an allowable for a well on a pooled proration unit.

⑥ M-96404

Appl. to Drill Well #7H  
FILED: 4-29-96



**Texas General Land Office**  
Garry Mauro, Commissioner

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

August 9, 1996

Ms. Jeanette Rossi, Division Order Analyst  
Seneca Resources Corporation  
1201 Louisiana Street, Suite 400  
Houston, Texas 77002-5604

2472 (Permanent)  
-cf. 4-16-96

Re: State Leases M-096404 & M-097059 Unit#2421  
Division Order No. 1169-580  
Lease Name: Robert Moore Estate Unit No. 7-H  
N.E. Clay Prospect  
Brazos County, Texas

Dear Ms. Rossi:

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

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

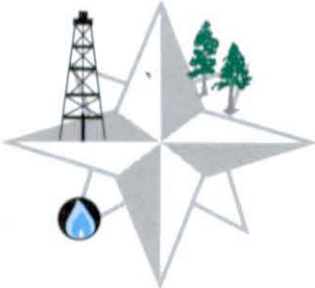
If you should have any questions, please feel free to call me at (512) 475-1462.

Sincerely,

Lillie Gamble  
Accounts Examiner  
Royalty and Revenue Processing  
Energy Resources

/lg

Enclosures



# SENECA RESOURCES CORPORATION

July 19, 1996

State of Texas  
1700 North Congress Avenue  
Austin, Texas 78701

Attention: Ms. Lillie Gamble

M.F. 96404 } Unit #2421  
97059  
~~96404~~

Re: Robert Moore Estate Unit No. 7-H Well  
N.E. Clay Prospect  
Brazos & Burleson Counties, Texas

Dear Ms. Gamble:

Enclosed please find an original and a copy of our Original Division Order covering the referenced well dated July 11, 1996.

Please review this document and, if it meets with your approval, please acknowledge receipt of this document by returning the stamped copy to my attention. Also enclosed is a copy of the Unit Designation and Amended Unit Designation covering the referenced well.

Thank you for your attention to this matter. If you have any questions please do not hesitate to call me at 713-654-2644.

Sincerely,

SENECA RESOURCES CORPORATION

Jeanette Rossi  
Division Order Analyst

Enclosures

J2719

COMMUNICATIONS  
SECTION  
JUL 19 1996

**SENECA RESOURCES CORPORATION**  
1201 Louisiana Street, Suite 400  
Houston, Texas 77002  
ATTENTION: Jeanette Rossi  
(713) 654-2644

Instructions To All Interest Owners  
Read Carefully Before Signing The Instrument

The instrument should not be altered in any way unless accompanied by documentary evidence to support the change.

If your name and interest are correctly shown:

Signature: Sign name as shown on the instrument.

If signing for a corporation, signature must be attested, corporate seal affixed, and title of signatory party shown. If not previously furnished, a certified copy of authority of executing office must be submitted.

If signed for a partnership, all partners must sign unless signed by an authorized partner and we are furnished a certified copy of his authority.

Signature by:  
Second Party: If the instrument is signed by agent, attorney-in-fact, guardian, estate representative, trustee or any party other than the named interest owner, we must have evidence of the rights vested in the signatory party.

Taxpayers ID  
No. or Social  
Security No.: Insert your number in the space provided.  
Section 6109 of the Internal Revenue Code requires you to furnish your taxpayer identification number to us. The law also requires that we withhold income tax at the rate of 31% from payments made to you, unless we have your correct identification number. For an individual, the identifying number is your Social Security Number. For a partnership or other business, the identifying number is your employer identification number. The law provides that the IRS may assess you a \$50.00 penalty for failure to furnish your identifying number to us.

Address: Indicate, in the space provided, the address to which checks are to be mailed. Print or type. Do not abbreviate. If you are already receiving checks from Seneca Resources Corporation, be sure to use the same address to which we are now mailing checks.

Property No.: At the top of the division order, you will find the number assigned to this lease. This number will appear on your check and should always be used when corresponding with this company.

Change of Address: You should notify us promptly of any change in your mailing address. This notice must be over your own signature or the signature of your appointed agent. Always include your Owner Number (which appears on your check) and your old address, then state your new address with zip code.

**RETURN THE EXECUTED INSTRUMENT WITHOUT DELAY TO THE ABOVE ADDRESS  
KEEP ONE COPY FOR YOUR RECORDS**

**OIL AND GAS DIVISION ORDER  
SENECA RESOURCES CORPORATION**

TO: SENECA RESOURCES CORPORATION  
1201 Louisiana Street, Suite 400  
Houston, Texas 77002

EFFECTIVE: First Production

Each of the undersigned hereby certify and warrant that they are the legal owners of the interest set out opposite his, her or its name on Exhibit "A" attached hereto and made a part hereof, and that the interest is his, her or its correct and entire ownership and interest, whether royalty, mineral or otherwise, in the oil produced from and in the proceeds of the gas sold from or used off the leases or units known as:

<u>Well No.</u>	<u>Well Name</u>	<u>County/State</u>
1169-580	Robert Moore Estate Unit No. 7-H	Brazos/Texas

Until further written notice, either from you to the undersigned or from the undersigned to you, you are hereby authorized to receive such oil and/or gas into your possession, or the possession of any person or company designated by you, the same to be run and measured in accordance with the customary pipeline rules and regulations, including those of the governmental agency having recognized jurisdiction over or control of the production and handling of oil and/or gas in such area, and to account for the proceeds received by you from the sale of such oil and/or gas according to the aforementioned Division of Interest Schedule.

The following covenants are also part of this division order and shall be binding upon the undersigned, his, her or its heirs, devisees, legal representatives, successors and assigns:

1. The word "OIL" as used herein is hereby declared to include all liquid hydrocarbons purchased hereunder, and the word "GAS" as used herein is hereby declared to include all gaseous substances, including oil well gas (casinghead gas).
2. The oil run hereunder shall, on the terms herein stated, become your property immediately upon being received into your possession or the possession of your designated nominee; and you agree to receive the oil hereunder and, subject to the further provisions hereof, to pay the respective owners therefor according to the division of interest herein indicated, either at the posted per barrel (42 gallons) field price for similar crude prevailing for the field where produced on the date of each respective run, or, if the oil is purchased by a nominee, the price to be paid shall be the same price received by Company from such nominee, and, in the absence of a pipeline connection, all prices are subject to deduction of barging or trucking costs and the applicable transportation tax thereof. You, your designated carrier or purchaser, may treat or steam unmerchantable oil before acceptance thereunder, and the expense therefor may be withheld.
3. The price to be paid for gas received hereunder shall be based on the amount realized from such sales. Prior to computing any royalties or other interest hereunder, you are authorized hereby to deduct any and all federal, state or local taxes imposed on or incident to the severance, production, gathering, processing and marketing of gas, all costs of treating such gas to make it merchantable and all costs which you have incurred in transporting such to any purchaser.
4. If a refund of a portion of the proceeds derived from the sale of gas may be required under any order, rule or regulation of the Federal Energy Regulatory Commission or the provisions of the Natural Gas Policy Act of 1978 or any amendments thereto, Seneca Resources Corporation ("Company") may hold without interest the portion of the proceeds subject to refund until indemnity satisfactory to Company has been furnished, or until Company's refund obligation has been finally determined. If at any time a refund of a portion of the proceeds derived from the sale of gas which has been paid, the undersigned is required under any order, rule or regulation of the Federal Energy Regulatory Commission or the provisions of the Natural Gas Policy Act of 1978 or any amendments thereto, Company may recover said refund by deduction from future payments or, at Company's discretion, may invoice the undersigned for that portion applicable to the undersigned's interest, plus the legal rate of interest Company is required to pay applicable to the undersigned's portion of the refund.
5. The undersigned hereby adopt, ratify, and confirm each oil and gas lease, unit designation or agreement, and gas sales or processing agreement, and all amendments thereof, under which the production covered hereby is produced, processed and sold. In the event all or any portion of the land described herein or any formation underlying same be included in one or more units now or hereafter formed or revised by order of any appropriate governmental authority or in one or more duly authorized voluntary units now or hereafter formed or revised, it is agreed that this division order shall be subject to such unit or units so formed or revised and that settlements shall be made in accordance with the production allocated to said tract or formation without requiring the execution of additional division orders.
6. Settlement shall be made monthly by Company's check mailed to each of the undersigned at the address indicated. However, if the proceeds for any one month amount to less than \$100.00, Company is hereby authorized to accumulate the total and make settlement in the month the total reached \$100.00 or on December 31 of each year, whichever occurs first.
7. The undersigned hereby warrant and guarantee the title to the interest credited to him, her or it herein. In the event there is any adverse claim of title to the production affected hereby or any part thereof as to the interest of the undersigned in the lands from which such production is obtained, the undersigned agrees that you may hold the proceeds of such production attributable to such interest, without interest, until evidence of good title satisfactory to you has been furnished, or such dispute as to the ownership has been settled, or until the undersigned furnishes indemnity satisfactory to Company. In the event any action or suit is filed in any court affecting title to the interest of an owner herein, or to the gas run to the credit of such interest, written notice of the filing of such suit or action shall be immediately furnished you by the owner of such interest, stating the court in which the same is filed and the title of such suit or action.
8. Any of the undersigned executing this division order as a lien holder agree that you are authorized to make payment direct to the owner of the royalty or other interest subject to the lien of all proceeds accruing to such owner's interest and waives any rights thereto until you are furnished written notice to the contrary.
9. Seneca Resources Corporation is hereby relieved of any responsibility for determining when any of the interest hereinabove set forth shall revert to other parties as a result of the completion or discharge of money or other payments from said interest and the signers hereof whose interests are affected by such money or other payments, if any agree to deliver to Seneca Resources Corporation notice in writing, at the above address, when any such money or other payments have been completed or discharged or when any other division of interest than that set forth above shall, for any reason, become effective and to furnish transfer orders accordingly, and that in the event such notice shall not be delivered to Seneca Resources Corporation, it shall be held harmless in the event of, and is hereby released from, any and all damage or loss which might arise out of any overpayment.

ORIGINAL

10. Until you actually receive notice in writing at the above address of any change in ownership or transfer or of any increase or decrease in the amount of character of any owner's interest (whether or not now provided for in any recorded instrument heretofore furnished to you), together with certified copies of properly recorded instruments in evidence thereof, you may continue to make payments for oil and/or gas sold on the basis of the ownership set forth in said Division of Interest Schedule, and you shall be held harmless from any loss arising out of any overpayment as a result of failure to receive written notice of any such change in ownership, transfer or difference in interest. Any such change in ownership or transfer of any increase or decrease in the amount of character of any owner's interest shall be made subject to this division order and shall be effective (insofar as payments made hereunder are concerned) at 7:00 o'clock A.M. on the first day of a calendar month, and shall not, as to you, be effective as to runs earlier than 7:00 o'clock A.M. of the first day of the calendar month during which you receive notice of such change, transfer or difference.
11. This division order may be terminated by you or by any one or more of the undersigned (as to his, her or its interests) as to any future sales or deliveries of oil and/or gas from said lease provided that no such termination shall affect any rights given you or any of the undersigned under the terms hereof as to sales or deliveries of oil and/or gas theretofore made, or as to sums theretofore paid hereunder, and provided further, that no such termination by any of the undersigned shall be effective as to you until thirty days after written notice thereof has been received by you at the above address. Consent is hereby given to you and/or any pipeline company which you may cause to connect with said well, to disconnect and remove such pipelines in case of termination by either you or us to purchase under this division order.
12. In the event the undersigned's interest is subject to an operating agreement or other like agreement relative to the oil and gas operations on the lease(s) described herein and there is a conflict with any of the provisions contained herein, the terms and conditions of such operating agreement shall control.

All of the provisions herein contained shall apply to each of the undersigned separately and not jointly. This division order may be executed in multiple counterparts and shall be binding on each party as soon as signed by such party regardless of whether or not the same is signed by any other party.

WITNESSES:

\_\_\_\_\_

\_\_\_\_\_

By \_\_\_\_\_

SS/Tax No. \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone \_\_\_\_\_

Date Signed \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

By \_\_\_\_\_

SS/Tax No. \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone \_\_\_\_\_

Date Signed \_\_\_\_\_

**PLEASE SIGN YOUR NAME EXACTLY AS SHOWN ON THE INTEREST SCHEDULE**  
**AND ENTER YOUR SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER**  
**IN THE SPACE PROVIDED.**

## EXHIBIT "A"

Division Order Number 1169-580  
 Well Name Robert Moore Estate Unit No. 7-H  
 Prospect N.E. Clay  
 County/State Brazos/Texas

## Description:

**Tract 1:** 186.56 acres, more or less, out of the J.D. Millican Survey, A 41, Brazos County, Texas, being that portion of that certain 265.01 acres described in that certain Deed dated August 12, 1924, from Mrs. L.E. Moorehead, to the Security Trust Company, recorded in Volume 65, Page 85, Deed Records, Brazos County, Texas, situated within the boundary lines of the R. Moore Estate Unit No. 7-H described in that certain Designation of Unit filed March 5, 1996, recorded in Volume 2549, Page 188, Official Records, Brazos County, Texas, (Volume 249, Page 470, Oil and Gas Records, Burleson County, Texas), as amended by Amendment to Designation of Unit dated March 18, 1996, recorded in Volume 2556, Page 180, Official Records, Brazos County, Texas (Volume 250, Page 302, Oil and Gas Records, Burleson County, Texas).

**Tract 2:** 126.42 acres, more or less, being that portion of the Brazos River situated within the boundary lines of the R. Moore Estate Unit No. 7-H described in that certain Designation of Unit filed March 5, 1996, recorded in Volume 2549, Page 188, Official Records, Brazos County, Texas, (Volume 249, Page 470, Oil and Gas Records, Burleson County, Texas), as amended by Amendment to Designation of Unit dated March 18, 1996, recorded in Volume 2556, Page 180, Official Records, Brazos County, Texas (Volume 250, Page 302, Oil and Gas Records, Burleson County, Texas).

**Tract 3:** 176.13 acres, more or less, out of and a part of the Phillip Singleton Survey, A-56, Burleson County, Texas, being that portion of that certain 561.3 acres identified as First Tract in that certain Partition Deed dated April 7, 1953, by and among Harry E. Cagle and R.F. Smith, et al., recorded in Volume 116, Page 633, Deed Records, Burleson County, Texas, situated within the boundary lines of the R. Moore Estate Unit No. 7-H described in that certain Designation of Unit filed March 5, 1996, recorded in Volume 2549, Page 188, Official Records, Brazos County, Texas, (Volume 249, Page 470, Oil and Gas Records, Burleson County, Texas), as amended by Amendment to Designation of Unit dated March 18, 1996, recorded in Volume 2556, Page 180, Official Records, Brazos County, Texas (Volume 250, Page 302, Oil and Gas Records, Burleson County, Texas).

**Tract 4:** 21.41 acres, more or less, out of the Phillip Singleton Survey, A-56, Burleson County, Texas, being that portion of the lands described in that certain Warranty Deed dated November 25, 1913, from T.T. Clay, et al., to The Burleson County Improvement District No. 2, recorded in Volume 47, Page 131, Deed Records, Burleson County, Texas, situated within the boundary lines of the R. Moore Estate Unit No. 7-H described in that certain Designation of Unit filed March 5, 1996, recorded in Volume 2549, Page 188, Official Records, Brazos County, Texas, (Volume 249, Page 470, Oil and Gas Records, Burleson County, Texas), as amended by Amendment to Designation of Unit dated March 18, 1996, recorded in Volume 2556, Page 180, Official Records, Brazos County, Texas (Volume 250, Page 302, Oil and Gas Records, Burleson County, Texas).

**Tract 5:** 1.51 acres, more or less, out of the J.D. Millican Survey, A-41, Brazos County, Texas, being that portion of that certain 1,192.53 acres described as Tract 6 in that certain Warranty Deed dated December 31, 1969, from H.H. Moore, et al to Robert Moore, recorded in Volume 283, Page 91, Deed Records, Brazos County, Texas, situated within the boundary lines of the R. Moore Estate Unit No. 7-H described in that certain Designation of Unit filed March 5, 1996, recorded in Volume 2549, Page 188, Official Records, Brazos County, Texas, (Volume 249, Page 470, Oil and Gas Records, Burleson County, Texas), as amended by Amendment to Designation of Unit dated March 18, 1996, recorded in Volume 2556, Page 180, Official Records, Brazos County, Texas (Volume 250, Page 302, Oil and Gas Records, Burleson County, Texas).

**Tract 6:** 64.46 acres, more or less, out of and a part of the Phillip Singleton Survey, A-56, Burleson County, Texas, being that portion of that certain 561.3 acres, identified as Second Tract in that certain Partition Deed dated April 7, 1953, by and among Harry E. Cagle and R.F. Smith, et al., recorded in Volume 116, Page 163, Deed Records, Burleson County, Texas, situated within the boundary lines of the R. Moore Estate Unit No. 7-H described in that certain Designation of Unit filed March 5, 1996, recorded in Volume 2549, Page 188, Official Records, Brazos County, Texas, (Volume 249, Page 470, Oil and Gas Records, Burleson County, Texas), as amended by Amendment to Designation of Unit dated March 18, 1996, recorded in Volume 2556, Page 180, Official Records, Brazos County, Texas (Volume 250, Page 302, Oil and Gas Records, Burleson County, Texas).

LIMITED HOWEVER, as to all tracts, to the Austin Chalk Formation.

OWNER NO.:	CREDIT TO:	DIVISION OF INTEREST	DECIMAL INTEREST	TYPE
14333	Charles Janner, et ux Mary K. Janner Post Office Box 130 Snook, Texas 77878 [REDACTED]	1/8 of 176.13/576.49, plus 1/8 of 64.46/576.49, less 1/24 of 176.13/576.49, or	0.0394370	RI
1020	Harry E. Cagle 18082 Garden Manor Houston, Texas 77084 [REDACTED]	1/24 of 176.13/576.49, or	0.0127300	NPRI
3501	State of Texas 1700 North Congress Avenue Austin, Texas 78701	1/5 of 126.42/576.49, <i>M96404</i> plus 1/5 of 21.41/576.49, or <i>M97059</i>	0.0512862	RI

BEFORE PAYOUT TOTAL ROYALTY: 0.1578253

**Overriding Royalty:**

8418	R. S. Shawell, Trustee 5701 Woodway, Suite 350 Houston, Texas 77057 [REDACTED]	6.33333% of 186.56/576.49, plus 6.33333% of 1.51/576.49, or	0.0206614	ORRI
8569	Robert L. Booker Route 1, Box 287-E Kingsland, Texas 78639 [REDACTED]	1% of 186.56/576.49, plus 1% of 1.51/576.49, or	0.0032623	ORRI
8570	John R. Dixon Post Office Box 431 Sonora, Texas 76950 [REDACTED]	1% of 186.56/576.49, plus 1% of 1.51/576.49, or	0.0032623	ORRI
1025	Jesse Filgo 5665 Pine Forest Houston, Texas 77056 [REDACTED]	4.00000% of 240.59/576.49, or	0.0166934	ORRI

OWNER NO.	CREDIT TO: Royalty:	DIVISION OF INTEREST	DECIMAL INTEREST	TYPE
15151	Robert H. Moore and Jerry M. Moore, Co-Trustees of the Robert T. Moore Family Trust Post Office Box 728 Navasota, Texas 77868 [REDACTED]	1/6 of 1/4 of 186.56/576.49, plus 1/6 of 1/4 of 1.51/576.49, less 1/4 of 1/64 of 1.51/576.49, or	0.0135828	RI
12589	Geraldine M. Moore Post Office Box 728 Navasota, Texas 77868 [REDACTED]	1/6 of 1/4 of 186.56/576.49, plus 1/6 of 1/4 of 1.51/576.49, less 1/4 of 1/64 of 1.51/576.49, or	0.0135828	RI
8571	Joyce Ann Moore Frede C/O Charles Frede Post Office Box 47 Navasota, Texas 77868 [REDACTED]	1/6 of 1/6 of 186.56/576.49 plus 1/6 of 1/6 of 1.51/576.49 less 1/6 of 1/64 of 1.51/576.49, or	0.0090552	RI
11557	Robert Harry Moore 8373 H.H. Moore Farm Road Navasota, Texas 77868 [REDACTED]	1/6 of 1/18 of 186.56/576.49 plus 1/6 of 1/18 of 1.51/576.49 less 1/18 of 1/64 of 1.51/576.49, or	0.0030184	RI
11558	Jerry Mason Moore Post Office Box 1432 Navasota, Texas 77868 [REDACTED]	1/6 of 1/18 of 186.56/576.49 plus 1/6 of 1/18 of 1.51/576.49 less 1/18 of 1/64 of 1.51/576.49, or	0.0030184	RI

OWNER NO.:	CREDIT TO:	DIVISION OF INTEREST	DECIMAL INTEREST	TYPE
11559	Melanie Moore Kolby Post Office Box 1086 Navasota, Texas 77868 [REDACTED]	1/6 of 1/18 of 186.56/576.49 plus 1/6 of 1/18 of 1.51/576.49 less 1/18 of 1/64 of 1.51/576.49, or	0.0030184	RI
11560	Jan Moore Murphy 230 Willowbluff San Antonio, Texas 78216 [REDACTED]	1/6 of 1/18 of 186.56/576.49 plus 1/6 of 1/18 of 1.51/576.49 less 1/18 of 1/64 of 1.51/576.49, or	0.0030184	RI
11561	Charles Moore Frede Post Office Box 47 Navasota, Texas 77868 [REDACTED]	1/6 of 1/18 of 186.56/576.49 plus 1/6 of 1/18 of 1.51/576.49 less 1/18 of 1/64 of 1.51/576.49, or	0.0030184	RI
11562	Virginia Louise Frede Busse Podraza 25669 FM 2154 Navasota, Texas 77868 [REDACTED]	1/6 of 1/18 of 186.56/576.49 plus 1/6 of 1/18 of 1.51/576.49 less 1/18 of 1/64 of 1.51/576.49, or	0.0030184	RI
8666	Claire Daniel Maze c/o John B. Daniel, Atty in Fact 1317 North 9th Street Temple, Texas 76501-1966 [REDACTED]	1/3 of 1/64 of 1.51/576.49, or	0.0000137	NPRI
8664	John B. Daniel, Jr. 1317 North 9th Street Temple, Texas 76501-1966 [REDACTED]	1/3 of 1/64 of 1.51/576.49, or	0.0000136	NPRI
15373	Herd Partners, Ltd. Post Office Box 130 Midland, Texas 79702 [REDACTED]	1/3 of 1/64 of 1.51/576.49, or	0.0000136	NPRI

OWNER NO: BEFORE PAYOUT	CREDIT TO:	DIVISION OF INTEREST	DECIMAL INTEREST	TYPE
	<b>Net Revenue:</b>			
999001	Seneca Resources Corporation 1201 Louisiana, Suite 400 Houston, Texas 77002 [REDACTED]	97.71822% of 5/6 of 188.07/576.49, plus 97.71822% of 7/8 of 240.59/576.49, plus 97.71822% of 4/5 of 147.83/576.49, less 97.71822% of 8.33333% of 188.07/576.49, less 97.71822% of 4% of 240.59/576.49, less 97.71822/99.47191 of 3.36875% of 240.59/576.49, or	0.7662688	NRI
1080	The Stanley B. Kane Revocable Trust 555 White Plains Road Tarrytown, New York 10591 [REDACTED]	.87684% of 5/6 of 188.07/576.49, plus .87684% of 7/8 of 240.59/576.49, plus .87684% of 4/5 of 147.83/576.49, less .87684% of 8.33333% of 188.07/576.49, less .87684% of 4% of 240.59/576.49, less .87684/99.47191 of 3.36875% of 240.59/576.49, or	0.0068759	NRI
1075	The Daniel Kane Revocable Trust 1127 Westway Drive Lido Shores Sarasota, Florida 34236 [REDACTED]	.87685% of 5/6 of 188.07/576.49, plus .87685% of 7/8 of 240.59/576.49, plus .87685% of 4/5 of 147.83/576.49, less .87685% of 8.33333% of 188.07/576.49, less .87685% of 4% of 240.59/576.49, less .87685/99.47191 of 3.36875% of 240.59/576.49, or	0.0068759	NRI
8507	Lawrence Blum 141 West Jackson Boulevard Suite 3840 Chicago, Illinois 60604 [REDACTED]	.52809% of 5/6 of 188.07/576.49, plus .52809% of 7/8 of 240.59/576.49, plus .52809% of 4/5 of 147.83/576.49, less .52809% of 8.33333% of 188.07/576.49, less .52809% of 4% of 240.59/576.49, or	0.0042156	NRI
<b>TOTAL NET REVENUE:</b>			<b>0.7842362</b>	
<b>GRAND TOTAL:</b>			<b>1.0000000</b>	

OWNER NO.	CREDIT TO:	DIVISION OF INTEREST	DECIMAL INTEREST	TYPE
999001	Seneca Resources Corporation 1201 Louisiana, Suite 400 Houston, Texas 77002 [REDACTED]	2.92471% of 240.59/576.49, or	0.0122059	ORRI (1)
8518	John L. Georgas Post Office Box 59 Ponte Vedra, Florida 32082 [REDACTED]	.03500% of 240.59/576.49, or	0.0001461	ORRI (1)
8522	Gerald R. Hill 568 Parkwood Way Melbourne, Florida 32940 [REDACTED]	.29094% of 240.59/576.49, or	0.0012142	ORRI (1)
8530	Robert E. Myron Post Office Box 485 Rancho Santa Fe, California 92067 [REDACTED]	.05030% of 240.59/576.49, or	0.0002099	ORRI (1)
8536	George Seals 5437 South Blackstone Chicago, Illinois 60615 [REDACTED]	.00876% of 240.59/576.49, or	0.0000366	ORRI (1)
8539	Jay D. Venetta 2727 Bens Branch Drive, Apt 409 Humble, Texas 77339-3712 [REDACTED]	.05468% of 240.59/576.49, or	0.0002282	ORRI (1)
8514	Catherine Faestel 7854 South Argonne Aurora, Colorado 80016 [REDACTED]	.00436% of 240.59/576.49, or	0.0000182	ORRI (1)

TOTAL OVERRIDING ROYALTY: 0.0579385

OWNER NO.:	CREDIT TO:	DIVISION OF INTEREST	DECIMAL INTEREST	TYPE
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(1) At "payout", Catherine Faestel, Gerald Hill, Robert Myron, George Seals, Jay Venetta, John Georgas, and Seneca Resources Corporation have the right to convert their overriding royalty interests in the Subject Property to a leasehold interest in the subject well. Payout is defined in that certain Assignment dated December 29, 1981 from Edward C. Wilson et al. in favor of Dov Amir and Louis Erlich, recorded in Volume 97, Page 206, Oil and Gas Records, as the date in which "Assignees have recovered out of the proceeds derived from production from the well drilled, the cost of drilling, testing, completing, reworking and equipping such well, plus the cost of operating same plus all royalties, overriding royalties and other burdens thereon plus all ad valorem, severance, production, occupation and excise taxes."

M. 96404 ①  
Division Order  
File Dated 8-9-96

X DESIGNATION OF UNIT  
[Redacted]  
ROBERT MOORE 7-H WELL

FILED

Unit 2421  
2472

95 MAR -5 PM 1:26

Handwritten signature  
Brazos County Court House  
DEPUTY

STATE OF TEXAS §  
COUNTIES OF BRAZOS AND BURLESON §

KNOW ALL MEN BY THESE PRESENTS, THAT:

COUNTY CLERK'S MEMO.  
Portions of This Document  
Not Legible When Received.

PART I: DESIGNATION OF UNIT

The undersigned Lessees, being the owners of valid and subsisting oil, gas and mineral leases listed in Exhibit "A", attached hereto and made a part hereof ("Leases"), insofar as said Leases cover and affect the land and depths described in Exhibit "B", attached hereto and made a part hereof, do, by virtue of the authority conferred by the terms of such Leases and all amendments and corrections thereto and the undersigned owners of royalty interest by their ratification of this Designation of Unit do hereby pool, consolidate, combine, and unitize said Leases, the leasehold rights, overriding royalty, and royalty interests therein and thereunder, as to the Unitized Interval described in Exhibit "B" attached hereto, 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 consist of the Unitized Interval underlying the land described by metes and bounds in the attached Exhibit "B", as depicted on the Plat attached hereto as Exhibit "C" ("the Unit Area").

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.

The Designation of Unit covers all production from the land 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 same 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 Lessees reserve the right to amend this Designation of Unit from time to time, and at any time, in order to correct any error herein or to include in this Unit any newly acquired interests within the Unit boundaries or to enlarge or reduce the Unit area in accordance with or as permitted by the applicable rules and regulations of any governmental regulatory body or agency having jurisdiction insofar as such right is granted in the Leases or, by appropriate amendments or instruments. Any such amendment may be executed by the then Operator of the Unit on behalf of the undersigned, provided that such amendment will not change the interests of the Lessees in the Unit.

By execution of this Designation of Unit, the undersigned Lessees do not exhaust their right to pool said Leases and lands hereinabove described with other leases and lands as to any other minerals, horizon, or strata covered thereby, and they expressly reserve to themselves, their assignees, or successors in interest, the right and power to pool or unitize the said Leases and lands with any other leases, lands, horizons, or strata in the vicinity and so far as the power, right, and authority to do so is granted in the Leases and various agreements and so long as such power and authority is exercised in accordance with applicable rules and regulations of any governmental regulatory body or agency having jurisdiction.

The Unit hereby created shall be effective as of the date of recording of this Designation of Unit. The Unit shall remain in force and effect so long as the pooled minerals are being produced from the Unit or so long as said 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 the Leases.

PART II: GENERAL

This instrument may be executed as one document signed by all parties, or parties herein may join herein by execution of a counterpart or ratification, with the same effect as if all parties executed this instrument. The failure of any one or more persons owning an interest in said Unit to execute this instrument or a counterpart or ratification thereof shall not in any manner affect the validity of same as to the parties who do execute this instrument.

IN WITNESS WHEREOF, this Designation of Unit is executed this 27<sup>th</sup> day of February, 1996.

SENECA RESOURCES CORPORATION

By: *Emmett Wassell*  
Emmett Wassell  
Vice President

THE STANLEY B. KANE REVOCABLE TRUST

By: \_\_\_\_\_  
Stanley B. Kane, Trustee

THE DANIEL KANE REVOCABLE TRUST

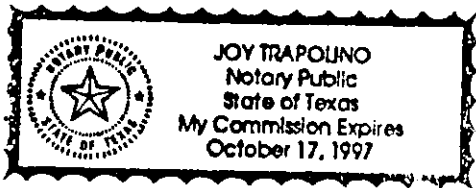
By: \_\_\_\_\_  
Daniel Kane

\_\_\_\_\_  
LAWRENCE BLUM

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on this the 27<sup>th</sup> day of February, 1996 by EMMETT WASSELL, the Vice President of SENECA RESOURCES CORPORATION, a Pennsylvania corporation, on behalf of said corporation.



*Joy Trapolino*  
Notary Public in and for  
The State of Texas

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on this the \_\_\_\_ day of February, 1996 by Stanley B. Kane, Trustee of THE STANLEY B. KANE REVOCABLE TRUST, on behalf of said Trust.

\_\_\_\_\_  
Notary Public



IN WITNESS WHEREOF, this Designation of Unit is executed this \_\_\_\_ day of February, 1996.

SENECA RESOURCES CORPORATION

By: \_\_\_\_\_  
Emmett Wassell  
Vice President

THE STANLEY B. KANE REVOCABLE TRUST

By: \_\_\_\_\_  
Stanley B. Kane, Trustee

THE DANIEL KANE REVOCABLE TRUST

By: *Daniel Kane*  
Daniel Kane

\_\_\_\_\_  
LAWRENCE BLUM

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on this the \_\_\_\_ day of February, 1996 by EMMETT WASSELL, the Vice President of SENECA RESOURCES CORPORATION, a Pennsylvania corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for  
The State of Texas

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

This instrument was acknowledged before me on this the \_\_\_\_ day of February, 1996 by Stanley B. Kane, Trustee of THE STANLEY B. KANE REVOCABLE TRUST, on behalf of said Trust.

\_\_\_\_\_  
Notary Public

IN WITNESS WHEREOF, this Designation of Unit is executed this \_\_\_\_ day of February, 1996.

SENECA RESOURCES CORPORATION

By: \_\_\_\_\_  
Emmett Wassell  
Vice President

THE STANLEY B. KANE REVOCABLE TRUST

By: \_\_\_\_\_  
Stanley B. Kane, Trustee

THE DANIEL KANE REVOCABLE TRUST

By: \_\_\_\_\_  
Daniel Kane

  
LAWRENCE BLUM

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on this the \_\_\_\_ day of February, 1996 by EMMETT WASSELL, the Vice President of SENECA RESOURCES CORPORATION, a Pennsylvania corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for  
The State of Texas

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

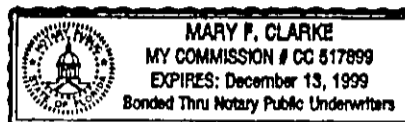
This instrument was acknowledged before me on this the \_\_\_\_ day of February, 1996 by Stanley B. Kane, Trustee of THE STANLEY B. KANE REVOCABLE TRUST, on behalf of said Trust.

\_\_\_\_\_  
Notary Public

STATE OF Florida §  
   §  
COUNTY OF Sarasota §

This instrument was acknowledged before me on this the 20th day of February, 1996 by Daniel Kane, Trustee of THE DANIEL KANE REVOCABLE TRUST, on behalf of said Trust.

Mary F. Clarke  
Notary Public



STATE OF ILLINOIS §  
   §  
COUNTY OF COOK §

This instrument was acknowledged before me on this the \_\_\_\_ day of February, 1996 by LAWRENCE BLUM.

\_\_\_\_\_  
Notary Public

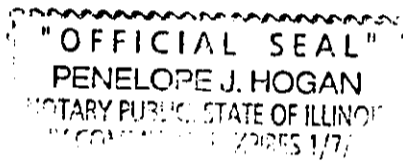
STATE OF \_\_\_\_\_ §  
  §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on this the \_\_\_\_\_ day of February, 1996 by Daniel Kane, Trustee of THE DANIEL KANE REVOCABLE TRUST, on behalf of said Trust.

\_\_\_\_\_  
Notary Public

STATE OF ILLINOIS §  
  §  
COUNTY OF COOK §

This instrument was acknowledged before me on this the 18 day of February, 1996 by LAWRENCE BLUM.



*Penelope Hogan*  
Notary Public

COUNTY CLERK'S MEMO.  
Portions of This Document  
Not Legible When Received.

EXHIBIT "A"

Attached to and made a part of that certain  
Designation of Unit, Robert Moore No. 7-H Well  
Brazos and Burleson Counties, Texas

1. That certain Oil, Gas and Mineral Lease, dated July 20, 1977, by and between Robert T. Moore and Robert T. Moore, Trustee, as Lessors and Randall Shawell, as Lessee, recorded in Volume 27, Page 351 of the Official Records of Brazos County, Texas.
2. That certain Oil, Gas and Mineral Lease, dated November 7, 1973 by and between Jesse B. Moore, as Lessor and Jack B. Brogdon, recorded in Volume 15, Page 164 of the Oil and Gas Records of Burleson County, Texas.
3. That certain Oil, Gas and Mineral Lease, dated August 22, 1990, by and between Robert S. Fleming, as Lessor, and Seneca Resources Corporation, as Lessee, recorded in Volume 174, Page 423, et seq. of the Oil & Gas Lease Records of Burleson County, Texas.
4. That certain Oil, Gas and Mineral Lease, dated August 22, 1990, by and between Frederic A. Fleming, Jr., as Lessor, and Seneca Resources Corporation, as Lessee, recorded in Volume 174, Page 427, et seq. of the Oil & Gas Lease Records of Burleson County, Texas.
5. That certain Oil, Gas and Mineral Lease, dated August 22, 1990, by and between Elizabeth Hohlt Pecore, as Lessor, and Seneca Resources Corporation, as Lessee, recorded in Volume 174, Page 435, et seq. of the Oil & Gas Lease Records of Burleson County, Texas.
6. That certain Oil, Gas and Mineral Lease, dated August 22, 1990, by and between Joan Hohlt Wich, as Lessor, and Seneca Resources Corporation, as Lessee, recorded in Volume 174, Page 431, et seq. of the Oil & Gas Lease Records of Burleson County, Texas.
7. That certain Oil, Gas and Mineral Lease, dated August 22, 1990, by and between TRAAC Company, a Texas General Partnership, Marian W. Fleming, Managing General Partner, as Lessor, and Seneca Resources Corporation, as Lessee, recorded in Volume 174, Page 439, et seq. of the Oil & Gas Lease Records of Burleson County, Texas.
8. That certain Oil, Gas and Mineral Lease, dated April 4, 1995, by and between State of Texas (M-96404), as Lessor, and Seneca Resources Corporation, as Lessee, recorded in Volume 241, Page 705, et seq. of the Oil & Gas Lease Records of Burleson County, Texas.
9. That certain Oil, Gas and Mineral Lease, dated January 2, 1996, by and between State of Texas (M-97059), as Lessor, and Seneca Resources Corporation, as Lessee, recorded in Volume \_\_\_\_\_, Page \_\_\_\_\_, et seq. of the Oil & Gas Lease Records of Burleson County, Texas and Volume \_\_\_\_\_, Page \_\_\_\_\_, et seq. of the Deed Records of Brazos County, Texas.

EXHIBIT "B"

Attached to and made a part of that certain  
Designation of Unit, Robert Moore No. 7-H Well  
Brazos and Burleson Counties, Texas

FIELD NOTES TO ACCOMPANY UNIT PLAT

ROBERT MOORE 7-H  
576.49 ACRE UNIT  
Page 1 of 3

FIELD NOTES DESCRIPTION OF 576.49 ACRES OF LAND LOCATED IN BURLESON AND BRAZOS COUNTIES, TEXAS; BEING 240.59 ACRES OUT OF THE P. SINGLETON SURVEY, ABSTRACT NO. 56 IN BURLESON COUNTY, TEXAS AND BEING OUT OF TRACT 1 AND 3 AS CONVEYED TO JESSE MOORE BY DEED RECORDED IN VOLUME 203, PAGE 87 OF THE DEED RECORDS OF BURLESON COUNTY, TEXAS; BEING 21.41 ACRES OUT OF THE P. SINGLETON SURVEY, ABSTRACT NO. 56 IN BURLESON COUNTY, TEXAS AND BEING OUT OF THAT CERTAIN TRACT CONVEYED TO THE BURLESON COUNTY IMPROVEMENT DISTRICT FOR THE CONSTRUCTION OF A LEVEE AND BEING DESCRIBED IN VOLUME 47, PAGE 131 OF THE DEED RECORDS OF BURLESON COUNTY, TEXAS; BEING 126.42 ACRES OF LAND LOCATED IN BOTH BURLESON AND BRAZOS COUNTIES AND BEING THE PORTION OF THE BRAZOS RIVER LOCATED WITHIN THE HEREIN DESCRIBED UNIT; BEING A PORTION OF THE JAS. D. MILLICAN SURVEY, ABSTRACT NO. 41, IN BRAZOS COUNTY, TEXAS AND BEING 1.51 ACRES OUT OF TRACT 6 AND 186.56 ACRES OUT OF TRACT 1 AS CONVEYED TO ROBERT T. MOORE RECORDED IN VOLUME 283, PAGE 91 OF THE DEED RECORDS OF BRAZOS COUNTY, TEXAS. THE SAID 576.49 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a point on the approximate southeast line of the said James Fisher Survey, Abstract No. 23 and the approximate northwest line of the said P. Singleton Survey, Abstract No. 56, Burleson County, Texas, the same being the northwest line of the said Tract 1 conveyed to Jesse Moore recorded in Volume 203, Page 87 and being at the most westerly or northwest corner of the said Burleson County Improvement District tract recorded in Volume 47, Page 131 of the Deed Records of Burleson County, Texas, from which a 30 inch diameter post oak at the most westerly corner of the said Tract 1 bears S 44°51'00" W, a distance of 13,606.28 feet;

THENCE, N 44°51'00" E, a distance of 273.57 feet to an iron rod found at the most northerly corner of the said Tract 1 and the most westerly corner of that certain tract awarded to Old River Ranch in Cause No. 15,535 and recorded in Volume 220, Page 249 of the Deed Records of Burleson County, Texas;

THENCE, S 80°55'01" E, a distance of 2320.70 feet along the southwest line of the said Old River Ranch tract to a point on the west bank of the Brazos River;

THENCE, along the west bank of the Brazos River the following seven (7) courses and distances:

ROBERT MOORE 7-H

Page 2 of 3

- 1) S 37°47'20" W, 21.16 feet to a point;
- 2) S 48°31'36" W, 298.59 feet to a point;
- 3) S 45°51'18" W, 274.99 feet to a point;
- 4) S 42°01'41" W, 275.99 feet to a point;
- 5) S 34°28'18" W, 269.38 feet to a point;
- 6) S 26°14'33" W, 280.91 feet to a point;
- 7) S 04°51'26" W, 76.58 feet to a point;

THENCE, N 80°45'52" E, a distance of 1091.77 feet to a point on the east bank of the Brazos River;

THENCE, N 69°18'58" E, a distance of 4111.94 feet, crossing the interior of the said Robert T. Moore Tract 1 and Tract 6 to a point in the interior of the said Tract 6, from which a fence corner post found on the approximate north line of the said Jas.D.Millican Survey bears N 0°53'46" W, 1434.80 feet and N 88°32'14" E, 5901.92 feet;

THENCE, S 0°53'46" E, passing an exterior corner of the said Tract 1, the same being an interior corner of the said Tract 6, and continuing along the most easterly line of the said Tract 1 and a westerly line of the said Tract 6 for a total distance of 3886.03 feet to a point on the east bank of the Brazos River;

THENCE, with the east bank of the Brazos River, the following eight (8) courses and distances:

- 1) S 18°46'24" E, 294.64 feet to a point;
- 2) S 21°17'40" E, 343.44 feet to a point;
- 3) S 12°41'16" E, 375.96 feet to a point;
- 4) S 09°55'34" E, 329.33 feet to a point;
- 5) S 03°43'46" E, 334.45 feet to a point;
- 6) S 02°40'17" E, 308.57 feet to a point;
- 7) S 14°18'41" W, 333.19 feet to a point;
- 8) S 21°05'18" W, 196.86 feet to a point, from which a point on the north right-of-way line of the A.T.& S.F. Railroad, at Station 873+41.55, bears S 01°22'05" E, a distance of 2943.45 feet and from said point on right-of-way, a section of steel track found driven vertically in the ground on the said north right-of-way line bears S 89°33'08" W, a distance of 3761.65 feet;

THENCE, S 72°37'13" W, a distance of 903.28 feet to a point on the west bank of the Brazos River, the same being the east line of the said Tract 1 conveyed to Jesse Moore in Volume 203, Page 87 of the Deed Records of Burleson County, Texas;

COUNTY CLERK'S MEMO.  
Portions of This Document  
Not Legible When Received.

VOL 2549 PAGE 197

VOL 249 PAGE 479

ROBERT MOORE 7-H

Page 3 of 3

THENCE, N 54°06'48" W, crossing the said Jesse Moore Tract 1 to an angle point in the west line of the said tract conveyed to the Burleson County Improvement District described in Volume 47, Page 131;

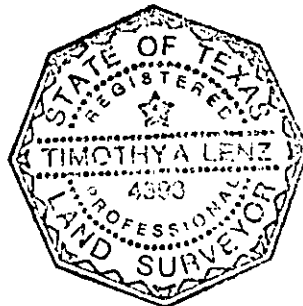
THENCE, N 26°56'52" W, a distance of 3543.48 feet along the west line of the said Burleson County Improvement District tract to the PLACE OF BEGINNING, containing 576.49 acres of land, more or less.



TIMOTHY A. LENZ, R.P.L.S.

January 24, 1996

SIMPSON-LENZ & ASSOCIATES  
301 Hesters Crossing, No. 150  
Round Rock, Texas 78681  
(512) 388-6052



THIS UNIT IS LIMITED IN DEPTH TO THE AUSTIN CHALK FORMATION DEFINED AS THE STRATIGRAPHIC EQUIVALENT OF THE INTERVAL OCCURRING FROM 11,426 FEET MEASURED DEPTH TO 11,861 FEET MEASURED DEPTH AS SHOWN ON THE DUAL INDUCTION-SFL LOG OF THE SENECA-R. MOORE NO. 1 WELL LOCATED 2,148 FEET FNL AND 2,326 FEET FNWL OF R. MOORE LEASE LINES, JAS. D. MILLICAN SURVEY, A-41, BRAZOS COUNTY, TEXAS.

# BURLESON & BRAZOS COUNTIES, TEXAS

## PLAT TO ACCOMPANY FIELD NOTE DESCRIPTION

EXHIBIT "C"

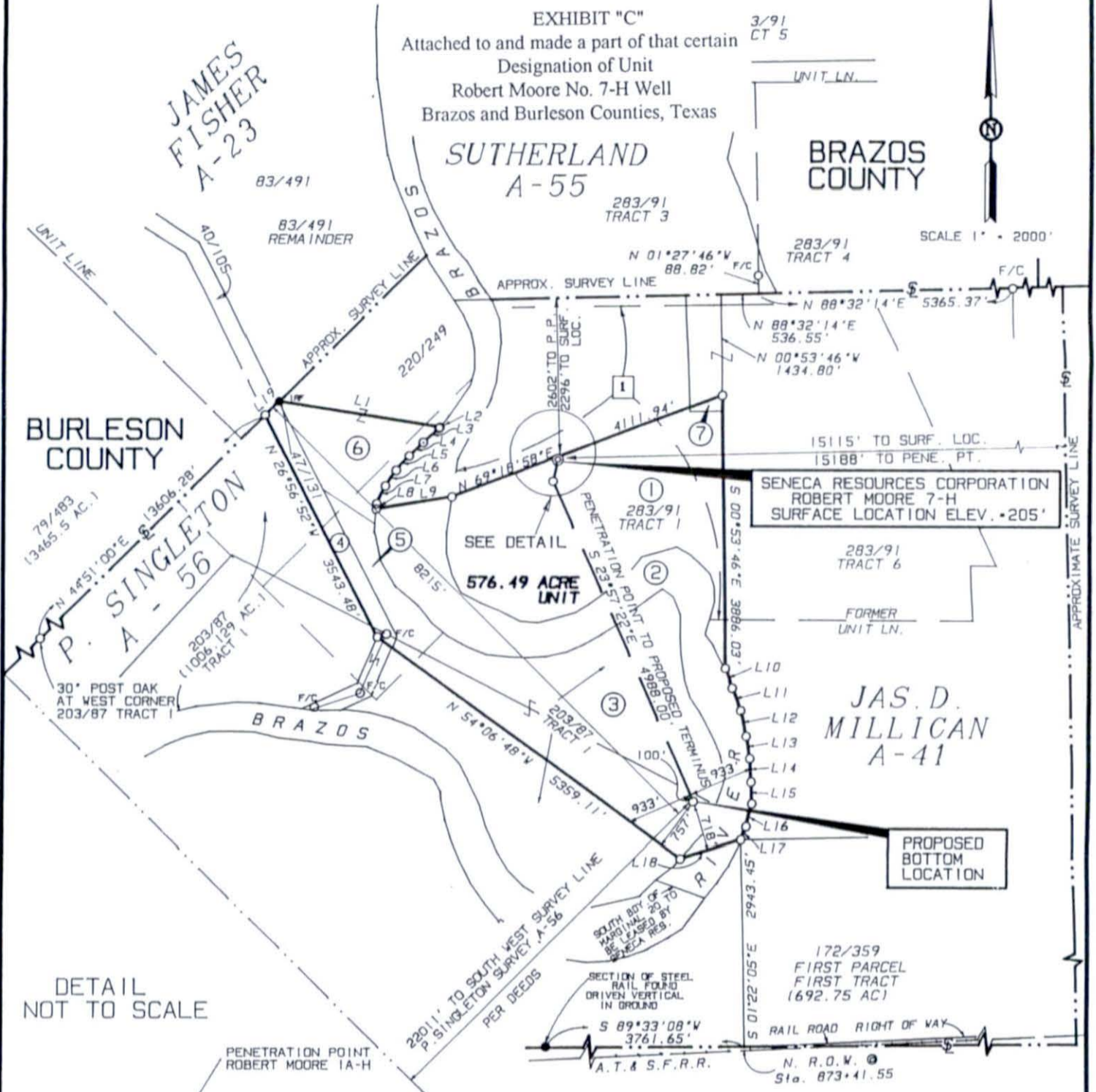
Attached to and made a part of that certain  
Designation of Unit  
Robert Moore No. 7-H Well  
Brazos and Burleson Counties, Texas

3/91  
CT 5

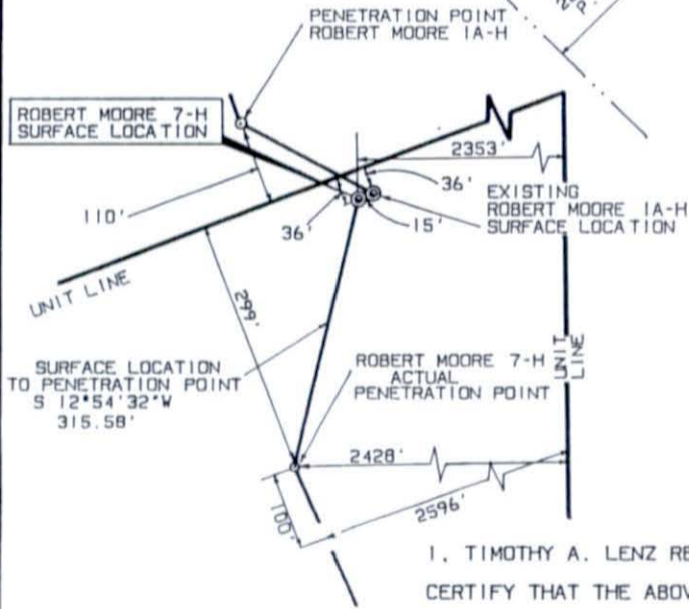
SUTHERLAND  
A-55

BRAZOS  
COUNTY

SCALE 1" = 2000'



DETAIL  
NOT TO SCALE



COUNTY CLERK'S MEMO.  
Portions of This Document  
Not Legible When Received.



I, TIMOTHY A. LENZ REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4393 DO HEREBY  
CERTIFY THAT THE ABOVE PLAT CORRECTLY SHOWS THE ABOVE WELL LOCATION AS PROPOSED.

*Timothy A. Lenz*  
TIMOTHY A. LENZ  
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4393

PAGE 1 OF 2  
OCTOBER 19, 1995  
REVISED NOVEMBER 2, 1995 (LATERAL)  
REVISED DEC. 19, 1995 (TR. MARGINAL 20)  
REVISED JAN 10, 1996 (SURFACE LOCATION)  
REVISED JAN 24, 1996 (TITLE)  
REVISED FEBRUARY 6, 1996 (PENE. PT. & LATERAL)  
REVISED FEBRUARY 7, 1996 (TRACT 2 LEASE)

DWG RMOR7H  
JOB 941203

**SIMPSON-LENZ & ASSOCIATES**

301. HESTERS CROSSING, SUITE 150  
ROUND ROCK, TEXAS 78681  
PHONE 512-388-6052

# BURLESON & BRAZOS COUNTIES, TEXAS

## LINE TABLE

LINE	BEARING	DISTANCE
L 1	S 80°55'01"E	2320.70'
L 2	S 37°47'20"W	21.16'
L 3	S 48°31'36"W	298.59'
L 4	S 45°51'18"W	274.99'
L 5	S 42°01'41"W	275.99'
L 6	S 34°28'18"W	269.38'
L 7	S 26°14'33"W	280.91'
L 8	S 04°51'26"W	76.58'
L 9	N 80°45'52"E	1091.77'
L 10	S 18°46'24"E	294.64'
L 11	S 21°17'40"E	343.44'
L 12	S 12°41'16"E	375.96'
L 13	S 09°55'34"E	329.33'
L 14	S 03°43'46"E	334.45'
L 15	S 02°40'17"E	308.57'
L 16	S 14°18'41"W	333.19'
L 17	S 21°05'18"W	196.86'
L 18	S 72°37'13"W	903.28'
L 19	N 44°51'00"E	273.57'

## ROBERT MOORE 7-H

TRACT	ACRES IN UNIT	DESCRIPTION	DEED / OFFICIAL RECORDS VOL/PG . COUNTY
1	186.56	ROBERT T. MOORE	283/91 TRACT 1 BRAZOS
2	126.42	STATE OF TEXAS	M-97059
3	175.24	CONTRACT TRACT 28 JESSE MOORE	203/87 TRACT 1 BURLESON
4	21.41	STATE OF TEXAS	M-96404 47/131 BURLESON
5	30.14	CONTRACT TRACT 27 MRS. MARGARET THOMAS BELIN et al.	203/87 TRACTS 1 & 3 BURLESON 220/249 BURLESON
6	35.21	CONTRACT TRACT 26 MRS. MARGARET THOMAS BELIN et al.	203/87 TRACTS 1 & 3 BURLESON 220/249 BURLESON
7	1.51	ROBERT T. MOORE	283/91 TRACT 6 BRAZOS
576.49 TOTAL ACRES IN UNIT			

## ROBERT MOORE 1A

TRACT	ACRES IN UNIT	DESCRIPTION	DEED / OFFICIAL RECORDS VOL/PG . COUNTY
1	185.39	FORMER 640 AC OIL/GAS WELL UNIT DESIGNATION	478/31 BRAZOS

NOTES:

FILED FOR RECORD  
at 9:00 o'clock A. M.  
APR 1 1996  
EVELYN M. HENRY  
COUNTY CLERK, BURLESON CO., TEX.  
By Lynette [Signature] Deputy

- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- 2) WELL IS LOCATED 5.4 MILES SOUTHWEST OF MILLICAN, TEXAS
- 3) ● IRP • IRON ROD FOUND
- 4) ● PIPE • IRON PIPE FOUND
- 5) ○ F/C • FENCE CORNER
- 6) THE ABOVE TRACTS DESCRIBED AS 'CONTRACT TRACTS' WERE ESTABLISHED FROM SKETCHES PROVIDED BY SENECA RESOURCES CORPORATION.

THE STATE OF TEXAS  
COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 1 day of April, 1996, at 9:00 o'clock A. M. and duly recorded on 4 day of April, 1996, in the Oil and Gas Lease Record of said County, in Vol. 249 Page 470-482.

Witness my hand and official seal of the County Court of said County, at my office in Caldwell, Texas, the day and year above written.

By \_\_\_\_\_, Deputy

*Evelyn M. Henry*  
Evelyn M. Henry  
County Clerk, Burleson County, Texas

MAY 1 1996

STATE OF TEXAS COUNTY OF BRAZOS  
I hereby certify that this instrument was filed on the  
date and time stamped hereon by me and was duly re-  
corded in the volume and page of the named records  
of Brazos County, Texas as stamped hereon by me



MAR 11 1996

*Mary Ann Ward*

COUNTY CLERK, Brazos County Texas

Return to:

Seneca Resources Corp  
Attn ms. Joy Trapelino  
1201 LOUISIANA Suite 400  
Houston, Texas 77002

FILED FOR RECORD  
9:02 a.m. A.M.  
APR 1 1996  
EVELYN M. HENRY  
COUNTY CLERK, BURLESON CO., TEX.  
Deputy  
*Evelyn M. Henry*

1384

33/PA

# 96404 (8)

Designation of Unit fr.  
Sueca Resources  
Unit # 2421

7-19-96

601154  
1836

FILED M 96404

96 MAR 18 PM 2:51

97059  
#2421  
2472

\* AMENDMENT TO DESIGNATION OF UNIT

Maryland ... CLERK  
BRAZOS COUNTY COURTHOUSE  
BRYAN, TEXAS  
BY J. [Signature]  
DEPUTY

STATE OF TEXAS §  
§  
COUNTY OF BRAZOS AND §  
BURLESON §

KNOW ALL MEN BY THESE PRESENTS, THAT:

COUNTY CLERK'S MEMO.  
Portions of This Document  
Not Legible When Received.

Whereas, Seneca Resources Corporation, et al did heretofore execute that certain Designation of Unit for the Robert Moore No. 7-H, dated February 27, 1996, designating the 576.49 acre Unit for the Robert Moore No. 7-H Well; and,

Whereas, said Designation of Unit is recorded under File No. 600437, in Volume 2549, Page 108 of the Official Records of Brazos County, Texas; and,

Whereas, Seneca Resources Corporation is the Operator of said Unit, and therefore has the right and power to execute amendments of said Designation of Unit on behalf of all of the Lessees who originally executed said Designation of Unit; and,

Whereas, Seneca Resources Corporation desires to amend said Designation of Unit by substituting a revised Description of Leases as Exhibit "A" thereto, in order to delete five leases from the list of leases pooled by said Designation, none of which cover lands included in the unit; and,

Whereas, Seneca Resources Corporation desires to amend said Designation of Unit by changing the name of the unit well to agree with the name on the permit for such well;

NOW THEREFORE, this Amendment to Designation of Unit, witnesseth:

The Description of Leases originally attached as Exhibit "A" to said Designation of Unit is hereby deleted, and the Description of Leases attached to this Amendment to Designation of Unit is substituted in place thereof, as though it had been the Exhibit "A" originally attached to said Designation of Unit.

The Unit well shall be called the R. Moore Estate Unit, No. 7-H Well.

Except as hereby amended, said Designation of Unit shall remain in force as originally executed.

IN WITNESS WHEREOF, this Amendment to Designation of Unit is executed this 18th day of March, 1996, but effective as of the date of recordation of the original Designation of Unit.

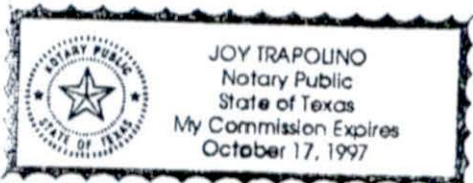
SENECA RESOURCES CORPORATION

By: Emmett Wassell  
Emmett Wassell  
Vice President

STATE OF TEXAS

COUNTY OF HARRIS

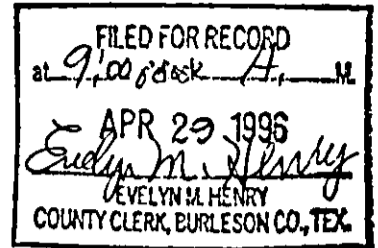
This instrument was acknowledged before me on this the 18th day of March, 1996 by EMMETT WASSELL, the Vice President of SENECA RESOURCES CORPORATION, a Pennsylvania corporation, on behalf of said corporation.



Joy Trapolino  
Notary Public in and for  
The State of Texas

EXHIBIT "A"

Attached to and made a part of that certain  
Amendment to Designation of Unit  
R. Moore Estate Unit, No. 7-H Well  
Brazos and Burleson Counties, Texas



1. That certain Oil, Gas and Mineral Lease, dated July 20, 1977, by and between Robert T. Moore and Robert T. Moore, Trustee, as Lessors and Randall Shawell, as Lessee, recorded in Volume 27, Page 351 of the Official Records of Brazos County, Texas.
2. That certain Oil, Gas and Mineral Lease, dated November 7, 1973 by and between Jesse B. Moore, as Lessor and Jack B. Brogdon, recorded in Volume 15, Page 164 of the Oil and Gas Records of Burleson County, Texas.
3. That certain Oil, Gas and Mineral Lease, dated April 4, 1995, by and between State of Texas (M-96404), as Lessor, and Seneca Resources Corporation, as Lessee, recorded in Volume 241, Page 705, et seq. of the Oil & Gas Lease Records of Burleson County, Texas.
4. That certain Oil, Gas and Mineral Lease, dated January 2, 1996, by and between State of Texas (M-97059), as Lessor, and Seneca Resources Corporation, as Lessee, recorded in Volume \_\_\_\_\_, Page \_\_\_\_\_, et seq. of the Oil & Gas Lease Records of Burleson County, Texas and Volume \_\_\_\_\_, Page \_\_\_\_\_, et seq. of the Deed Records of Brazos County, Texas.

COUNTY CLERK'S MEMO.  
Portions of This Document  
Not Legible When Received.

THE STATE OF TEXAS  
COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 29 day of April, 19 96, at 9:00 o'clock A. M. and duly recorded on 2 day of May, 19 96, in the Oil and Gas Lease Record of said County, in Vol. 250 Page 302-303.

Witness my hand and official seal of the County Court of said County, at my office in Caldwell, Texas, the day and year above written.

By \_\_\_\_\_, Deputy

*Evelyn M. Henry*  
Evelyn M. Henry  
County Clerk, Burleson County, Texas

APR 10 1996

MAY 28 1996

# 960400 (9)  
Amended Unit Designations  
Unit # 2421 7-19-96

1836

STATE OF TEXAS  
COUNTY OF BRAZOS  
I hereby certify that this instrument was filed on the  
date and time stamped herein by me and was duly re-  
corded in the volume and page of the named records  
of Brazos County, Texas as stamped herein by me

MAR 25 1996



Mary Ann Ward  
COUNTY CLERK, Brazos County Texas

Return to Seneca Resources Corp  
1201 Louisiana Ste 400  
Houston, Texas 77002

FILED FOR RECORD  
at 9:02 o'clock A.M.  
APR 29 1996  
Evelyn M. Henry  
EVELYN M. HENRY  
COUNTY CLERK, BURLESON CO., TEX.

Seneca Resources Corporation  
Attn: Ms. Joy Trapolino  
1201 Louisiana, Suite 400  
Houston, TX 77002

\$11.00  
M

Unit 2472  
(Replaced # 2421)

DO NOT DESTROY

GLO-36-10-84

-MEMO-

Operator Seneca Resources Corp

Unit Name Moore, Robert 7-H well #

County Burleson + Brazos

Effective Date 4-16-96

Unitized for: Oil  Gas  Oil & Gas

1. M.F. No. 096404

Area A-41 A-56 Tr. 4

Sec.      Blk.      Survey BCFD #1 etc

$\frac{21.41}{576.49} \times \frac{15}{.20} = .007428$   
.037139 .20 .007428 %

2. M.F. No. 097059

Area A-41 A-56 Tr. 2

Sec.      Blk.      Survey BCFD #1 etc

$\frac{126.42}{576.49} \times \frac{15}{.20} = .043859$   
.043859 %

3. M.F. No.             

Area                      Tr.             

Sec.      Blk.      Survey                     

             x              =              %

4. M.F. No.             

Area                      Tr.             

Sec.      Blk.      Survey                     

             x              =              %

REMARKS: Subject to rev. reduction clause in Lease to 20%.

(See Remarks)

1051287

Verid 9/26/00 ms.

Unit # 2472  
PERMANENT

POOLING COMMITTEE REPORT

TO: SCHOOL LAND BOARD

DATE: April 16, 1996

OPERATOR: Seneca Resources Corp. COUNTY: Brazos & Burleson

UNIT NAME: Robert Moore Unit, FIELD: Clay, N.E.  
Well No. 7-H (Austin Chalk 11350)

STATE LEASE(S) IN UNIT

Lease *Type	State Number	State Royalty	Expiration Date	Term Year	Acres	Acres In Unit	Lessee of Record
SF	M-96404	1/4 **	4/4/98	3	38.85	21.41	Seneca
SF	M-97059	1/4 **	1/2/99	3	137.00	126.42	Seneca

\*\* Subject to Royalty Reduction clause in the state lease

- \* RAL = Relinquishment Act
- \* SF = State Fee
- \* FR = Free Royalty

PRIVATE ACRES: 428.66  
STATE ACRES: 147.83  
TOTAL UNIT ACRES: 576.49

Unitized for: Oil \_\_\_\_\_ Gas \_\_\_\_\_ Both x

Depth(s): See Remarks  
Formation: See Remarks

Well Location: State Land x  
Private Land x

Participation: Basis Surface acreage  
State Acreage 25.64%  
State Unit Royalty 5.13%

Railroad Commission Rules: Spacing 920 Acres  
Acreage Factor 100%

Agree to drill to density of field rules: Yes \_\_\_\_\_ No x

Holds only acreage included in the unit past primary term: Yes x No \_\_\_\_\_

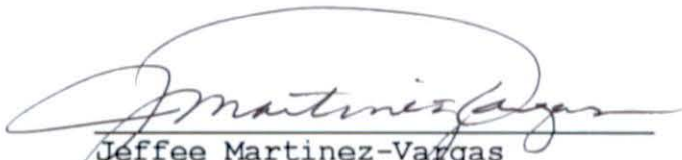
Satisfactory geological data furnished: Yes x No \_\_\_\_\_

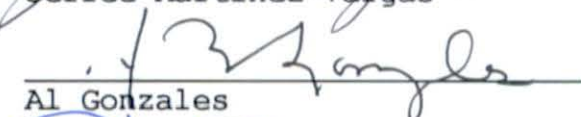
REMARKS:

- Seneca Resources Corporation is requesting to make permanent the Robert Moore Well No. 7-H temporary unit. The applicant is requesting pooling of the Austin Chalk Formation defined as the stratigraphic interval or its correlative equivalent occurring from 11,515 feet MD to 15,518 feet MD, as shown on the Gamma Ray log of Seneca's Moore Estate No. 7-H well.
- The applicant completed a horizontal gas well on February 21, 1996, in the Austin Chalk Formation. The well is currently producing approximately 6.6 Mmcf of gas and 193 bbls of condensate per day.
- If the unit is approved, the applicant will have earned a royalty reduction to 20%, making the state's royalty unit participation 5.13%.
- Horizontal severance is provided for in the state leases. The state will participate from date of first production.
- APPROVAL BY THE SCHOOL LAND BOARD IN NO WAY RATIFIES ANY OF THE STATE LEASES INCLUDED IN THIS PROPOSED UNIT.

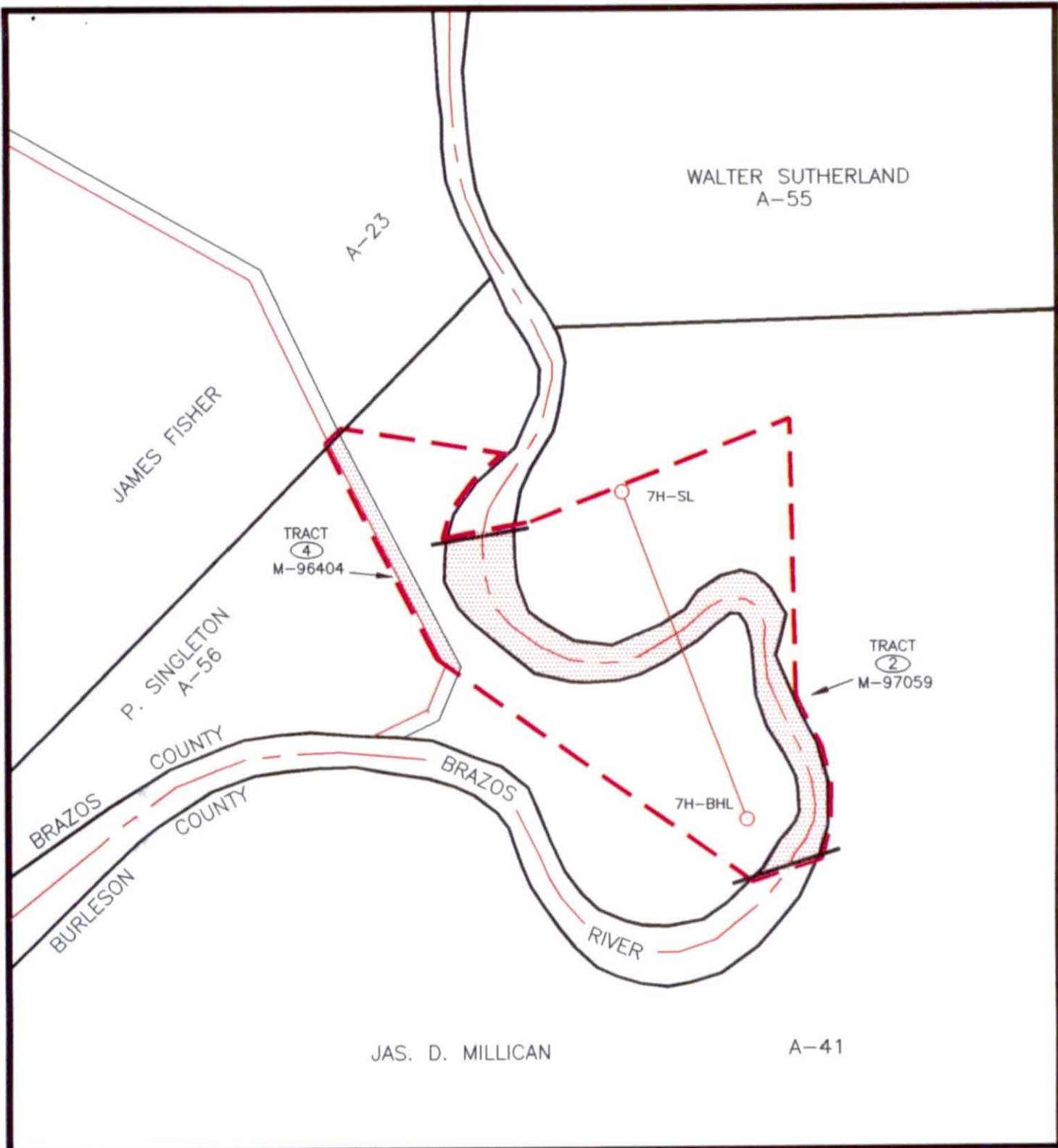
POOLING COMMITTEE RECOMMENDATION:

- The Pooling Committee recommends Board approval of a permanent oil and gas unit, under the above stated provisions.

  
\_\_\_\_\_  
Jeffee Martinez-Vargas

  
\_\_\_\_\_  
Al Gonzales

  
\_\_\_\_\_  
Peter A. Boone



4-96\MM\KB\96-28\G

SENECA RESOURCES CORPORATION  
 ROBERT MOORE UNIT, WELL NO. 7-H  
 CLAY, NE (AUSTIN CHALK 11350)  
 BRAZOS AND BURLESON COUNTIES  
 M-97059, M-96404

⑩ M-96404  
Filing Commission: H. R. P.  
FILED: 9-6-94

**POOLING AGREEMENT  
SENECA RESOURCES CORPORATION  
ROBERT MOORE UNIT, WELL NO. 7-H  
BRAZOS & BURLESON COUNTIES, TEXAS**

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Seneca Resources Corporation, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

PURPOSES:

1.

This Pooling Agreement ("Agreement") is made for the purposes of conservation and utilization of the pooled mineral, to prevent waste, to facilitate orderly development and to preserve correlative rights. To such end, it is the purpose of this Agreement to effect equitable participation within the unit formed hereby. This Agreement is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of the pooled mineral and in its interpretation and application shall, in all things, be subject thereto.

UNIT DESCRIPTION:

2.

The oil and gas leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C".

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit in the Austin Chalk Formation defined as the stratigraphic interval or its correlative equivalent occurring from 11,515 feet measured depth to 15,518 feet measured depth, as shown on the Gamma Ray log of the Seneca Resources Corporation, Moore Estate No. 7-H well ("unitized interval").

POOLING AND EFFECT:

4.

The parties hereto commit all of their interests which are within the unit to the extent and as above described into said unit and unitize and pool hereunder the separate tracts described on the attached Exhibit "B", for and during the term hereof, so that such pooling or unitization shall have the following effect:

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional well drilled under the unitized area from a surface location on adjacent or adjoining lands not included within the boundaries of the unitized area, such operations shall be considered to have been commenced on the unitized area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the unitized area and production of oil or gas from the unitized area through any directional well surfaced on adjacent or adjoining land or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations, as the case may be, on the unitized area for all purposes under this Agreement. Nothing in this Agreement is intended or shall be construed as granting to Lessee any leasehold interest, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, easements, or other rights which the lessee, operator or other interest owner in the unitized area may have lawfully acquired from the state or others.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.
- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were

located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners.

- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 576.49 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offset to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.
- (j) Should this Agreement terminate for any cause, in whole or in part, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION:

5.

For the purpose of computing the share of production of the pooled mineral to which each interest owner shall be entitled from the pooled unit, there shall be allocated to each tract committed to said unit that pro rata portion of the pooled mineral produced from the pooled unit which the number of surface acres covered by each such tract and included in the unit bears to the total number of surface acres included in said unit, and the share of production to which each interest owner is entitled shall be computed on the basis of such owner's interest in the production so allocated to each tract.

TAKING ROYALTY IN KIND:

6.

Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this pooling or unitization agreement be made in kind, without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

FULL MARKET VALUE:

7.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

- (a) As to royalty on oil by (1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) gross proceeds of the sale thereof, whichever is the greater;
- (b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Agreement "field" means the general area in which the lands covered hereby are located.)

EFFECTIVE DATE:

8.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of April 16, 1996; however, it is agreed that the State will participate in production from the Unit well or wells on a unitized basis from the date the pooled mineral was or is first produced.

TERM:

9.

This Agreement shall remain in effect so long as the pooled mineral is being produced from said unit, or so long as all leases included in the pooled unit are maintained in force by payment of delay rentals or shut-in oil or gas well royalties, by drilling or rework, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof which are contained in any State lease covered by this Agreement.

STATE LAND:

10.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code having been duly considered, made and obtained.

DISSOLUTION:

11.

The unit covered by this Agreement may be dissolved by Lessee, his heirs, successors or assigns, by an instrument filed for record in Brazos and Burleson Counties, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production or upon such other date as may be approved by the School Land Board and mutually agreed to by the undersigned parties, their successors or assigns.

RATIFICATION/WAIVER:

12.

Nothing in this Agreement, nor the approval of this Agreement by the School Land Board, nor the execution of this Agreement by the Commissioner shall: (1) operate as a ratification or revivor of any State lease that has expired, terminated, or has been released in whole or in part or terminated under the terms of such State lease or the laws applicable thereto; (2) constitute a waiver or release of any claim for money, oil, gas or other hydrocarbons, or other thing due to the State by reason of the existence or failure of such lease; (3) constitute a waiver or release of any claim by the State that such lease is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or failure of consideration; (4) constitute a confirmation or recognition of any boundary or acreage of any tract or parcel of land in which the State has or claims an interest; or (5) constitute a ratification of, or a waiver or release of any claim by the State with respect to any violation of a statute, regulation, or any of the common laws of this State, or any breach of any contract, duty, or other obligation owed to the State.

COUNTERPARTS:

13.

This Agreement may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement upon the respective dates indicated below.

Date Executed 6/24/96

STATE OF TEXAS

Legal  
Content  
Geology  
Execution

*ma*  
*ma*  
*m*

By Garry Mauro  
Garry Mauro, Commissioner  
of the General Land Office

Date Executed 5-16-96

SENECA RESOURCES CORPORATION

By Emmett Wassell  
Its **EMMETT WASSSELL**  
**VICE PRESIDENT**  
**OPERATIONS**

ATTEST:

William M. Petmecky  
**WILLIAM M. PETMECKY**  
**SECRETARY**

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 16th day of April, 1996, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

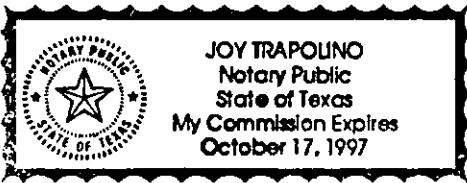
IN TESTIMONY WHEREOF, witness my hand this the 24th day of June, 1996.

Linda K. Fisher  
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on May 16, 1996, by Emmett Kassel as Vice President of Seneca Resources Corporation, a PENNSYLVANIA corporation, on behalf of said corporation.



Joy Trapolino  
Notary Public in and for the  
State of Texas

*Daniel Kane*

---

Daniel Kane, Trustee u/a dated April 6, 1989  
f/b/o Daniel Kane

---

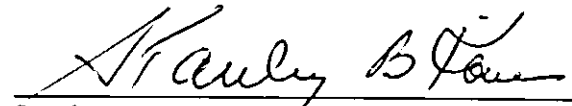
Stanley B. Kane, Trustee u/a dated March 14,  
1989 f/b/o Stanley B. Kane

---

Lawrence J. Blum

---

Daniel Kane, Trustee u/a dated April 6, 1989  
f/b/o Daniel Kane

A handwritten signature in cursive script that reads "Stanley B. Kane". The signature is written in dark ink and is positioned above a horizontal line.

---

Stanley B. Kane, Trustee u/a dated March 14,  
1989 f/b/o Stanley B. Kane

---

Lawrence J. Blum

Daniel Kane, Trustee u/a dated April 6, 1989  
f/b/o Daniel Kane

Stanley B. Kane, Trustee u/a dated March 14,  
1989 f/b/o Stanley B. Kane

  
Lawrence J. Blum

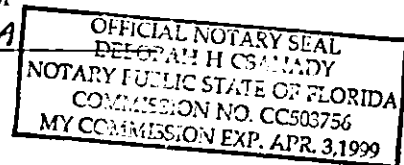
STATE OF FLORIDA

COUNTY OF SARASOTA

This instrument was acknowledged before me on this the 21 day of MAY, 1996 by DANIEL KEANE.

*Deborah A. Casimiro*

Notary Public in and for  
The State of FLORIDA



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

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

This instrument was acknowledged before me on this the \_\_\_\_\_ day of \_\_\_\_\_, 1996 by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for  
The State of \_\_\_\_\_

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

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

This instrument was acknowledged before me on this the \_\_\_\_\_ day of \_\_\_\_\_, 1996 by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for  
The State of \_\_\_\_\_

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

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

This instrument was acknowledged before me on this the \_\_\_\_\_ day of \_\_\_\_\_, 1996 by \_\_\_\_\_.

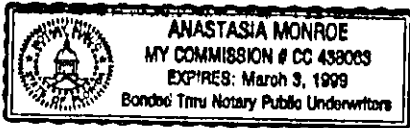
\_\_\_\_\_  
Notary Public in and for  
The State of \_\_\_\_\_

STATE OF Florida

COUNTY OF Sarasota

This instrument was acknowledged before me on this the 5 day of June, 1996 by Stanley B Kane.

Anastasia Monroe  
Notary Public in and for  
The State of FLORIDA



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

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

This instrument was acknowledged before me on this the \_\_\_\_\_ day of \_\_\_\_\_, 1996 by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for  
The State of \_\_\_\_\_

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

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

This instrument was acknowledged before me on this the \_\_\_\_\_ day of \_\_\_\_\_, 1996 by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for  
The State of \_\_\_\_\_

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

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

This instrument was acknowledged before me on this the \_\_\_\_\_ day of \_\_\_\_\_, 1996 by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for  
The State of \_\_\_\_\_

STATE OF Illinois

COUNTY OF Cook

This instrument was acknowledged before me on this the 23rd day of May, 1996 by Lawrence J. Blum.

Penelope J. Hogan  
Notary Public in and for  
The State of Illinois



**EXHIBIT "A"**  
to Pooling Agreement - Robert Moore Unit, Well No. 7-H

**Pooled Leases**

<u>Lessor</u>	<u>Lessee</u>	<u>Date</u>	<u>Recording Data</u>	
			<u>Volume</u>	<u>Page</u>
Jesse B. Moore	Jack D. Brogdon	11/07/73	15	164*
Robert T. Moore	Randall S. Shawell	7/20/77	27	351*
State of Texas M-96404	Seneca Resources Corp.	4/4/95	241	705*
State of Texas M-97059	Seneca Resources Corp.	1/2/96	2591	167**

\* - Recorded in the Oil and Gas Lease Records of Burleson County, Texas

\*\* - Recorded in the Official Records of Brazos County, Texas

## EXHIBIT "B"

to Pooling Agreement - Robert Moore Unit, Well No. 7-H

## FIELD NOTES TO ACCOMPANY UNIT PLAT

ROBERT MOORE 7-H  
576.49 ACRE UNIT  
Page 1 of 3

FIELD NOTES DESCRIPTION OF 576.49 ACRES OF LAND LOCATED IN BURLESON AND BRAZOS COUNTIES, TEXAS; BEING 240.59 ACRES OUT OF THE P. SINGLETON SURVEY, ABSTRACT NO. 56 IN BURLESON COUNTY, TEXAS AND BEING OUT OF TRACT 1 AND 3 AS CONVEYED TO JESSE MOORE BY DEED RECORDED IN VOLUME 203, PAGE 87 OF THE DEED RECORDS OF BURLESON COUNTY, TEXAS; BEING 21.41 ACRES OUT OF THE P. SINGLETON SURVEY, ABSTRACT NO. 56 IN BURLESON COUNTY, TEXAS AND BEING OUT OF THAT CERTAIN TRACT CONVEYED TO THE BURLESON COUNTY IMPROVEMENT DISTRICT FOR THE CONSTRUCTION OF A LEVEE AND BEING DESCRIBED IN VOLUME 47, PAGE 131 OF THE DEED RECORDS OF BURLESON COUNTY, TEXAS; BEING 126.42 ACRES OF LAND LOCATED IN BOTH BURLESON AND BRAZOS COUNTIES AND BEING THE PORTION OF THE BRAZOS RIVER LOCATED WITHIN THE HEREIN DESCRIBED UNIT; BEING A PORTION OF THE JAS. D. MILLICAN SURVEY, ABSTRACT NO. 41, IN BRAZOS COUNTY, TEXAS AND BEING 1.51 ACRES OUT OF TRACT 6 AND 186.56 ACRES OUT OF TRACT 1 AS CONVEYED TO ROBERT T. MOORE RECORDED IN VOLUME 283, PAGE 91 OF THE DEED RECORDS OF BRAZOS COUNTY, TEXAS. THE SAID 576.49 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a point on the approximate southeast line of the said James Fisher Survey, Abstract No. 23 and the approximate northwest line of the said P. Singleton Survey, Abstract No. 56, Burleson County, Texas, the same being the northwest line of the said Tract 1 conveyed to Jesse Moore recorded in Volume 203, Page 87 and being at the most westerly or northwest corner of the said Burleson County Improvement District tract recorded in Volume 47, Page 131 of the Deed Records of Burleson County, Texas, from which a 30 inch diameter post oak at the most westerly corner of the said Tract 1 bears S 44°51'00" W, a distance of 13,606.28 feet;

THENCE, N 44°51'00" E, a distance of 273.57 feet to an iron rod found at the most northerly corner of the said Tract 1 and the most westerly corner of that certain tract awarded to Old River Ranch in Cause No. 15,535 and recorded in Volume 220, Page 249 of the Deed Records of Burleson County, Texas;

THENCE, S 80°55'01" E, a distance of 2320.70 feet along the southwest line of the said Old River Ranch tract to a point on the west bank of the Brazos River;

THENCE, along the west bank of the Brazos River the following seven (7) courses and distances:

## EXHIBIT "B"

ROBERT MOORE 7-H  
Page 2 of 3

- 1) S 37°47'20" W, 21.16 feet to a point;
- 2) S 48°31'36" W, 298.59 feet to a point;
- 3) S 45°51'18" W, 274.99 feet to a point;
- 4) S 42°01'41" W, 275.99 feet to a point;
- 5) S 34°28'18" W, 269.38 feet to a point;
- 6) S 26°14'33" W, 280.91 feet to a point;
- 7) S 04°51'26" W, 76.58 feet to a point;

THENCE, N 80°45'52" E, a distance of 1091.77 feet to a point on the east bank of the Brazos River;

THENCE, N 69°18'58" E, a distance of 4111.94 feet, crossing the interior of the said Robert T. Moore Tract 1 and Tract 6 to a point in the interior of the said Tract 6, from which a fence corner post found on the approximate north line of the said Jas.D.Millican Survey bears N 0°53'46" W, 1434.80 feet and N 88°32'14" E, 5901.92 feet;

THENCE, S 0°53'46" E, passing an exterior corner of the said Tract 1, the same being an interior corner of the said Tract 6, and continuing along the most easterly line of the said Tract 1 and a westerly line of the said Tract 6 for a total distance of 3886.03 feet to a point on the east bank of the Brazos River;

THENCE, with the east bank of the Brazos River, the following eight (8) courses and distances:

- 1) S 18°46'24" E, 294.64 feet to a point;
- 2) S 21°17'40" E, 343.44 feet to a point;
- 3) S 12°41'16" E, 375.96 feet to a point;
- 4) S 09°55'34" E, 329.33 feet to a point;
- 5) S 03°43'46" E, 334.45 feet to a point;
- 6) S 02°40'17" E, 308.57 feet to a point;
- 7) S 14°18'41" W, 333.19 feet to a point;
- 8) S 21°05'18" W, 196.86 feet to a point, from which a point on the north right-of-way line of the A.T.& S.F. Railroad, at Station 873+41.55, bears S 01°22'05" E, a distance of 2943.45 feet and from said point on right-of-way, a section of steel track found driven vertically in the ground on the said north right-of-way line bears S 89°33'08" W, a distance of 3761.65 feet;

THENCE, S 72°37'13" W, a distance of 903.28 feet to a point on the west bank of the Brazos River, the same being the east line of the said Tract 1 conveyed to Jesse Moore in Volume 203, Page 87 of the Deed Records of Burleson County, Texas;

EXHIBIT "B"

ROBERT MOORE 7-H

Page 3 of 3

THENCE, N 54°06'48" W, crossing the said Jesse Moore Tract 1 to an angle point in the west line of the said tract conveyed to the Burleson County Improvement District described in Volume 47, Page 131;

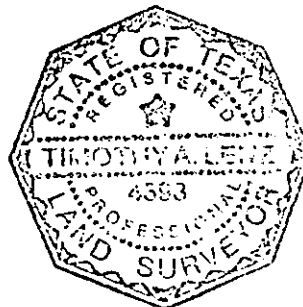
THENCE, N 26°56'52" W, a distance of 3543.48 feet along the west line of the said Burleson County Improvement District tract to the PLACE OF BEGINNING, containing 576.49 acres of land, more or less.



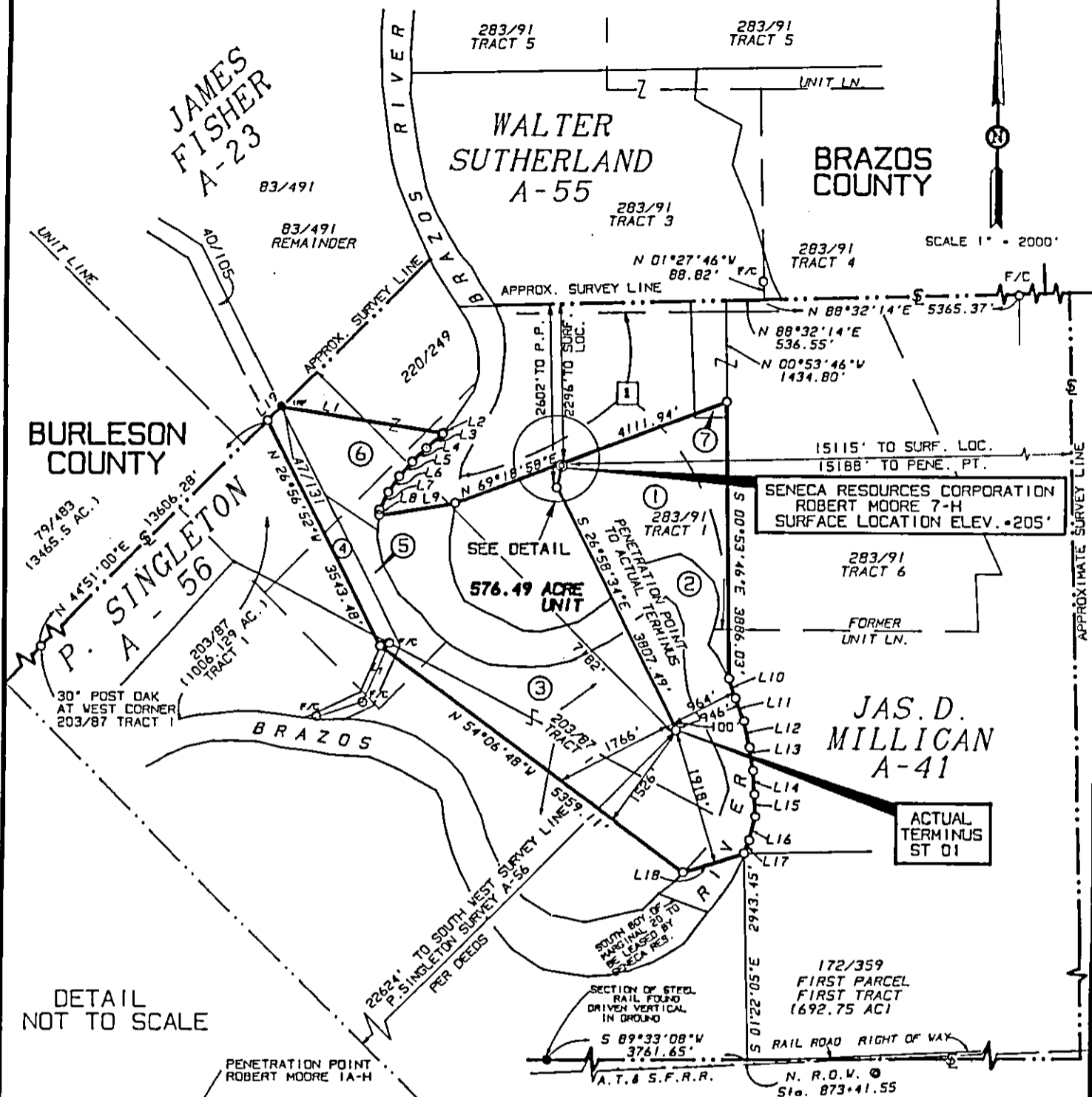
TIMOTHY A. LENZ, R.P.L.S.

January 24, 1996

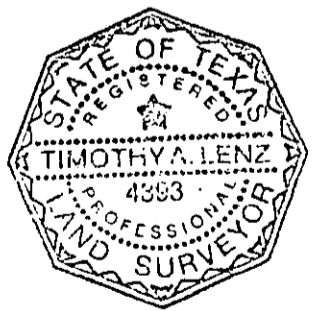
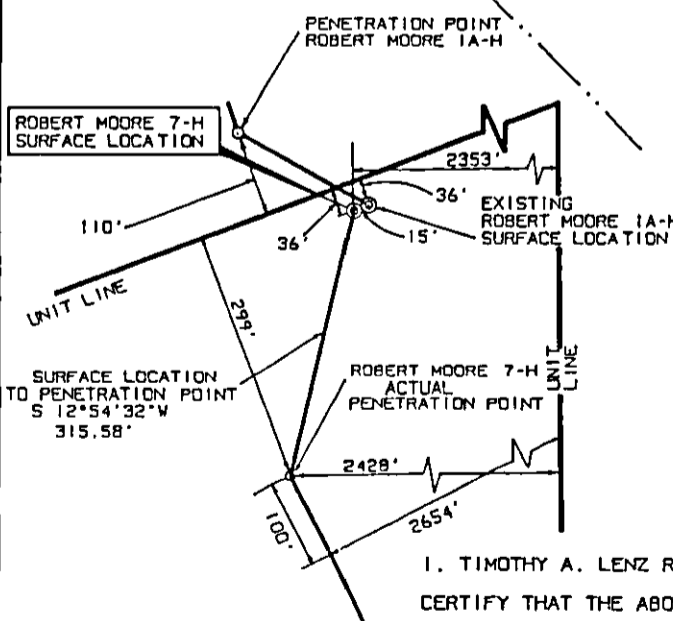
SIMPSON-LENZ & ASSOCIATES  
301 Hesters Crossing, No. 150  
Round Rock, Texas 78681  
(512) 388-6052



# BURLESON & BRAZOS COUNTIES, TEXAS AS-DRILLED PLAT



DETAIL  
NOT TO SCALE



I, TIMOTHY A. LENZ REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4393 DO HEREBY  
CERTIFY THAT THE ABOVE PLAT CORRECTLY SHOWS THE ABOVE WELL LOCATION AS PROPOSED.

*Timothy A. Lenz*  
TIMOTHY A. LENZ  
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4393

PAGE 1 OF 2  
OCTOBER 19, 1995  
REVISED NOVEMBER 2, 1995 (LATERAL)  
REVISED DEC. 19, 1995 (TR. MARGINAL 20)  
REVISED JAN 10, 1996 (SURFACE LOCATION)  
REVISED JAN 24, 1996 (TITLE)  
REVISED FEBRUARY 6, 1996 (PENE. PT. & LATERAL)  
REVISED FEBRUARY 7, 1996 (TRACT 2 LEASE)  
REVISED MARCH 1, 1996 (AS-DRILLED)

DWG RMOR7H  
JOB 941203

## SIMPSON-LENZ & ASSOCIATES

301. HESTERS CROSSING, SUITE 150  
ROUND ROCK, TEXAS 78681  
PHONE 512-388-6052

# BURLESON & BRAZOS COUNTIES, TEXAS

LINE TABLE		
LINE	BEARING	DISTANCE
L 1	S 80°55'31"E	2320.70'
L 2	S 37°47'20"V	21.16'
L 3	S 48°31'36"V	298.59'
L 4	S 45°51'18"V	274.99'
L 5	S 42°01'41"V	275.99'
L 6	S 34°28'18"V	269.38'
L 7	S 26°14'33"V	280.91'
L 8	S 04°51'26"V	76.58'
L 9	N 80°45'52"E	1091.77'
L 10	S 18°46'24"E	294.64'
L 11	S 21°17'40"E	343.44'
L 12	S 12°41'16"E	375.96'
L 13	S 09°55'34"E	329.33'
L 14	S 03°43'46"E	334.45'
L 15	S 02°40'17"E	308.57'
L 16	S 14°18'41"V	333.19'
L 17	S 21°05'18"V	196.86'
L 18	S 72°37'13"V	903.28'
L 19	N 44°51'00"E	273.57'

## ROBERT MOORE 7-H

TRACT	ACRES IN UNIT	DESCRIPTION	DEED / OFFICIAL RECORDS VOL/PG . COUNTY
1	186.56	ROBERT T. MOORE	283/91 TRACT 1 BRAZOS
2	126.42	STATE OF TEXAS	M-97059
3	175.24	CONTRACT TRACT 28 JESSE MOORE	203/87 TRACT 1 BURLESON
4	21.41	STATE OF TEXAS	M-96404 47/131 BURLESON
5	30.14	CONTRACT TRACT 27 MRS. MARGARET THOMAS BELIN et al.	203/87 TRACTS 1 & 3 BURLESON 220/249 BURLESON
6	35.21	CONTRACT TRACT 26 MRS. MARGARET THOMAS BELIN et al.	203/87 TRACTS 1 & 3 BURLESON 220/249 BURLESON
7	1.51	ROBERT T. MOORE	283/91 TRACT 6 BRAZOS
576.49 TOTAL ACRES IN UNIT			

## ROBERT MOORE 1A

TRACT	ACRES IN UNIT	DESCRIPTION	DEED / OFFICIAL RECORDS VOL/PG . COUNTY
1	185.39	FORMER 640 AC OIL/GAS WELL UNIT DESIGNATION	478/31 BRAZOS

NOTES:

- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- 2) WELL IS LOCATED 5.4 MILES SOUTHWEST OF MILLICAN, TEXAS
- 3) ● IRP • IRON ROD FOUND
- 4) ● PIPE • IRON PIPE FOUND
- 5) ○ F/C • FENCE CORNER
- 6) THE ABOVE TRACTS DESCRIBED AS 'CONTRACT TRACTS' WERE ESTABLISHED FROM SKETCHES PROVIDED BY SENECA RESOURCES CORPORATION.

PAGE 2 OF 2  
 OCTOBER 19, 1995  
 REVISED NOVEMBER 2, 1995 (LATERAL)  
 REVISED DEC. 19, 1995 (TR. MARGINAL 20)  
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 REVISED FEBRUARY 7, 1996 (TRACT 2 LEASE)  
 REVISED MARCH 1, 1996 (AS-DRILLED)

DWG RM07H  
 JOB 941203

## SIMPSON-LENZ & ASSOCIATES

301, HESTERS CROSSING, SUITE 150  
 ROUND ROCK, TEXAS 78681  
 PHONE 512-388-6052

⑩ M-96404

Pooling Agreement

Filed: 9-6-94

RAILROAD COMMISSION OF TEXAS  
Oil and Gas Division

Return each W-1 with plat and applicable fee. Make a check or money order payable to the State Treasurer of Texas.

Address to:  
Railroad Commission of Texas  
Oil and Gas Division, Drilling Permits  
P. O. Box 12967  
Austin, Texas 78711-2967

Application for Permit to Drill, Deepen, Plug Back, or Re-Enter

File a copy of W-1 and plat in RRC District Office Read Instructions on Back

EFFECTIVE SEPT. 1, 1991, IT MUST BE STATED WHETHER THE WELL NAME ACCORDING TO THE TOTAL DEPTH SURVEY IS THE SAME AS THE SURVEY NAME.  
0-2000' - 8103.  
4001' - 8000' - 0100

Purpose of filing (mark appropriate boxes): <input checked="" type="checkbox"/> Drill <input type="checkbox"/> Deepen (below casing) <input type="checkbox"/> Deepen (within casing) <input type="checkbox"/> Plug Back <input type="checkbox"/> Re-Enter <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Directional Well <input type="checkbox"/> Sidetrack <input type="checkbox"/> Amended Permit (enter permit no. at right & explain fully in Remarks)								Enter here, if assigned:		API No. <b>42-</b> Permit No.	
1. Operator's Name (exactly as shown on Form P-5, Organization Report) <b>Seneca Resources Corporation</b>			3. RRC Operator No. <b>767060</b>		4. RRC District No. <b>03</b>		5. County of Well Site <b>Brazos/Burleson</b>			Rule 37 Case No.	
2. Address (including city and zip code) <b>333 Clay St., Suite 4150 Houston, TX 77002</b>			6. Lease Name (32 spaces maximum) <b>Robert Moore</b>			7. RRC Lease/ID No.		8. Well No. <b>7H</b>		9. Total Depth <b>12000' TVD</b>	
10. Location <b>SL &amp; PEN PT: Jas. D. Millican A-41</b> • Section _____ Block _____ Survey <b>TL: P. Singleton</b> Abstract No. <b>A-56</b> • This well is to be located <b>5.4</b> miles in a <b>SW</b> direction from <b>Millican</b> which is the nearest town in the county of the well site.											
11. Distance from proposed location to nearest lease or unit line <b>PEN PT: 100</b> ft.						12. Number of contiguous acres in lease, pooled unit, or unitized tract <b>576.49</b> (OUTLINE ON PLAT.)					
13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line.			14. Completion depth	15. Spacing pattern (ft.)	16. Density pattern (acres)	17. Number of acres in drilling unit for this well. OUTLINE ON PLAT.	18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks.	19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir. (ft.)	20. Oil, gas, or other type well (Specify)	21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir.	
<b>Clay, N.E. (Austin Chalk 11350)</b>			<b>12000' TVD</b>	<b>100/1867</b>	<b>640/320</b>	<b>576.49</b>	<b>No</b>	<b>N/A</b>	<b>gas</b>	<b>0</b>	<b>1</b>
22. Perpendicular surface location from two nearest designated lines: • Lease/Unit <b>36' FNL &amp; 2357' FEL</b> • Survey/Section <b>15120' FEL &amp; 2298' FNL</b> If a directional well, show also projected bottom-hole location: BHL/TL: Lease/Unit <b>716' FSWL &amp; 907' FSEL</b> • Survey/Section <b>7958' FNWL &amp; 21928' FSWL</b>											
23. Is this a pooled unit? Yes <input checked="" type="checkbox"/> (Attach Form P-12 and certified plat)    No <input type="checkbox"/>						24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes <input type="checkbox"/> (Attach Form W-1A)    No <input checked="" type="checkbox"/>					
25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>						If subject to Rule 36, is Form H-9 filed? Yes <input type="checkbox"/> No <input type="checkbox"/> If not filed, explain in Remarks.					
26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37. Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>						Certify that information stated in this application is true and complete, to the best of my knowledge. <i>Patricia A. Rygg</i> <b>Patricia A. Rygg, Agent</b> Signature Name and title of operator's representative <b>1/5/95</b> <b>713-654-2600 Operator</b> Date mo. day yr. Tel: Area Code Number <b>512-266-3066 Agent</b>					
Remarks <b>PEN PT: 100' FNL &amp; 2336' FEL of lease/unit 15098' FEL &amp; 2358' FNL of survey</b>						• RRC Use Only •					

SL:



RAILROAD COMMISSION OF TEXAS  
OIL AND GAS DIVISION

CERTIFICATE OF POOLING AUTHORITY

I, Patricia A. Rygg, being of lawful age, being familiar with the matter, and having full knowledge of the facts set out, do state:

(1) That the acreage claimed for the purpose of establishing a pooled drilling or proration unit under applicable orders of the Railroad Commission of Texas, for the

NAME OF OPERATOR: Seneca Resources Corporation  
NAME OF POOLED UNIT: Robert Moore WELL NO. 7H  
FIELD: Clay, N.E. (Austin Chalk 11350) Brazos/Burleson COUNTY,

TEXAS, contains 576.49 acres; that with respect to such pooled unit, as it is hereafter described, parties now owning a mineral interest or mineral interests (including royalty interests, working interests, or other mineral interests) therein either (1) acquired such interest as they now have subject to the provisions of an instrument or instruments now in effect and which permit the pooling of said interests or (2) have, by virtue of the execution of an instrument or instruments the provisions of which are now in effect, pooled such of said interests as they now own therein, in such manner that all of such pooled unit shall be considered by the Commission as one base tract as if all rights with respect thereto has been acquired under a single contract.

(2) That the pooled unit described in the preceding paragraph is made up of and contains the hereafter described individual tracts of land no part of which is embraced within any other pooled unit in the same field and which, by virtue of the pooling agreements referred to in the preceding paragraph, are now contained within the pooled unit herein described.

(3) That where a non-pooled undivided interest exists in any of the individual tracts pooled, that certain non-pooled interest is noted in the margin of this instrument beside the tract description to identify the existence of the non-pooled interests in that tract:


(OVER)

DESCRIPTION OF INDIVIDUAL TRACTS OR LEASES CONTAINED  
WITHIN POOLED UNIT REFERRED TO IN PARAGRAPH (1) ABOVE

	NAME OF HOLDER OF LEASE	LEASE NAME	NO. OF ACRES	MARGIN
t 1	Seneca Resources Corporation	Robert T. Moore	186.56	
t 2	Seneca Resources Corporation	State of Texas M-95092	126.42	
t 3	Seneca Resources Corporation	Jesse Moore	175.24	
t 4	Seneca Resources Corporation	State of Texas M-96404	21.41	
t 5	Seneca Resources Corporation	Mrs. Margaret Thomas	30.14	
		Belin et al		
t 6	Seneca Resources Corporation	Mrs. Margaret Thomas	35.21	
		Belin et al		
t 7	Seneca Resources Corporation	Robert T. Moore	<u>1.51</u>	
		Total	576.49 Acres	

CERTIFICATE:

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

 Patricia A. Rygg      Agent      1/5/96  
 Representative of Operator      Title      Date  
 Telephone 713 654-2600 (Operator)  
                   A / C      Number  
                   512-266-3066 (Agent)

INSTRUCTIONS

Where two or more tracts are pooled to form either a drilling unit or a proration unit as permitted by Commission regulation, the operator thereof must furnish a certificate of pooling authority at the time action by the Commission is sought either for a permit to drill on a pooled drilling unit or for establishment of an allowable for a well on a pooled proration unit.

⑫ M-96404

Appl. to Drill #07H

FILED: 9-6-96

4. 4.00

Type or print only

483-047

API No. 42-041-31877

7. RRC District No.

3

8. RRC Gas ID No.

## Gas Well Back Pressure Test, Completion or Recompletion Report, and Log

1. FIELD NAME (as per RRC Records or Wildcat) Clay, N.E. (Austin Chalk 11350)		2. LEASE NAME R. Moore Estate Unit		9. Well No. 7H	
3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report) Seneca Resources Corporation			RRC Operator No. 767060		10. County of well site SL: Brazos TL: Burleson
4. ADDRESS 1201 Louisiana Street, Suite 400, Houston, Texas 77002-5604					
5. Location (Section, Block, and Survey) SL: Jas D. Millican A-41; TL: P. Singleton A-56			5b. Distance and direction to nearest town in this county. 5.4 miles SW from Millican		
6. If operator has changed within last 60 days, name former operator Same		12. If workover or recess, give former field (with reservoir) & Gas ID or oil lease no. FIELD & RESERVOIR		WELL #	
13. Pipe Line Connection Aquila Southwest		N/A		11. Purpose of filling Initial Potential <input checked="" type="checkbox"/> Retest <input type="checkbox"/> Reclass <input type="checkbox"/> Well record only (Explain in remarks) <input type="checkbox"/>	
14. Completion or recompletion date 2/28/96			15. Any condensate on hand at time of workover or recompletion? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		16. Type of Electric or other Log Run. IND/DEN/DSNII log; RFT; GR; Dip Meter

### Section I GAS MEASUREMENT DATA

Date of Test 03/13/96		Gas Measurement Method (Check One) Orifice Meter <input checked="" type="checkbox"/> Flange Taps <input checked="" type="checkbox"/> Pipe Taps <input type="checkbox"/> Positive Choke <input type="checkbox"/> Orifice Vent Meter <input type="checkbox"/> Pitot Tube <input type="checkbox"/> Critical-flow Praver <input type="checkbox"/>						Gas produced during test 22902 MCF		
Run No.	Line Size	Orif. or Choke Size	24 Hr. Coeff. Orif. or Choke	Static P <sub>m</sub> or Choke Press	Diff. h <sub>w</sub>	Flow Temp. °F	Temp. Factor F <sub>tf</sub>	Gravity Factor F <sub>g</sub>	Compress Factor F <sub>pv</sub>	Volume MCF/DAY
1	4.026	2.750	54417.44	450	60.00	147	.9256	.8921	1.034	7634
2										
3										
4										

### Section II FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas) .754		Gravity Liquid Hydrocarbon 56.3 Deg. API		Gas-Liquid Hydro Ratio 120296 CF/Bbl		Gravity of Mixture G <sub>mix</sub> = .776		Avg. Shut-in Temp. 187 °F		Bottom Hole Temp. TYD 300 °F @ 11900 (Depth)		
$D_{eff}^{8/3} = 6.310$			$\sqrt{T_f} = \sqrt{689} = 26.25$			$\sqrt{GL} = \sqrt{9234.40} = 96.10$						
$c = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}} = 1118 \times 6.310 / 26.25 = 268.75$						$\frac{\sqrt{GL}}{c} = 96.10 / 268.75 = .3576$						
Run No.	Time of Run Min.	Choke Size	Wellhead Press. PSIA P <sub>w</sub>	Wellhead Flow Temp. °F	P <sub>w2</sub> (Thousands)	R	R <sup>2</sup> (Thousands)	P <sub>1</sub>	P <sub>w</sub> /P <sub>1</sub>			
Shut-in 24 Hrs			3915	74								
1	4320	32/64	1995	157	3980	2729.9	7452.4	3381	.5901			
2												
3												
4												
Run No.	F	K	S = 1/z	E <sub>ks</sub>	P <sub>1</sub> and P <sub>s</sub>	P <sub>12</sub> and P <sub>s2</sub> (thousands)	P <sub>12</sub> - P <sub>s2</sub> (thousands)	Angle of Slope				
Shut-in			.2676	1.0757	1.3336	5221	27259		θ 45.00			
1	.8127	.2042	1.1535	1.2656	4279	18310	8949	α 1.0000				
2								Absolute Open Flow 23254 MCF/DAY				
3												
4												

WELL TESTER'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test and that data and facts shown in Sections I and II above are true, correct, and complete, to the best of my knowledge. Bottomhole temperature and the diameter and length of flow string were furnished by the operator of the well.

Jim Ware Signature Well Tester      FESCO Inc. Name of Company      \_\_\_\_\_ RRC Representative

OPERATOR'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that I prepared or supervised and directed this report, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Patricia A. Rygg Signature: Operator's representative      Agent Title      3-18-96 Date      512-266-3066 Agent A/C      713-654-2600 Operator Number

17. Type of Completion: New Well  Deepening  Plug Back  Other

18. Permit to Drill, Plug Back or Deepen: Amended DATE 3/7/96 PERMIT NO. 443489

19. Notice of Intention to Drill this well was filed in Name of Seneca Resources Corporation

20. Number of producing wells on this lease in this field (reservoir) including this well: 1

21. Total number of acres in this lease: 576.49

22. Date Plug Back, Deepening, WorkOver or Drilling Operations: Commenced 1/13/96 Completed 2/21/96

23. Distance to nearest well Same Lease & Reservoir: N/A

18. Permit to Drill, Plug Back or Deepen: Rule 37 Exception Water Injection Permit Salt Water Disposal Permit Other Annular Disposal Permit: 1/26/96 Renewal: 2/29/96 PERMIT NO. CASE NO. PERMIT NO. PERMIT NO. PERMIT NO. MP034924 MP034924

24. Location of well, relative to nearest lease boundaries SL of lease on which this well is located See Remarks 36 Feet From north Line and 2353' Feet from east Line of the R. Moore Estate Unit Lease

25. Elevation (DF, RKB, RT, GR, ETC.) RKB: 22'

26. Was directional survey made other than inclination (Form W-12)?  Yes  No

27. Top of Pay 11475' MD 12453' TVD

28. Total Depth 15518' MD 12022' TVD

29. P. B. Depth ---

30. Surface Casing Determined by: Field  Rules  Recommendation of T.D.W.R.  Railroad Commission (Special)

SC-2127 Dt. of Letter 1/14/96 Dt. of Letter 1/9/96

31. Is well multiple completion?  Yes  No

32. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No. FIELD & RESERVOIR GAS ID or OIL LEASE # Oil-O Gas-G WELL #

33. Intervals Drilled by: Rotary Tools Cable Tools X

34. Name of Drilling Contractor Rig Patterson #29

35. Is Cementing Affidavit Attached?  Yes  No

36. CASING RECORD (Report All Strings Set in Well)

CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
16"	65#	64'		38bbls Cl "A"	26"	surface	
10-3/4"	45.5&40.5#	3625'	1700 Poz:A	500 Cl "A"	14-3/4"	surface	3981
7-5/8"	29.7#	11515'	100 Poz:H	600 Cl "H"	9-7/8"	6583'	1091

Drilled 6-1/2" hole to terminus location

37. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen
		N/A		

38. TUBING RECORD

Size	Depth Set	Packer Set	Producing Interval (this completion) Indicate depth of perforation or open hole
2 3/8"	11300'	11300'	From 11515' MD (11493' TVD) To 15518' MD (12022' TVD)
		Guiberson	From To
			From To

40. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

Depth Interval	Amount and Kind of Material Used

41. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)

Formations	Depth	Formations	Depth
Midway	7980'	Austin Chalk	11475'
Navarro	8650'		
Pecan Gap	10650'		

REMARKS 24. Cont'd: PEN PT: 2428' FEL & 100' FNL, TL: 1526' FSWL & 1918' FSEL of unit New horizontal drainhole (KOP 11575' MD, 11552' TVD). Form P-4 & P-8 previously filed w/RRC D.O. 3; note well name change from Robert Moore #7H to R. Moore Estate Unit #7H.

This test was conducted at the request of the operator for the express purpose of satisfying RRC requirements. Its suitability for any other purpose is not certified by FESCO Inc. For details contact FESCO Inc.

3111021

⑬ M-96404  
Compl. Rpts UEL+PH  
FILED: 9-6-96

3111023

4 400

LEASE NO.		LEASE NAME			RENTAL PERIOD		003877
00102336		STATE OF TEXAS M-24404			MO.	BEGINNING	
STATE	COUNTY	BOOK	PAGE	REFERENCE	LEASE DATE	CHECK DATE	
TX	BURLESON	241	705		04/04/1995	03/20/1996	

PROPERTY DESCRIPTION



121

36038947

DEPOSIT TO CREDIT OF:

STATE OF TEXAS  
 1700 N. CONGRESS AVENUE  
 AUSTIN TX 78701-0000

TOTAL AMOUNT: ~~\$87.20~~  
 RENTAL AMOUNT: ~~\$87.20~~  
 BANK CHARGE:

PLEASE SIGN AND RETURN THE ATTACHED WHITE RECEIPT

ACCOUNT NO. 1

DETACH STATEMENT BEFORE DEPOSITING  
**SENECA RESOURCES CORPORATION**  
 333 CLAY, SUITE 4150  
 HOUSTON, TX 77002

IF CORRESPONDENCE IS REQUIRED, PLEASE MAKE REFERENCE TO ABOVE LEASE NUMBER.

Rental Payment 3-26-96

M-96404

252

(71)

Unit # 2571  
(Temporary)  
6-month

DO NOT DESTROY

GLO-36-10-84

-MEMO-

Operator Sanea Resources Corp  
Unit Name Mabel Wilkin No. 7-14  
County Burleson  
Effective Date 1-7-97  
Unitized for: Oil  Gas  Oil & Gas

1. M.F. No. 096404  
Area N.E. Clay Prospect Tr. 4  
Sec. 827 Blk. 225 Survey P. Singleton + James Fisher  
$$\frac{925.93}{.008953} \times \frac{22.5}{.225} = \frac{0.2014}{.002014} \%$$

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: Ray reduction from 25%.  
Jg  
9-17-97

Kerd MS 9-26-00

Temp. 6 months

#2571

POOLING COMMITTEE REPORT

TO: SCHOOL LAND BOARD

DATE: January 7, 1997

OPERATOR: Seneca Resources Corp. COUNTY: Burleson

UNIT NAME: Mabel Wilkin No. 7-H FIELD: Clay, N.E.  
(Austin Chalk 11350)

STATE LEASE(S) IN UNIT

Lease *Type	State Number	State Royalty	Expiration Date	Term Year	Acres Acres	Acres In Unit	Lessee of Record
SF	M-96404	1/4 **	4/4/98	3	38.85	8.29	Seneca Resources

\*\* Subject to royalty reduction clause

- \* RAL = Relinquishment Act
- \* SF = State Fee
- \* FR = Free Royalty

PRIVATE ACRES: 917.64

STATE ACRES: 8.29

TOTAL UNIT ACRES: 925.93

Unitized for:	Depth(s):	Well Location:
Oil _____	See Remarks	State Land _____
Gas _____	Formation:	Private Land <u>  x  </u>
Both <u>  x  </u>	See Remarks	

Participation:

Basis Surface acreage

State Acreage 0.8953%

State Unit Royalty 0.2014%

Railroad Commission Rules:

Spacing 1,300 Acres

Acreage Factor 100%

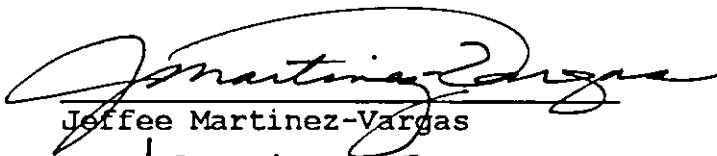
Agree to drill to density of field rules:	Yes <u>  x  </u> No _____
Holds only acreage included in the unit past primary term:	Yes <u>  x  </u> No _____
Satisfactory geological data furnished:	Yes <u>  x  </u> No _____

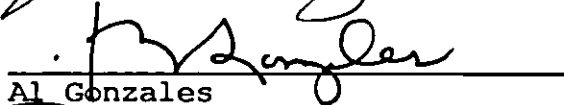
REMARKS:

- Seneca Resources Corporation is requesting six month temporary pooling to all depths.
- The applicant plans on drilling a dual lateral horizontal well to test the Austin Chalk Formation and the Georgetown Formation. The proposed total depth is 12,500 feet TVD. The estimated spud date is December 15, 1996.
- If the unit is approved and the unit well is completed and on-line by April 4, 1998, the applicant will have earned a royalty reduction to 22.5%, making the state's unit royalty participation 0.2014%.
- Horizontal severance is provided for in the state lease.
- APPROVAL BY THE SCHOOL LAND BOARD IN NO WAY RATIFIES ANY OF THE STATE LEASES INCLUDED IN THIS PROPOSED UNIT.

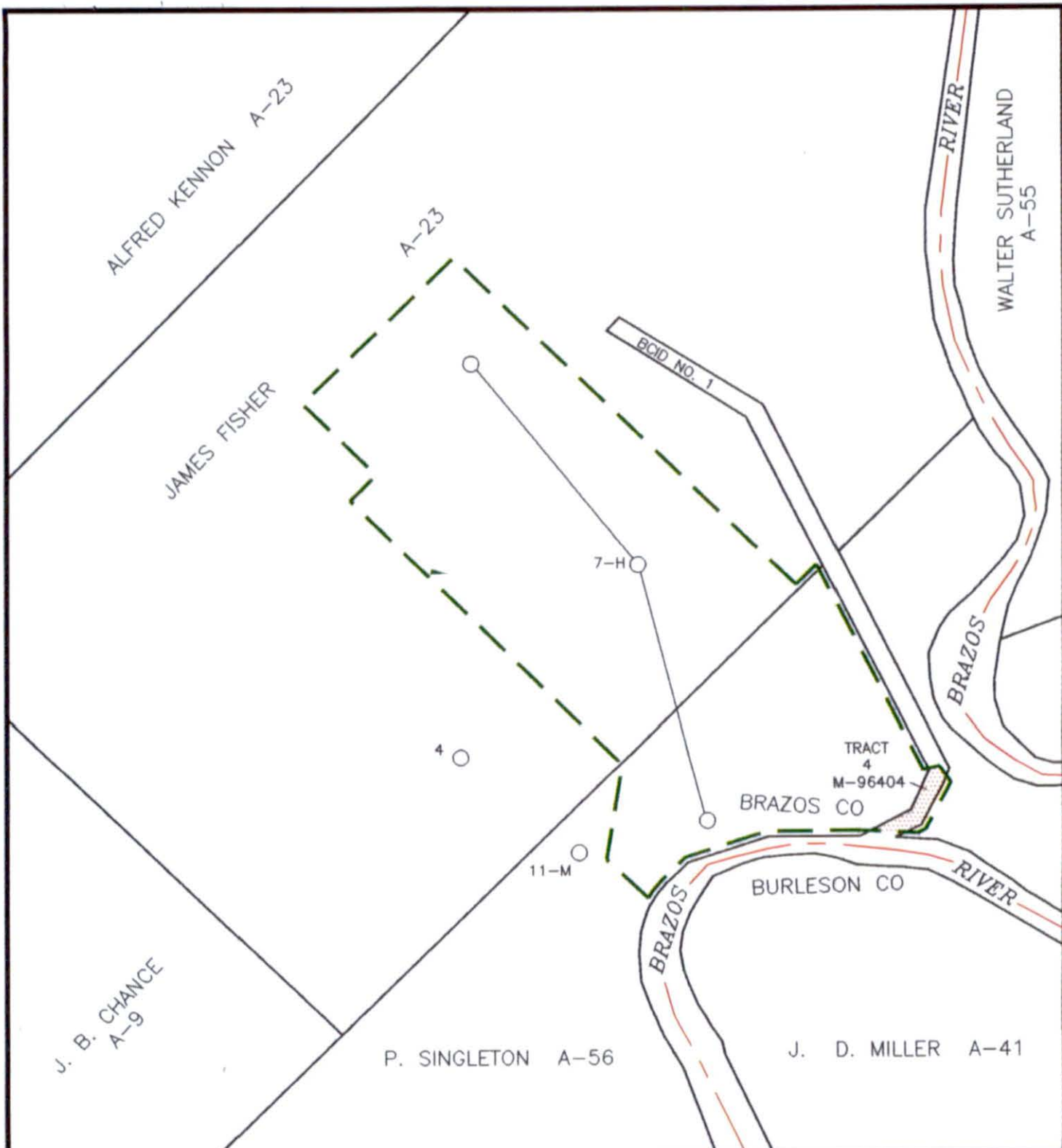
POOLING COMMITTEE RECOMMENDATION:

- The Pooling Committee recommends Board approval of a six month temporary oil and gas unit, under the above stated provisions.

  
Jeffee Martinez-Vargas

  
Al Gonzales

  
Peter A. Boone



97-01\RH\12-96

SENECA RESOURCES CORPORATION

MABEL WILKEN NO. 7-H

CLAY, NE (AUSTIN CHALK 11350)

M-96404

BURLESON COUNTY

TERM POOLING AGREEMENT  
SENECA RESOURCES CORPORATION  
MABEL WILKIN NO. 7-H  
BURLESON COUNTY, TEXAS

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Seneca Resources Corporation, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

PURPOSES:

1.

This Pooling Agreement ("Agreement") is made for the purposes of conservation and utilization of the pooled mineral, to prevent waste, to facilitate orderly development and to preserve correlative rights. To such end, it is the purpose of this Agreement to effect equitable participation within the unit formed hereby. This Agreement is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of the pooled mineral and in its interpretation and application shall, in all things, be subject thereto.

UNIT DESCRIPTION:

2.

The oil and gas leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C".

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to all depths underlying the surface boundaries of the pooled unit ("unitized interval").

POOLING AND EFFECT:

4.

The parties hereto commit all of their interests which are within the unit to the extent and as above described into said unit and unitize and pool hereunder the separate tracts described on the attached Exhibit "B", for and during the term hereof, so that such pooling or unitization shall have the following effect:

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional well drilled under the unitized area from a surface location on adjacent or adjoining lands not included within the boundaries of the unitized area, such operations shall be considered to have been commenced on the unitized area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the unitized area and production of oil or gas from the unitized area through any directional well surfaced on adjacent or adjoining land or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations, as the case may be, on the unitized area for all purposes under this Agreement. Nothing in this Agreement is intended or shall be construed as granting to Lessee any leasehold interest, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, easements, or other rights which the lessee, operator or other interest owner in the unitized area may have lawfully acquired from the state or others.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.
- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners.

- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 925.93 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offsets to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.
- (j) Should this Agreement terminate for any cause, in whole or in part, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION:

5.

For the purpose of computing the share of production of the pooled mineral to which each interest owner shall be entitled from the pooled unit, there shall be allocated to each tract committed to said unit that pro rata portion of the pooled mineral produced from the pooled unit which the number of surface acres covered by each such tract and included in the unit bears to the total number of surface acres included in said unit, and the share of production to which each interest owner is entitled shall be computed on the basis of such owner's interest in the production so allocated to each tract.

TAKING ROYALTY IN KIND:

6.

Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this pooling or unitization agreement be made in kind, without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

FULL MARKET VALUE:

7.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

- (a) As to royalty on oil by (1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) gross proceeds of the sale thereof, whichever is the greater;
- (b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Agreement "field" means the general area in which the lands covered hereby are located.)

EFFECTIVE DATE:

8.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of January 7, 1997; however, it is agreed that the State will participate in production from the Unit well or wells on a unitized basis from the date the pooled mineral was or is first produced.

TERM:

9.

Unless this agreement expires earlier pursuant to the terms of the respective leases included as a part of this Agreement, or on such other date approved by the School Land Board and mutually agreed to by the undersigned parties, their successors or assigns, this Agreement shall expire on July 7, 1997. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof which are contained in any State lease covered by this Agreement.

STATE LAND:

10.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code having been duly considered, made and obtained.

DISSOLUTION:

11.

The unit covered by this Agreement may be dissolved by Lessee, his heirs, successors or assigns, by an instrument filed for record in Burleson County, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production or upon such other date as may be approved by the School Land Board and mutually agreed to by the undersigned parties, their successors or assigns.

RATIFICATION/WAIVER:

12.

Nothing in this Agreement, nor the approval of this Agreement by the School Land Board, nor the execution of this Agreement by the Commissioner shall: (1) operate as a ratification or revivor of any State lease that has expired, terminated, or has been released in whole or in part or terminated under the terms of such State lease or the laws applicable thereto; (2) constitute a waiver or release of any claim for money, oil, gas or other hydrocarbons, or other thing due to the State by reason of the existence or failure of such lease; (3) constitute a waiver or release of any claim by the State that such lease is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or failure of consideration; (4) constitute a confirmation or recognition of any boundary or acreage of any tract or parcel of land in which the State has or claims an interest; or (5) constitute a ratification of, or a waiver or release of any claim by the State with respect to any violation of a statute, regulation, or any of the common laws of this State, or any breach of any contract, duty, or other obligation owed to the State.

COUNTERPARTS:

13.

This Agreement may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement upon the respective dates indicated below.

Date Executed

4/7/97

Legal  
Content  
Geology  
Execution

*[Handwritten initials]*

STATE OF TEXAS

By

Garry Mauro  
Garry Mauro, Commissioner  
of the General Land Office

Date Executed

April 3, 1997

SENECA RESOURCES CORPORATION

By

John F. McKnight  
Vice President, Land & Legal

ATTEST:

*[Handwritten signature]*  
**WILLIAM M. PETNECKY**  
**SECRETARY**

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 7th day of July, 1997, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

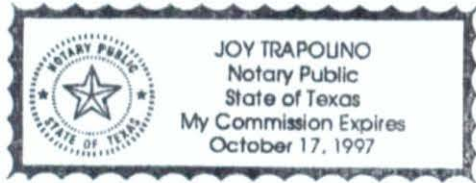
IN TESTIMONY WHEREOF, witness my hand this the 16th day of April, 1997.

Linda K. Fisher  
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on April 3, 1997, by John E. McKnight as Vice President of Seneca Resources Corporation, a Pennsylvania corporation, on behalf of said corporation.



Joy Trapolino  
Notary Public in and for the  
State of Texas

Date Executed: 2/18/97

By:   
Donald Graham

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Daniel Kane

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Stanley Kane

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Lawrence Blum

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Joel Cooper

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Michael Tomson

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Donald A. Clark

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Ken Gandolfo

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Jose Garcia

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Teresa Garcia

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Donald Graham

Date Executed: 1.21.97

By: *Samuel Kane*  
Daniel Kane

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Stanley Kane

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Lawrence Blum

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Joel Cooper

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Michael Tomson

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Donald A. Clark

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Ken Gandolfo

Date Executed: \_\_\_\_\_

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Jose Garcia

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Teresa Garcia

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Donald Graham

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Daniel Kane

Date Executed: 1/27/97

By: *Stanley Kane*  
Stanley Kane

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Lawrence Blum

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Joel Cooper

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Michael Tomson

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Donald A. Clark

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Ken Gandolfo

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Jose Garcia

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By: \_\_\_\_\_  
Teresa Garcia

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Donald Graham

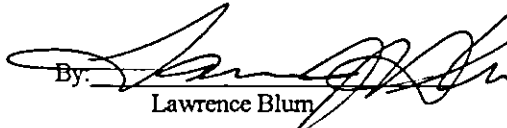
Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Daniel Kane

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Stanley Kane

Date Executed: Jan 22, 1997

By:   
Lawrence Blum

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Joel Cooper

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Michael Tomson

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By: \_\_\_\_\_  
Donald A. Clark

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Ken Gandolfo

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Jose Garcia

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Teresa Garcia

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Donald Graham

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By: \_\_\_\_\_  
Daniel Kane

Date Executed: \_\_\_\_\_

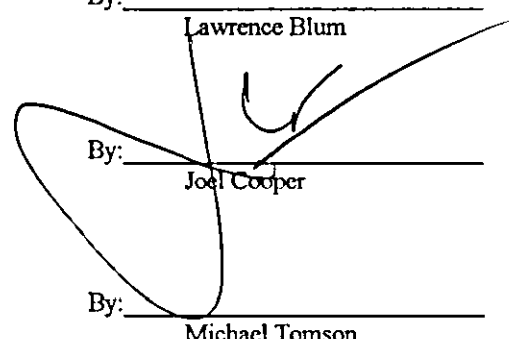
By: \_\_\_\_\_  
Stanley Kane

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Lawrence Blum

Date Executed: 1-28-97

By: \_\_\_\_\_  
Joel Cooper



Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Michael Tomson

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Donald A. Clark

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Ken Gandolfo

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By: \_\_\_\_\_  
Jose Garcia

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Teresa Garcia

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Donald Graham

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Daniel Kane

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Stanley Kane

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By: \_\_\_\_\_  
Lawrence Blum

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Joel Cooper

Date Executed: 1-28-97

By:   
Michael Tomson

Date Executed: \_\_\_\_\_

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Donald A. Clark

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Ken Gandolfo

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Jose Garcia

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Teresa Garcia

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Donald Graham

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Daniel Kane

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Stanley Kane

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By: \_\_\_\_\_  
Lawrence Blum

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Joel Cooper

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Michael Tomson

Date Executed: 1-22-96

By:   
Donald A. Clark

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Ken Gandolfo

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Jose Garcia

Date Executed: \_\_\_\_\_

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Teresa Garcia

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Donald Graham

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Daniel Kane

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Stanley Kane

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By: \_\_\_\_\_  
Lawrence Blum

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Joel Cooper

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Michael Tomson

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Donald A. Clark

Date Executed: 2/6/97

By: *Ken Gandolfo*  
Ken Gandolfo

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Jose Garcia

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Teresa Garcia

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Donald Graham

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Daniel Kane

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Stanley Kane

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Lawrence Blum

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Joel Cooper

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By: \_\_\_\_\_  
Michael Tomson

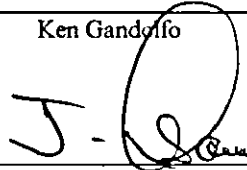
Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Donald A. Clark

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Ken Gandolfo

Date Executed: 2/13/97

By:  \_\_\_\_\_  
Jose Garcia

Date Executed: \_\_\_\_\_

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Teresa Garcia

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Donald Graham

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Stanley Kane

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Lawrence Blum

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By: \_\_\_\_\_  
Joel Cooper

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Michael Tomson

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Donald A. Clark

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Ken Gandolfo

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Jose Garcia

Date Executed: 1/24/97

By:   
Teresa Garcia

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 7th day of July, 1997, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the \_\_\_\_\_ day of \_\_\_\_\_, 1997.

\_\_\_\_\_  
Secretary of the School Land Board

STATE OF TEXAS

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

This instrument was acknowledged before me on \_\_\_\_\_, 1997, by \_\_\_\_\_ as \_\_\_\_\_ of Seneca Resources Corporation, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the State of Texas

STATE OF Nebraska  
COUNTY OF Douglas

This instrument was acknowledged before me on July 18, 1997, by Donald D. Graham.

Kristen A. May  
Notary Public



CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 7th day of July, 1997, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the \_\_\_\_\_ day of \_\_\_\_\_, 1997.

\_\_\_\_\_  
Secretary of the School Land Board

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

This instrument was acknowledged before me on \_\_\_\_\_, 1997, by \_\_\_\_\_ as  
of Seneca Resources Corporation, a \_\_\_\_\_ corporation, on behalf  
of said corporation.

\_\_\_\_\_  
Notary Public in and for the  
State of Texas

STATE OF  
COUNTY OF

This instrument was acknowledged before me on July 21, 1997, by  
Daniel Stone who appeared before me and is known to me.

Lesley C. Coble  
Notary Public

OFFICIAL NOTARY SEAL  
LESLEY C COBLE  
NOTARY PUBLIC STATE OF FLORIDA  
COMMISSION NO. CC320669  
MY COMMISSION EXP. NOV. 6, 1997

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 7th day of July, 1997, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the \_\_\_\_\_ day of \_\_\_\_\_, 1997.

\_\_\_\_\_  
Secretary of the School Land Board

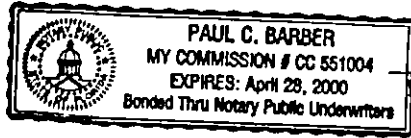
STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_, 1997, by \_\_\_\_\_ as  
\_\_\_\_\_ of Seneca Resources Corporation, a \_\_\_\_\_ corporation, on behalf  
of said corporation.

\_\_\_\_\_  
Notary Public in and for the  
State of Texas

STATE OF FLORIDA  
COUNTY OF SARASOTA

This instrument was acknowledged before me on Jan. 27, 1997, by  
STANLEY KANE  
PRODUCE'S FL. DRIV. LID.



Paul C. Barber  
Notary Public

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 7th day of July, 1997, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the \_\_\_\_\_ day of \_\_\_\_\_, 1997.

\_\_\_\_\_  
Secretary of the School Land Board

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

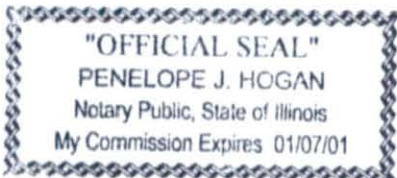
This instrument was acknowledged before me on \_\_\_\_\_, 1997, by \_\_\_\_\_ as \_\_\_\_\_ of Seneca Resources Corporation, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the State of Texas

STATE OF Illinois  
COUNTY OF Cook

This instrument was acknowledged before me on Jan 22, 1997, by Lawrence Blum.

Penelope J. Hogan  
Notary Public



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of Orange

On 1-28-97 before me, Melissa Shores  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Joel Cooper  
Name(s) of Signer(s)

personally known to me – OR –  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Melissa Shores  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

**RIGHT THUMBPRINT OF SIGNER**

Top of thumb here

Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

**RIGHT THUMBPRINT OF SIGNER**

Top of thumb here

Signer Is Representing: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of Orange

On 1-28-97 before me, Melissa A. Shores  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Michael Tomson  
Name(s) of Signer(s)

personally known to me – OR –  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

M Shores  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

**RIGHT THUMBPRINT OF SIGNER**  
Top of thumb here

Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

**RIGHT THUMBPRINT OF SIGNER**  
Top of thumb here

Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of CALIFORNIA

County of ORANGE

On JANUARY 22, 1999 before me, IRENE SACKS, NOTARY PUBLIC,  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared DONALD A. CLARK  
Name(s) of Signer(s)

personally known to me – OR –  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Irene Sacks

Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

**RIGHT THUMBPRINT OF SIGNER**  
Top of thumb here

Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

**RIGHT THUMBPRINT OF SIGNER**  
Top of thumb here

Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of CALIFORNIA

County of ORANGE

On 2/6/97 before me, G. L. MOSCARITOLO, Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared KEN GRANDOLFO  
Name(s) of Signer(s)

personally known to me – OR  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

[Signature]  
Signature of Notary Public

**OPTIONAL**

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

**Description of Attached Document**

Title or Type of Document: Term Pooling Agreement

Document Date: 2/6/97 Number of Pages: 4

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: KEN GRANDOLFO

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

**RIGHT THUMBPRINT OF SIGNER**  
Top of thumb here

Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

**RIGHT THUMBPRINT OF SIGNER**  
Top of thumb here

Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of CALIFORNIA

County of LOS ANGELES

On 02/13/1997 before me, SALVADOR DAVILA *NOTARY PUBLIC*  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared JOSE L. GARCIA (AKA) JOE GARCIA  
Name(s) of Signer(s)

personally known to me – OR –  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

*S. Davila*

Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: TERM POOLING AGREEMENT

Document Date: 01/14/97 Number of Pages: 08

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

**RIGHT THUMBPRINT OF SIGNER**

Top of thumb here



Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

**RIGHT THUMBPRINT OF SIGNER**

Top of thumb here

Signer Is Representing: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

No. 5907

State of California

County of Los Angeles

On January 24, 1997 before me, CHARLAINE THEARD

DATE

NAME, TITLE OF OFFICER - E. G., "JANE DOE, NOTARY PUBLIC"

personally appeared Teresa Garcia

NAME(S) OF SIGNER(S)

personally known to me - OR -  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

*[Handwritten Signature]*

SIGNATURE OF NOTARY

**OPTIONAL**

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

**CAPACITY CLAIMED BY SIGNER**

- INDIVIDUAL
- CORPORATE OFFICER

TITLE(S)

- PARTNER(S)       LIMITED
- GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: \_\_\_\_\_

**DESCRIPTION OF ATTACHED DOCUMENT**

State of Texas  
Pooling Agreement

TITLE OR TYPE OF DOCUMENT

2

NUMBER OF PAGES

1-24-97

DATE OF DOCUMENT

**SIGNER IS REPRESENTING:**

NAME OF PERSON(S) OR ENTITY(IES)

SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT "A"

Attached to and made a part of that certain  
Term Pooling Agreement for the Mabel Wilkin No. 7-H Unit  
between The State of Texas and Seneca Resources Corporation, et al

Description of Leases:

Insofar and only insofar as the following described leases cover the Unitized Interval underlying lands within the boundaries of the Mabel Wilkin No. 7-H Unit, as described by metes and bounds in Exhibit "B" attached hereto and depicted on the plat attached hereto as Exhibit "C" ("the Unit Area").

Oil, Gas & Mineral Lease between Mabel G. Wilkin, et al, as Lessor and NAPECO, Inc., as Lessee dated January 3, 1979, recorded in Book 24, Page 499 of the Oil & Gas Lease Records of Burleson County, Texas.

Oil, Gas & Mineral Lease between Jesse Moore, as Lessor and Jack D. Brogdon, as Lessee dated November 7, 1973, recorded in Book 15, Page 164 of the Oil & Gas Lease Records of Burleson County, Texas.

Oil, Gas & Mineral Lease between State of Texas M-96404, as Lessor and Seneca Resources Corporation, as Lessee dated April 4, 1995, recorded in Book 241, Page 705 of the Oil & Gas Lease Records of Burleson County, Texas.

EXHIBIT "B"

Attached to and made a part of that certain  
Term Pooling Agreement for the Mabel Wilkin No. 7-H Unit  
between The State of Texas and Seneca Resources Corporation, et al

FIELD NOTES TO ACCOMPANY UNIT PLAT

WILKIN 7-H  
925.93 ACRE UNIT  
PAGE 1 OF 2

FIELD NOTES DESCRIPTION OF 925.93 ACRES OF LAND OUT OF THE JAMES FISHER SURVEY, ABSTRACT NO. 23 AND THE P. SINGLETON SURVEY, ABSTRACT NO. 56, BURLESON COUNTY, TEXAS; BEING 620.00 ACRES OF LAND OUT OF THAT CERTAIN 3465.5 ACRE TRACT DESCRIBED IN A DEED TO MARION WILKIN HOHLT AND MABEL WILKIN RECORDED IN VOLUME 83, PAGE 491 OF THE DEED RECORDS OF BURLESON COUNTY, TEXAS; BEING 297.64 ACRES OUT OF THAT CERTAIN TRACT CALLED TRACT 1 IN A DEED TO JESSE MOORE RECORDED IN VOLUME 203, PAGE 87 OF THE DEED RECORDS OF BURLESON COUNTY, TEXAS ( THE SAME BEING 155.45 ACRES OUT OF THE FIRST TRACT AND 142.19 ACRES OUT OF THE SECOND TRACT DESCRIBED IN A DEED OF TRUST RECORDED IN VOLUME 21, PAGE 173); BEING 8.29 ACRES OUT OF THAT CERTAIN TRACT CONVEYED TO THE BURLESON COUNTY IMPROVEMENT DISTRICT RECORDED IN VOLUME 47, PAGE 131 OF THE DEED RECORDS OF BURLESON COUNTY, TEXAS. THE SAID 925.93 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a point on the northwest line of the said P. Singleton Survey, Abstract No. 56 and the said 1006.129 acre Jesse Moore tract, the same being the southeast line of the said James Fisher Survey, Abstract No. 23 and the said 3465.5 acre Marion Wilkin Hohlt and Mabel Wilkin tract, from which a 30 inch diameter post oak tree at the westerly most corner of the said 1006.129 acre Moore tract bears S 44°51'00" W, 9341.24 feet;

THENCE, traversing the interior of the said 3465.5 acre Marion Wilkin Hohlt and Mabel Wilkin tract, the following three (3) courses and distances:

- 1) N 45°18'23" W, 5785.25 feet to a point;
- 2) N 43°55'20" E, 565.16 feet to a point;
- 3) N 45°18'23" W, 1541.66 feet to a point on the northwest line of the said 3465.5 acre tract;

THENCE, N 43°55'20" E, a distance of 976.55 feet to a concrete monument found at the most southerly corner of that certain 43.19 acre tract described in Volume 298, Page 82 of the Deed Records of Burleson County, Texas;

THENCE, N 44°26'13" E, a distance of 1547.50 feet to a concrete monument found at the most easterly corner of the same;

THENCE, N 43°56'52" E, a distance of 702.87 feet to a point;

THENCE, S 45°18'23" E, a distance of 7374.11 feet, traversing the interior of the said 3465.5 acre tract to a point on the southeast line of the same and the said James Fisher Survey, Abstract No. 23, the same being the northwest line of the said P. Singleton Survey and the said 1006.129 acre Jesse Moore tract;

THENCE, N 44°51'00" E, a distance of 473.18 feet along the northwest line of the said 1006.129 acre Jesse Moore tract to a point at the most westerly or northwest corner of the said Burleson County Improvement District tract recorded in Volume 47, Page 131 of the Deed Records of Burleson County, Texas, from which an iron rod found at the northeast corner of the said 1006.129 acre Jesse Moore tract bears N 44°51'00" E, 273.57 feet;

THENCE, S 26°56'52" E, a distance of 3543.48 feet along the west line of the said Burleson County Improvement District tract to an angle point in the same;

THENCE, S 54°06'48" E, a distance of 256.41 feet to a point on the east line of the said Burleson County Improvement District tract;

THENCE, along the east and southeast lines of the said Burleson County Improvement District tract, the following two (2) courses and distances:


- 1) S 23°03'08" W, 753.99 feet to a point;
- 2) S 65°03'08" W, 511.84 feet to a point on the north bank of the Brazos River;

THENCE, along the north bank of the Brazos River, the following six (6) courses and distances:

- 1) N 87°57'48" W, 351.02 feet to a point;
- 2) N 87°43'56" W, 198.37 feet to a point;
- 3) N 87°43'55" W, 1301.01 feet to a point;
- 4) S 72°15'58" W, 1262.30 feet to a point;
- 5) S 43°20'53" W, 853.02 feet to a point;
- 6) S 14°35'46" W, 14.15 feet to a point;

THENCE, N 45°18'23" W, a distance of 917.59 feet to a point in the interior of the said 1006.129 acre Jesse Moore tract;

THENCE, N 08°45'33" E, a distance of 1513.98 feet to the PLACE OF BEGINNING, containing 925.93 acres of land, more or less.

  
\_\_\_\_\_  
Timothy A. Lenz, R.P.L.S. No. 4393  
March 14, 1997

Lenz & Associates, Inc.  
7306 Old Bee Caves Road  
Austin, Texas 78735  
(512) 288-1574



**UNITIZED INTERVAL**

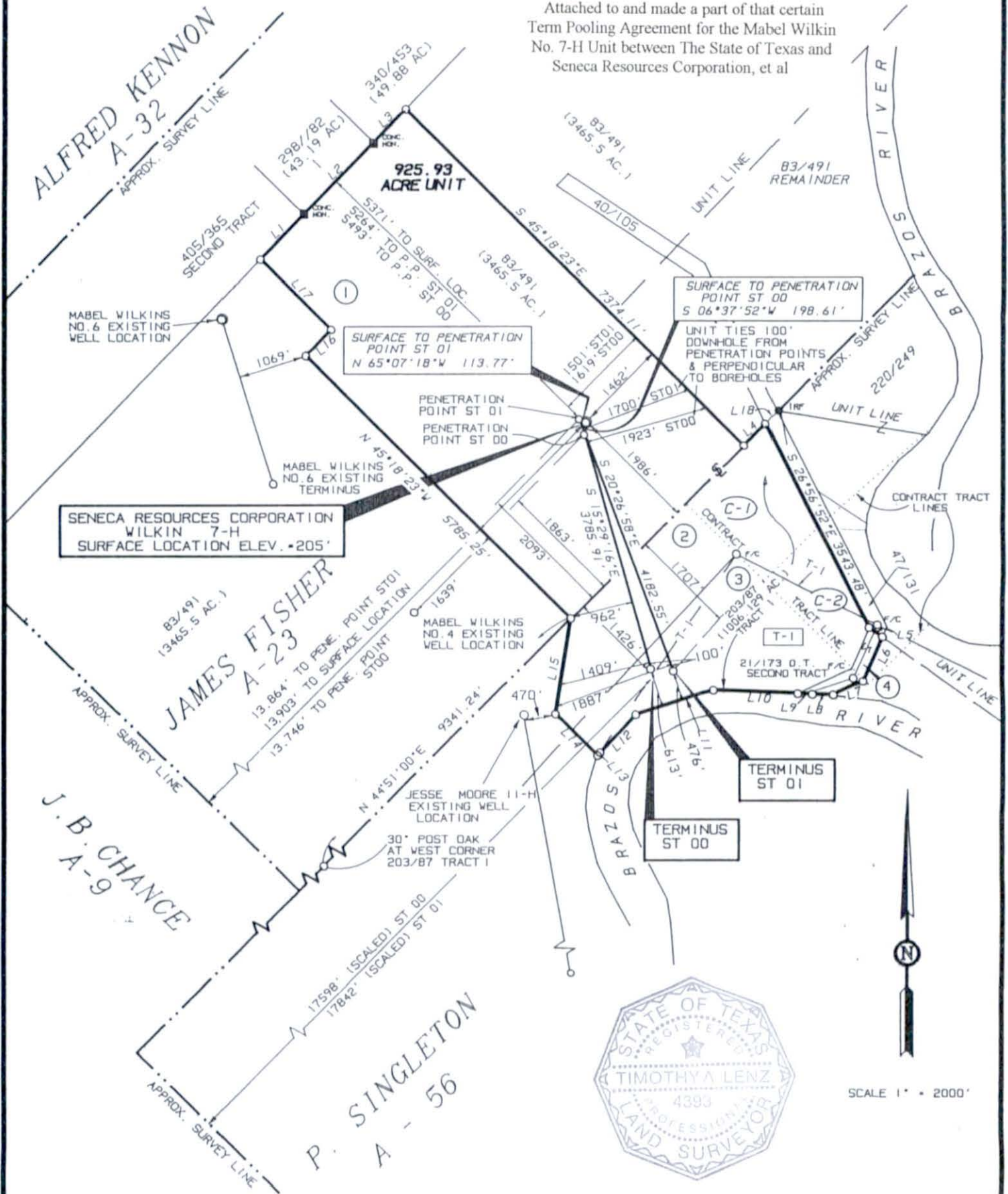
Those depths defined as the stratigraphic equivalent of the interval occurring from 11,538' MD, being the top of the Austin Chalk formation, to 12,074' MD, being the base of the Georgetown formation, as shown on the Dual Induction-SFL log of the Seneca - Wilkins No. 5 well located 13,984' FSWL and 1,994' FSEL of the James Fisher League, A-23, Burleson County, Texas.

# BURLESON COUNTY, TEXAS

## AS-DRILLED PLAT

EXHIBIT "C"

Attached to and made a part of that certain Term Pooling Agreement for the Mabel Wilkin No. 7-H Unit between The State of Texas and Seneca Resources Corporation, et al



I, TIMOTHY A. LENZ REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4393 DO HEREBY CERTIFY THAT THE ABOVE PLAT CORRECTLY SHOWS THE ABOVE WELL LOCATION PER INFORMATION PROVIDED BY OTHERS.

*Timothy A. Lenz*  
 TIMOTHY A. LENZ  
 REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4393

PAGE 1 OF 2  
 OCTOBER 16, 1996  
 REVISED OCTOBER 21, 1996 (PROPOSED LATERALS)  
 REVISED NOVEMBER 19, 1996 (WELL LOCATION)  
 REVISED MARCH 14, 1997 (AS-DRILLED)  
 DWG WILK7AD  
 JOB 941203

LENZ & ASSOCIATES, INC.,  
 dba AB SURVEYING Co.

7306 OLD BEE CAVES ROAD  
 AUSTIN, TEXAS 78735  
 PHONE (512) 288-1574  
 FAX (512) 288-0011

# BURLESON COUNTY, TEXAS

## LINE TABLE

LINE	BEARING	DISTANCE
L 1	N 43°55'20"E	976.55'
L 2	N 44°26'13"E	1547.50'
L 3	N 43°56'52"E	702.87'
L 4	N 44°51'00"E	473.18'
L 5	S 54°06'48"E	256.41'
L 6	S 23°03'08"W	753.99'
L 7	S 65°03'08"W	511.84'
L 8	N 87°57'48"W	351.02'
L 9	N 87°43'56"W	198.37'
L 10	N 87°43'55"W	1301.01'
L 11	S 72°15'58"W	1262.30'
L 12	S 43°20'53"W	853.02'
L 13	S 14°35'46"W	14.15'
L 14	N 45°18'23"W	917.59'
L 15	N 08°45'33"E	1513.98'
L 16	N 43°55'20"E	565.16'
L 17	N 45°18'23"W	1541.66'
L 18	N 44°51'00"E	273.57'

## WILKIN 7-H

TRACT	ACRES IN UNIT	DESCRIPTION	DEED / OFFICIAL RECORDS VOL/PG
1	620.00	ELIZABETH HOHLT PECORE et al.	83/491
2	155.45	JESSE MOORE	21/173 DEED OF TRUST FIRST TRACT 203/87 TRACT 1
3	142.19	JESSE MOORE	21/173 DEED OF TRUST SECOND TRACT 203/87 TRACT 1
4	8.29	STATE OF TEXAS	M-96404 47/131
925.93 TOTAL ACRES IN UNIT			

## CONTRACT TRACTS IN UNIT

TRACT	ACRES IN UNIT	DESCRIPTION
C-1	57.32	CONTRACT TRACT 26 IN UNIT
C-2	40.98	CONTRACT TRACT 27 IN UNIT

## FORMER PROPOSED PRODUCTION UNITS IN UNIT

TRACT	ACRES IN UNIT	DESCRIPTION
T-1	111.93	AREA IN WILKINS 7-H FORMERLY IN PROPOSED 1050.96 ACRE CONFIGURATION OF TERRELL 5-H REVISED SEPTEMBER 11, 1995.

### NOTES:

- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- 2) WELL IS LOCATED 3.6 MILES NORTHEAST OF CLAY, TEXAS
- 3) ● IRP - IRON ROD FOUND
- 4) ○ FFC - FENCE CORNER
- 5) ■ CONM - CONCRETE MONUMENT FOUND
- 6) THE ABOVE TRACTS DESCRIBED AS "CONTRACT TRACTS" WERE ESTABLISHED FROM SKETCHES PROVIDED BY SENECA RESOURCES CORPORATION.
- 7) AS-DRILLED INFORMATION PROVIDED BY OTHERS.

PAGE 2 OF 2  
 OCTOBER 16, 1996  
 REVISED OCTOBER 21, 1996 (PROPOSED LATERALS)  
 REVISED NOVEMBER 19, 1996 (WELL LOCATION)  
 REVISED MARCH 14, 1997 (AS-DRILLED)  
 DWG WILKIN7  
 JOB 941203

LENZ & ASSOCIATES, INC.,  
 dba AB SURVEYING Co.

7306 OLD BEE CAVES ROAD  
 AUSTIN, TEXAS 78735  
 PHONE (512) 288-1574  
 FAX (512) 288-0011

⑮ M-96404

Pooling Committee Rpt

+  
Pooling Agreement

FILED: 7-17-97

Unit # 2581  
Permanent

DO NOT DESTROY

GLO-36-10-84

-MEMO-

Operator Suora Resources Corp

Unit Name Mabel Welkin No. 7-H

County Burleson

Effective Date 6-3-97

Unitized for: Oil  Gas  Oil & Gas

1. M.F. No. 096404

Area N.E. Clay Prospect Tr. 4

Sec.            Blk.            Survey P. Singleton + James Fisher

8.29  
925.93 x (1/4) 15 .            %  
008953 0.25.20 0.002238

1001791

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: Subject to Royalties to -  
direction of 20% or 22.5%  
(See oil & gas lease)

lg

Kend 9/26/00 ms.

Permanent

#2581<sup>4</sup>

POOLING COMMITTEE REPORT

TO: SCHOOL LAND BOARD

DATE: June 3, 1997

OPERATOR: Seneca Resources Corp. COUNTY: Burleson

UNIT NAME: Mabel Wilkin No. 7-H FIELD: Giddings (Austin Chalk, Gas)  
Navasota River (Cretaceous Lwr.)

STATE LEASE(S) IN UNIT

Lease *Type	State Number	State Royalty	Expiration Date	Term Year	Acres Acres	Acres In Unit	Lessee of Record
SF	M-96404	1/4 **	4/4/98	3	38.85	8.29	Seneca Resources

\*\* Subject to royalty reduction clause

- \* RAL = Relinquishment Act
- \* SF = State Fee
- \* FR = Free Royalty

PRIVATE ACRES: 917.64

STATE ACRES: 8.29

TOTAL UNIT ACRES: 925.93

Unitized for:	Depth(s):	Well Location:
Oil _____	See Remarks	State Land _____
Gas _____	Formation:	Private Land <u>  x  </u>
Both <u>  x  </u>	See Remarks	

Participation:

Basis Surface acreage

State Acreage 0.8953%

State Unit Royalty 0.2014%

Railroad Commission Rules:

Spacing 1,300 Acres

Acreage Factor 100%

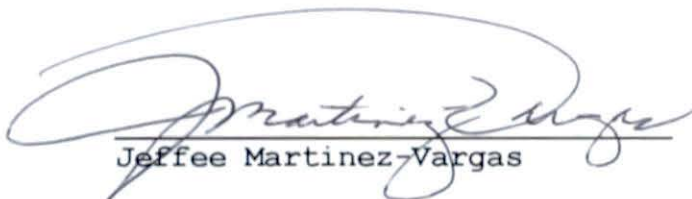
Agree to drill to density of field rules:	Yes <u>  x  </u>	No _____
Holds only acreage included in the unit past primary term:	Yes <u>  x  </u>	No _____
Satisfactory geological data furnished:	Yes <u>  x  </u>	No _____

REMARKS:

- Seneca Resources Corporation is requesting permanent oil and gas pooling of the Austin Chalk and Georgetown Formations defined as the stratigraphic interval or the correlative equivalent occurring from 11,538 feet MD to 12,074 feet MD, as shown on the Dual Induction-SFL log of the Seneca - Wilkins No. 5 well.
- The School Land Board approved six month temporary pooling on January 7, 1997. The unit configuration and the state's royalty participation are the same as with the temporary unit.
- The applicant completed the unit well on March 12, 1997 in the Austin Chalk and Georgetown Formations. The well has produced 164,630 mcf of gas and 5,814 bbls of condensate through May 15, 1997.
- If the unit is approved, the applicant will have earned a royalty reduction to 22.5%, making the state's unit royalty participation 0.2014%.
- Horizontal severance is provided for in the state lease.
- APPROVAL BY THE SCHOOL LAND BOARD IN NO WAY RATIFIES ANY OF THE STATE LEASES INCLUDED IN THIS PROPOSED UNIT.

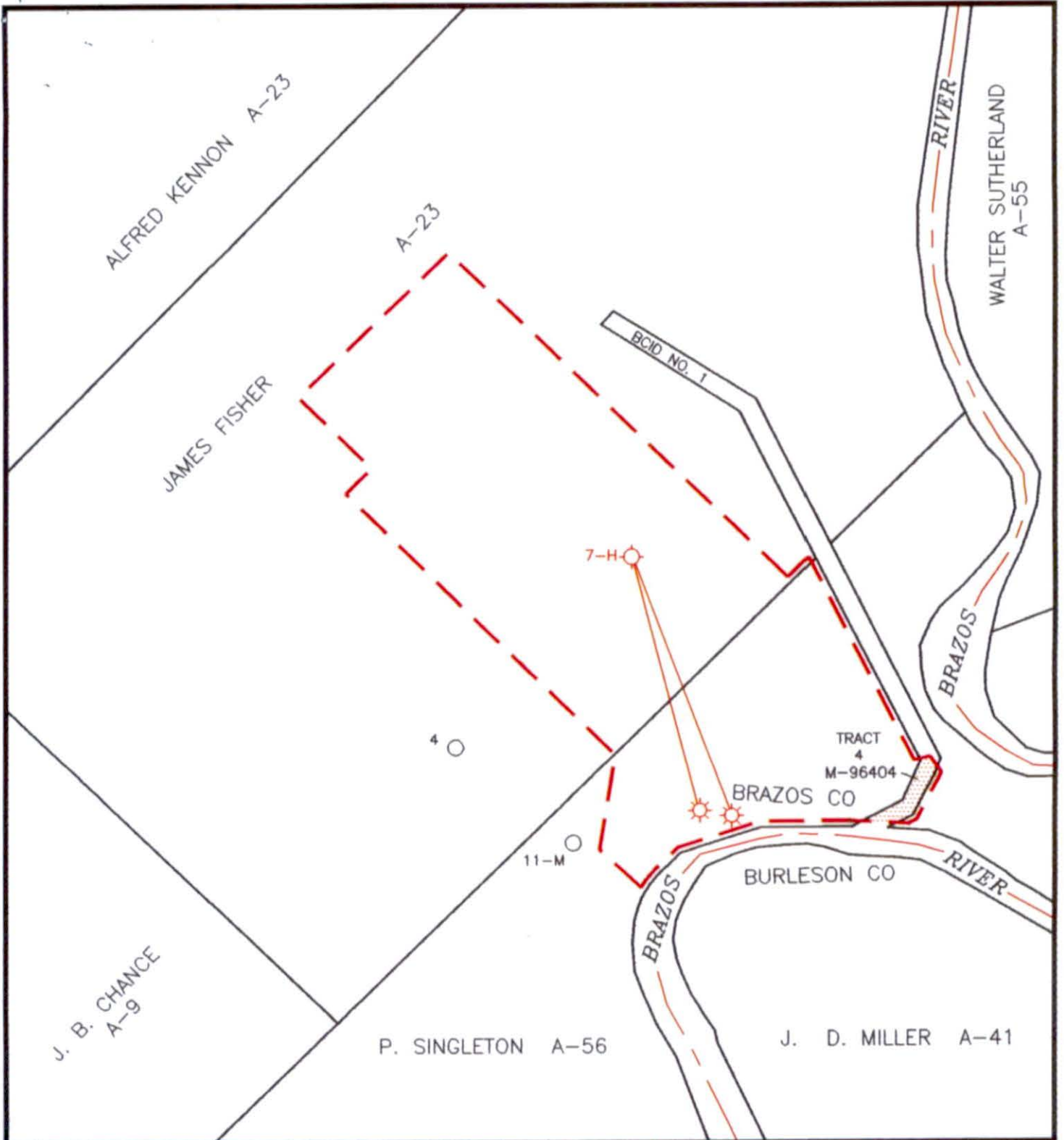
POOLING COMMITTEE RECOMMENDATION:

- The Pooling Committee recommends Board approval of a permanent oil and gas unit, under the above stated provisions.

  
Jeffee Martinez-Vargas

\_\_\_\_\_  
Al Gonzales

  
Peter A. Boone



97-26\RH\6-97

SENECA RESOURCES CORPORATION

MABEL WILKEN NO. 7-H

CLAY, NE (AUSTIN CHALK 11350)

M-96404

BURLESON COUNTY

POOLING AGREEMENT  
SENECA RESOURCES CORPORATION  
MABEL WILKEN NO. 7-B  
BURLINSON COUNTY, TEXAS

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Seneca Resources Corporation, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

PURPOSES:

1.

This Pooling Agreement ("Agreement") is made for the purposes of conservation and utilization of the pooled mineral, to prevent waste, to facilitate orderly development and to preserve correlative rights. To such end, it is the purpose of this Agreement to effect equitable participation within the unit formed hereby. This Agreement is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of the pooled mineral and in its interpretation and application shall, in all things, be subject thereto.

UNIT DESCRIPTION:

2.

The oil and gas leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C".

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit in the Austin Chalk Formation and the Georgetown Formation which together are defined as the stratigraphic interval or the correlative equivalent occurring from 11,538 feet measured depth to 12,074 feet measured depth, as shown on the Dual Induction-SFL log of the Seneca Resources Corporation, Wilkins No. 5 Well ("unitized interval").

POOLING AND EFFECT:

4.

The parties hereto commit all of their interests which are within the unit to the extent and as above described into said unit and unitize and pool hereunder the separate tracts described on the attached Exhibit "B", for and during the term hereof, so that such pooling or unitization shall have the following effect:

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional well drilled under the unitized area from a surface location on adjacent or adjoining lands not included within the boundaries of the unitized area, such operations shall be considered to have been commenced on the unitized area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the unitized area and production of oil or gas from the unitized area through any directional well surfaced on adjacent or adjoining land or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations, as the case may be, on the unitized area for all purposes under this Agreement. Nothing in this Agreement is intended or shall be construed as granting to Lessee any leasehold interest, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, easements, or other rights which the lessee, operator or other interest owner in the unitized area may have lawfully acquired from the state or others.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.
- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit,

according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners.

- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 925.93 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offsets to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.
- (j) Should this Agreement terminate for any cause, in whole or in part, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION:

5.

For the purpose of computing the share of production of the pooled mineral to which each interest owner shall be entitled from the pooled unit, there shall be allocated to each tract committed to said unit that pro rata portion of the pooled mineral produced from the pooled unit which the number of surface acres covered by each such tract and included in the unit bears to the total number of surface acres included in said unit, and the share of production to which each interest owner is entitled shall be computed on the basis of such owner's interest in the production so allocated to each tract.

TAKING ROYALTY IN KIND:

6.

Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this pooling or unitization agreement be made in kind, without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

FULL MARKET VALUE:

7.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

- (a) As to royalty on oil by (1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) gross proceeds of the sale thereof, whichever is the greater;
- (b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Agreement "field" means the general area in which the lands covered hereby are located.)

EFFECTIVE DATE:

8.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of June 3, 1997; however, it is agreed that the State will participate in production from the Unit well or wells on a unitized basis from the date the pooled mineral was or is first produced.

TERM:

9.

This Agreement shall remain in effect so long as the pooled mineral is being produced from said unit, or so long as all leases included in the pooled unit are maintained in force by payment of delay rentals or shut-in oil or gas well royalties, by drilling or rework, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof which are contained in any State lease covered by this Agreement.

STATE LAND:

10.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code having been duly considered, made and obtained.

DISSOLUTION:

11.

The unit covered by this Agreement may be dissolved by Lessee, his heirs, successors or assigns, by an instrument filed for record in Burleson County, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production or upon such other date as may be approved by the School Land Board and mutually agreed to by the undersigned parties, their successors or assigns.

RATIFICATION/WAIVER:

12.

Nothing in this Agreement, nor the approval of this Agreement by the School Land Board, nor the execution of this Agreement by the Commissioner shall: (1) operate as a ratification or revivor of any State lease that has expired, terminated, or has been released in whole or in part or terminated under the terms of such State lease or the laws applicable thereto; (2) constitute a waiver or release of any claim for money, oil, gas or other hydrocarbons, or other thing due to the State by reason of the existence or failure of such lease; (3) constitute a waiver or release of any claim by the State that such lease is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or failure of consideration; (4) constitute a confirmation or recognition of any boundary or acreage of any tract or parcel of land in which the State has or claims an interest; or (5) constitute a ratification of, or a waiver or release of any claim by the State with respect to any violation of a statute, regulation, or any of the common laws of this State, or any breach of any contract, duty, or other obligation owed to the State.

COUNTERPARTS:

13.

This Agreement may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement upon the respective dates indicated below.

Date Executed 7/29/97

STATE OF TEXAS

Legal  
Content  
Geology  
Execution

*[Handwritten initials]*

By: *Garry Mauro*  
Garry Mauro, Commissioner  
of the General Land Office

Date Executed July 17, 1997

SENECA RESOURCES CORPORATION

By: *William M. Petmecky*  
WILLIAM M. PETMECKY  
SENIOR VICE PRESIDENT

ATTEST: *Colin H. Suidach*

Its: \_\_\_\_\_ *[Handwritten initials]*

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 3rd day of June, 1997, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

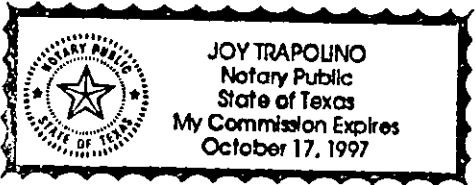
IN TESTIMONY WHEREOF, witness my hand this the 23rd day of July, 1997.

Linda K. Fisher  
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on July 17, 1997, by William M. Petrecki  
SENIOR V.P. of Seneca Resources Corporation, a Pennsylvania corporation, on behalf  
of said corporation.



Joy Trapolino  
Notary Public in and for the  
State of Texas

Date Executed: 6/20/97

By: *Donald Graham*  
Donald Graham

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Daniel Kane

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Stanley Kane

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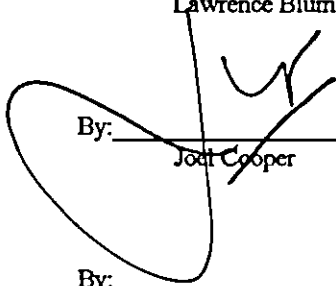
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By: \_\_\_\_\_  
Donald A. Clark

Date Executed: 6/20/97

By: Ken Gandolfo  
Ken Gandolfo

Date Executed: \_\_\_\_\_

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By: \_\_\_\_\_  
Jose Garcia

Date Executed: \_\_\_\_\_

By:   
Teresa Garcia

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 3rd day of June, 1997, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the \_\_\_\_\_ day of \_\_\_\_\_, 1997.

\_\_\_\_\_  
Secretary of the School Land Board

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

This instrument was acknowledged before me on \_\_\_\_\_, 1997, by \_\_\_\_\_ as \_\_\_\_\_ of Seneca Resources Corporation, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the  
State of Texas

STATE OF Nebraska  
COUNTY OF Douglas

This instrument was acknowledged before me on June 20th, 1997, by Donald D. Graham.



Kristen A. May

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 3rd day of June, 1997, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the \_\_\_\_\_ day of \_\_\_\_\_, 1997.

\_\_\_\_\_  
Secretary of the School Land Board

STATE OF TEXAS

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

This instrument was acknowledged before me on \_\_\_\_\_, 1997, by \_\_\_\_\_ as \_\_\_\_\_ of Seneca Resources Corporation, a \_\_\_\_\_ corporation, on behalf of said corporation.

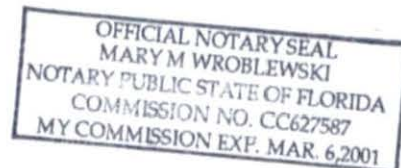
\_\_\_\_\_  
Notary Public in and for the  
State of Texas

STATE OF FLORIDA

COUNTY OF SARASOTA

This instrument was acknowledged before me on July 2, 1997, by  
Daniel Kane.

*Mary M Wroblewski*  
Notary



CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 3rd day of June, 1997, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the \_\_\_\_\_ day of \_\_\_\_\_, 1997.

\_\_\_\_\_  
Secretary of the School Land Board

STATE OF TEXAS

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

This instrument was acknowledged before me on \_\_\_\_\_, 1997, by \_\_\_\_\_ as \_\_\_\_\_ of Seneca Resources Corporation, a \_\_\_\_\_ corporation, on behalf of said corporation.

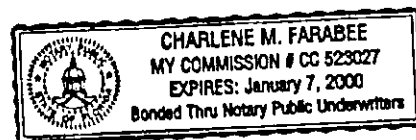
\_\_\_\_\_  
Notary Public in and for the  
State of Texas

STATE OF *Florida*

COUNTY OF *Sarasota*

This instrument was acknowledged before me on *June 26<sup>th</sup>*, 1997, by  
*STANLEY KANE*.

*Charlene M. Farabee*



CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 3rd day of June, 1997, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the \_\_\_\_\_ day of \_\_\_\_\_, 1997.

\_\_\_\_\_  
Secretary of the School Land Board

STATE OF TEXAS

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

This instrument was acknowledged before me on \_\_\_\_\_, 1997, by \_\_\_\_\_ as \_\_\_\_\_ of Seneca Resources Corporation, a \_\_\_\_\_ corporation, on behalf of said corporation.

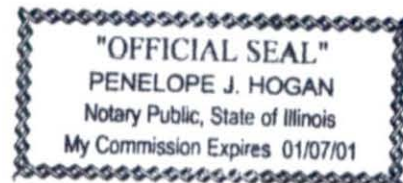
\_\_\_\_\_  
Notary Public in and for the  
State of Texas

STATE OF Illinois

COUNTY OF Cook

This instrument was acknowledged before me on June 19, 1997, by  
Lawrence J Blum

*Penelope J Hogan*



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of Orange

On 6-16-97 before me, Melissa A. Shores

personally appeared Joel Cooper

personally known to me – OR –  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.  
Melissa A. Shores  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of Orange

On 6-16-97 before me, Melissa A Shores

personally appeared Michael Tomson

personally known to me – OR –  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Melissa A Shores  
Signature of Notary Public

**OPTIONAL**

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**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

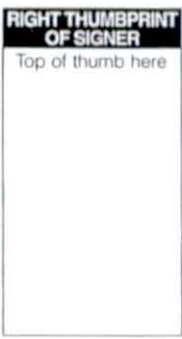
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer
- Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer
- Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

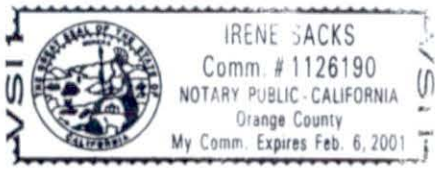
State of California

County of Orange

On 6/20/97 before me, Irene Sacks  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Donald A. Clark  
Name(s) of Signer(s)

personally known to me – OR –  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Irene Sacks  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

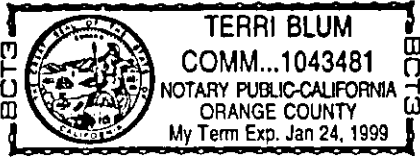
State of CA

County of Orange

On 6-20-97 before me, TERRI BLUM  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared KEN GANDOLFO  
Name(s) of Signer(s)

personally known to me – OR –  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

TERRI BLUM  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

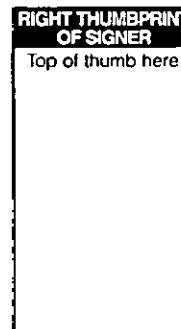
- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of CALIFORNIA

County of LOS ANGELES

On June 26, 1997 before me, SALVADOR DAVILA (Notary Public),  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared JOSE L. GARCIA (AKA) JOE GARCIA,  
Name(s) of Signer(s)

personally known to me – OR –  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: Pooling Agreement

Document Date: \_\_\_\_\_ Number of Pages: 06

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

**RIGHT THUMBPRINT OF SIGNER**

Top of thumb here



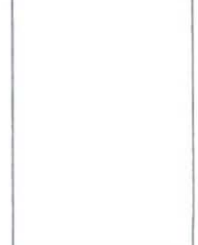
Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

**RIGHT THUMBPRINT OF SIGNER**

Top of thumb here



Signer Is Representing: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of Los Angeles

On 7/7/97 before me, Rosa Guadalupe Gutierrez, Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Teresa Garcia  
Name(s) of Signer(s)

personally known to me – OR –  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Rosa Guadalupe Gutierrez  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: State of Texas Pooling Agreement, Wilkin 7-H Unit

Document Date: 6/16/97 Number of Pages: 9

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

**RIGHT THUMBPRINT OF SIGNER**  
Top of thumb here

Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

**RIGHT THUMBPRINT OF SIGNER**  
Top of thumb here

Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT "A"**

**Attached to and made a part of that certain  
Pooling Agreement for the Mabel Wilkin No. 7-H Unit  
between The State of Texas and Seneca Resources Corporation, et al**

**Description of Leases:**

Insofar and only insofar as the following described leases cover the Unitized Interval underlying lands within the boundaries of the Mabel Wilkin No. 7-H Unit, as described by metes and bounds in Exhibit "B" attached hereto and depicted on the plat attached hereto as Exhibit "C" ("the Unit Area").

Oil, Gas & Mineral Lease between Mabel G. Wilkin, et al, as Lessor and NAPECO, Inc., as Lessee dated January 3, 1979, recorded in Book 24, Page 499 of the Oil & Gas Lease Records of Burleson County, Texas.

Oil, Gas & Mineral Lease between Jesse Moore, as Lessor and Jack D. Brogdon, as Lessee dated November 7, 1973, recorded in Book 15, Page 164 of the Oil & Gas Lease Records of Burleson County, Texas.

✓ Oil, Gas & Mineral Lease between State of Texas M-96404, as Lessor and Seneca Resources Corporation, as Lessee dated April 4, 1995, recorded in Book 241, Page 705 of the Oil & Gas Lease Records of Burleson County, Texas.

**EXHIBIT "B"**

Attached to and made a part of that certain  
Pooling Agreement for the Mabel Wilkin No. 7-H Unit  
between The State of Texas and Seneca Resources Corporation, et al

**FIELD NOTES TO ACCOMPANY UNIT PLAT**

WILKIN 7-H  
925.93 ACRE UNIT  
PAGE 1 OF 2

FIELD NOTES DESCRIPTION OF 925.93 ACRES OF LAND OUT OF THE JAMES FISHER SURVEY, ABSTRACT NO. 23 AND THE P. SINGLETON SURVEY, ABSTRACT NO. 56, BURLESON COUNTY, TEXAS; BEING 620.00 ACRES OF LAND OUT OF THAT CERTAIN 3465.5 ACRE TRACT DESCRIBED IN A DEED TO MARION WILKIN HOHLT AND MABEL WILKIN RECORDED IN VOLUME 83, PAGE 491 OF THE DEED RECORDS OF BURLESON COUNTY, TEXAS; BEING 297.64 ACRES OUT OF THAT CERTAIN TRACT CALLED TRACT 1 IN A DEED TO JESSE MOORE RECORDED IN VOLUME 203, PAGE 87 OF THE DEED RECORDS OF BURLESON COUNTY, TEXAS ( THE SAME BEING 155.45 ACRES OUT OF THE FIRST TRACT AND 142.19 ACRES OUT OF THE SECOND TRACT DESCRIBED IN A DEED OF TRUST RECORDED IN VOLUME 21, PAGE 173); BEING 8.29 ACRES OUT OF THAT CERTAIN TRACT CONVEYED TO THE BURLESON COUNTY IMPROVEMENT DISTRICT RECORDED IN VOLUME 47, PAGE 131 OF THE DEED RECORDS OF BURLESON COUNTY, TEXAS. THE SAID 925.93 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a point on the northwest line of the said P. Singleton Survey, Abstract No. 56 and the said 1006.129 acre Jesse Moore tract, the same being the southeast line of the said James Fisher Survey, Abstract No. 23 and the said 3465.5 acre Marion Wilkin Hohlt and Mabel Wilkin tract, from which a 30 inch diameter post oak tree at the westerly most corner of the said 1006.129 acre Moore tract bears S 44°51'00" W, 9341.24 feet;

THENCE, traversing the interior of the said 3465.5 acre Marion Wilkin Hohlt and Mabel Wilkin tract, the following three (3) courses and distances:

- 1) N 45°18'23" W, 5785.25 feet to a point;
- 2) N 43°55'20" E, 565.16 feet to a point;
- 3) N 45°18'23" W, 1541.66 feet to a point on the northwest line of the said 3465.5 acre tract;

THENCE, N 43°55'20" E, a distance of 976.55 feet to a concrete monument found at the most southerly corner of that certain 43.19 acre tract described in Volume 298, Page 82 of the Deed Records of Burleson County, Texas;

THENCE, N 44°26'13" E, a distance of 1547.50 feet to a concrete monument found at the most easterly corner of the same;

THENCE, N 43°56'52" E, a distance of 702.87 feet to a point;

THENCE, S 45°18'23" E, a distance of 7374.11 feet, traversing the interior of the said 3465.5 acre tract to a point on the southeast line of the same and the said James Fisher Survey, Abstract No. 23, the same being the northwest line of the said P. Singleton Survey and the said 1006.129 acre Jesse Moore tract;

THENCE, N 44°51'00" E, a distance of 473.18 feet along the northwest line of the said 1006.129 acre Jesse Moore tract to a point at the most westerly or northwest corner of the said Burleson County Improvement District tract recorded in Volume 47, Page 131 of the Deed Records of Burleson County, Texas, from which an iron rod found at the northeast corner of the said 1006.129 acre Jesse Moore tract bears N 44°51'00" E, 273.57 feet;

THENCE, S 26°56'52" E, a distance of 3543.48 feet along the west line of the said Burleson County Improvement District tract to an angle point in the same;

THENCE, S 54°06'48" E, a distance of 256.41 feet to a point on the east line of the said Burleson County Improvement District tract;

THENCE, along the east and southeast lines of the said Burleson County Improvement District tract, the following two (2) courses and distances:

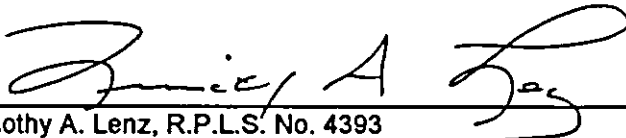
- 1) S 23°03'08" W, 753.99 feet to a point;
- 2) S 65°03'08" W, 511.84 feet to a point on the north bank of the Brazos River;

THENCE, along the north bank of the Brazos River, the following six (6) courses and distances:

- 1) N 87°57'48" W, 351.02 feet to a point;
- 2) N 87°43'56" W, 198.37 feet to a point;
- 3) N 87°43'55" W, 1301.01 feet to a point;
- 4) S 72°15'58" W, 1262.30 feet to a point;
- 5) S 43°20'53" W, 853.02 feet to a point;
- 6) S 14°35'46" W, 14.15 feet to a point;

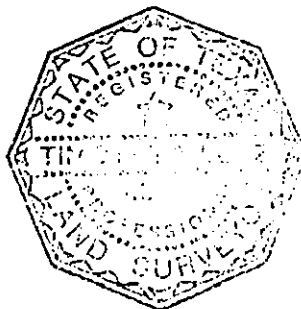
THENCE, N 45°18'23" W, a distance of 917.59 feet to a point in the interior of the said 1006.129 acre Jesse Moore tract;

THENCE, N 08°45'33" E, a distance of 1513.98 feet to the PLACE OF BEGINNING, containing 925.93 acres of land, more or less.



Timothy A. Lenz, R.P.L.S. No. 4393  
March 14, 1997

Lenz & Associates, Inc.  
7306 Old Bee Caves Road  
Austin, Texas 78735  
(512) 288-1574



**UNITIZED INTERVAL**

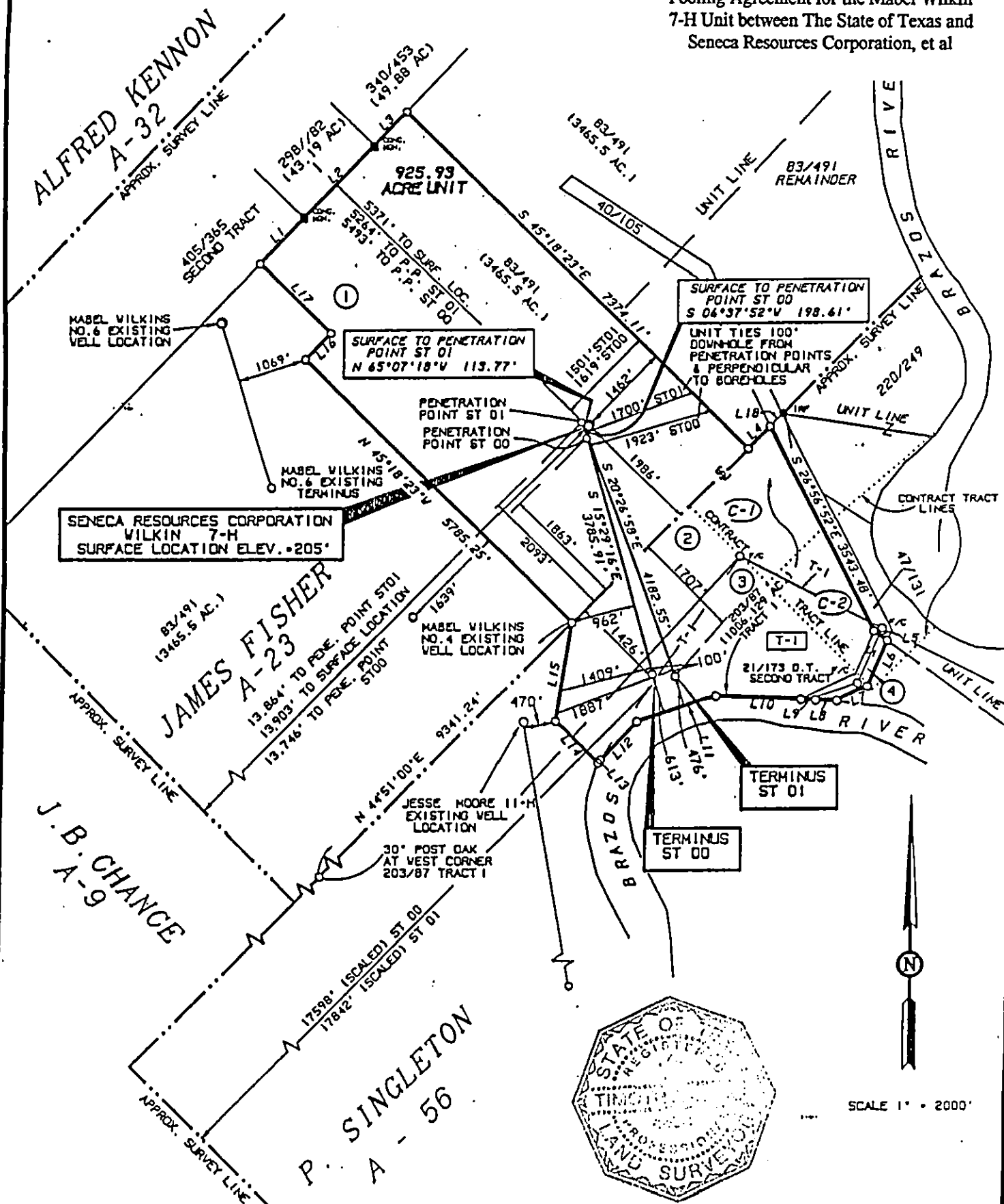
Those depths defined as the stratigraphic equivalent of the interval occurring from 11,538' MD, being the top of the Austin Chalk formation, to 12,074' MD, being the base of the Georgetown formation, as shown on the Dual Induction-SFL log of the Seneca - Wilkins No. 5 well located 13,984' FSWL and 1,994' FSEL of the James Fisher League, A-23, Burleson County, Texas.

# BURLESON COUNTY, TEXAS

## AS-DRILLED PLAT

EXHIBIT "C"

Attached to and made a part of that certain Pooling Agreement for the Mabel Wilkin 7-H Unit between The State of Texas and Seneca Resources Corporation, et al



I, TIMOTHY A. LENZ REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4393 DO HEREBY CERTIFY THAT THE ABOVE PLAT CORRECTLY SHOWS THE ABOVE WELL LOCATION PER INFORMATION PROVIDED BY OTHERS.

*Timothy A. Lenz*  
 TIMOTHY A. LENZ  
 REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4393

PAGE 1 OF 2  
 OCTOBER 16, 1996  
 REVISED OCTOBER 21, 1996 (PROPOSED LATERALS)  
 REVISED NOVEMBER 19, 1996 (WELL LOCATION)  
 REVISED MARCH 14, 1997 (AS-DRILLED)  
 DVG WILK7AD  
 JOB 941203

**LENZ & ASSOCIATES, INC.**  
 dba AB SURVEYING Co.

7306 OLD BEE CAVES ROAD  
 AUSTIN, TEXAS 78735  
 PHONE (512) 288-1574  
 FAX (512) 288-0011

# BURLESON COUNTY, TEXAS

## LINE TABLE

LINE	BEARING	DISTANCE
L 1	N 43°55'20"E	976.55'
L 2	N 44°26'13"E	1547.50'
L 3	N 43°56'52"E	702.87'
L 4	N 44°51'00"E	473.18'
L 5	S 54°06'48"E	256.41'
L 6	S 23°03'08"V	753.99'
L 7	S 65°03'08"V	511.84'
L 8	N 87°57'48"V	351.02'
L 9	N 87°43'56"V	198.37'
L 10	N 87°43'55"V	1301.01'
L 11	S 72°15'58"V	1262.30'
L 12	S 43°20'53"V	853.02'
L 13	S 14°35'46"V	14.15'
L 14	N 45°18'23"V	917.59'
L 15	N 08°45'33"E	1513.98'
L 16	N 43°55'20"E	565.16'
L 17	N 45°18'23"V	1541.66'
L 18	N 44°51'00"E	273.57'

## WILKIN 7-H

TRACT	ACRES IN UNIT	DESCRIPTION	DEED / OFFICIAL RECORDS VOL/PG.
1	620.00	ELIZABETH HOHLT PECORE et al.	83/491
2	155.45	JESSE MOORE	21/173 DEED OF TRUST FIRST TRACT 203/87 TRACT 1
3	142.19	JESSE MOORE	21/173 DEED OF TRUST SECOND TRACT 203/87 TRACT 1
4	8.29	STATE OF TEXAS	M-96404 47/131
925.93 TOTAL ACRES IN UNIT			

## CONTRACT TRACTS IN UNIT

TRACT	ACRES IN UNIT	DESCRIPTION
C-1	57.32	CONTRACT TRACT 26 IN UNIT
C-2	40.98	CONTRACT TRACT 27 IN UNIT

## FORMER PROPOSED PRODUCTION UNITS IN UNIT

TRACT	ACRES IN UNIT	DESCRIPTION
T-1	111.93	AREA IN WILKINS 7-H FORMERLY IN PROPOSED 1050.96 ACRE CONFIGURATION OF TERRELL 5-H REVISED SEPTEMBER 11, 1995.

### NOTES:

- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- 2) WELL IS LOCATED 3.6 MILES NORTHEAST OF CLAY, TEXAS
- 3) ● - IRON ROD FOUND
- 4) ○ - FENCE CORNER
- 5) ■ - CONCRETE MONUMENT FOUND
- 6) THE ABOVE TRACTS DESCRIBED AS "CONTRACT TRACTS" WERE ESTABLISHED FROM SKETCHES PROVIDED BY SENECA RESOURCES CORPORATION.
- 7) AS-DRILLED INFORMATION PROVIDED BY OTHERS.

PAGE 2 OF 2  
 OCTOBER 16, 1996  
 REVISED OCTOBER 21, 1996 (PROPOSED LATERALS)  
 REVISED NOVEMBER 19, 1996 (WELL LOCATION)  
 REVISED MARCH 14, 1997 (AS-DRILLED)  
 DVG WILKIN7  
 JOB 941203

LENZ & ASSOCIATES, INC.  
 dba AB SURVEYING Co.

7306 OLD BEE CAVES ROAD  
 AUSTIN, TEXAS 78735  
 PHONE (512) 288-1574  
 FAX (512) 288-0011

⑩ M-96404

Pooling Committee Rpt  
+ Pooling agreement  
FILED: 8-21-97

RAILROAD COMMISSION OF TEXAS  
Oil and Gas Commission

Application for Permit to Drill, Deepen, Plug Back, or Re-Enter

EFFECTIVE SEPT. 1, 1991, PERMIT APPLICATION FEE WILL VARY  
ACCORDING TO THE TOTAL DEPTH SHOWN IN ITEM NO. 9 BELOW.  
0-2000' - \$100, 2001' - 4000' - \$125  
4001' - 9000' - \$150, 9001' or deeper - \$200

Return W-1 with plat and applicable fee. Make a check payable to the State Treasurer of Texas.

Address to:  
Railroad Commission of Texas  
Oil and Gas Division, Drilling Permits  
P. O. Box 12967  
Austin, Texas 78711-2967

File a copy of W-1 and plat in RRC District Office Read Instructions on Back

Purpose of filling (mark appropriate boxes): <input checked="" type="checkbox"/> Drill <input type="checkbox"/> Deepen (below casing) <input type="checkbox"/> Deepen (within casing) <input type="checkbox"/> Plug Back <input type="checkbox"/> Re-Enter <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Directional Well <input type="checkbox"/> Sidetrack <input checked="" type="checkbox"/> Amended Permit (enter permit no. at right & explain fully in Remarks)								Enter here, if assigned: API No. 42-051-33535 Permit No. 454878 Rule 37 Case No.		
1. Operator's Name (exactly as shown on Form P-5, Organization Report) Seneca Resources Corporation		3. RRC Operator No. 767060		4. RRC District No. 03		5. County of Well Site SL/PEN PTS & TL 00 & 01		9. Total Depth 12500' TVD		
2. Address (including city and zip code) 1201 Louisiana St., Suite 400 Houston, TX 77002		6. Lease Name (32 spaces maximum) Mabel Wilkin		7. RRC Lease/ID No.		8. Well No. 7H		9. Total Depth 12500' TVD		
10. Location SL & PEN PTS: James Fisher A-23 • Section _____ Block _____ Survey TL 00 & 01: P. Singleton Abstract No. A-56 • This well is to be located 3.6 miles in a NE direction from Clay which is the nearest town in the county of the well site.										
11. Distance from proposed location to nearest lease or unit line 476 ft.				12. Number of contiguous acres in lease, pooled unit, or unitized tract 925.93 (OUTLINE ON PLAT.)						
13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line.			14. Completion depth	15. Spacing pattern (ft.)	16. Density pattern (acres)	17. Number of acres in drilling unit for this well. OUTLINE ON PLAT.	18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks.	19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir. (ft.)	20. Oil, gas, or other type well (Specify)	21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir.
Giddings (Austin Chalk, Gas)			11500TVD	467-1299	160/80	925.93	No	N/A	gas	0 1
Clay, NE (Deep)			above 12500	467-1200	160	925.93	No	N/A	gas	0 1
Jerry's Quarters (AC 11900)			above 12500	467-1200	160	925.93	No	N/A	gas	0 1
22. Perpendicular surface location from two nearest designated lines: • Lease/Unit 1462' FNEL & 5371' FNWL TL 00: • Survey/Section 1986' FSEL & 13903' FSWL				If a directional well, show also projected bottom-hole location: • Lease/Unit 613' ESL & 1409' FNWL • Survey/Section 1426' FNWL & 17598' FSWL						
23. Is this a pooled unit? Yes <input checked="" type="checkbox"/> (Attach Form P-12 and certified plat.) No <input type="checkbox"/>				24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes <input type="checkbox"/> (Attach Form W-1A) No <input checked="" type="checkbox"/>						
25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>				If subject to Rule 36, is Form H-9 filed? Yes <input type="checkbox"/> No <input type="checkbox"/> If not filed, explain in Remarks.						
26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37.				I certify that information stated in this application is true and complete, to the best of my knowledge. Signature: Patricia A. Rygg / Patricia A. Rygg, Agent 512-266-3066 Date: 3/24/97 Name and title of operator's representative: (713) 654-2600 Operator						
Remarks Amending W-1 to reflect as drilled location, revise unit acreage, add zones of completion.				L 01: 467' FSL & 1887' FNWL of unit; 1707' FNWL & 17842' FSWL of survey. N PT 00: 5493' FNWL & 1619' FNEL of unit; 13746' FSWL & 1863' FSEL of survey. N PT 01: 5264' FNWL & 1501' FNEL of unit; 13864' FSWL & 2093' FSEL of survey.						

Seneca



**RA ROAD COMMISSION OF TEXAS  
OIL & GAS DIVISION**

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER  
ON REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER <b>454878</b>	DATE PERMIT ISSUED OR AMENDED <b>(AMENDED) 3/26/97</b>	DISTRICT <b>03</b>
WELL NUMBER <b>42 051 33535</b>	FORM W-1 RECEIVED <b>3/26/97</b>	COUNTY <b>BURLESON</b>
TYPE OF OPERATION <b>DRILL (HORIZONTAL)</b>		ACRES <b>925.93</b>
OPERATOR <b>SENECA RESOURCES CORP. 1201 LOUISIANA ST STE 400 HOUSTON TX 77002</b>		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No.: <b>713 956-4000</b>
LEASE NAME <b>WILKIN, MABEL</b>		WELL NUMBER <b>7H</b>
LOCATION <b>3.60 MILES NE FROM CLAY</b>		TOTAL DEPTH <b>12,500</b>
SECTION, BLOCK and/or SURVEY <b>SECTION =&gt; BLOCK =&gt; ABSTRACT =&gt; 23</b> <b>SURVEY ==&gt; JAMES FISHER</b>		
DISTANCE-LEASE LINES <b>1,462.00 F NE - 5,371.00 F NW</b>		DISTANCE-NEAREST WELL ON LEASE <b>N/A</b>
DISTANCE-SURVEY LINES <b>1,986.00 F SE - 13,903.00 F SW</b>		

**READ IMPORTANT CONDITIONS AND INSTRUCTIONS ON THE BACK OF THIS FORM**

FIELD(S) AND LIMITATIONS

**PERMIT BOTTOM HOLE LOCATION:**

SECTION =====> BLOCK => ABSTRACT => 56

SURVEY NAME =====> P. SINGLETON

LEASE DISTANCE ==> 613.00 F S - 1,409.00 F NW

SURVEY DISTANCE => 1,426.00 F NW - 17,598.00 F SW

NEAREST WELL =====> N/A

**WILDCAT**

CLAY, NE (AUSTIN CHALK 11350)

CLAY, N E. (DEEP)

CLAY, N.E. (GEORGETOWN)

GIDDINGS (AUSTIN CHALK, GAS)

JERRY'S QUARTERS (A C 11900)

NAVASOTA RIVER (CRETACEOUS LWR.)

**\*\* LIMITATIONS \*\***

**THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS**

REGULAR PROVIDED THIS WELL IS NEVER COMPLETED IN VIOLATION OF  
APPLICABLE SPECIAL FIELD OR STATEWIDE SPACING RULES.

REGULAR PROVIDED THIS WELL IS NEVER DRILLED DEEPER THAN 12500 FEET.  
WILDCAT ABOVE 12500 FEET.

ANY WELLBORE DRILLED UNDER THIS PERMIT MUST BE COMPLETED, OPERATED,  
AND PRODUCED IN COMPLIANCE WITH STATEWIDE RULE 32.  
PENETRATION POINT SAME AS SURFACE LOCATION.

**\*\*\* PLEASE REFER TO ATTACHMENT \*\*\***

① M-96404

MAY 15 1997

*Seneca*

Form G-1  
Rev. 4/1/83

Type or print only  
3-047

API No. 42-051-33535

7. RRC District No.

3

8. RRC Gas ID No.

Gas Well Back Pressure Test,  
Completion or Recompletion Report, and Log

1. FIELD NAME (as per RRC Records or Wellcat)  
Giddings (Austin Chalk, Gas)

2. LEASE NAME  
Mabel Wilkin

9. Well No.

7HU

3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report)  
Seneca Resources Corporation

RRC Operator No.  
767060

10. County of well site

Burleson

4. ADDRESS  
1201 Louisiana Street, Suite 400, Houston, Texas 77002-5604

11. Purpose of filling

Initial Potential

Retest

Reclass

Well record only (Explain in remarks)

5. Location (Section, Block, and Survey)  
& PEN PT: James Fisher A-23  
00 & 01: P. Singleton A-56

5b. Distance and direction to nearest town in this county.  
3.6 miles NE of Clay, TX

6. If operator has changed within last 60 days, name former operator  
N/A

12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no. FIELD & RESERVOIR  
N/A

13. Pipe Line Connection  
Aquila Southwest

14. Completion or recompletion date  
3/27/97

15. Any condensate on hand at time of workover or recompletion?  
 Yes  No N/A

16. Type of Electric or other Log Run.  
GR/CCL/CBL

Section I

GAS MEASUREMENT DATA

Date of Test		Gas Measurement Method (Check One)						Gas produced during test		
04/24/97		Orifice Meter	Flange Taps	Pipe Taps	Positive Choke	Orifice Vent Meter	Pitot Tube	Critical-flow Prover	17172 MCF	
Run No.	Line Size	Orif. or Choke Size	24 Hr. Coeff. Orif. or Choke	Static P <sub>w</sub> or Choke Press	Diff. h <sub>w</sub>	Flow Temp. °F	Temp. Factor F <sub>td</sub>	Gravity Factor F <sub>g</sub>	Compress Factor F <sub>pv</sub>	Volume MCF/DAY
1	4.026	2.875	60921.73	390	27.00	83	.9786	.8903	1.051	5724
2										

Section II

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas)	Gravity Liquid Hydrocarbon	Gas-Liquid Hydro Ratio	Gravity of Mixture	Avg. Shut-in Temp.	Bottom Hole Temp. TVD (Depth)
.757	51.3 Deg. API	17629 CF/Bbl	G <sub>mix</sub> = .901	184 °F	293 °F @ 11500
$D_{eff}^{8/3} = 10.806$		$\sqrt{T_i} = \sqrt{654} = 25.57$		$\sqrt{GL} = \sqrt{10361.38} = 101.79$	
$c = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}} = 1118 \times 10.806 / 25.57 = 472.47$			$\frac{\sqrt{GL}}{c} = 101.79 / 472.47 = .2154$		

Run No.	Time of Run Min.	Choke Size	Wellhead Press. PSIA P <sub>w</sub>	Wellhead Flow Temp. F°	P <sub>w</sub> <sup>2</sup> (Thousands)	R	R <sup>2</sup> (Thousands)	P <sub>i</sub>	P <sub>w</sub> /P <sub>i</sub>
Shut-in 24 Hrs			2715	74					
1	4320	28/64	2420	95	5856	1232.9	1520.0	2716	.8910
2									
3									
4									

Run No.	F	K	S = 1/z	e <sup>ks</sup>	P <sub>i</sub> and P <sub>s</sub>	P <sub>i</sub> <sup>2</sup> and P <sub>s</sub> <sup>2</sup> (thousands)	P <sub>i</sub> <sup>2</sup> - P <sub>s</sub> <sup>2</sup> (thousands)	Angle of Slope
Shut-in			.3016	1.2855	1.4736	4001	16008	B 45.00
1	.9465	.2811	1.2951	1.4392	3909	15280	728	X 1.0000
2								Absolute Open Flow
3								125913 MCF/DAY
4								

WELL TESTER'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test and that data and facts shown in Sections I and II above are true, correct, and complete, to the best of my knowledge. Bottomhole temperature and the diameter and length of flow string were furnished by the operator of the well.

*Jay Langdon*  
Signature Well Tester

*Margo Blair*  
Name of Company

FESCO Inc.  
RRC Representative

OPERATOR'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that I prepared or supervised and directed this report, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

*Patricia A. Rygg*  
Signature: Operator's representative

Patricia A. Ry-g  
Title

Agent 512-266-3066  
Date

5/8/97  
Date

713-654-2600 Operator  
A/C

Number

## SECTION III

## DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

17. Type of Completion:

New Well  Deepening  Plug Back  Other 18. Permit to Drill, DATE PERMIT NO.  
Plug Back or Amended 3/26/97 454878  
Deepen  
Rule 37 CASE NO.

19. Notice of Intention to Drill this well was filed in Name of

Seneca Resources Corporation

Exception PERMIT NO.

Water Injection PERMIT NO.

Salt Water Disposal PERMIT NO.

Permit

Other PERMIT NO.

Annular disposal MP-03-5414B  
dated 3/12/97

20. Number of producing wells on this lease in this field (reservoir) including this well

1

21. Total number of acres in this lease

925.93

22. Date Plug Back, Deepening, WorkOver or Drilling Operations:

Commenced

Completed

12/24/96

3/12/97

23. Distance to nearest well. Same Lease &amp; Reservoir

N/A

24. Location of well, relative to nearest lease boundaries of lease on which this well is located

SEE REMARKS

SL: 1462 Feet From NE Line and 5371 Feet from NW Line of the Mabel Wilkin unit/Lease

25. Elevation (DF, RKB, RT, GR, ETC.)

KB: 32' GR: 205'

26. Was directional survey made other than inclination (Form W-12)?

 Yes No27. Top of Pay  
11306' MD  
11305' TVD28. Total Depth  
15931' MD  
12152' TVD

29. P. B. Depth

---

30. Surface Casing Determined by:

Field   
Rules Recommendation of T.D.W.R.   
Railroad Commission (Special) SC-4492  
Dt. of Letter 10/8/96  
Dt. of Letter31. Is well multiple completion?  
 Yes  No32. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No.  
FIELD & RESERVOIR

GAS ID or OIL LEASE #

Oil-O Gas-G

WELL #

33. Intervals Drilled by: Rotary Tools  Cable Tools 34. Name of Drilling Contractor  
Helmerich & Payne  
Rig #94

Navasota River (Cretaceous Lwr.)

G

7HL

35. Is Cementing Affidavit Attached?

 Yes No

## CASING RECORD (Report All Strings Set in Well)

CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
16" Conductor		80'		193 sx "A"		surface	
10-3/4" J-55	45.5	3572'	1665 Poz A	& 500 A Neat	14-3/4	surface	4342
-5/8" P-110	29.7	11908'		700 "H"	9-7/8	10312' per CBL	1102

37.

## LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen
3-1/2" 12.95 L-80	11518'	12341'	---	

slotted liner in Navasota River (Cretaceous Lwr.) lower lateral (00) only

38.

## TUBING RECORD

Size	Depth Set	Packer Set	From	To
2-7/8" L-80	11400	11181' & 11400'	From 11306' MD (11305' TVD)	To 15720' MD (11712' TVD)
		Guiberson G-10	From	To

Note: Isolation sleeve @ 11246.71'

40.

## ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

Depth Interval	Amount and Kind of Material Used

41.

## FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)

Formations	Depth	Formations	Depth
Midway	7734	Pecan Gap	10450
Navarro	8504	Navasota River	11998
Taylor	9328	Austin Chalk	11209

REMARKS Lat 01 Austin Chalk Pen. Pt. 5264' FNWL &amp; 1501' FNEI of unit; 13864' FSWL &amp; 2093' FSEI survey. TL 01 is 476' FSL &amp; 1887' FNWL of unit; 1707' FNWL &amp; 17842' FSWL of survey

NOTE: Individually produced/tested each zone (7HU &amp; 7HI); plan to downhole commingle week of 5/12/97; SWR 10 exception approved effective 4/23/97.

This test was conducted at the request of the operator for the express purpose of satisfying RRC requirements. Its suitability for a )ther purpose is not certified by PESCO Inc. )details contact PESCO Inc.

RAILROAD COMMISSION OF TEXAS  
Oil and Gas Division

MAY 15 1997

Form G-1  
Rev. 4/1/83

Type or print only

483-047

API No. 42-051-33535

7. RRC District No.  
03  
8. RRC Gas ID No.

Gas Well Back Pressure Test,  
Completion or Recompletion Report, and Log

1. FIELD NAME (as per RRC Records or Wildcat) Navasota River (Cretaceous Lwr.)		2. LEASE NAME Mabel Wilkin		9. Well No. 7HL	
3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report) Seneca Resources Corporation			RRC Operator No. 767060		10. County of well site Burleson
4. ADDRESS 1201 Louisiana St., Suite 400, Houston, TX 77002					
5. Location (Section, Block, and Survey) PEN PTS: James Fisher A-23 00 & 01: P. Singleton A-56			5b. Distance and direction to nearest town in this county. 3.6 miles NE of Clay, TX		
6. If operator has changed within last 60 days, name former operator N/A		12. If workover or reclass, give former field (with reservoir) or oil lease no. FIELD # RESERVOIR		<input checked="" type="checkbox"/> Gas ID or OIL LEASE # <input type="checkbox"/> Oil-O Gas-G WELL #	
13. Pipe Line Connection Aquila Southwest Pipeline		N/A		11. Purpose of filling Initial Potential <input checked="" type="checkbox"/> Retest <input type="checkbox"/> Reclass <input type="checkbox"/> Well record only (Explain in remarks) <input type="checkbox"/>	
14. Completion or recompletion date 3/27/97		15. Any condensate on hand at time of workover or recompletion? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		16. Type of Electric or other Log Run. GR/CCL/CBL	

Section I

GAS MEASUREMENT DATA

Date of Test 4/16/97		Gas Measurement Method (Check One) Orifice Meter <input checked="" type="checkbox"/> Flange Taps <input checked="" type="checkbox"/> Pipe Taps <input type="checkbox"/> Positive Choke <input type="checkbox"/> Orifice Vent Meter <input type="checkbox"/> Pitot Tube <input type="checkbox"/> Critical-flow Prover <input type="checkbox"/>							Gas produced during test 9141 MCF	
Run No.	Line Size	Orif. or Choke Size	24 Hr. Coeff. Orif. or Choke	Static P <sub>m</sub> or Choke Press	Diff. h <sub>w</sub>	Flow Temp. °F	Temp. Factor F <sub>tt</sub>	Gravity Factor F <sub>g</sub>	Compress Factor F <sub>pv</sub>	Volume MCF/DAY
1	4.026	2.000	26235.75	375	40.00	75	.9859	.9265	1.038	3047
2										
3										

Section II

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas) .699		Gravity Liquid Hydrocarbon 47.0 Deg. API		Gas-Liquid Hydro Ratio 2672829 CF/Bbl		Gravity of Mixture G <sub>mix</sub> = .700		Avg. Shut-In Temp. 189 °F		Bottom Hole Temp. 304°F @ 12100 (Depth)		
$D_{eff}^{8/3} = 10.806$		$\sqrt{T_r} = \sqrt{655} = 25.59$				$\sqrt{GL} = \sqrt{8470.00} = 92.03$						
$C = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}} = 1118 \times 10.806 / 25.59 = 472.10$						$\frac{\sqrt{GL}}{C} = \frac{92.03}{472.10} = .1949$						
Run No.	Time of Run Min.	Choke Size	Wellhead Press. P <sub>w</sub> PSIA	Wellhead Flow Temp. °F	P <sub>w</sub> <sup>2</sup> (Thousands)	R	R <sup>2</sup> (Thousands)	P <sub>1</sub>	P <sub>w</sub> /P <sub>1</sub>			
Shut-In 24 hrs			2632	74								
1	4320	28/64	1547	85	2393	593.9	352.7	1657	.9336			
2												
3												
4												
Run No.	F	K	S = 1/z	E <sup>ks</sup>	P <sub>f</sub> and P <sub>s</sub>	P <sub>f</sub> <sup>2</sup> and P <sub>s</sub> <sup>2</sup> (thousands)	P <sub>f</sub> <sup>2</sup> - P <sub>s</sub> <sup>2</sup> (thousands)	Angle of Slope				
Shut-In			.2447	1.1565	1.3271	3493	12201		θ .45.00.....			
1	.9672	.2345	1.1580	1.3120	2174	4726	7475	n .1.0000.....				
2								Absolute Open Flow				
3								.4973.... MCF/DAY				
4												

WELL TESTER'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test and that data and facts shown in Sections I and II above are true, correct, and complete, to the best of my knowledge. Bottomhole temperature and the diameter and length of flow string were furnished by the operator of the well.

Signature: Well Tester *[Signature]* Name of Company: FESCO Inc. RRC Representative

OPERATOR'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that I prepared or supervised and directed this report, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Signature: Operator's Representative *[Signature]* Patricia A. Rygg / Patricia A. Rygg Agent 512-266-3066 5/8/97 Date Tel: 713-654-2600 Operator A/C Number

SECTION III DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

17. Type of Completion: New Well  Deepening  Plug Back  Other

18. Permit to Drill, Plug Back or Deepen Amended 3/26/97 PERMIT NO. 454878

19. Notice of Intention to Drill this well was filed in Name of Seneca Resources Corporation

20. Number of producing wells on this lease in this field (reservoir) including this well: 1

21. Total number of acres in this lease: 925.93

22. Date Plug Back, Deepening, WorkOver or Drilling Operations: Commenced 12/24/96 Completed 3/12/97

23. Distance to nearest well. Same Lease & Reservoir: N/A

18. Permit to Drill, Plug Back or Deepen Amended 3/26/97 PERMIT NO. 454878

Rule 37 Exception N/A CASE NO.

Water Injection Permit N/A PERMIT NO.

Salt Water Disposal Permit N/A PERMIT NO.

Other Annular Disposal MP-03-5414B dated 3/12/97 PERMIT NO.

24. Location of well, relative to nearest lease boundaries of lease on which this well is located: SL: 1462 Feet From NE Line and 5371 Feet from NW Line of the Mabel Wilkin Unit/Lease

25. Elevation (DF, RKB, RT, GR, ETC.): KB: 32' GR: 205'

26. Was directional survey made other than inclination (Form W-12)?  Yes  No

27. Top of Pay: 12,124' MD 12,022' TVD

28. Total Depth: 15931' MD 12152' TVD

29. P. B. Depth: ---

30. Surface Casing Determined by: Field  Rules  Recommendation of T.D.W.R.  Railroad Commission (Special)

SC-4492 Dt. of Letter 10/8/96

31. Is well multiple completion?  Yes  No

32. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No. FIELD & RESERVOIR: Giddings (Austin Chalk, Gas) GAS ID or OIL LEASE #: G WELL #: 7HU

33. Intervals Drilled by: Rotary Tools  Cable Tools

34. Name of Drilling Contractor: Helmerich & Payne Rig #94

35. Is Cementing Affidavit Attached?  Yes  No

36. CASING RECORD (Report All Strings Set in Well)

CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
16" Conductor		80'		193 sx "A"		Surface	
10-3/4" J-55	45.5	3572'	1665 Poz A	& 500 A Neat	14-3/4"	Surface	4342
8-5/8" P-110	29.7	11908'		700 "H"	9-7/8"	10312 per CBL	1102

37. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen
3-1/2" 12.95 L-80	11518'	12341'	---	
slotted liner in Navasota River (Cretaceous Lwr.) lower lateral (00) only				

38. TUBING RECORD

Size	Depth Set	Packer Set	Producing interval (this completion) Indicate depth of perforation or open hole
2-7/8" L-80 6.5#	11400	11181' & 11400'	From 12124' MD (12022' TVD) To 15931' MD 12152' TVD
		Guiberson G-10	From To
		Isolation sleeve @ 11246.71'	From To

40. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

Depth Interval	Amount and Kind of Material Used

41. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)

Formations	Depth	Formations	Depth
Midway	7734	Pecan Gap	10450
Navarro	8504	Navasota River	11998
Taylor	9328	Austin Chalk	11209

REMARKS Lat 00 Cretaceous Lwr. Pen Pt. 5493' FNWL & 1619' FNEL of unit; 13746' FSWL & 1863' FSE of survey. Term Loc. Lat. 00 is 613' FSL & 1409' FNWL of unit; 1426' FNWL & 17598' FSWL of survey. Surf. Loc. is 1986' FSEL & 13903' FSWL of survey.

NOTE: Individually tested/produced each zone (7HU & 7HL); plan to downhole commingle week of 5/1 SWR 10 exception approved effective 4/23/97.

81

OIL AND GAS DIVISION ORDER  
SENECA RESOURCES CORPORATION

M 96404  
Unit # 2571

Date of Preparation: 5-30-97

TO: SENECA RESOURCES CORPORATION  
1201 Louisiana Street, Suite 400  
Houston, Texas 77002  
Telephone: (713) 654-2600  
Fax: (713) 654-2659

Effective Date: 3-31-97

Well No.: 1169-630  
Well Name: Mabel Wilkin No. 7-H Unit  
Operator: Seneca Resources Corporation  
County/State: Burleson County, Texas  
Property Description: See Exhibit "B"

1. The undersigned certifies the ownership of their decimal interest in production or proceeds as described in the Division of Interest Schedule attached hereto as Exhibit "B," payable by Seneca Resources Corporation (Seneca).
2. Seneca shall be notified, in writing, of any change in ownership, decimal interest, or payment address. All such changes shall be effective the first day of the month following receipt of such notice.
3. Seneca is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to indemnify and reimburse Seneca any amount attributable to an interest to which the undersigned is not entitled.
4. Seneca may accrue proceeds until the total amount equals \$100.00, or pay the total amount accumulated by December 31st of each year, whichever occurs first, or as required by applicable state statute.
5. This Division Order does not amend any lease or operating agreement between the undersigned and the lessee or operator or any other contracts for the purchase of oil or gas.
6. In addition to the terms and conditions of this Division Order, the undersigned and Seneca may have certain statutory rights under the laws of the state in which the property is located.
7. Special Clauses: See Exhibit "A"

By \_\_\_\_\_

By \_\_\_\_\_

SS/Tax ID No.: \_\_\_\_\_

SS/Tax ID No.: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

Telephone: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Federal law requires you to furnish your Social Security or Tax Identification Number. Failure to Comply will result in a 31% tax withholding and will not be refundable by Payor.

**PLEASE SIGN YOUR NAME EXACTLY AS SHOWN ON THE INTEREST SCHEDULE  
AND ENTER YOUR SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER  
IN THE SPACE PROVIDED.**

**COPY**

EXHIBIT "A"

SPECIAL CLAUSES

TO OIL AND GAS DIVISION ORDER  
SENECA RESOURCES CORPORATION

1. The oil run hereunder shall, on the terms herein stated, become Seneca's property immediately upon being received into Seneca's possession or the possession of Seneca's designated nominee; and Seneca agrees to receive the oil hereunder and, subject to the further provisions hereof, to pay the respective owners therefor according to the division of interest herein indicated, either at the posted per barrel (42 gallons) field price for similar crude prevailing for the field where produced on the date of each respective run, or, if the oil is purchased by a nominee, the price to be paid shall be the same price received by Seneca from such nominee, and, in the absence of a pipeline connection, all prices are subject to deduction of barging or trucking costs and the applicable transportation tax thereof. Seneca, Seneca's designated carrier or purchaser, may treat or steam unmerchantable oil before acceptance thereunder, and the expense therefor may be withheld.
  
2. The undersigned hereby adopt, ratify, and confirm each oil and gas lease, unit designation or agreement, and gas sales or processing agreement, and all amendments thereof, under which the production covered hereby is produced, processed and sold. In the event all or any portion of the land described herein or any formation underlying same be included in one or more units now or hereafter formed or revised by order of any appropriate governmental authority or in one or more duly authorized voluntary units now or hereafter formed or revised, it is agreed that this division order shall be subject to such unit or units so formed or revised and that settlements shall be made in accordance with the production allocated to said tract or formation without requiring the execution of additional division orders.
  
3. Any of the undersigned executing this division order as a lien holder agree that Seneca is authorized to make payment direct to the owner of the royalty or other interest subject to the lien of all proceeds accruing to such owner's interest and waives any rights thereto until Seneca is furnished written notice to the contrary.
  
4. Until Seneca actually receives notice in writing at the above address of any change in ownership or transfer or of any increase or decrease in the amount or character of any owner's interest (whether or not now provided for in any recorded instrument heretofore furnished to Seneca), together with certified copies of properly recorded instruments in evidence thereof, Seneca may continue to make payments for oil and/or gas sold on the basis of the ownership set forth in said Division of Interest Schedule, and Seneca shall be held harmless from any loss arising out of any overpayment as a result of failure to receive written notice of any such change in ownership, transfer or difference in interest. Undersigned agrees to notify Seneca promptly in writing of any change in his, her or its respective interest shown hereon, and any change shall become effective at 7:00 a.m. on the first day of the calendar month following receipt of such notice by Seneca. Seneca will not be responsible for any change of ownership in the absence of actual written notice and satisfactory proof thereof.

## EXHIBIT "B"

Division of Interest Schedule attached to Division  
Order for the Mabel Wilkin No. 7-H Well  
Burleson County, Texas  
1169-630

## Description: Tract 1:

620 acres, more or less, out of the James Fisher Survey, A-23, being that portion of that certain 640 acres described in that certain Assignment of Oil, Gas and Mineral Lease from NAPECO, Inc. to Dov Amir and Louis Erlich recorded in Volume 101, Page 753, Oil and Gas Records, Burleson County, Texas, situated within the boundary lines of the Mabel Wilkin No. 7-H Unit described in that certain Designation of Unit dated March 21, 1997, recorded in Volume 259, Page 301, Oil and Gas Records, Burleson County, Texas.

## Tract 2:

155.45 acres, more or less, out of the Phillip Singleton Survey, A-56, being that portion of the lands described as Tract 1 in that certain Partition Deed dated April 7, 1953, by and among Harry E. Cagle, R. F. Smith and A. D. Smith, recorded in Volume 116, Page 633, Deed Records, Burleson County, Texas, situated within the boundary lines of the Mabel Wilkin No. 7-H Unit described in that certain Designation of Unit filed March 21, 1997, recorded in Volume 259, Page 301, Oil and Gas Records, Burleson County, Texas.

## Tract 3:

142.19 acres, more or less, out of the Phillip Singleton Survey, A-56, being that portion of the lands described as Tract 2 in that certain Partition Deed dated April 7, 1953, by and among Harry E. Cagle, R. F. Smith and A. D. Smith, recorded in Volume 116, Page 633, Deed Records, Burleson County, Texas, situated within the boundary lines of the Mabel Wilkin No. 7-H Unit described in that certain Designation of Unit filed March 21, 1997, recorded in Volume 259, Page 301, Oil and Gas Records, Burleson County, Texas.

## Tract 4:

8.29 acres, more or less, out of part of the Phillip Singleton Survey, A-56, Burleson County, Texas, being that portion of the lands described in that certain Warranty Deed dated November 25, 1913, from T. Clay, et al, to Burleson County Improvement District No. 2, recorded in Volume 47, Page 131, Deed Records, Burleson County, Texas, situated within the boundary lines of the Mabel Wilkin No. 7-H Unit described in that certain Designation of Unit filed March 21, 1997, recorded in Volume 259, Page 301, Oil and Gas Records, Burleson County, Texas.



OWNER NO.:	CREDIT TO:	DIVISION OF INTEREST	DECIMAL INTEREST	TYPE
1020	20 Robert E. Cagle, Harry W. Cagle and Thomas P. Cagle, Co-Independent Executors of the Estate of Harry E. Cagle, Deceased 2620 Fountainview, Suite 305 Houston, Texas 77057 [REDACTED]	1/2 of 1/24 of 155.45/925.93, or	0.0034976	NPRI
17411	21 Myrtle Cagle c/o Robert E. Cagle 2620 Fountainview, Suite 305 Houston, Texas 77057	1/2 of 1/24 of 155.45/925.93, or	0.0034976	NPRI
3501	22 State of Texas 1700 North Congress Avenue Austin, Texas 78701	1/5 of 8.29/925.93, or <i>Subject to 22.5% Roy. Reduction</i>	0.0017907	RI
BEFORE PAYOUT			TOTAL ROYALTY: <u>0.1535715</u>	
Overriding Royalty:				
1025	23 Jesse Filgo 5665 Pine Forest Houston, Texas 77056 [REDACTED]	3.125% OF 620/925.93, plus 4.000% of 155.45/925.93, plus 4.000% of 142.19/925.93, or	0.0337829	ORRI
8685	24 Richard B. Hohlt 400 Knipp Road Houston, Texas 77027-5025 [REDACTED]	1% of 620.925.93, or	0.0066960	ORRI
8514	25 Catherine Faestel 7854 South Argonne Aurora, Colorado 80016 [REDACTED]	.00436% of 155.45/925.93, plus .00436% of 142.19/925.93, or	0.0000140	ORRI (1)



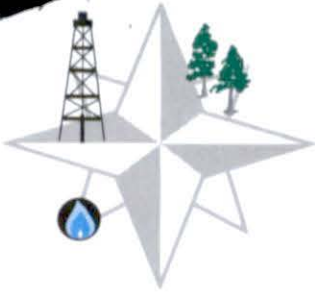
# 19 M 96404

Lte (Division de  
for Sierra  
Reservas

June 3, 1997

5. 1. 05

5. 7/21/97



**SENECA RESOURCES CORPORATION**

RECEIVED  
97 JUL -7 AM 11:14  
ENERGY RESOURCES

June 3, 1997

TO ALL OWNERS SHOWN ON THE ENCLOSED DIVISION ORDER

M 96404  
Unit # 2571

Re: Mabel Wilkin 7-H Unit  
N.E. Clay Prospect  
Burlleson County, Texas

Dear Interest Owner:

Enclosed please find an original and a copy of an Oil and Gas Division Order for the referenced well dated May 30, 1997.

Please review this document and, if it meets with your approval, please execute it pursuant to the enclosed instruction sheet and return the original to me at your earliest convenience. Once I receive your executed original I will be able to place your interest in line for payment in our next check run.

Thank you for your attention to this matter. If you have any questions please do not hesitate to call me at 713-654-2644.

Sincerely,

SENECA RESOURCES CORPORATION

Jeanette Rossi  
Division Order Analyst



Enclosures

J2801

**SENECA RESOURCES CORPORATION**  
1201 Louisiana, Suite 400  
Houston, Texas 77002  
ATTENTION: Jeanette Rossi  
(713) 654-2644

**Instructions To All Interest Owners**  
**Read Carefully Before Signing The Instrument**

The instrument should not be altered in any way unless accompanied by documentary evidence to support the change.

If your name and interest are correctly shown:

**Signature:** Sign name as shown on the instrument.

If signing for a corporation, signature must be attested, corporate seal affixed, and title of signatory party shown. If not previously furnished, a certified copy of authority of executing office must be submitted.

If signed for a partnership, all partners must sign unless signed by an authorized partner and we are furnished a certified copy of his or her authority.

**Signature by  
Second Party:**

If the instrument is signed by agent, attorney-in-fact, guardian, estate representative, trustee or any party other than the named interest owner, we must have evidence of the rights vested in the signatory party.

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•••••  
•••••

**Taxpayers ID  
No. or Social  
Security No.:**

Insert your number in the space provided.

Section 6109 of the Internal Revenue Code requires you to furnish your taxpayer identification number to us. The law also requires that we withhold income tax at the rate of 31% from payments made to you, unless we have your correct identification number. For an individual, the identifying number is your Social Security Number. For a partnership or other business, the identifying number is your employer identification number. The law provides that the IRS may assess you a \$50.00 penalty for failure to furnish your identifying number to us.

**Address:**

Indicate, in the space provided, the address to which checks are to be mailed. Print or type. Do not abbreviate. If you are already receiving checks from Seneca Resources Corporation, be sure to use the same address to which we are now mailing checks.

**Property No.:**

At the top of the division order, you will find the number assigned to this lease. This number will appear on your check and should always be used when corresponding with this company.

**Change of  
Address:**

You should notify us promptly of any change in your mailing address. This notice must be over your own signature or the signature of your appointed agent. Always include your Owner Number (which appears on your check) and your old address, then state your new address with zip code.

**RETURN THE EXECUTED INSTRUMENT WITHOUT DELAY TO THE ABOVE ADDRESS**  
**KEEP ONE COPY FOR YOUR RECORDS**



# FACSIMILE COVER SHEET

M96404

Seneca Resources Corporation

1201 LOUISIANA SUITE 400  
HOUSTON TX 77002-5604

OPERATIONS FAX N° (713) 654-2658  
LAND/LEGAL FAX N° (713) 654-2659

MAIN FAX N° (713) 654-2654  
EXPLORATION FAX N° (713) 654-2656

DATE: 05/12/97

NUMBER OF PAGES: \_\_\_\_\_ (Excluding this page)

TO: LILLY GAMBLE

FAX N° 512-475-1543

COMPANY: G.L.O.

FROM: MARRION SMITH

MESSAGE: \_\_\_\_\_

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This facsimile transmission is intended only for the addressee indicated above. It may contain information that is privileged, confidential, or otherwise protected from disclosure. Any review, dissemination or use of this transmission or its contents by persons other than the addressee is strictly prohibited. If you have received this transmission in error, please notify us immediately by telephone, and mail the original to us at the letterhead address.

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If you do not receive this document in it's entirety, please contact:

(713) 654-26 26

MAY-12-1997 15:15

P.01

*Barbours County,  
Mabel Wilkin No 7-H Unit*

*Dist 03 -*

**1123**  
**DESIGNATION OF UNIT**

**MABEL WILKIN NO. 7-H UNIT**

STATE OF TEXAS §

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF BURLESON §

§

**PART I:****DESIGNATION OF UNIT:**

The undersigned, being the owners of valid and subsisting oil, gas and mineral leases listed in Exhibit "A", attached hereto and made a part hereof, insofar as said oil, gas and mineral leases cover and affect the land and depths described in 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 consist of the Unitized Interval described in the attached Exhibit "B" underlying the land described by metes and bounds in said Exhibit "B" ("the Unit Area"), 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 Unitized Interval underlying the land described in 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 reserve the right to amend this Designation of Unit from time to time, and at any time, in order to correct any error herein or to include in this Unit any newly acquired interests within the Unit boundaries or to enlarge or reduce the unit area in accordance with or as permitted by 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. Any such amendment may be executed by the then Operator of the Unit on behalf of the undersigned, provided that such amendment will not change the interests of the Lessees in the Unit.

By execution of this Designation of Unit, the undersigned do not exhaust their right to pool the leases and lands hereinabove described with other leases and lands as to any other minerals, horizon, or strata covered thereby, and they expressly reserve to themselves, their assignees, or successors in interest, the right and power to pool or unitize the above described leases and lands with any other leases, lands, horizons, or strata in the vicinity and so far as the power, right, and authority to do so is granted in the subject leases and various agreements and so long as such power and authority is exercised in accordance with applicable rules and regulations of any governmental regulatory body or agency having jurisdiction.

**PART III: GENERAL:**

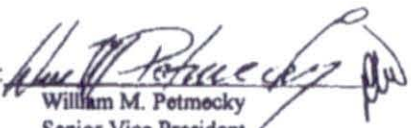
This instrument may be executed as one document signed by all parties, or parties named herein may join herein by execution of a counterpart or ratification, with the same effect as if all parties executed this instrument. Executed signature pages from different originals of this instrument may be combined to form a single original instrument for recording purposes. The failure of any one or more persons owning an interest in the Unit to execute this instrument or a counterpart or ratification thereof shall not in any manner affect the validity of same as to the parties who do execute this instrument.



The Unit hereby created shall be effective as of the date of recording of this Designation of Unit. The Unit shall remain in force as long as the pooled minerals are being produced from the Unit, or so long as the leases covering the Unit are maintained in force by payment or tender of shut-in royalties or by other means, in accordance with the terms of said leases.

IN WITNESS WHEREOF, this Designation of Unit is executed on this 20th day of March, 1997.

SENECA RESOURCES CORPORATION

By:   
William M. Petrocky  
Senior Vice President

\_\_\_\_\_  
DONALD D. GRAHAM

\_\_\_\_\_  
DANIEL KANE

\_\_\_\_\_  
STANLEY KANE

\_\_\_\_\_  
LAWRENCE BLUM

\_\_\_\_\_  
JOEL COOPER

\_\_\_\_\_  
MICHAEL E. TOMSON

\_\_\_\_\_  
DONALD A. CLARK

\_\_\_\_\_  
KEN GANDOLFO

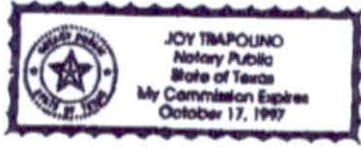
\_\_\_\_\_  
JOSE L. GARCIA

\_\_\_\_\_  
TERESA GARCIA

FILED ON 05/11/97 BY 1141 WLE/EPW/HT/DBE/DOC

STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 20<sup>th</sup> day of March, 1997, by WILLIAM M. PETMECKY, the Senior Vice President of SENECA RESOURCES CORPORATION, a Pennsylvania corporation, on behalf of said corporation.



*Joy Traolino*  
Notary Public for  
The State of Texas

STATE OF NEBRASKA §  
§  
COUNTY OF DOUGLAS §

This instrument was acknowledged before me on this the \_\_\_\_ day of \_\_\_\_\_, 1997 by DONALD D. GRAHAM.

\_\_\_\_\_  
Notary Public

STATE OF FLORIDA §  
§  
COUNTY OF §

This instrument was acknowledged before me on this the \_\_\_\_ day of \_\_\_\_\_, 1997 by DANIEL KANE.

\_\_\_\_\_  
Notary Public

STATE OF NEW YORK §  
§  
COUNTY OF §

This instrument was acknowledged before me on this the \_\_\_\_ day of \_\_\_\_\_, 1997 by STANLEY KANE.

\_\_\_\_\_  
Notary Public

STATE OF ILLINOIS §  
§  
COUNTY OF §

This instrument was acknowledged before me on this the \_\_\_\_ day of \_\_\_\_\_, 1997 by LAWRENCE BLUM.

\_\_\_\_\_  
Notary Public



EXHIBIT "B"  
Attached to and Made a Part of  
Designation of Unit  
Mabel Wilkin No. 7-H Unit

FIELD NOTES TO ACCOMPANY UNIT PLAT

WILKIN 7-H  
925.93 ACRE UNIT ✓  
PAGE 1 OF 2

FIELD NOTES DESCRIPTION OF 925.93 ACRES OF LAND OUT OF THE JAMES FISHER SURVEY, ABSTRACT NO. 23 AND THE P. SINGLETON SURVEY, ABSTRACT NO. 56, BURLESON COUNTY, TEXAS; BEING 620.00 ACRES OF LAND OUT OF THAT CERTAIN 3485.5 ACRE TRACT DESCRIBED IN A DEED TO MARION WILKIN HOHLT AND MABEL WILKIN RECORDED IN VOLUME 83, PAGE 491 OF THE DEED RECORDS OF BURLESON COUNTY, TEXAS; BEING 297.84 ACRES OUT OF THAT CERTAIN TRACT CALLED TRACT 1 IN A DEED TO JESSE MOORE RECORDED IN VOLUME 203, PAGE 87 OF THE DEED RECORDS OF BURLESON COUNTY, TEXAS ( THE SAME BEING 155.48 ACRES OUT OF THE FIRST TRACT AND 142.19 ACRES OUT OF THE SECOND TRACT DESCRIBED IN A DEED OF TRUST RECORDED IN VOLUME 21, PAGE 173); BEING 8.29 ACRES OUT OF THAT CERTAIN TRACT CONVEYED TO THE BURLESON COUNTY IMPROVEMENT DISTRICT RECORDED IN VOLUME 47, PAGE 131 OF THE DEED RECORDS OF BURLESON COUNTY, TEXAS. THE SAID 925.93 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a point on the northwest line of the said P. Singleton Survey, Abstract No. 56 and the said 1006.129 acre Jesse Moore tract, the same being the southeast line of the said James Fisher Survey, Abstract No. 23 and the said 3485.5 acre Marion Wilkin Hohlt and Mabel Wilkin tract, from which a 30 inch diameter post oak tree at the westerly most corner of the said 1006.129 acre Moore tract bears S 44°51'00" W, 9341.24 feet;

THENCE, traversing the interior of the said 3485.5 acre Marion Wilkin Hohlt and Mabel Wilkin tract, the following three (3) courses and distances:

- 1) N 46°18'23" W, 5788.25 feet to a point;
- 2) N 43°56'20" E, 665.16 feet to a point;
- 3) N 46°18'23" W, 1541.86 feet to a point on the northwest line of the said 3485.5 acre tract;

THENCE, N 43°56'20" E, a distance of 976.65 feet to a concrete monument found at the most southerly corner of that certain 43.19 acre tract described in Volume 296, Page 82 of the Deed Records of Burleson County, Texas;

THENCE, N 44°26'13" E, a distance of 1547.50 feet to a concrete monument found at the most easterly corner of the same;

THENCE, N 43°56'52" E, a distance of 702.87 feet to a point;

THENCE, S 46°18'23" E, a distance of 7374.11 feet, traversing the interior of the said 3485.5 acre tract to a point on the southeast line of the same and the said James Fisher Survey, Abstract No. 23, the same being the northwest line of the said P. Singleton Survey and the said 1006.129 acre Jesse Moore tract;

THENCE, N 44°51'00" E, a distance of 473.16 feet along the northwest line of the said 1006.129 acre Jesse Moore tract to a point at the most westerly or northwest corner of the said Burleson County Improvement District tract recorded in Volume 47, Page 131 of the Deed Records of Burleson County, Texas, from which an iron rod found at the northeast corner of the said 1006.129 acre Jesse Moore tract bears N 44°51'00" E, 273.67 feet;

259...305

WILKIN 7-H  
Page 2 of 2

THENCE, S 28°58'52" E, a distance of 3549.48 feet along the west line of the said Burleson County Improvement District tract to an angle point in the same;

THENCE, S 54°08'48" E, a distance of 258.41 feet to a point on the east line of the said Burleson County Improvement District tract;

THENCE, along the east and southeast lines of the said Burleson County Improvement District tract, the following two (2) courses and distances:

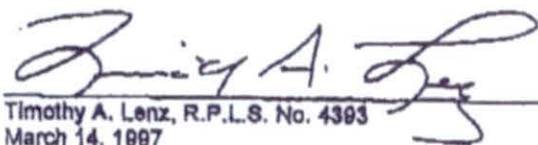
- 1) S 23°03'08" W, 753.99 feet to a point;
- 2) S 85°03'08" W, 511.84 feet to a point on the north bank of the Brazos River;

THENCE, along the north bank of the Brazos River, the following six (6) courses and distances:

- 1) N 87°57'48" W, 351.02 feet to a point;
- 2) N 87°43'58" W, 198.37 feet to a point;
- 3) N 87°43'55" W, 1301.01 feet to a point;
- 4) S 72°15'58" W, 1262.30 feet to a point;
- 5) S 43°20'53" W, 853.02 feet to a point;
- 6) S 14°35'46" W, 14.15 feet to a point;

THENCE, N 45°18'23" W, a distance of 917.59 feet to a point in the interior of the said 1008.128 acre Jesse Moore tract;

THENCE, N 08°45'33" E, a distance of 1513.98 feet to the PLACE OF BEGINNING, containing 926.83 acres of land, more or less.

  
Timothy A. Lenz, R.P.L.S. No. 4393  
March 14, 1997

Lenz & Associates, Inc.  
7306 Old Bee Caves Road  
Austin, Texas 78735  
(512) 288-1574

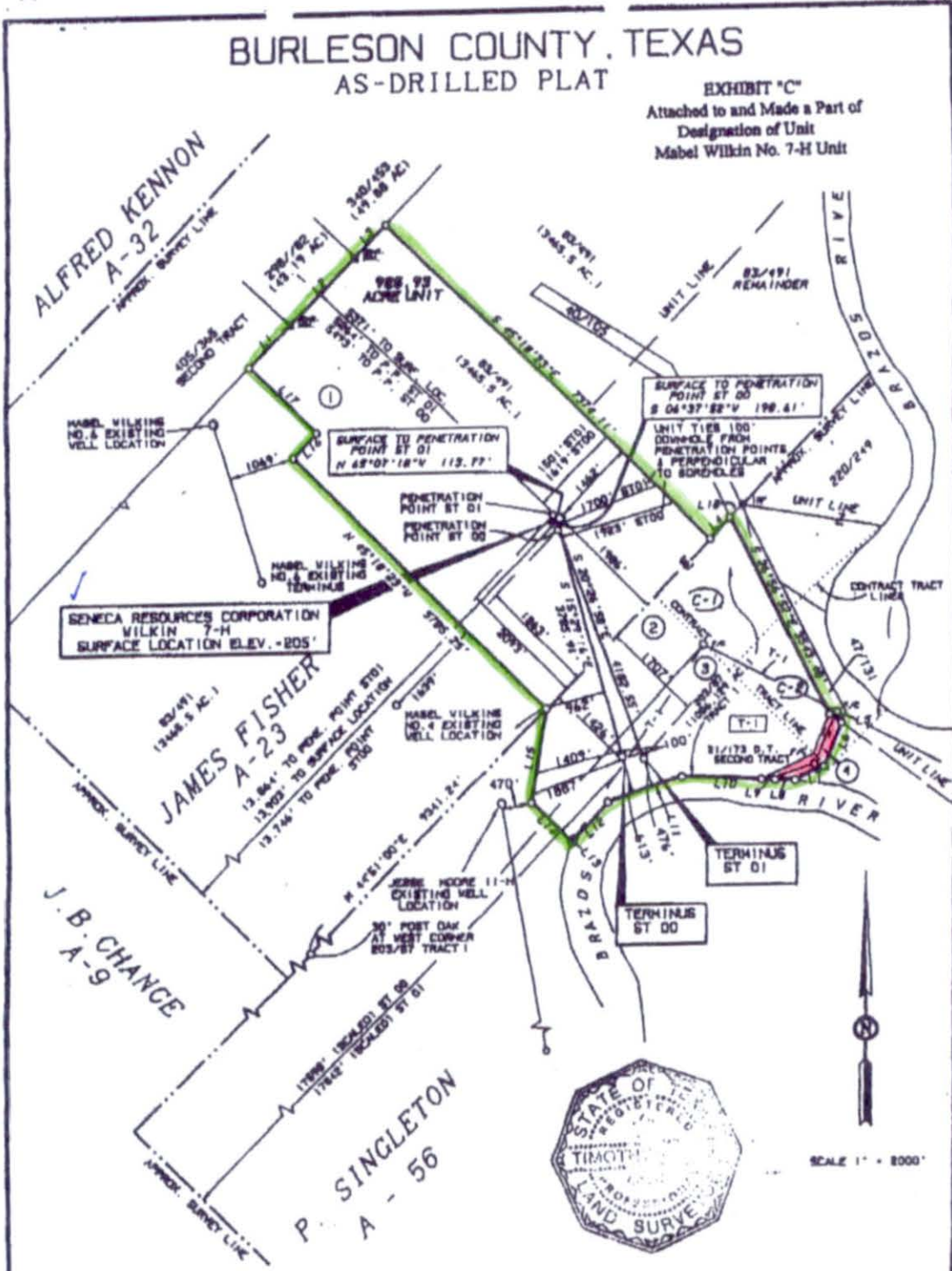


#### UNITIZED INTERVAL

Those depths defined as the stratigraphic equivalent of the interval occurring from 11,538' MD, being the top of the Austin Chalk formation, to 12,074' MD, being the base of the Georgetown formation, as shown on the Dual Induction-SFL log of the Seneca - Wilkins No. 5 well located 13,984' FSWL and 1,994' FSEL of the James Fisher League, A-23, Burleson County, Texas

# BURLESON COUNTY, TEXAS AS-DRILLED PLAT

EXHIBIT "C"  
Attached to and Made a Part of  
Designation of Unit  
Mabel Wilkin No. 7-H Unit



m-96904



SCALE 1" = 8000'

I, TIMOTHY A. LENZ REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4393 DO HEREBY CERTIFY THAT THE ABOVE PLAT CORRECTLY SHOWS THE ABOVE WELL LOCATION PER INFORMATION PROVIDED BY OTHERS.

*Timothy A. Lenz*  
 TIMOTHY A. LENZ  
 REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4393

PAGE 1 OF 8  
 OCTOBER 16, 1996  
 REVISED OCTOBER 21, 1996 (PROPOSED LATERALS)  
 REVISED NOVEMBER 19, 1996 (WELL LOCATION)  
 REVISED MARCH 14, 1997 (AS-DRILLED)  
 DWG WILKIN0  
 JOB 941803

**LENZ & ASSOCIATES, INC.**  
 dba AB SURVEYING Co.

7306 OLD BEE CREEK ROAD  
 AUSTIN, TEXAS 78735  
 PHONE (512) 888-1574  
 FAX (512) 888-0011

VOL 259-1-307

# BURLESON COUNTY, TEXAS

LINE TABLE		
LINE	BEARING	DISTANCE
L 1	N 43°55'20"E	976.55'
L 2	N 44°56'13"E	1847.80'
L 3	N 43°56'52"E	708.87'
L 4	N 44°51'00"E	473.18'
L 5	S 84°06'48"E	286.41'
L 6	S 29°03'08"V	723.99'
L 7	S 68°03'08"V	811.84'
L 8	N 87°57'48"V	381.08'
L 9	N 87°43'56"V	198.37'
L 10	N 87°43'55"V	1301.01'
L 11	S 78°13'58"V	1268.30'
L 12	S 43°20'53"V	883.08'
L 13	S 14°35'46"V	14.15'
L 14	N 48°18'23"V	917.87'
L 15	N 08°48'33"E	1513.98'
L 16	N 43°55'20"E	848.16'
L 17	N 48°18'23"V	1541.66'
L 18	N 44°51'00"E	273.87'

## WILKIN 7-H

VOL 259 : 308

TRACT	ACRES IN UNIT	DESCRIPTION	DEED / OFFICIAL RECORDS VOL/PG
1	620.00	ELIZABETH HOHLT PECORE et al.	83/491
2	155.45	JESSE MOORE	21/173 DEED OF TRUST FIRST TRACT 203/87 TRACT 1
3	142.19	JESSE MOORE	21/173 DEED OF TRUST SECOND TRACT 203/87 TRACT 1
4	8.29	STATE OF TEXAS	M-76404 47/131
926.93 TOTAL ACRES IN UNIT			

CONTRACT TRACTS IN UNIT		
TRACT	ACRES IN UNIT	DESCRIPTION
C-1	87.32	CONTRACT TRACT 26 IN UNIT
C-2	40.98	CONTRACT TRACT 27 IN UNIT

FORMER PROPOSED PRODUCTION UNITS IN UNIT		
TRACT	ACRES IN UNIT	DESCRIPTION
Y-1	111.93	AREA IN WILKIN 7-H FORMERLY IN PROPOSED 1050 96 ACRE CONFIGURATION OF TENNELL 6-H REVISED SEPTEMBER 11, 1996.

NOTES:

- BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- WELL IS LOCATED 3.6 MILES NORTHEAST OF CLAY, TEXAS
- Ø" - IRON ROD FOUND
- Ø" - FENCE CORNER
- Ø" - CONCRETE MONUMENT FOUND
- THE ABOVE TRACTS DESCRIBED AS "CONTRACT TRACTS" WERE ESTABLISHED FROM SKETCHES PROVIDED BY SENECA RESOURCES CORPORATION.
- AS-DRILLED INFORMATION PROVIDED BY OTHERS

FILED FOR RECORD  
 at 3:00 o'clock P.M.  
 MAR 27 1997  
 EVELYN M. HENRY  
 COUNTY CLERK, BURLESON CO., TEX.  
 By *[Signature]* Deputy

AGE 3 OF 2  
 OCTOBER 19, 1996  
 REVISED OCTOBER 21, 1996 (PROPOSED LATERALS)  
 REVISED NOVEMBER 14, 1996 (WELL LOCATION)  
 REVISED  
 JVO WIL  
 JOB 741

THE STATE OF TEXAS  
 COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 21 day of March, 1997, at 3:00 o'clock P. M. and duly recorded on 27 day of March, 1997, in the Oil & Gas Lease Record of said County, in Vol. 259 Page 301-309.

Witness my hand and official seal of the County Court of said County, at my office in Caldwell, Texas, the day and year above written.

By *[Signature]*, Deputy  
 Evelyn M. Henry  
 County Clerk, Burleson County, Texas

1133

1133

75%

FILED FOR RECORD  
at 3:00 o'clock P. M.  
MAR 21 1997  
EVELYN M. HENRY  
COUNTY CLERK  
HARRIS COUNTY, TEXAS

*Amica Rosewood Corp*  
*1261 Fennimore*  
*St. 400*  
*Houston, TX 77002*

File No. 96404 19.A

D.O. County

Date Filed: 7.7.1997

By George P. Bush, Commissioner



Texas General Land Office  
Garry Mauro, Commissioner

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

July 9, 1997

Jeanette Rossi  
Seneca Resources Corporation  
1201 Louisiana Street Suite 400  
Houston, Texas 77002-5604

Re: Mineral File No. M-096404, Unit# 2571  
Well No.: 1169-630  
Lease Name: Mabel Wilkin No. 7-H Unit  
Field: Navasota River (Cretaceous Lwr)  
RRC: 03-162949, Royalty Decimal:.20,  
Tract Participation Factor: .008953  
Burleson County, Texas

Dear Ms. Rossi:

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

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

If you should have any questions, please feel free to call me at (512) 475-1462.

Sincerely,

Lillie Gamble  
Accounts Examiner  
Royalty Management  
Energy Resources

/lrg

2

Enclosure

:

#20 M96404

Att. to Seneca Resources  
(Division order)

7-9-97



Texas General Land Office  
Garry Mauro, Commissioner

*copy*

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

September 18, 1997

Jeanette Rossi  
Seneca Resources Corporation  
1201 Louisiana Street Suite 400  
Houston, Texas 77002-5604

RE: State Lease M-096404, Unit# 2581 (permanent)  
Well No. 1169-630, RRC#: 03-162949  
Lease Name: Mabel Wilkin No. 7-H Unit  
Field: Navasota River (Cretaceous Lwr)  
Tract Participation Factor: .008953, Royalty Decimal: .225  
Total Unit Lease Royalty Interest: .002014

Dear Ms. Rossi:

Please see attached copy of letter dated July 9, 1997 which shows the 6-month temporary unit #2571. The School Land Board approved a permanent unit and a new Unit#2581 replaces the temporary Unit#2571. You have earned a royalty reduction rate from 25% to 22.5% making the State's unit royalty participation of .2014%. Therefore, the Tract Participation Factor (.008953) and Royalty Decimal (.225) should be used in calculating the royalty due the State.

If you should have any questions, please feel free to call me at (512) 475-1462.

Sincerely,

Lillie Gamble  
Accounts Examiner  
Royalty and Revenue Processing  
Energy Resources

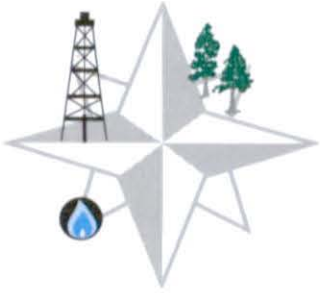
/lg

Enclosures

#21 M96404

Ltr to Smeeta

9-18-97



# SENECA RESOURCES CORPORATION

RECEIVED  
97 SEP 16 AM 11:46

ENERGY RESOURCES

September 11, 1997

The State of Texas  
General Land Office  
1700 North Congress Avenue  
Austin, TX 78701

Re: Term Pooling Agreement  
Mabel Wilken No. 7-H Well  
N. E. Clay Area  
Burlson County, Texas

M-96404

Gentlemen:

Enclosed herewith for retention in your files, is a copy of the Pooling Agreement covering the above referenced well, which has been recorded in the Oil and Gas Lease Records of Burlson County, Texas.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Joy Trapolino".

Joy Trapolino  
Land Secretary

/jt

Enclosures

POOLING AGREEMENT  
SENECA RESOURCES CORPORATION  
MABEL WILKIN NO. 7-H  
BURLESON COUNTY, TEXAS

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Seneca Resources Corporation, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

PURPOSES:

1.

This Pooling Agreement ("Agreement") is made for the purposes of conservation and utilization of the pooled mineral, to prevent waste, to facilitate orderly development and to preserve correlative rights. To such end, it is the purpose of this Agreement to effect equitable participation within the unit formed hereby. This Agreement is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of the pooled mineral and in its interpretation and application shall, in all things, be subject thereto.

UNIT DESCRIPTION:

2.

The oil and gas leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C".

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit in the Austin Chalk Formation and the Georgetown Formation which together are defined as the stratigraphic interval or the correlative equivalent occurring from 11,538 feet measured depth to 12,074 feet measured depth, as shown on the Dual Induction-SPL log of the Seneca Resources Corporation, Wilkins No. 5 Well ("unitized interval").

POOLING AND EFFECT:

4.

The parties hereto commit all of their interests which are within the unit to the extent and as above described into said unit and unitize and pool hereunder the separate tracts described on the attached Exhibit "B", for and during the term hereof, so that such pooling or unitization shall have the following effect:

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional well drilled under the unitized area from a surface location on adjacent or adjoining lands not included within the boundaries of the unitized area, such operations shall be considered to have been commenced on the unitized area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the unitized area and production of oil or gas from the unitized area through any directional well surfaced on adjacent or adjoining land or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations, as the case may be, on the unitized area for all purposes under this Agreement. Nothing in this Agreement is intended or shall be construed as granting to Lessee any leasehold interest, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, easements, or other rights which the lessee, operator or other interest owner in the unitized area may have lawfully acquired from the state or others.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.
- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit,

COUNTY CLERK'S MEMO.  
Portions of This Document  
Not Legible When Received.

according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners.

- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 925.93 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offsets to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.
- (j) Should this Agreement terminate for any cause, in whole or in part, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION:

5.

For the purpose of computing the share of production of the pooled mineral to which each interest owner shall be entitled from the pooled unit, there shall be allocated to each tract committed to said unit that pro rata portion of the pooled mineral produced from the pooled unit which the number of surface acres covered by each such tract and included in the unit bears to the total number of surface acres included in said unit, and the share of production to which each interest owner is entitled shall be computed on the basis of such owner's interest in the production so allocated to each tract.

TAKING ROYALTY IN KIND:

6.

Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this pooling or unitization agreement be made in kind, without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

FULL MARKET VALUE:

7.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

- (a) As to royalty on oil by (1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) gross proceeds of the sale thereof, whichever is the greater;
- (b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Agreement "field" means the general area in which the lands covered hereby are located.)

EFFECTIVE DATE:

8.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of June 3, 1997; however, it is agreed that the State will participate in production from the Unit well or wells on a unitized basis from the date the pooled mineral was or is first produced.

TERM:

9.

This Agreement shall remain in effect so long as the pooled mineral is being produced from said unit, or so long as all leases included in the pooled unit are maintained in force by payment of delay rentals or shut-in oil or gas well royalties, by drilling or rework, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof which are contained in any State lease covered by this Agreement.

STATE LAND:

10.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code having been duly considered, made and obtained.

DISSOLUTION:

11.

The unit covered by this Agreement may be dissolved by Lessee, his heirs, successors or assigns, by an instrument filed for record in Burleson County, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production or upon such other date as may be approved by the School Land Board and mutually agreed to by the undersigned parties, their successors or assigns.

RATIFICATION/WAIVER:

12.

Nothing in this Agreement, nor the approval of this Agreement by the School Land Board, nor the execution of this Agreement by the Commissioner shall: (1) operate as a ratification or revivor of any State lease that has expired, terminated, or has been released in whole or in part or terminated under the terms of such State lease or the laws applicable thereto; (2) constitute a waiver or release of any claim for money, oil, gas or other hydrocarbons, or other thing due to the State by reason of the existence or failure of such lease; (3) constitute a waiver or release of any claim by the State that such lease is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or failure of consideration; (4) constitute a confirmation or recognition of any boundary or acreage of any tract or parcel of land in which the State has or claims an interest; or (5) constitute a ratification of, or a waiver or release of any claim by the State with respect to any violation of a statute, regulation, or any of the common laws of this State, or any breach of any contract, duty, or other obligation owed to the State.

COUNTERPARTS:

13.

This Agreement may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement upon the respective dates indicated below.

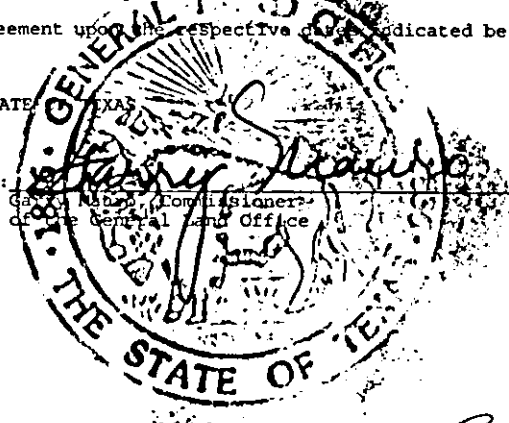
Date Executed 7/29/97

Legal  
Content  
Geology  
Execution

*[Handwritten signature]*  
\_\_\_\_\_  
*[Handwritten initials]*

STATE OF TEXAS

By: *[Handwritten signature]*  
\_\_\_\_\_  
Gavin M. Harris, Commissioner  
of the General Land Office



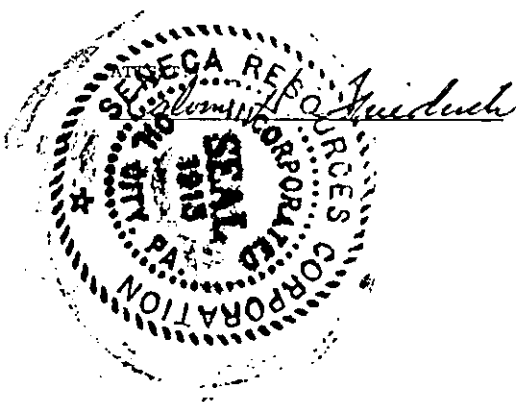
Date Executed July 17, 1997

SENECA RESOURCES CORPORATION

By: *[Handwritten signature]*  
\_\_\_\_\_  
WILLIAM M. PETMECKY  
SENIOR VICE PRESIDENT

Its: \_\_\_\_\_

*[Handwritten initials]*



COUNTY CLERK'S MEMO.  
Portions of This Document  
Not Legible When Received.

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 3rd day of June, 1997, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

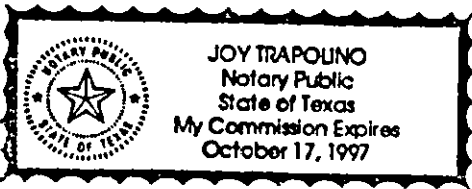
IN TESTIMONY WHEREOF, witness my hand this the 23rd day of July, 1997.

Linda K. Fisher  
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on July 17, 1997, by William M. Etteckys Seneca V.P. of Seneca Resources Corporation, a Pennsylvania corporation, on behalf of said corporation.



Joy Trapolino  
Notary Public in and for the State of Texas

STATE OF

COUNTY OF

This instrument was acknowledged before me on \_\_\_\_\_, 1997, by

\_\_\_\_\_

Date Executed: 6/20/97

By: *Donald Graham*  
Donald Graham

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Daniel Kane

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Stanley Kane

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Lawrence Blum

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Joel Cooper

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Michael Tomson

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Donald A. Clark

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Ken Gandolfo

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Jose Garcia

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Teresa Garcia



Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Donald Graham

Date Executed: \_\_\_\_\_

By: *Daniel Kane*  
Daniel Kane

Date Executed: \_\_\_\_\_

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Date Executed: \_\_\_\_\_

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Daniel Kane

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By: *Stanley Kane*  
Stanley Kane

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By: \_\_\_\_\_  
Lawrence Blum

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Donald Graham

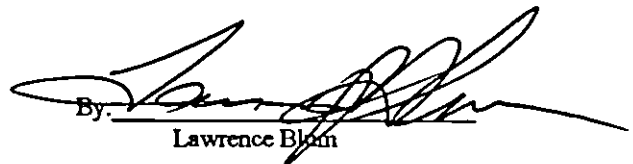
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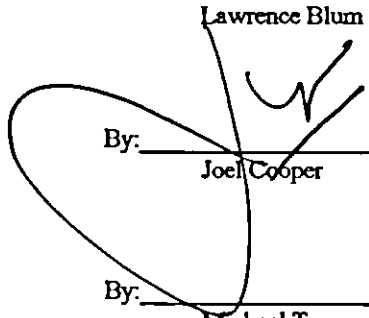
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Daniel Kane

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Stanley Kane

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Lawrence Blum

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Joel Cooper



Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Michael Tomson

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Donald A. Clark

Date Executed: 6/20/97

By: *Ken Gandolfo*  
Ken Gandolfo

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Jose Garcia

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Teresa Garcia

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Donald Graham

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Daniel Kane

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Stanley Kane

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Lawrence Blum

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Joel Cooper



Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Michael Tomson

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Donald A. Clark

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Ken Gandolfo

Date Executed: \_\_\_\_\_

By:  \_\_\_\_\_  
Jose Garcia

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Teresa Garcia

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Donald Graham

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Daniel Kane

Date Executed: \_\_\_\_\_

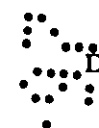
By: \_\_\_\_\_  
Stanley Kane

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Lawrence Blum

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Joel Cooper



Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Michael Tomson



Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Donald A. Clark



Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Ken Gandolfo

Date Executed: \_\_\_\_\_

By: \_\_\_\_\_  
Jose Garcia

Date Executed: \_\_\_\_\_

By: *Teresa Garcia*  
Teresa Garcia

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 3rd day of June, 1997, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the \_\_\_\_\_ day of \_\_\_\_\_, 1997.

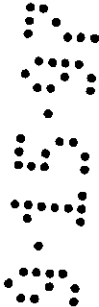
\_\_\_\_\_  
Secretary of the School Land Board

STATE OF TEXAS

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

This instrument was acknowledged before me on \_\_\_\_\_, 1997, by \_\_\_\_\_ as \_\_\_\_\_ of Seneca Resources Corporation, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the  
State of Texas



STATE OF *Nebraska*  
COUNTY OF *Douglas*

This instrument was acknowledged before me on *June 20th*, 1997, by *Ronald A. Stratton*



*Kristen A. May*

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 3rd day of June, 1997, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the \_\_\_\_\_ day of \_\_\_\_\_, 1997.

\_\_\_\_\_  
Secretary of the School Land Board

STATE OF TEXAS

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

This instrument was acknowledged before me on \_\_\_\_\_, 1997, by \_\_\_\_\_ as \_\_\_\_\_ of Seneca Resources Corporation, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the State of Texas

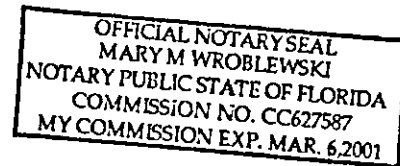


STATE OF *Florida*

COUNTY OF *Sarasota*

This instrument was acknowledged before me on *July 2*, 1997, by *Daniel Kane*.

*Mary M Wroblewski*  
\_\_\_\_\_  
*Notary*



CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 3rd day of June, 1997, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the \_\_\_\_\_ day of \_\_\_\_\_, 1997.

\_\_\_\_\_  
Secretary of the School Land Board

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

This instrument was acknowledged before me on \_\_\_\_\_, 1997, by \_\_\_\_\_ as  
\_\_\_\_\_ of Seneca Resources Corporation, a \_\_\_\_\_ corporation, on behalf  
of said corporation.

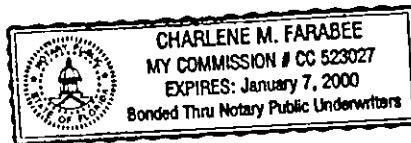
\_\_\_\_\_  
Notary Public in and for the  
State of Texas



STATE OF FLORIDA  
COUNTY OF SARASOTA

This instrument was acknowledged before me on JUNE 26 1997, 1997, by  
STANLEY KANE.

*Charlene M. Farabee*



CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 3rd day of June, 1997, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the \_\_\_\_\_ day of \_\_\_\_\_, 1997.

\_\_\_\_\_  
Secretary of the School Land Board

STATE OF TEXAS

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

This instrument was acknowledged before me on \_\_\_\_\_, 1997, by \_\_\_\_\_ as \_\_\_\_\_ of Seneca Resources Corporation, a \_\_\_\_\_ corporation, on behalf of said corporation.

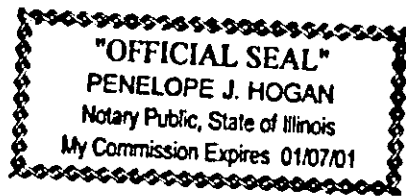
\_\_\_\_\_  
Notary Public in and for the State of Texas



STATE OF *Illinois*  
COUNTY OF *Cook*

This instrument was acknowledged before me on *June 19*, 1997, by *Lawrence J. Blum*

*Penelope J. Hogan*



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of Orange

On 6-16-97 before me, Melissa A. Shores  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Joel Cooper  
Name(s) of Signer(s)

personally known to me – OR –  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Melissa A. Shores  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of Orange

On 6-16-97 before me, Melissa A. Shores  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Michael Tomson  
Name(s) of Signer(s)

personally known to me - OR -  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.  
Melissa A. Shores  
Signature of Notary Public

**OPTIONAL**

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**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

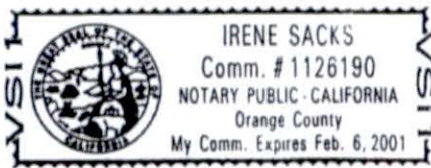
State of California

County of Orange

On June 20, 1997 before me, Irene Sacks, Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Donald Clark  
Name(s) of Signer(s)

personally known to me – OR –  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Irene Sacks  
Signature of Notary Public

**OPTIONAL**

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Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

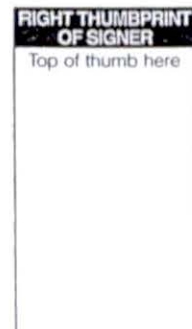
- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

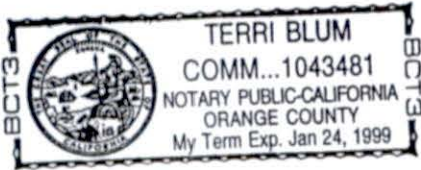
State of CA

County of Orange

On 6-20-97 before me, TERRI BLUM  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared KEN GANDOLFO  
Name(s) of Signer(s)

personally known to me – OR –  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

TERRI BLUM  
Signature of Notary Public

## OPTIONAL

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### Description of Attached Document

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

### Capacity(ies) Claimed by Signer(s)

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of CALIFORNIA

County of LOS ANGELES

On June 26, 1997 before me, SALVADOR DAVILA (Notary Public)  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared JOSE L. GARCIA (Aka) JOE GARCIA  
Name(s) of Signer(s)

personally known to me – OR –  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Signature of Notary Public

**OPTIONAL**

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**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

**RIGHT THUMBPRINT OF SIGNER**

Top of thumb here



Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

**RIGHT THUMBPRINT OF SIGNER**

Top of thumb here



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of LOS Angeles

On 7/7/97 before me, Rosa Guadalupe Gutierrez, Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Teresa Garcia  
Name(s) of Signer(s)

personally known to me – OR –  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

COUNTY CLERK'S MEMO.  
Portions of This Document  
Not Legible When Received.

Rosa Guadalupe Gutierrez  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: State of Texas Pooling Agreement, Wilkima 7-Unit

Document Date: 6/16/97 Number of Pages: 9

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing:  
\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT "A"**

**Attached to and made a part of that certain  
Pooling Agreement for the Mabel Wilkin No. 7-H Unit  
between The State of Texas and Seneca Resources Corporation, et al**

**Description of Leases:**

Insofar and only insofar as the following described leases cover the Unitized Interval underlying lands within the boundaries of the Mabel Wilkin No. 7-H Unit, as described by metes and bounds in Exhibit "B" attached hereto and depicted on the plat attached hereto as Exhibit "C" ("the Unit Area").

Oil, Gas & Mineral Lease between Mabel G. Wilkin, et al, as Lessor and NAPECO, Inc., as Lessee dated January 3, 1979, recorded in Book 24, Page 499 of the Oil & Gas Lease Records of Burleson County, Texas.

Oil, Gas & Mineral Lease between Jesse Moore, as Lessor and Jack D. Brogdon, as Lessee dated November 7, 1973, recorded in Book 15, Page 164 of the Oil & Gas Lease Records of Burleson County, Texas.

Oil, Gas & Mineral Lease between State of Texas M-96404, as Lessor and Seneca Resources Corporation, as Lessee dated April 4, 1995, recorded in Book 241, Page 705 of the Oil & Gas Lease Records of Burleson County, Texas.



EXHIBIT "B"

Attached to and made a part of that certain  
Pooling Agreement for the Mabel Wilkin No. 7-H Unit  
between The State of Texas and Seneca Resources Corporation, et al

FIELD NOTES TO ACCOMPANY UNIT PLAT

WILKIN 7-H  
925.93 ACRE UNIT  
PAGE 1 OF 2

FIELD NOTES DESCRIPTION OF 925.93 ACRES OF LAND OUT OF THE JAMES FISHER SURVEY, ABSTRACT NO. 23 AND THE P. SINGLETON SURVEY, ABSTRACT NO. 56, BURLESON COUNTY, TEXAS; BEING 620.00 ACRES OF LAND OUT OF THAT CERTAIN 3465.5 ACRE TRACT DESCRIBED IN A DEED TO MARION WILKIN HOHLT AND MABEL WILKIN RECORDED IN VOLUME 83, PAGE 491 OF THE DEED RECORDS OF BURLESON COUNTY, TEXAS; BEING 297.64 ACRES OUT OF THAT CERTAIN TRACT CALLED TRACT 1 IN A DEED TO JESSE MOORE RECORDED IN VOLUME 203, PAGE 87 OF THE DEED RECORDS OF BURLESON COUNTY, TEXAS ( THE SAME BEING 155.45 ACRES OUT OF THE FIRST TRACT AND 142.19 ACRES OUT OF THE SECOND TRACT DESCRIBED IN A DEED OF TRUST RECORDED IN VOLUME 21, PAGE 173); BEING 8.29 ACRES OUT OF THAT CERTAIN TRACT CONVEYED TO THE BURLESON COUNTY IMPROVEMENT DISTRICT RECORDED IN VOLUME 47, PAGE 131 OF THE DEED RECORDS OF BURLESON COUNTY, TEXAS. THE SAID 925.93 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a point on the northwest line of the said P. Singleton Survey, Abstract No. 56 and the said 1006.129 acre Jesse Moore tract, the same being the southeast line of the said James Fisher Survey, Abstract No. 23 and the said 3465.5 acre Marlon Wilkin Hohlt and Mabel Wilkin tract, from which a 30 inch diameter post oak tree at the westerly most corner of the said 1006.129 acre Moore tract bears S 44°51'00" W, 9341.24 feet;

THENCE, traversing the interior of the said 3465.5 acre Marion Wilkin Hohlt and Mabel Wilkin tract, the following three (3) courses and distances:

- 1) N 45°18'23" W, 5785.25 feet to a point;
- 2) N 43°55'20" E, 565.16 feet to a point;
- 3) N 45°18'23" W, 1541.66 feet to a point on the northwest line of the said 3465.5 acre tract;

THENCE, N 43°55'20" E, a distance of 976.55 feet to a concrete monument found at the most southerly corner of that certain 43.19 acre tract described in Volume 298, Page 82 of the Deed Records of Burleson County, Texas;

THENCE, N 44°26'13" E, a distance of 1547.50 feet to a concrete monument found at the most easterly corner of the same;

THENCE, N 43°56'52" E, a distance of 702.87 feet to a point;

THENCE, S 45°18'23" E, a distance of 7374.11 feet, traversing the interior of the said 3465.5 acre tract to a point on the southeast line of the same and the said James Fisher Survey, Abstract No. 23, the same being the northwest line of the said P. Singleton Survey and the said 1006.129 acre Jesse Moore tract;

THENCE, N 44°51'00" E, a distance of 473.18 feet along the northwest line of the said 1006.129 acre Jesse Moore tract to a point at the most westerly or northwest corner of the said Burleson County Improvement District tract recorded in Volume 47, Page 131 of the Deed Records of Burleson County, Texas, from which an iron rod found at the northeast corner of the said 1006.129 acre Jesse Moore tract bears N 44°51'00" E, 273.57 feet;

THENCE, S 26°56'52" E, a distance of 3543.48 feet along the west line of the said Burleson County Improvement District tract to an angle point in the same;

THENCE, S 54°06'48" E, a distance of 256.41 feet to a point on the east line of the said Burleson County Improvement District tract;

THENCE, along the east and southeast lines of the said Burleson County Improvement District tract, the following two (2) courses and distances:

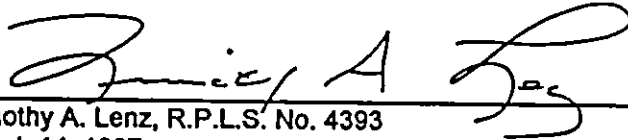
- 1) S 23°03'08" W, 753.99 feet to a point;
- 2) S 65°03'08" W, 511.84 feet to a point on the north bank of the Brazos River;

THENCE, along the north bank of the Brazos River, the following six (6) courses and distances:

- 1) N 87°57'48" W, 351.02 feet to a point;
- 2) N 87°43'56" W, 198.37 feet to a point;
- 3) N 87°43'55" W, 1301.01 feet to a point;
- 4) S 72°15'58" W, 1262.30 feet to a point;
- 5) S 43°20'53" W, 853.02 feet to a point;
- 6) S 14°35'46" W, 14.15 feet to a point;

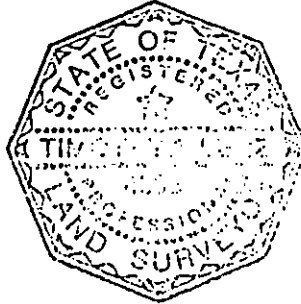
THENCE, N 45°18'23" W, a distance of 917.59 feet to a point in the interior of the said 1006.129 acre Jesse Moore tract;

THENCE, N 08°45'33" E, a distance of 1513.98 feet to the PLACE OF BEGINNING, containing 925.93 acres of land, more or less.



Timothy A. Lenz, R.P.L.S. No. 4393  
March 14, 1997

Lenz & Associates, Inc.  
7306 Old Bee Caves Road  
Austin, Texas 78735  
(512) 288-1574



COUNTY CLERK'S MEMO.  
Portions of This Document  
Not Legible When Received.

**UNITIZED INTERVAL**

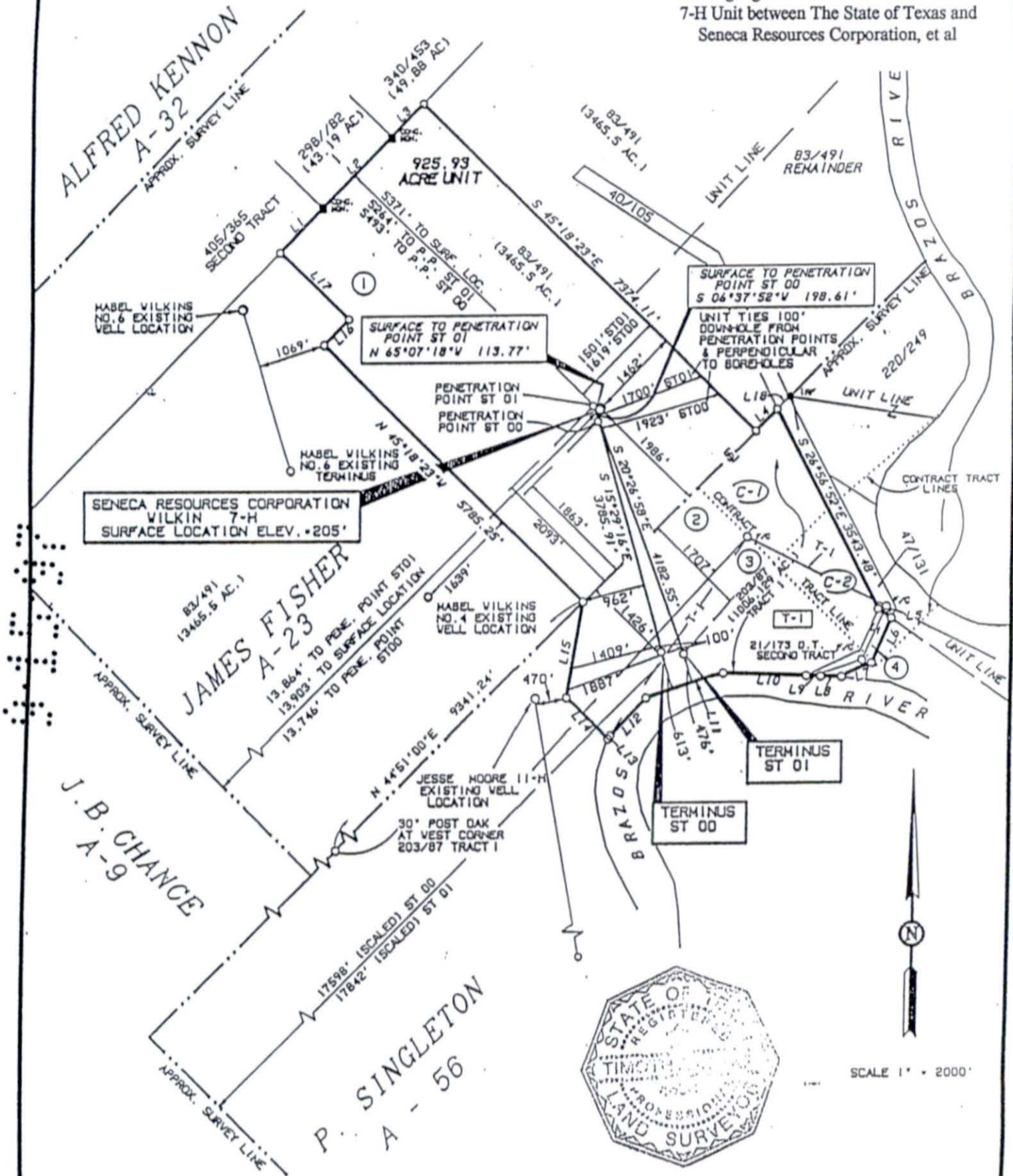
Those depths defined as the stratigraphic equivalent of the interval occurring from 11,538' MD, being the top of the Austin Chalk formation, to 12,074' MD, being the base of the Georgetown formation, as shown on the Dual Induction-SFL log of the Seneca - Wilkins No. 5 well located 13,984' FSWL and 1,994' FSEL of the James Fisher League, A-23, Burleson County, Texas.

# BURLESON COUNTY, TEXAS

## AS-DRILLED PLAT

EXHIBIT "C"

Attached to and made a part of that certain Pooling Agreement for the Mabel Wilkin 7-H Unit between The State of Texas and Seneca Resources Corporation, et al



I, TIMOTHY A. LENZ REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4393 DO HEREBY CERTIFY THAT THE ABOVE PLAT CORRECTLY SHOWS THE ABOVE WELL LOCATION PER INFORMATION PROVIDED BY OTHERS.

*Timothy A. Lenz*  
 TIMOTHY A. LENZ  
 REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4393

PAGE 1 OF 2  
 OCTOBER 16, 1996  
 REVISED OCTOBER 21, 1996 (PROPOSED LATERALS)  
 REVISED NOVEMBER 19, 1996 (WELL LOCATION)  
 REVISED MARCH 14, 1997 (AS-DRILLED)  
 DWG WILK7AD  
 JOB 941203

**LENZ & ASSOCIATES, INC.**  
 dba AB SURVEYING Co.

7306 OLD BEE CAVES ROAD  
 AUSTIN, TEXAS 78735  
 PHONE (512) 288-1574  
 FAX (512) 288-0011

COUNTY CLERK'S MEMO.  
 Portions of This Document  
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# BURLESON COUNTY, TEXAS

## LINE TABLE

LINE	BEARING	DISTANCE
L 1	N 43°55'20"E	976.55'
L 2	N 44°26'13"E	1547.50'
L 3	N 43°56'52"E	702.87'
L 4	N 44°51'00"E	473.18'
L 5	S 54°06'48"E	256.41'
L 6	S 23°03'08"V	753.99'
L 7	S 65°03'08"V	511.84'
L 8	N 87°57'48"V	351.02'
L 9	N 87°43'56"V	198.37'
L 10	N 87°43'55"V	1301.01'
L 11	S 72°15'58"V	1262.30'
L 12	S 43°20'53"V	853.02'
L 13	S 14°35'46"V	14.15'
L 14	N 45°18'23"V	917.59'
L 15	N 08°45'33"E	1513.98'
L 16	N 43°55'20"E	565.16'
L 17	N 45°18'23"V	1541.66'
L 18	N 44°51'00"E	273.57'

## WILKIN 7-H

TRACT	ACRES IN UNIT	DESCRIPTION	DEED / OFFICIAL RECORDS VOL/PAGE
1	620.00	ELIZABETH HOHLT PECORE et al.	83/491
2	155.45	JESSE MOORE	21/173 DEED OF TRUST FIRST TRACT 203/87 TRACT 1
3	142.19	JESSE MOORE	21/173 DEED OF TRUST SECOND TRACT 203/87 TRACT 1
4	8.29	STATE OF TEXAS	H-96404 47/131
925.93 TOTAL ACRES IN UNIT			

## CONTRACT TRACTS IN UNIT

TRACT	ACRES IN UNIT	DESCRIPTION
C-1	57.32	CONTRACT TRACT 26 IN UNIT
C-2	40.98	CONTRACT TRACT 27 IN UNIT

## FORMER PROPOSED PRODUCTION UNITS IN UNIT

TRACT	ACRES IN UNIT	DESCRIPTION
T-1	111.93	AREA IN WILKINS 7-H FORMERLY IN PROPOSED 1050.96 ACRE CONFIGURATION OF TERRELL 5-H REVISED SEPTEMBER 11, 1995.

### NOTES:

- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- 2) WELL IS LOCATED 3.6 MILES NORTHEAST OF CLAY, TEXAS
- 3)  $\bullet$   $\bullet$  IRON ROD FOUND
- 4)  $\bullet$   $\bullet$  FENCE CORNER
- 5)  $\blacksquare$   $\blacksquare$  CONCRETE MONUMENT FOUND
- 6) THE ABOVE TRACTS DESCRIBED AS "CONTRACT TRACTS" WERE ESTABLISHED FROM SKETCHES PROVIDED BY SENECA RESOURCES CORPORATION.
- 7) AS-DRILLED INFORMATION PROVIDED BY OTHERS.

FILED FOR RECORD

AUG 11 1997  
 Evelyn M. Henry  
 COUNTY CLERK, BURLESON CO., TEX.

PAGE 2 OF 2  
 OCTOBER 16, 1996  
 REVISED OCTOBER 21, 1996 (PROPOSED LATERALS)  
 REVISED NOVEMBER 19, 1996 (WELL LOCATION)  
 REVISED  
 DVG WIL  
 JOB 941

### THE STATE OF TEXAS COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 11 day of August, 1997, at 9:00 o'clock A. M. and duly recorded on 14 day of August, 1997, in the Oil & Gas Lease Record of said County, in Vol. 262 Page 247-275.

Witness my hand and official seal of the County Court of said County, at my office in Caldwell, Texas, the day and year above written.

By Houston Turner, Deputy

Evelyn M. Henry  
 County Clerk, Burleson County, Texas

SEP 11 1997

3030

FILED FOR RECORD  
 at 9:00 o'clock AM  
 AUG 11 1997  
*Evelyn M. Henry*  
 EVELYN M. HENRY  
 COUNTY CLERK, GURLESON CO., TEX.

Seneca Resources Corporation  
 Attn: Ms. Joy Trapolino  
 1201 Louisiana, Suite 400  
 Houston, TX 77002

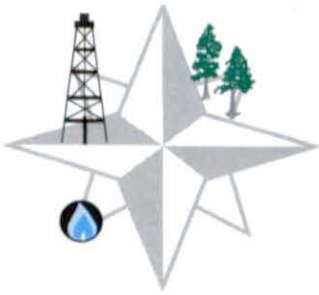
4576

68.75  
Ad.

M-96404 (22)

Ltr. From Seneca  
dated 9/11/97 with  
Recorded copy of  
Pooling Agmt  
Filed 9/25/97

97204



# SENECA RESOURCES CORPORATION

RECEIVED  
58 AUG 22 11 11 AM '96

August 20, 1996

General Land Office  
Stephen F. Austin Building  
1700 N. Congress Avenue  
Austin, TX 78701-1495

*M-96404*  
Re: Robert Moore Unit Well No. 7-H  
N. E. Clay Prospect  
Brazos & Burleson Counties, TX

Gentlemen:

Enclosed herewith for retention in your files, is a copy of Pooling Agreement covering the above referenced well which has been recorded in the records of Brazos and Burleson Counties, Texas.

Should you need anything further, please do not hesitate to call.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Joy Trapolino".

Joy Trapolino  
Land Secretary

/jt

Enclosure

COUNTY CLERK'S MEMO.  
Portions of This Document  
Not Legible When Received.

3415

POOLING AGREEMENT  
SENECA RESOURCES CORPORATION  
ROBERT MOORE UNIT, WELL NO. 7-H  
BRAZOS & BURLESON COUNTIES, TEXAS

FILED

96 JUL -1 PM 3:49

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Seneca Resources Corporation, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and on the terms and conditions which follow:

PURPOSES:

1.

This Pooling Agreement ("Agreement") is made for the purposes of conservation and utilization of the pooled mineral, to prevent waste, to facilitate orderly development and to preserve correlative rights. To such end, it is the purpose of this Agreement to effect equitable participation within the unit formed hereby. This Agreement is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of the pooled mineral and in its interpretation and application shall, in all things, be subject thereto.

UNIT DESCRIPTION:

2.

The oil and gas leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C".

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit in the Austin Chalk Formation defined as the stratigraphic interval or its correlative equivalent occurring from 11,515 feet measured depth to 15,518 feet measured depth, as shown on the Gamma Ray log of the Seneca Resources Corporation, Moore Estate No. 7-H well ("unitized interval").

POOLING AND EFFECT:

4.

The parties hereto commit all of their interests which are within the unit to the extent and as above described into said unit and unitize and pool hereunder the separate tracts described on the attached Exhibit "B", for and during the term hereof, so that such pooling or unitization shall have the following effect:

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional well drilled under the unitized area from a surface location on adjacent or adjoining lands not included within the boundaries of the unitized area, such operations shall be considered to have been commenced on the unitized area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the unitized area and production of oil or gas from the unitized area through any directional well surfaced on adjacent or adjoining land or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations, as the case may be, on the unitized area for all purposes under this Agreement. Nothing in this Agreement is intended or shall be construed as granting to Lessee any leasehold interest, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, easements, or other rights which the lessee, operator or other interest owner in the unitized area may have lawfully acquired from the state or others.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.
- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were

located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners.

- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 576.49 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offset to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.
- (j) Should this Agreement terminate for any cause, in whole or in part, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION:

5.

For the purpose of computing the share of production of the pooled mineral to which each interest owner shall be entitled from the pooled unit, there shall be allocated to each tract committed to said unit that pro rata portion of the pooled mineral produced from the pooled unit which the number of surface acres covered by each such tract and included in the unit bears to the total number of surface acres included in said unit, and the share of production to which each interest owner is entitled shall be computed on the basis of such owner's interest in the production so allocated to each tract.

TAKING ROYALTY IN KIND:

6.

Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this pooling or unitization agreement be made in kind, without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

FULL MARKET VALUE:

7.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

- (a) As to royalty on oil by (1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) gross proceeds of the sale thereof, whichever is the greater;
- (b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Agreement "field" means the general area in which the lands covered hereby are located.)

EFFECTIVE DATE:

8.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of April 16, 1996; however, it is agreed that the State will participate in production from the Unit well or wells on a unitized basis from the date the pooled mineral was or is first produced.

TERM:

9.

This Agreement shall remain in effect so long as the pooled mineral is being produced from said unit, or so long as all leases included in the pooled unit are maintained in force by payment of delay rentals or shut-in oil or gas well royalties, by drilling or rework, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof which are contained in any State lease covered by this Agreement.

STATE LAND:

10.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code having been duly considered, made and obtained.

DISSOLUTION:

11.

The unit covered by this Agreement may be dissolved by Lessee, his heirs, successors or assigns, by an instrument filed for record in Brazos and Burleson Counties, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production or upon such other date as may be approved by the School Land Board and mutually agreed to by the undersigned parties, their successors or assigns.

RATIFICATION/WAIVER:

12.

Nothing in this Agreement, nor the approval of this Agreement by the School Land Board, nor the execution of this Agreement by the Commissioner shall: (1) operate as a ratification or revivor of any State lease that has expired, terminated, or has been released in whole or in part or terminated under the terms of such State lease or the laws applicable thereto; (2) constitute a waiver or release of any claim for money, oil, gas or other hydrocarbons, or other thing due to the State by reason of the existence or failure of such lease; (3) constitute a waiver or release of any claim by the State that such lease is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or failure of consideration; (4) constitute a confirmation or recognition of any boundary or acreage of any tract or parcel of land in which the State has or claims an interest; or (5) constitute a ratification of, or a waiver or release of any claim by the State with respect to any violation of a statute, regulation, or any of the common laws of this State, or any breach of any contract, duty, or other obligation owed to the State.

COUNTERPARTS:

13.

This Agreement may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement upon the respective dates indicated below.

Date Executed 6/24/96

Legal  
Content  
Geology  
Execution

*YMA*  
*[Signature]*  
*[Signature]*

STATE OF TEXAS

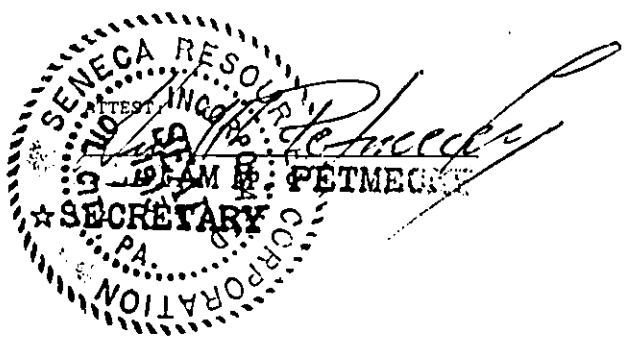
By *[Signature]*  
Gary Maddox, Commissioner  
of the General Land Office



Date Executed 5-16-96

SENECA RESOURCES CORPORATION

By *[Signature]*  
Its **EMMETT WASSELL**  
**VICE PRESIDENT**  
**OPERATIONS**



COUNTY CLERK'S MEMO.  
Portions of This Document  
Not Legible When Received.

*Daniel Kane*

---

Daniel Kane, Trustee u/a dated April 6, 1989  
f/b/o Daniel Kane

---

Stanley B. Kane, Trustee u/a dated March 14,  
1989 f/b/o Stanley B. Kane

---

Lawrence J. Blum

---

Daniel Kane, Trustee u/a dated April 6, 1989  
f/b/o Daniel Kane

*Stanley B Kane*

---

Stanley B. Kane, Trustee u/a dated March 14,  
1989 f/b/o Stanley B. Kane

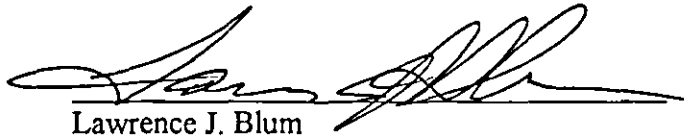
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Lawrence J. Blum

COUNTY CLERK'S MEMO.  
Portions of This Document  
Not Legible When Received.

Daniel Kane, Trustee u/a dated April 6, 1989  
f/b/o Daniel Kane

Stanley B. Kane, Trustee u/a dated March 14,  
1989 f/b/o Stanley B. Kane

  
Lawrence J. Blum

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 16th day of April, 1996, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 24th day of June, 1996.

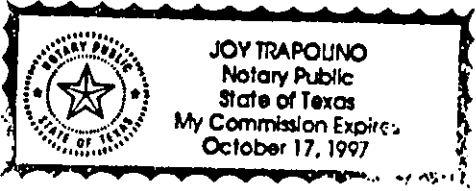
Linda K. Fisher  
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on May 16, 1996, by Emmett Wassell as Vice President of Seneca Resources Corporation, a Pennsylvania corporation, on behalf of said corporation.

Joy Trapolino  
Notary Public in and for the  
State of Texas

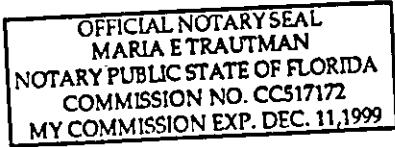


COUNTY CLERK'S MEMO.  
Portions of This Document  
Not Legible When Received.

STATE OF Florida

COUNTY OF Sarasota

This instrument was acknowledged before me on this the 13th day of June, 1996 by Daniel Kane.



Maria E. Trautman  
Notary Public in and for  
The State of Florida

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

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

This instrument was acknowledged before me on this the \_\_\_\_\_ day of \_\_\_\_\_, 1996 by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for  
The State of \_\_\_\_\_

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

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

This instrument was acknowledged before me on this the \_\_\_\_\_ day of \_\_\_\_\_, 1996 by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for  
The State of \_\_\_\_\_

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

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

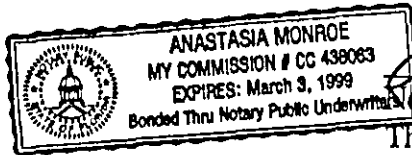
This instrument was acknowledged before me on this the \_\_\_\_\_ day of \_\_\_\_\_, 1996 by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for  
The State of \_\_\_\_\_

STATE OF FLORIDA

COUNTY OF Sarasota

This instrument was acknowledged before me on this the 5 day of June, 1996 by Stanley D Kane FIDLS00:78220-205-0



Anastasia Monroe  
Notary Public in and for  
The State of FLORIDA

COUNTY CLERK'S MEMO.  
Portions of This Document  
Not Legible When Received.

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

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

This instrument was acknowledged before me on this the \_\_\_\_\_ day of \_\_\_\_\_, 1996 by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for  
The State of \_\_\_\_\_

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

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

This instrument was acknowledged before me on this the \_\_\_\_\_ day of \_\_\_\_\_, 1996 by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for  
The State of \_\_\_\_\_

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

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

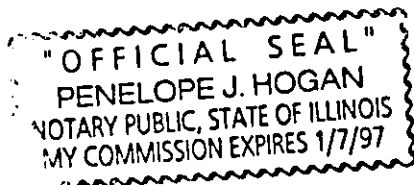
This instrument was acknowledged before me on this the \_\_\_\_\_ day of \_\_\_\_\_, 1996 by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for  
The State of \_\_\_\_\_

STATE OF Illinois

COUNTY OF Cook

This instrument was acknowledged before me on this the 23rd day of May, 1996 by Lawrence J. Blum.



Penelope  
Notary Public in and for  
The State of Illinois

**EXHIBIT "A"**

to Pooling Agreement - Robert Moore Unit, Well No. 7-H

**Pooled Leases**

<u>Lessor</u>	<u>Lessee</u>	<u>Date</u>	<u>Recording Data</u>	
			<u>Volume</u>	<u>Page</u>
Jesse B. Moore	Jack D. Brogdon	11/07/73	15	164*
Robert T. Moore	Randall S. Shawell	7/20/77	27	351*
State of Texas M-96404	Seneca Resources Corp.	4/4/95	241	705*
State of Texas M-97059	Seneca Resources Corp.	1/2/96	2591	167**

\* - Recorded in the Oil and Gas Lease Records of Burleson County, Texas

\*\* - Recorded in the Official Records of Brazos County, Texas

## EXHIBIT "B"

to Pooling Agreement - Robert Moore Unit, Well No. 7-H

## FIELD NOTES TO ACCOMPANY UNIT PLAT

ROBERT MOORE 7-H  
576.49 ACRE UNIT  
Page 1 of 3

FIELD NOTES DESCRIPTION OF 576.49 ACRES OF LAND LOCATED IN BURLESON AND BRAZOS COUNTIES, TEXAS; BEING 240.59 ACRES OUT OF THE P. SINGLETON SURVEY, ABSTRACT NO. 56 IN BURLESON COUNTY, TEXAS AND BEING OUT OF TRACT 1 AND 3 AS CONVEYED TO JESSE MOORE BY DEED RECORDED IN VOLUME 203, PAGE 87 OF THE DEED RECORDS OF BURLESON COUNTY, TEXAS; BEING 21.41 ACRES OUT OF THE P. SINGLETON SURVEY, ABSTRACT NO. 56 IN BURLESON COUNTY, TEXAS AND BEING OUT OF THAT CERTAIN TRACT CONVEYED TO THE BURLESON COUNTY IMPROVEMENT DISTRICT FOR THE CONSTRUCTION OF A LEVEE AND BEING DESCRIBED IN VOLUME 47, PAGE 131 OF THE DEED RECORDS OF BURLESON COUNTY, TEXAS; BEING 126.42 ACRES OF LAND LOCATED IN BOTH BURLESON AND BRAZOS COUNTIES AND BEING THE PORTION OF THE BRAZOS RIVER LOCATED WITHIN THE HEREIN DESCRIBED UNIT; BEING A PORTION OF THE JAS. D. MILLICAN SURVEY, ABSTRACT NO. 41, IN BRAZOS COUNTY, TEXAS AND BEING 1.51 ACRES OUT OF TRACT 6 AND 186.56 ACRES OUT OF TRACT 1 AS CONVEYED TO ROBERT T. MOORE RECORDED IN VOLUME 283, PAGE 91 OF THE DEED RECORDS OF BRAZOS COUNTY, TEXAS. THE SAID 576.49 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a point on the approximate southeast line of the said James Fisher Survey, Abstract No. 23 and the approximate northwest line of the said P. Singleton Survey, Abstract No. 56, Burleson County, Texas, the same being the northwest line of the said Tract 1 conveyed to Jesse Moore recorded in Volume 203, Page 87 and being at the most westerly or northwest corner of the said Burleson County Improvement District tract recorded in Volume 47, Page 131 of the Deed Records of Burleson County, Texas, from which a 30 inch diameter post oak at the most westerly corner of the said Tract 1 bears S 44°51'00" W, a distance of 13,606.28 feet;

THENCE, N 44°51'00" E, a distance of 273.57 feet to an iron rod found at the most northerly corner of the said Tract 1 and the most westerly corner of that certain tract awarded to Old River Ranch in Cause No. 15,535 and recorded in Volume 220, Page 249 of the Deed Records of Burleson County, Texas;

THENCE, S 80°55'01" E, a distance of 2320.70 feet along the southwest line of the said Old River Ranch tract to a point on the west bank of the Brazos River;

THENCE, along the west bank of the Brazos River the following seven (7) courses and distances:

## EXHIBIT "B"

ROBERT MOORE 7-H  
Page 2 of 3

- 1) S 37°47'20" W, 21.16 feet to a point;
- 2) S 48°31'36" W, 298.59 feet to a point;
- 3) S 45°51'18" W, 274.99 feet to a point;
- 4) S 42°01'41" W, 275.99 feet to a point;
- 5) S 34°28'18" W, 269.38 feet to a point;
- 6) S 26°14'33" W, 280.91 feet to a point;
- 7) S 04°51'26" W, 76.58 feet to a point;

THENCE, N 80°45'52" E, a distance of 1091.77 feet to a point on the east bank of the Brazos River;

THENCE, N 69°18'58" E, a distance of 4111.94 feet, crossing the interior of the said Robert T. Moore Tract 1 and Tract 6 to a point in the interior of the said Tract 6, from which a fence corner post found on the approximate north line of the said Jas.D.Millican Survey bears N 0°53'46" W, 1434.80 feet and N 88°32'14" E, 5901.92 feet;

THENCE, S 0°53'46" E, passing an exterior corner of the said Tract 1, the same being an interior corner of the said Tract 6, and continuing along the most easterly line of the said Tract 1 and a westerly line of the said Tract 6 for a total distance of 3886.03 feet to a point on the east bank of the Brazos River;

THENCE, with the east bank of the Brazos River, the following eight (8) courses and distances:

- 1) S 18°46'24" E, 294.64 feet to a point;
- 2) S 21°17'40" E, 343.44 feet to a point;
- 3) S 12°41'16" E, 375.96 feet to a point;
- 4) S 09°55'34" E, 329.33 feet to a point;
- 5) S 03°43'46" E, 334.45 feet to a point;
- 6) S 02°40'17" E, 308.57 feet to a point;
- 7) S 14°18'41" W, 333.19 feet to a point;
- 8) S 21°05'18" W, 196.86 feet to a point, from which a point on the north right-of-way line of the A.T.& S.F. Railroad, at Station 873+41.55, bears S 01°22'05" E, a distance of 2943.45 feet and from said point on right-of-way, a section of steel track found driven vertically in the ground on the said north right-of-way line bears S 89°33'08" W, a distance of 3761.65 feet;

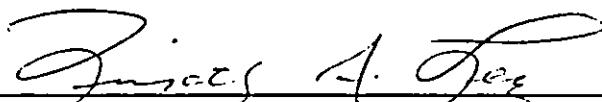
THENCE, S 72°37'13" W, a distance of 903.28 feet to a point on the west bank of the Brazos River, the same being the east line of the said Tract 1 conveyed to Jesse Moore in Volume 203, Page 87 of the Deed Records of Burleson County, Texas;

EXHIBIT "B"

ROBERT MOORE 7-H  
Page 3 of 3

THENCE, N 54°06'48" W, crossing the said Jesse Moore Tract 1 to an angle point in the west line of the said tract conveyed to the Burleson County Improvement District described in Volume 47, Page 131;

THENCE, N 26°56'52" W, a distance of 3543.48 feet along the west line of the said Burleson County Improvement District tract to the PLACE OF BEGINNING, containing 576.49 acres of land, more or less.



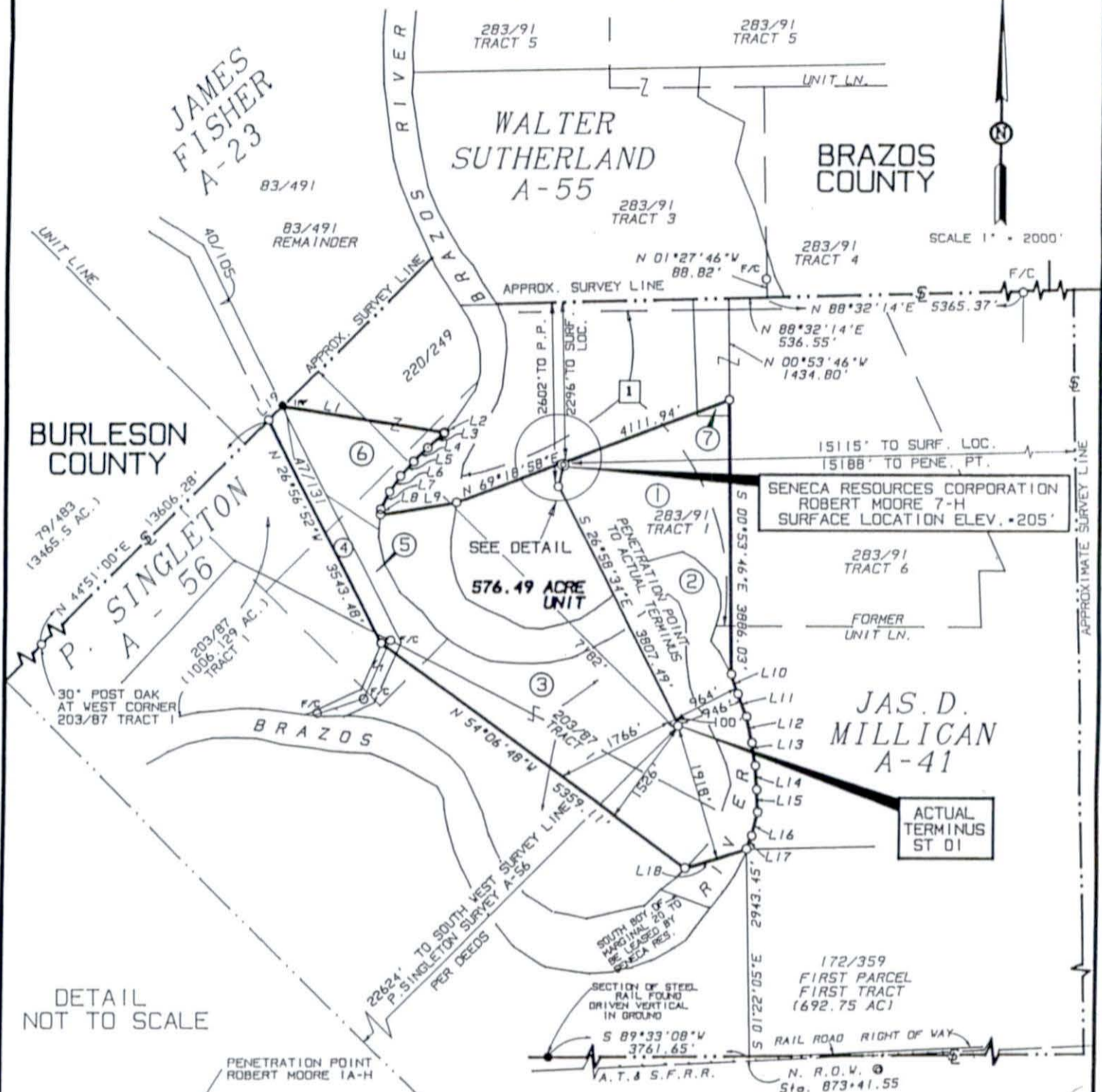
TIMOTHY A. LENZ, R.P.L.S.  
January 24, 1996

SIMPSON-LENZ & ASSOCIATES  
301 Hesters Crossing, No. 150  
Round Rock, Texas 78681  
(512) 388-6052



COUNTY CLERK'S MEMO.  
Portions of This Document  
Not Legible When Received.

# BURLESON & BRAZOS COUNTIES, TEXAS AS-DRILLED PLAT



BURLESON COUNTY

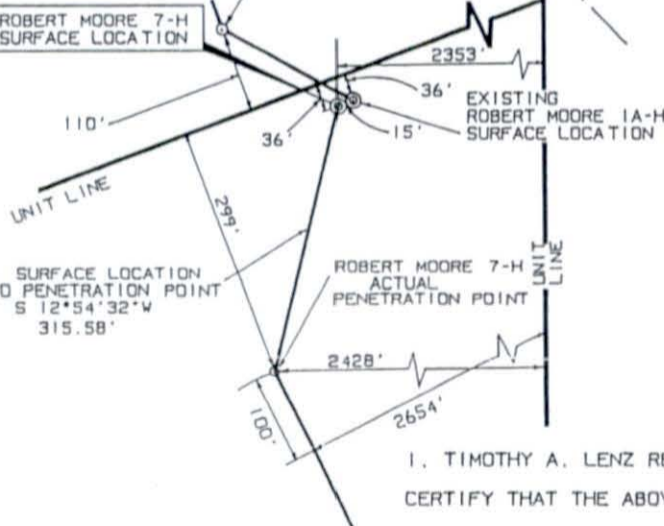
BRAZOS COUNTY

SENECA RESOURCES CORPORATION  
ROBERT MOORE 7-H  
SURFACE LOCATION ELEV. +205'

JAS. D.  
MILLICAN  
A-41

ACTUAL  
TERMINUS  
ST 01

DETAIL  
NOT TO SCALE



COUNTY CLERK'S MEMO.  
Portions of This Document  
Not Legible When Received.



I, TIMOTHY A. LENZ REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4393 DO HEREBY  
CERTIFY THAT THE ABOVE PLAT CORRECTLY SHOWS THE ABOVE WELL LOCATION AS PROPOSED.

*Timothy A. Lenz*  
TIMOTHY A. LENZ  
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4393

PAGE 1 OF 2  
OCTOBER 19, 1995  
REVISED NOVEMBER 2, 1995 (LATERAL)  
REVISED DEC. 19, 1995 (TR. MARGINAL 20)  
REVISED JAN 10, 1996 (SURFACE LOCATION)  
REVISED JAN 24, 1996 (TITLE)  
REVISED FEBRUARY 6, 1996 (PENE. PT. & LATERAL)  
REVISED FEBRUARY 7, 1996 (TRACT 2 LEASE)  
REVISED MARCH 1, 1996 (AS-DRILLED)

DWG RM07H  
JOB 941203

## SIMPSON-LENZ & ASSOCIATES

301, HESTERS CROSSING, SUITE 150  
ROUND ROCK, TEXAS 78681  
PHONE 512-388-6052

VOL 253 PAGE 644

VOL 2630 PAGE 22

# BURLESON & BRAZOS COUNTIES, TEXAS

LINE TABLE		
LINE	BEARING	DISTANCE
L 1	S 35°55'31"E	2320.70'
L 2	S 37°47'20"V	21.16'
L 3	S 48°31'36"V	298.59'
L 4	S 45°51'18"V	274.99'
L 5	S 42°01'41"V	275.99'
L 6	S 34°28'18"V	269.38'
L 7	S 26°14'33"V	280.91'
L 8	S 04°51'26"V	76.58'
L 9	N 80°45'52"E	1091.77'
L 10	S 18°46'24"E	294.64'
L 11	S 21°17'40"E	343.44'
L 12	S 12°41'16"E	375.96'
L 13	S 09°55'34"E	329.33'
L 14	S 03°43'46"E	334.45'
L 15	S 02°40'17"E	308.57'
L 16	S 14°18'41"V	333.19'
L 17	S 21°05'18"V	196.86'
L 18	S 72°37'13"V	903.28'
L 19	N 44°51'00"E	273.57'

COUNTY CLERK'S MEMO.  
Portions of This Document  
Not Legible When Received.

## ROBERT MOORE 7-H

TRACT	ACRES IN UNIT	DESCRIPTION	DEED / OFFICIAL RECORDS VOL/PG . COUNTY
1	186.56	ROBERT T. MOORE	283/91 TRACT 1 BRAZOS
2	126.42	STATE OF TEXAS	M-97059
3	175.24	CONTRACT TRACT 28 JESSE MOORE	203/87 TRACT 1 BURLESON
4	21.41	STATE OF TEXAS	M-96404 47/131 BURLESON
5	30.14	CONTRACT TRACT 27 MRS. MARGARET THOMAS BELIN et al.	203/87 TRACTS 1 & 3 BURLESON 220/249 BURLESON
6	35.21	CONTRACT TRACT 26 MRS. MARGARET THOMAS BELIN et al.	203/87 TRACTS 1 & 3 BURLESON 220/249 BURLESON
7	1.51	ROBERT T. MOORE	283/91 TRACT 6 BRAZOS
576.49 TOTAL ACRES IN UNIT			

## ROBERT MOORE 1A

TRACT	ACRES IN UNIT	DESCRIPTION	DEED / OFFICIAL RECORDS VOL/PG . COUNTY
1	185.39	FORMER 640 AC OIL/GAS WELL UNIT DESIGNATION	478/31 BRAZOS

NOTES:

- 1) BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION
- 2) WELL IS LOCATED 5.4 MILES SOUTHWEST OF MILLICAN, TEXAS
- 3) ● IRON ROD FOUND
- 4) ● PIPE IRON PIPE FOUND
- 5) ○ FENCE CORNER
- 6) THE ABOVE TRACTS DESCRIBED AS "CONTRACT TRACTS" WERE ESTABLISHED FROM SKETCHES PROVIDED BY SENECA RESOURCES CORPORATION.

FILED FOR RECORD  
9:00 o'clock HL M.  
JUL 29 1996  
Evelyn M. Henry  
COUNTY CLERK, BURLESON CO., TEX.

THE STATE OF TEXAS  
COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 29 day of July, 19 96, at 9:00 o'clock A. M. and duly recorded on 1 day of August, 19 96, in the Oil and Gas Lease Record of said County, in Vol. 253 Page 630-645.  
Witness my hand and official seal of the County Court of said County, at my office in Caldwell, Texas, the day and year above written.

Evelyn M. Henry

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JOB #



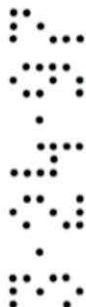
M-96404 (23)

Ltr. From Seneca dated 8/20/96  
with Recorded copy of pooling agmt.

10/13/97

LEASE NO.		LEASE NAME			RENTAL PERIOD	
					MO.	BEGINNING
00102334		STATE OF TEXAS M-96404				04/04/1997
<b>10300253</b>						
STATE	COUNTY	RECORDING INFORMATION			LEASE DATE	CHECK DATE
		BOOK	PAGE	REFERENCE		
TX	BURLESON	241	705		04/04/1995	03/17/1997

PROPERTY DESCRIPTION



*M-96404*

*121*

DEPOSIT TO CREDIT OF:

STATE OF TEXAS  
 1700 N. CONGRESS AVENUE  
 AUSTIN TX 78701-0000

TOTAL AMOUNT:

**X** 97035591  
 \$87.20

RENTAL AMOUNT:

\$87.20

BANK CHARGE:

**PLEASE SIGN AND RETURN THE ATTACHED WHITE RECEIPT**

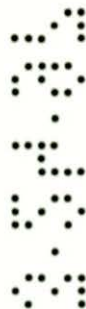
ACCOUNT NO. 1

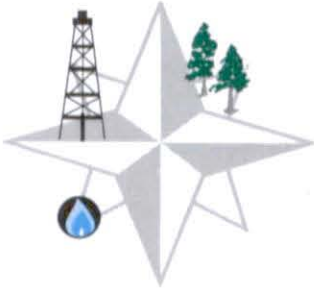
DETACH STATEMENT BEFORE DEPOSITING  
**SENECA RESOURCES CORPORATION**  
 1201 LOUISIANA, SUITE 400  
 HOUSTON, TX 77002

m-96404

(24)

Rental Payment 3-24-97





## SENECA RESOURCES CORPORATION

December 5, 1997

Texas General Land Office  
Stephen F. Austin Building  
1700 North Congress Avenue  
Austin, Texas 78701-1495  
Attention: Ms. Lillie Gamble

Re: Mabel Wilkin No. 7-H Unit  
Well No. 1169-630  
RRC# 03-~~162949~~ 162950 *lg for Mabel Smith*  
State of Texas Lease No. M96404  
N.E. Clay Prospect  
Burlson County, Texas

Dear Ms. Gamble:

Pursuant to our conversations regarding the variable state royalty on the captioned lease, please be advised that a portion of State Lease M96404, dated April 4, 1995, was initially placed in the Robert Moore No. 1A-H Unit. The Robert Moore 1A-H well was placed on line on August 22, 1995 which is within the 18 month period required by Paragraph 4(E) to reduce the State royalty to 20%. This paragraph then states that once the 20% royalty rate is established, "it shall apply to each subsequent well drilled and produced on the land covered by this lease." Therefore, this rate would also apply to the portion of the same lease which was placed in the unit for the Mabel Wilkins 7-H well drilled by Seneca and placed on line March 31, 1997.

The remainder of Paragraph 4(E) states that if the initial well is unsuccessful the lessee may request a 3 month extension, in addition to the 18-month term, in order to drill another well to attempt to qualify for the 20% royalty. Due to the fact that our initial well *was* productive, this portion of the paragraph is not applicable.

I hope that this will help to explain the royalty position of the captioned lease as it pertains to Seneca's wells. If you have any questions please do not hesitate to call me at 713-654-2644.

Sincerely,  
SENECA RESOURCES CORPORATION

*Jeanette Rossi*  
Jeanette Rossi  
Division Order Analyst

J2846

M96404  
Ltr from Geneva  
12/5/97 Ref: Roy.  
Reduction rate

25

RECEIVED  
97 DEC -8 PM 4:38  
ENERGY RESOURCES

**RAILROAD COMMISSION OF TEXAS  
OIL & GAS DIVISION**

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER  
ON REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

ERMIT NUMBER 45487H	DATE PERMIT ISSUED OR AMENDED 11/07/96	DISTRICT 03
PI NUMBER 42 051 33535	FORM W-1 RECEIVED 11/07/96	COUNTY BURLESON
TYPE OF OPERATION DRILL (HORIZONTAL)		ACRES 917.64
OPERATOR 767060  SENECA RESOURCES CORP. 1201 LOUISIANA ST STE 400 HOUSTON TX 77002		NOTICE  This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No.:  713 956-4000
EASE NAME WILKIN, MABEL		WELL NUMBER 7H
LOCATION 3.60 MILES NE FROM CLAY		TOTAL DEPTH 12,500
SECTION, BLOCK and/or SURVEY SECTION => BLOCK => ABSTRACT => 23  SURVEY ==> JAMES FISHER		
DISTANCE--LEASE LINES 1,466.00 F NE - 4,550.00 F S		DISTANCE--NEAREST WELL ON LEASE N/A
DISTANCE--SURVEY LINES 2,011.00 F SE - 13,899.00 F SW		

**READ IMPORTANT CONDITIONS AND INSTRUCTIONS ON THE BACK OF THIS FORM**

## FIELD(S) AND LIMITATIONS

## PERMIT BOTTOM HOLE LOCATION:

SECTION =====> BLOCK => ABSTRACT => 56  
 SURVEY NAME =====> P. SINGLETON  
 LEASE DISTANCE ==> 467.00 F S - 1,400.00 F NW  
 SURVEY DISTANCE => 1,567.00 F NW - 17,552.00 F SW  
 NEAREST WELL =====> N/A

## WILDCAT

CLAY, NE (AUSTIN CHALK 11350)  
 CLAY, N E. (DEEP)  
 CLAY, N.E. (GEORGETOWN)  
 GIDDINGS (AUSTIN CHALK, GAS)  
 JERRY'S QUARTERS (A C 11900)

\*\* LIMITATIONS \*\*

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

REGULAR PROVIDED THIS WELL IS NEVER COMPLETED IN VIOLATION OF  
 APPLICABLE SPECIAL FIELD OR STATEWIDE SPACING RULES.  
 REGULAR PROVIDED THIS WELL IS NEVER DRILLED DEEPER THAN 12500 FEET.  
 WILDCAT ABOVE 12500 FEET.  
 ANY WELLSORE DRILLED UNDER THIS PERMIT MUST BE COMPLETED, OPERATED,  
 AND PRODUCED IN COMPLIANCE WITH STATEWIDE RULE 32.  
 PENETRATION POINT SAME AS SURFACE LOCATION.  
 TL #2: 467' FSL & 1400' FNWL OF LEASE

\*\*\* PLEASE REFER TO ATTACHMENT \*\*\*

27.

File No. MF096404

Permit to drill well 7H.

Date Filed: 11-7-96

By David Dewhurst, Commissioner  
*David Dewhurst*

**DO NOT DESTROY**



**Texas General Land Office**  
**UNIT AGREEMENT MEMO**

PA03-28

Unit Number 3266

Operator Name CRAWFORD ENERGY OPERATING COMPANY Effective Date 3/4/03

TaxID: [REDACTED] Unitized For Oil & Gas

Unit Name R. Moore 7-HRE Unit Unit Term 0 Months

County1 Brazos

	Old Unit Number	Inactive Status Date
County 2	2421	4/16/96
County 3	2472	3/4/03
RRC District: 03	0	
Unit Type: Permanent	0	
State Acreage: 0.1730047730048	0	

Total State Unit Royalty Interest: 0.0368981018981

Unit Depth Above Well: Other

Below Depth 0 Formation: Austin Chalk

Above Depth 11861 TVD [If Exclusions Apply: See Remarks]

MF Number MF097059 Tract Number 2

Lease Acres 93.05 / Total Unit Acres 900.9 =

Tract Participation: 0.1032856 X

Lease Royalty 0.2 = Manual Tract Participation:  See Remark

Tract Royalty Participation 0.0206571 Manual Tract Royalty:

Tract Royalty Reduction	No
Tract Royalty Rate	0
Tract On-Line Date:	

01-000758



## Pooling Committee Report

**To:** School Land Board PA03-28  
**Date of Board Meeting:** March 4, 2003 Unit Number: 3266  
**Effective Date:** 3/4/2003  
**Unit Expiration Date:** Permanent  
**Applicant:** CRAWFORD ENERGY OPERATING COMPANY  
**Operator:** CRAWFORD ENERGY OPERATING COMPANY  
**County 1:** Brazos  
**County 2:** Burleson  
**Unit Name:** R. Moore 7-HRE Unit  
**Field Name:** Clay, N.E. (Austin Chalk 11,350)

<u>Lease Type</u>	<u>MF Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres in Unit</u>	<u>Royalty Participation</u>
UR	(M-102953)	0.25				41.39	0.0114857
SF	MF096404	0.2		3 years	21.4	21.42	0.0047552
SF	MF097059	0.2		3 years	137	93.05	0.0206571

A part of the Brazos River is being pooled pursuant to Texas Natural Resources Code 52.076 which gives the School Land Board the authority to pool unleased riverbeds and channels.

SF = State Fee    RAL = Relinquishment Act    FR = Free Royalty    UR = Unleased River

<b>Private Acres:</b>	745.04
<b>State Acres:</b>	155.86
<b>Total Unit Acres:</b>	900.9

<b><u>Participation Basis:</u></b>	
Surface Acreage	
<b><u>State Acreage:</u></b>	17.30%
<b><u>State Unit Royalty:</u></b>	3.69%

<b><u>Unit Type:</u></b>	<b><u>Unitized for:</u></b>
Permanent	Oil & Gas
<b><u>Term:</u></b>	0 Months

<b><u>Well Location:</u></b>
Private Land

<b><u>RRC Rules:</u></b>	<b><u>Spacing Acres:</u></b>
Special Field Rule	1600


**REMARKS:**

- Crawford Energy Operating Company is requesting an amendment to the Robert Moore Well No. 7-H Unit by increasing the size of the unit from 576.49 acres to 900.90 acres.
- The applicant plans on drilling a second lateral to test the Austin Chalk Formation. The proposed total depth is 20,000 feet measured depth.
- To compensate the state for lost lease bonus on the unleased Brazos River tract the applicant has agreed to pay the Permanent School Fund \$6,208.50 or \$150 per acre.
- If the unit is approved the state's unit royalty participation will be 3.69%.
- Horizontal severance is provided for in the state leases.
- Approval by the School Land Board in no way ratifies any of the state leases included in this proposed unit.

**POOLING COMMITTEE RECOMMENDATION:**

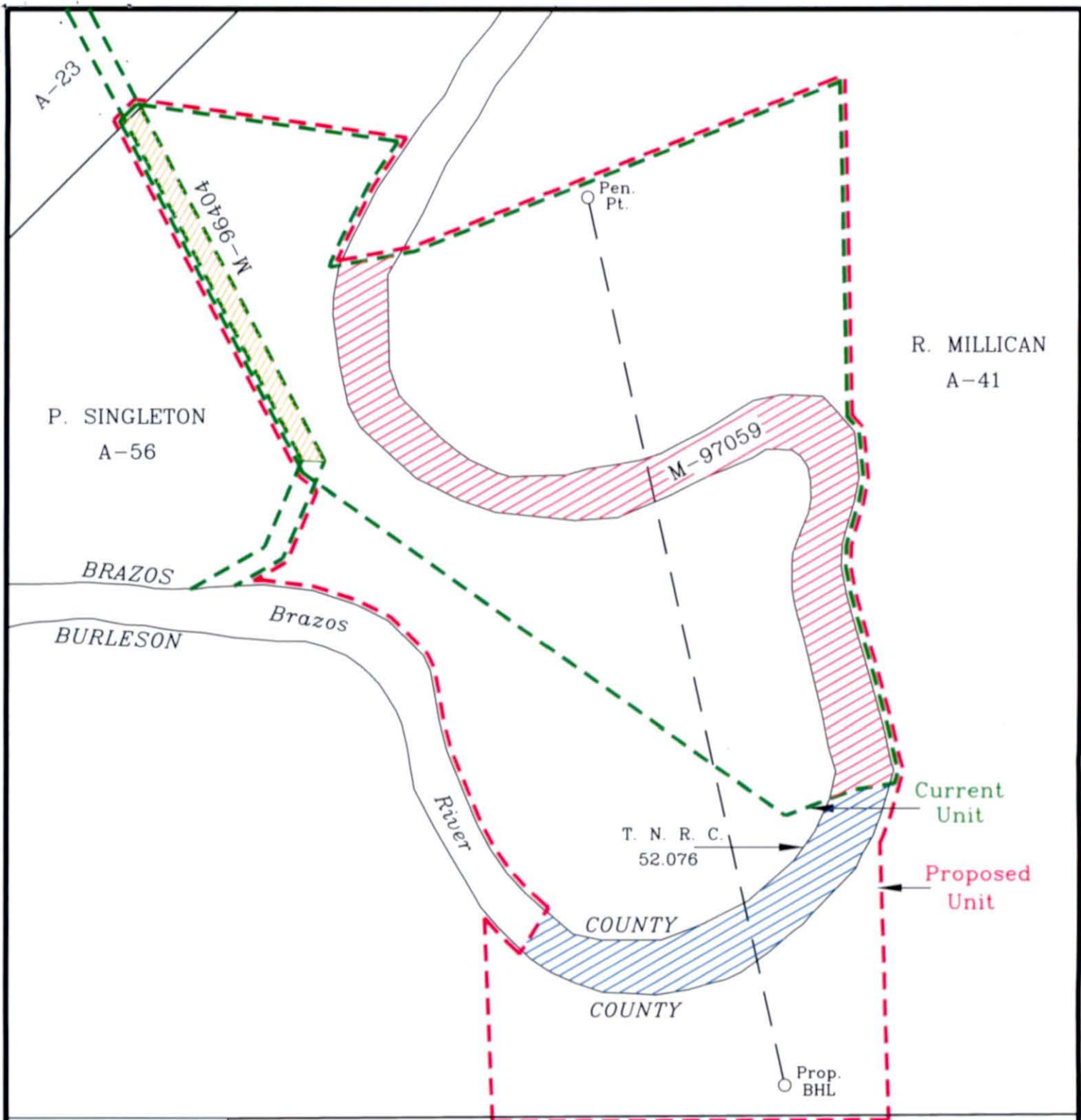
- The Pooling Committee recommends Board approval of the amendment to the Robert Moore Well No. 7-H Unit under the above-stated provisions.

  
\_\_\_\_\_  
Jeffee Martinez-Vargas

  
\_\_\_\_\_  
Peter A. Boone

2/19/03  
Date:

2.19.03  
Date:



R. MILLICAN

A-42

03-28\ft\03-03

CRAWFORD ENERGY OPERATING COMPANY  
 R. MOORE 7-HRE UNIT  
 CLAY, N. E. (AUSTIN CHALK 11350)  
 M-96404, M-97059 AND A PART OF THE BRAZOS RIVER  
 IS BEING POOLED PURSUANT TO T. N. R. C. 52.076  
 BRAZOS AND BURLESON COUNTIES

File No.

MT-096404 28,  
Working Committee Report

Date Filed:

4/2/03

Jerry E. Patterson, Commissioner

By

[Signature]

AMENDMENT OF POOLING AGREEMENT  
SENECA RESOURCES CORPORATION  
ROBERT MOORE UNIT, WELL NO. 7-H  
(Now the "R. MOORE 7-HRE UNIT")  
BRAZOS AND BURLESON COUNTIES, TEXAS

WHEREAS, on April 16, 1996, the Seneca Resources Corporation, Robert Moore Unit, Well No. 7-H in Brazos and Burleson Counties, Texas, was presented to and approved by the School Land Board of the State of Texas pursuant to the provisions of Subchapter E, Chapter 52, of the Texas Natural Resources Code; and

WHEREAS, pursuant to such approval, Seneca resources Corporation et al. as Lessee and the Commissioner of the General Land Office of the State of Texas entered into that certain Pooling Agreement ("Agreement") to pool certain State lands into the Robert Moore Unit, Well No. 7-H covering 576.49 acres more particularly described in Pooling Agreement on file in the Archives and Records of the Texas General Land Office, Austin, Texas, in Mineral File No. M-96404; and

WHEREAS, Crawford Energy Operating Company is now the operator of the Robert Moore Unit, Well No. 7-H; and

WHEREAS, on March 4, 2003, Crawford Energy Operating Company made application and the School Land Board approved its application to rename the unit and increase its size from 576.49 acres to 900.90 acres; and

WHEREAS, the Commissioner of the General Land Office finds that amending said Agreement as approved by the School Land Board is in the best interest of the State of Texas:

NOW THEREFORE, in consideration of the premises and of the mutual agreements contained in said Agreement, it is agreed that the Agreement be amended as to its name so that it is the "CRAWFORD ENERGY OPERATING COMPANY, R. MOORE 7-HRE UNIT" and as to the unit area by deleting the exhibits to the Agreement in their entirety and substituting the attached Exhibit "A", as a list of the oil and gas leases included in the amended pooled unit, the attached Exhibit "B" as a description of the lands included in the amended pooled unit and the attached Exhibit "C" as a plat of the amended 900.90 acre pooled unit.

Nothing in this Amendment, nor the approval of this Amendment by the School Land Board, nor the execution of this Amendment by the Commissioner shall: (1) operate as a ratification or revivor of any State lease that has expired, terminated, or has been released in whole or in part or terminated under the terms of such State lease or the laws applicable thereto; (2) constitute a waiver or release of any claim for money, oil, gas or other hydrocarbons, or other thing due to the State by reason of the existence or failure of such lease; (3) constitute a waiver or release of any claim by the State that such lease is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or failure of consideration; (4) constitute a confirmation or recognition of any boundary or acreage of any tract or parcel of land in which the State has or claims an interest; or (5) constitute a ratification of, or a waiver or release of any claim by the State with respect to any violation of a statute, regulation, or any of the common laws of this State, or any breach of any contract, duty, or other obligation owed to the State.

This Amendment of Pooling Agreement may be executed in counterparts and, if so executed, shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Amendment of Pooling Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Amendment of Pooling Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment of Term Pooling Agreement upon the respective dates indicated below but to be effective as of March 4, 2003.

Date Executed 6-4-03

STATE OF TEXAS

Legal  
Content  
Geology  
Executive

*MFE*  
*[Signature]*

By: *Jerry E. Patterson*  
Jerry E. Patterson, Commissioner  
General Land Office

Date Executed 5/21/03

CRAWFORD ENERGY OPERATING COMPANY

By: *Gail Crawford*  
Gail Crawford  
President

00005

Date Executed 05/21/03

CRAWFORD ENERGY, INC.

A. Gail Crawford, President

Date Executed 5/21/03

Ed A. Smith

Date Executed 05/21/03

Thomas J. Hughes

Date Executed 05/21/03

A E H ENERGY, L.L.C

Mike Hill, President

Date Executed \_\_\_\_\_

DANIEL KANE REVOCABLE TRUST U/A/D  
4/6/1989

\_\_\_\_\_  
Daniel Kane, Trustee

Date Executed 5/15/03

STANLEY B. KANE REVOCABLE TRUST  
U/A/D 3/14/1989

  
Stanley B. Kane, Trustee

Date Executed 05/21/03  
~~4-21-03~~ *AK*

CRAWFORD ENERGY, INC.

*A. Gail Crawford*  
A. Gail Crawford, President

Date Executed 05/21/03

*Ed A. Smith*  
Ed A. Smith

Date Executed 05/21/03

*Thomas J. Hughes*  
Thomas J. Hughes

Date Executed 05/21/03

A E H ENERGY, L.L.C

*Mike Hill*  
Mike Hill, President

Date Executed 4/29/03

DANIEL KANE REVOCABLE TRUST U/A/D  
4/6/1989

*Daniel Kane*  
Daniel Kane, Trustee

Date Executed \_\_\_\_\_

STANLEY B. KANE REVOCABLE TRUST  
U/A/D 3/14/1989

\_\_\_\_\_  
Stanley B. Kane, Trustee

00-023



CERTIFICATE

I, Amber Maxwell, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 4th day of March, 2003, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this 4<sup>th</sup> day of June, 2003.

Amber Maxwell

Secretary of the School Land Board

STATE OF TEXAS                   §  
   §  
COUNTY OF HARRIS           §

This instrument was acknowledged before me on April 23, 2003, by A. Gail Crawford, as President of Crawford Energy Operating Company, a Texas Corporation, on behalf of said corporation.



Donna Cole  
Notary Public in and for the State of TEXAS

STATE OF TEXAS                   §  
   §  
COUNTY OF HARRIS           §

This instrument was acknowledged before me on ~~April~~ May 21<sup>st</sup>, 2003, by A. Gail Crawford, as President of Crawford Energy, Inc., a Texas Corporation, on behalf of said corporation.



Lynda W. Kimbrell  
Notary Public in and for the State of TEXAS

CERTIFICATE

I, Amber Maxwell, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 4th day of March, 2003, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

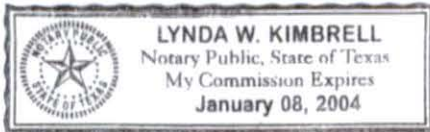
\_\_\_\_\_  
Secretary of the School Land Board

STATE OF TEXAS

§  
§  
§

COUNTY OF HARRIS

This instrument was acknowledged before me on ~~April~~ <sup>May</sup> 21<sup>st</sup>, 2003, by A. Gail Crawford, as President of Crawford Energy Operating Company, a Texas Corporation, on behalf of said corporation.



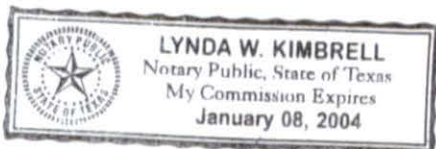
\_\_\_\_\_  
Notary Public in and for the State of TEXAS

STATE OF TEXAS

§  
§  
§

COUNTY OF HARRIS

This instrument was acknowledged before me on ~~April~~ <sup>May</sup> 21<sup>st</sup>, 2003, by A. Gail Crawford, as President of Crawford Energy, Inc., a Texas Corporation, on behalf of said corporation.



\_\_\_\_\_  
Notary Public in and for the State of TEXAS

STATE OF TEXAS

§  
§  
§

COUNTY OF HARRIS

This instrument was acknowledged before me on ~~April~~ May 21st, 2003, by Ed A. Smith.



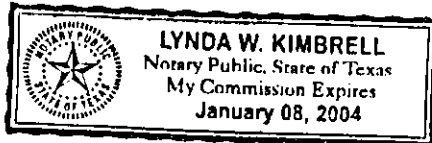
*Lynda W. Kimbrell*  
Notary Public in and for the State of TEXAS

STATE OF TEXAS

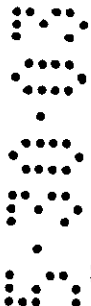
§  
§  
§

COUNTY OF HARRIS

This instrument was acknowledged before me on ~~April~~ May 21st, 2003, by Thomas J. Hughes.



*Lynda W. Kimbrell*  
Notary Public in and for the State of TEXAS

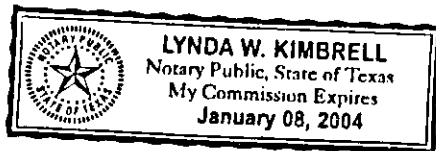


STATE OF TEXAS

§  
§  
§

COUNTY OF HARRIS

This instrument was acknowledged before me on ~~April~~ May 21st, 2003, by Mike Hill, as President of A E H Energy, L.L.C., a Texas Limited Liability Company, on behalf of said limited liability company.



*Lynda W. Kimbrell*  
Notary Public in and for the State of TEXAS

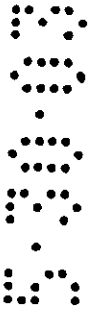
STATE OF FLORIDA           §  
  §  
COUNTY OF SARASOTA       §

This instrument was acknowledged before me on \_\_\_\_\_, 2003, by Daniel Kane,  
as Trustee of the Daniel Kane Revocable Trust U/A/D 4/6/1989.

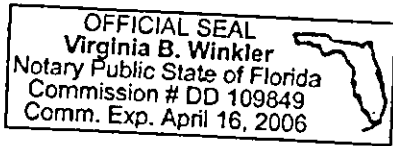
\_\_\_\_\_  
Notary Public in and for the State of FLORIDA

STATE OF FLORIDA           §  
  §  
COUNTY OF SARASOTA       §

This instrument was acknowledged before me on May 15, 2003, by Stanley B.  
Kane, as Trustee of the Stanley B. Kane Revocable Trust U/A/D 3/14/1989.



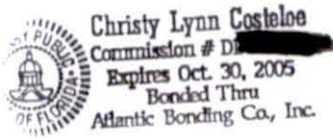
Virginia B. Winkler  
Notary Public in and for the State of FLORIDA



STATE OF FLORIDA                   §  
  §  
COUNTY OF SARASOTA           §

This instrument was acknowledged before me on April 29, 2003, by Daniel Kane, as Trustee of the Daniel Kane Revocable Trust U/A/D 4/6/1989.

*Christy Lynn Costeloe*  
Notary Public in and for the State of FLORIDA



STATE OF FLORIDA                   §  
  §  
COUNTY OF SARASOTA           §

This instrument was acknowledged before me on \_\_\_\_\_, 2003, by Stanley B. Kane, as Trustee of the Stanley B. Kane Revocable Trust U/A/D 3/14/1989.



\_\_\_\_\_  
Notary Public in and for the State of FLORIDA

**EXHIBIT "A"**

Attached to and made a part of that certain Amendment of Pooling Agreement dated effective March 4, 2003 for the R. Moore 7-HRE Unit, Brazos and Burleson Counties, Texas.

**Pooled Leases**

1. Oil and Gas Lease dated effective January 2, 1996, from State of Texas (M-97059), as Lessor, to Seneca Resources Corporation, as Lessee, recorded in Volume 2591, Page 167 of the Official Public Records of Brazos County, Texas.
2. Oil and Gas Lease dated effective April 4, 1995, from State of Texas (M-96404), as Lessor, to Seneca Resources Corporation, as Lessee, recorded in Volume 241, Page 705 of the Oil & Gas Lease Records of Burleson County, Texas.
3. Oil, Gas and Mineral Lease dated January 28, 2003, from Terrell Family L. P., as Lessor, to Crawford Energy, Inc., as Lessee, a Memorandum of said lease is recorded in Volume 5213, Page 250 of the Official Public Records of Brazos County, Texas.
4. Oil, Gas and Mineral Lease dated January 28, 2003, from Terrell Family L. P., as Lessor, to Crawford Energy, Inc., as Lessee, a Memorandum of said lease is recorded in Volume 5213, Page 253 of the Official Public Records of Brazos County, Texas.
5. Oil, Gas and Mineral Lease dated January 28, 2003, from Mary T. Pederson, as Lessor, to Crawford Energy, Inc., as Lessee, a Memorandum of said lease is recorded in Volume 5213, Page 247 of the Official Public Records of Brazos County, Texas.
6. Oil, Gas and Mineral Lease dated January 28, 2003, from Mary T. Pederson, as Lessor, to Crawford Energy, Inc., as Lessee, a Memorandum of said lease is recorded in Volume 5213, Page 244 of the Official Public Records of Brazos County, Texas.
7. Oil, Gas and Mineral Lease dated January 28, 2003, from Charles Janner, et ux, as Lessor, to Crawford Energy, Inc., as Lessee, a Memorandum of said lease is recorded in Volume 594, Page 481 of the Official Public Records of Burleson County, Texas.
8. Oil, Gas and Mineral Lease dated November 7, 1973, from Jesse B. Moore, as Lessor, to Jack D. Brogdon, as Lessee, recorded in Volume 15, Page 164 of the Oil & Gas Lease Records of Burleson County, Texas.
9. Oil, Gas and Mineral Lease dated July 20, 1977, from Robert T. Moore, et al, as Lessor, to Randall S. Shawell, as Lessee, recorded in Volume 27, Page 351 of the Oil & Gas Lease Records of Brazos County, Texas.

EXHIBIT "B"

Attached to and made a part of that certain Amendment of Pooling Agreement dated effective March 4, 2003 for the R. Moore 7-HRE Unit, Brazos and Burleson Counties, Texas.

CRAWFORD ENERGY OPERATING COMPANY  
R. MOORE NO. 7-H RE UNIT  
900.90 ACRES  
BURLESON AND BRAZOS COUNTIES, TEXAS

Being 900.90 acres of land, lying and being situated in Burleson and Brazos Counties, Texas, part of the P. Singleton Survey, A-56, Burleson County and part of the James D. Millican Survey, A-41, Brazos County, being a portion of the Brazos River and being comprised of the following tracts: (1) 228.17 acres of land, more or less, being a portion of a called 265.1 acre tract described as Tract 1 in a deed dated December 31, 1969, from H. H. Moore, et al to Robert T. Moore, et al, recorded in Volume 283, Page 91, Deed Records of Brazos County, Texas; (2) 93.05 acres of land, more or less, part of the Brazos River, described in Oil & Gas Lease No. M-97059, dated January 2, 1996, from the General Land Office of the State of Texas to Seneca Resources Corporation, recorded in Volume 251, Page 791, Oil and Gas Lease Records of Burleson County, Texas; (3) 167.50 acres of land, more or less, being a portion of the same land described as 561.3 acres -First Tract- in a Partition Deed dated April 7, 1953, recorded in Volume 116, Page 633, Deed Records of Burleson County, Texas; (4) 21.42 acres of land, more or less, being part of that certain tract of land described in a deed dated November 28, 1913, from T. T. Clay, et al to Burleson County Improvement District No. 2, recorded in Volume 47, Page 131, Deed Records of Burleson County, Texas; (5) 162.20 acres of land, more or less, being a portion of the same land described as 561.3 acres -Second Tract- in a Partition Deed dated April 7, 1953, recorded in Volume 116, Page 633, Deed Records of Burleson County, Texas; (6) 41.39 acres of land, more or less, being that portion of the Brazos River lying between State of Texas Mineral Lease M-97296 and State of Texas Mineral Lease M-97059; (7) 1.51 acres of land, more or less, being a portion of the same land described as -Tract 6- in a deed dated December 31, 1969 from H. H. Moore, et al to Robert T. Moore, recorded in Volume 283, Page 91, Deed Records of Brazos County, Texas; (8) 60.56 acres of land, more or less, of a called 124 acre tract of land described in a deed from D. B. Osburn, et ux to L. H. Simpson, dated April 21, 1930, recorded in Volume 77, Page 294, Deed Records of Brazos County, Texas; (9) 58.22 acres of land, more or less, being a portion of the same land called 692.75 acres in a Partition Deed between J. P. Terrell and Mary S. Terrell, dated January 6, 1956, recorded in Volume 172, Page 359, Deed Records of Brazos County, Texas (172/359, D.R. Brazos C., Tx.); and (10) 66.88 acres of land, more or less, being a portion of the same land described as 561.3 acres - Second Tract - in a Partition Deed dated April 7, 1953, recorded in Volume 116, Page 633, Deed Records of Burleson County, Texas (116/633, D.R. Burleson C., Tx.), and being more particularly described as follows:

BEGINNING at a 5/8" iron rod found at a fence corner on the approximate southeast line of the James Fisher Survey, A-23 and on the approximate northwest line of the P. Singleton Survey, A-56 for a northerly northwest corner hereof, being the northwest corner of said 167.50 acres included herein out of said 561.3 acre First Tract (116/633, D.R. Burleson C., Tx.) and the northwest corner of a called 32.667 acre tract in Cause No. 15535, District Court of Burleson County, Texas, dated May 6, 1974, and being the occupied southwest corner of the Old River Ranch, Inc. tract called 65.854 acres in said Cause No. 15535, said beginning corner being N 44° 53' 29" E, 13,878.14 feet from a 5/8" iron rod found 2 feet northeast of the northeast edge of a 36" post oak tree for the west corner of a called 1006.129 acre tract described in a deed from James Bruce Belin, Jr., et al to Jesse Moore, dated August 29, 1972, recorded in Volume 203, Page 87, D.R. Burleson C., Texas;

THENCE, along the north line of said 32.667 acre tract, S 80° 52' 38" E, 2488.01 feet, to a northeasterly corner hereof on a northwest bank of the Brazos River;

THENCE, along the northwest bank of the Brazos River with its meanders, as follows:

S 37° 29' 20" W, 503.91 feet;

S 29° 27' 26" W, 524.81 feet; and

S 21° 25' 12" W, 225.47 feet, to an interior corner of this unit tract and the northwest corner of said 93.05 acres of the Brazos River (State Lease No. M-97059), included herein;

CRAWFORD ENERGY OPERATING COMPANY  
R. MOORE NO. 7-H RE UNIT

THENCE, crossing the Brazos River, N 80° 47' 47" E, at 505.39 feet pass the east bank of said river, being the most northerly northeast corner of said 93.05 acres, at a total distance of 664.25 feet, to an interior corner of this unit, being situated in the Robert T. Moore tract known as Tract 1 and called 265.1 acres (283/91, D.R. Brazos C., Tx.);

THENCE, through said Moore tract and through a Robert T. Moore tract called Tract 6 (283/91, D.R. Brazos C., Tx.), N 69° 20' 53" E, 4111.94 feet, to the most northerly northeast corner hereof and of said 1.51 acres included herein out of said Moore Tract 6;

THENCE, S 00° 51' 51" E, 3048.51 feet, to corner on an east bank of the Brazos River;

THENCE, along the east bank of the Brazos River with its meanders, as follows:

- S 32° 29' 55" E, 38.96 feet;
- S 13° 50' 59" E, 310.48 feet;
- S 01° 33' 52" W, 395.16 feet;
- S 17° 54' 36" W, 573.36 feet;
- S 15° 31' 54" E, 1938.68 feet;
- S 09° 50' 29" W, 105.55 feet; and
- S 24° 46' 47" W, at 28.71 feet pass the southeast corner of said 93.05 acres, at a total distance of 356.12 feet, to the northeast corner of said 58.22 acres included herein out of said Terrell tract (172/359, D.R. Brazos C., Tx) being on a southeast bank of the Brazos River;

••• THENCE, through said Terrell 692.75 acre tract, being along the east line of said 58.22 acre tract, S 01° 20' 10" E, 2649.46 feet, to the southeast corner of said 58.22 acres and the southeast corner of this unit tract on a north line of the A.T. & S.F. Railroad right-of-way, being on the approximate south boundary of the James D. Millican Survey, A-41;

••• THENCE, along said railroad right-of-way and said survey line, S 89° 35' 03" W, 3589.25 feet, to the lower southwest corner of this unit and the southwest corner of said 60.56 acres included herein out of said original 124 acre tract (77/294, D.R. Brazos C., Tx.), a found railroad rail bears S 89° 35' 03" W, 172.40 feet;

••• THENCE, N 01° 20' 09" W, 1825.73 feet, to the northwest corner of said 60.56 acres included herein, being on a southwest bank of the Brazos River;

THENCE, along a southwest bank of the Brazos River, S 40° 15' 52" E, 477.58 feet, to the southwest or most westerly corner of said 41.39 acres of the Brazos River included herein;

THENCE, crossing the Brazos River, N 31° 05' 13" E, 444.03 feet, to the northwest corner of said 41.39 acres on a northeast bank of the Brazos River;

THENCE, along northeasterly banks of the Brazos River with its meanders, as follows:

- N 52° 48' 47" W, 94.01 feet;
- N 39° 00' 57" W, 416.30 feet;
- N 31° 43' 47" W, 398.11 feet;
- N 25° 39' 46" W, 590.42 feet;
- N 16° 13' 34" W, 1037.17 feet;

CRAWFORD ENERGY OPERATING COMPANY  
R. MOORE NO. 7-H RE UNIT

N 36° 43' 08" W, 170.53 feet;  
N 50° 22' 00" W, 424.03 feet;  
N 57° 51' 44" W, 404.60 feet;  
N 78° 14' 59" W, 502.02 feet; and  
N 83° 18' 12" W, 250.94 feet, to the intersection of a north bank of the Brazos River with a southeast line of a Burleson County Improvement District No. 2 levee parcel (47/131, D.R. Burleson County, Texas);

THENCE, along southeast lines of said Burleson County Improvement District No. 2 levee parcel, as follows:  
N 65° 05' 03" E, 373.35 feet; and  
N 23° 05' 03" E, 753.99 feet, to corner on a southeast line of same;

THENCE, crossing said Burleson County Improvement District No. 2 levee parcel, N 54° 04' 53" W, 256.41 feet, to an interior corner of same;

THENCE, along the southwest line of said levee parcel, N 26° 54' 57" W, 3546.51 feet, to a westerly exterior corner hereof on the approximate division line of said Singleton and Fisher Surveys;

THENCE, N 44° 29' 30" E, 106.08 feet, to a 3/8" iron rod found at a cross tie fence corner post, and  
N 46° 11' 07" E, 168.33 feet, to the PLACE OF BEGINNING, containing 900.90 acres of land, more or less.

Bearings are based on True North obtained by GPS observations.

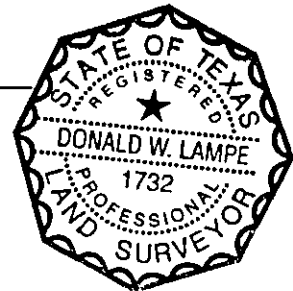
Reference is hereby made to a separate survey plat dated February 6, 2003 and revised February 14, 2003.

Prepared by Lampe Surveying from an on the ground survey. Title furnished by Crawford Energy Operating Company.

Dated this the 14th day of February, 2003.

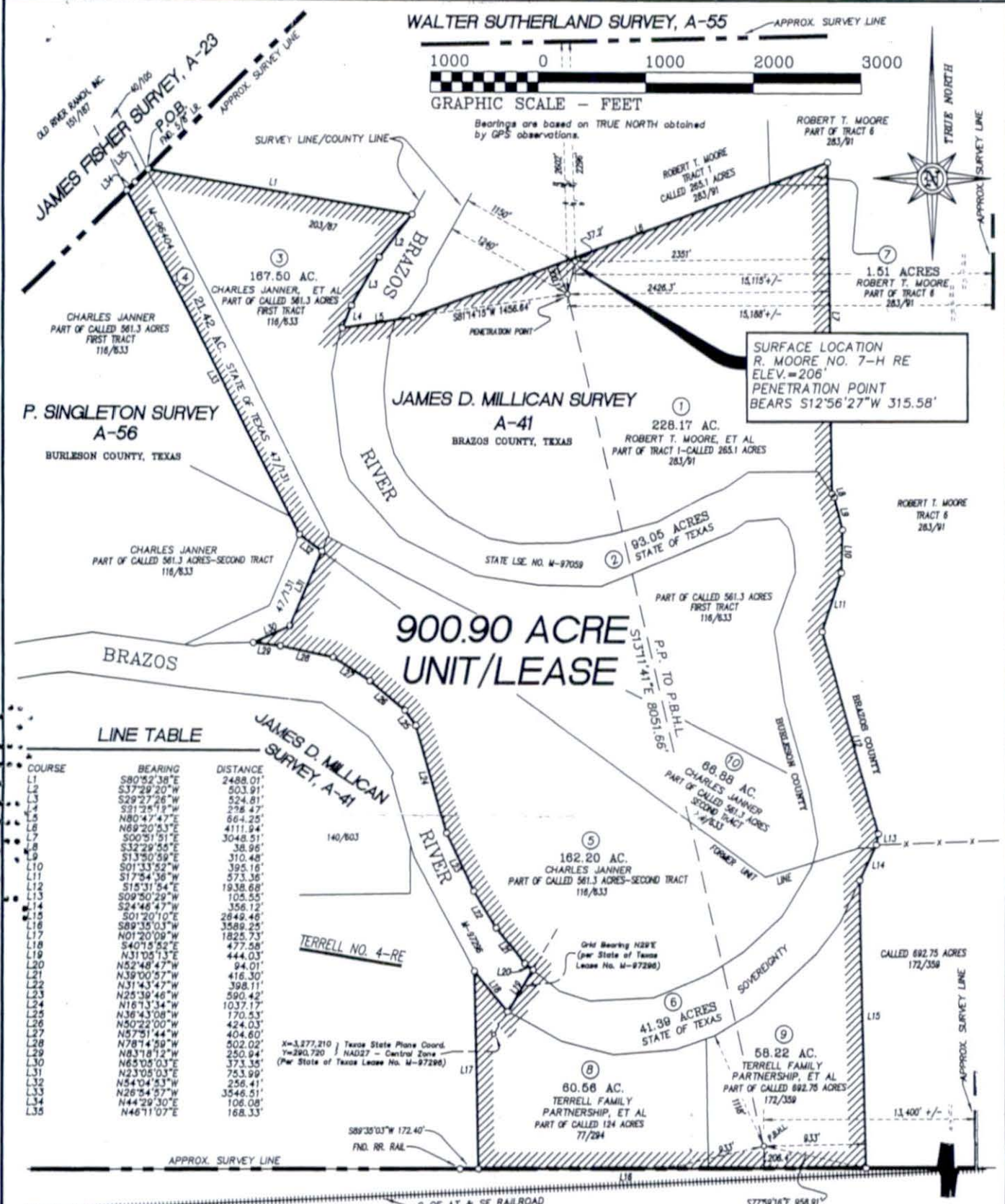
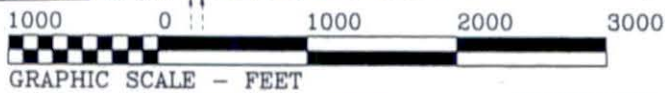


Donald W. Lampe  
R.P.L.S. No. 1732



2208-03  
2208DESC

WALTER SUTHERLAND SURVEY, A-55



LINE TABLE

COURSE	BEARING	DISTANCE
L1	S80°52'38\"E	2488.01'
L2	S37°29'20\"W	503.91'
L3	S29°27'26\"W	524.81'
L4	S21°25'18\"W	276.47'
L5	N80°47'47\"E	664.25'
L6	N69°20'53\"E	411.94'
L7	S00°51'51\"E	3048.51'
L8	S32°29'55\"E	38.96'
L9	S13°50'59\"E	310.48'
L10	S01°33'52\"W	395.16'
L11	S17°54'36\"W	573.36'
L12	S15°31'54\"E	1938.66'
L13	S09°50'29\"W	105.55'
L14	S24°46'47\"W	356.12'
L15	S01°20'10\"E	2649.46'
L16	S89°35'03\"W	3589.25'
L17	N01°20'09\"W	1825.73'
L18	S40°15'52\"E	477.58'
L19	N31°05'13\"E	444.03'
L20	N52°48'47\"W	94.01'
L21	N39°00'57\"W	416.30'
L22	N31°43'47\"W	398.11'
L23	N25°39'46\"W	590.42'
L24	N16°13'34\"W	1037.17'
L25	N36°43'08\"W	170.53'
L26	N50°22'00\"W	424.03'
L27	N57°51'44\"W	404.60'
L28	N78°14'59\"W	502.02'
L29	N83°18'12\"W	250.94'
L30	N65°05'03\"E	373.35'
L31	N23°05'03\"E	753.99'
L32	N54°04'53\"W	256.41'
L33	N26°54'57\"W	3546.51'
L34	N44°29'30\"E	106.08'
L35	N46°11'07\"E	168.33'

X=3,277,210 ; Texas State Plane Coord.  
Y=290,720 ; NAD27 - Central Zone  
(Per State of Texas Lease No. M-97296)

NOTE: Title furnished by CRAWFORD ENERGY OPERATING COMPANY.  
283/91, 172/359, 77/294 \* DEED RECORDS OF BRAZOS COUNTY, TEXAS  
116/833, 151/187, 47/131 \* DEED RECORDS OF BURLESON COUNTY, TEXAS  
Reference is hereby made to a description of the subject unit dated February 14, 2003.

Note: Robert Moore 1A-H surface location bears N70°24'E 15.0'  
from the R. Moore No. 7-H RE surface location.

THE STATE OF TEXAS  
COUNTIES OF BURLESON & BRAZOS

I, Donald W. Lampe, Registered Professional Land Surveyor No. 1732  
of the State of Texas, do hereby certify that this plat accurately  
shows the surface location of the CRAWFORD ENERGY OPERATING COMPANY-  
R. MOORE NO. 7-H RE surface location as located on the ground under my  
direction during the month of January, 2003.

Dated this 6th day of February, 2003.  
Revised: February 14, 2003

*Donald W. Lampe*  
Donald W. Lampe  
R.P.L.S. No. 1732

ROBT. MILLICAN SURVEY  
A-42  
BRAZOS COUNTY, TEXAS



CRAWFORD ENERGY OPERATING COMPANY  
R. MOORE NO. 7-H RE UNIT

JAMES D. MILLICAN SURVEY, A-41 \* BRAZOS COUNTY  
P. SINGLETON SURVEY, A-56 \* BURLESON COUNTY

R. MOORE NO. 7-H RE surface location is approximately 5.4 miles  
Southwest of Millican, Brazos County, Texas.  
SURFACE LOCATION-LATITUDE 30° 25' 18.70\" N \* LONGITUDE 96° 16' 44.35\" W  
PROPOSED BOTTOM HOLE LOCATION-LATITUDE 30° 23' 58.07\" N \* LONGITUDE 96° 16' 24.18\" W

LAMPE SURVEYING  
PROFESSIONAL LAND SURVEYORS  
DONALD W. LAMPE MATT D. LAMPE  
1408 WEST MAIN STREET  
P. O. BOX 2037  
BRENNHAM, TEXAS 77834  
(979) 836-6677 \* FAX (979) 836-1177  
W.O. 2208 2208RRC.DWG 2208TOM.CRD

EXHIBIT "C"

Attached to and made a part of that certain Amendment of Pooling  
Agreement dated effective March 4, 2003 for the R. Moore 7-HRE Unit,  
Brazos and Burleson Counties, Texas.

File No. MF 096404 29.  
Rolling Committee Report  
+ Amendment to Rolling  
Date Filed: 6/6/03 Agreement  
Jerry E. Patterson, Commissioner  
By JEP

2.30.03

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

June 5, 2003

Crawford Energy  
7887 San Felipe, Suite 220  
Houston, Texas 77063

Re: State Lease MF097059, MF096404 ✓  
R Moore Estate Unit 7H  
RMOORE7H

The General Land Office has received and filed the division order submitted for the above-referenced state lease. Please be advised that the payment of royalties attributable to state-owned mineral interests is set by statute. As the execution of division orders may, in some cases, affect the manner in which such payments are paid or calculated, it is the policy of this office not to execute them.

Subject to applicable state law and the state's right to take its production in-kind, the General Land Office acquiesces to the sale of oil and gas under the terms and conditions set out in the oil and gas lease. If you should have questions concerning this matter, please feel free to call me at (512) 463-6521.

Sincerely,

A handwritten signature in cursive script that reads "Beverly Boyd".

Beverly Boyd, Lease Analyst  
Mineral Leasing Division

# DIVISION ORDER

MF097059  
096404

To: Crawford Energy  
c/o Division Order Services, L.L.C.  
7887 San Felipe, Suite 220  
Houston, Texas 77063

Date: May 29, 2003

**PLEASE SIGN  
AND RETURN**

*Unit 2412  
Unit 3266*

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

**Property Number:**

RMOORE7H

**Effective Date:** April 1, 2003

**Property Name:**

R Moore Estate Unit 7H

**County (or Parish) and State:** Brazos, TX

**Property Description:**

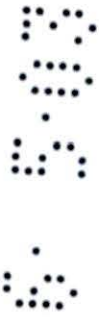
Jas D. Millican Survey, A-41

**Operator:**

Crawford Energy Operating Co

**Owner No:**

COM001



OWNER	TAX ID NO	TYPE OF INTEREST	DECIMAL INTEREST
COMMISSIONER GENERAL LAND OFFICE STATE OF TEXAS M-75060 1700 N CONGRESS AVE AUSTIN, TX 78701	[REDACTED]	RI	0.036898300

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The following provisions apply to each interest owner ("owner") who executes this agreement:

**TERMS OF SALE:** The undersigned will be paid in accordance with the division of interests set out above. The payor shall pay all parties at the price agreed to by the operator for oil to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities.

**PAYMENT:** From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil run during the preceding calendar month from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than \$100 may be accrued before disbursement until the total amount equals \$100 or more, or until 12 months' proceeds accumulate, whichever occurs first. However, the payor may hold accumulated proceeds of less than \$10 until production ceases or the payor's responsibility for making payment for production ceases, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

**INDEMNITY:** The owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suit that affects the owner's interest to which payor is made a party.

**DISPUTE; WITHHOLDING OF FUNDS:** If a suit is filed that affects the interest of the owner, written notice shall be given to payor by the owner together with a copy of the complaint or petition filed.

In the event of a claim or dispute that affects title to the division of interest credited herein, payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

**TERMINATION:** Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

**NOTICES:** The owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time.

No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs.

Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor.

Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of this division order, an owner may have certain statutory rights under the laws of this state.

Witness: \_\_\_\_\_ Owner(s) Signature(s): \_\_\_\_\_  
 Owner(s) Daytime  
 Telephone: \_\_\_\_\_  
 Witness: \_\_\_\_\_ Owner(s) Facsimile  
 Number: \_\_\_\_\_  
 Owner(s) Tax ID No. 74-6000108

**Failure to furnish your Social Security/Taxpayer Identification Number will result in withholding tax in accordance with federal law, and any tax withheld will not be refundable by payor.**

Please direct any questions regarding this instrument to:  
Division Order Services, L.L.C.  
Phone 713/974-0121  
Fax 713/974-0148

DIVISION ORDER SERVICES, L.L.C.

7887 San Felipe, Suite 250

Houston, Texas 77063

Phone 713/974-0121 713/974-0148 Fax

*A Drillinginfo.com/EnerTrade, Inc. Joint Venture Company*

RECEIVED  
03 JUN -5 PM 12:02  
ENERGY INFORMATION

June 2, 2003

To: All Royalty, Overriding Royalty and/or Working Interest Owners  
Robert Moore 7H  
Brazos County, Texas

Re: Division Order

Crawford Energy, Inc. has contracted with Division Order Services, L.L.C. to handle division order maintenance and royalty and revenue disbursements attributable to sales of production from the subject lease. Enclosed please find duplicate originals of a division order that has been prepared for your execution due to a redrill of the subject lease. This instrument is effective with April 1, 2003 sales of production.

Please check this instrument for the proper spelling of your name and correct mailing address. Should your name be incorrectly spelled, or your address changed, please make the necessary corrections on the division order itself before returning it to this office. Also, review this instrument as to your interest and upon your approval thereof, return one (1) originally executed copy to the attention of the undersigned at the following address –

**7887 San Felipe, Suite 220  
Houston, Texas 77063**

In addition, make sure your tax identification number set forth on the enclosed instrument is correct. If the tax identification number is incorrect or not exhibited, please include your correct tax identification number in the space provided.

Please see the attached summary of duties our company performs on behalf of you and the operator. Questions regarding the enclosed instrument or issues regarding interest changes in the subject property or any other matters relating thereto should be directed to the undersigned at 713/974-0121 (fax 713/974-0148).

Sincerely,

  
Debra Heckman

# DIVISION ORDER SERVICES, L.L.C.

## Services & Procedures

The following generally sets forth the services Division Order Services, LLC performs on behalf of our client operator and interest owners -

### DIVISION ORDER PURPOSE -

A Division Order is a legally binding instrument used by oil and gas operators to ensure that title information and the division of interest between owners in an oil and gas property reflects the correct name and address of the owner as well as that owner's decimal interest. The Division Order exhibits the name of the well or property, its legal description and the county or parish and state in which the property is located. We have established the following procedures through our issuance of a Division Order -

### PAYMENT SCHEDULES -

Revenue and royalty checks are issued on or around the 15<sup>th</sup> of each month. In accordance with state law, check will not be issued to royalty owners until the amount due accumulates to \$100.00. In December of each year, a check will be issued no matter what amount has accumulated in an owner's account.

### SUSPENDED PAYMENTS -

Payments are placed in suspense only when deemed necessary for the owner's protection. Payments are also suspended for incorrect addresses, incorrect Taxpayer Identification numbers, notice of deaths, transfers of interests, and so on. Suspended funds are accumulated and released to the owner when issues are resolved.

### WITHHOLDING -

Federal Law requires thirty-one percent (31%) of the total proceeds to be paid to an owner be withheld who has not provided us with their Taxpayer Identification Number (TIN) - trusts, partnerships, estates, etc. must provide their Employer Identification Number while individuals must provide their social security number.

### CHANGE OF ADDRESS -

Please provide us written notice if your address changes. No address changes will be made without our being provided written notice. A check returned because of an incorrect address will cause an owner's account to be placed in suspense.

### OVERPAYMENTS AND ADJUSTMENTS

Overpayments may occur due to retroactive changes in contracts or ownership or even because of an error in calculations or incorrect data being provided. If revenues from the sale of production exists and an owner is underpaid, an adjustment will be made to future payments issued the owner. If an owner is overpaid, the owner must return the full amount overpaid. In all cases a statement will be issued all affected parties setting forth a schedule listing incorrect amounts paid for each month's production and corrections thereto.

### 1099 FORMS

A Form 1099 will be issued all royalty owners issued a payment in excess of \$10.00 for the prior year (\$600.00 to working interest owners). Please notify us in writing if you have a question concerning your 1099 or if you do not receive one. No Form 1099 information is provided over the telephone.

### INQUIRIES

Checks for payments made an owner are generated by Division Order Services, LLC and as such, we encourage you to contact us if you have any questions regarding payments you've received or anything else as set forth above. We may be reached at -

7887 San Felipe, Suite 220  
Houston, Texas 77063  
Phone 713/974-0121  
Fax 713/974-0148

The operator of the well from which payments are derived has employed our company to handle owners' issues relating to calculated interest and payments made. In some instances, we can respond to your questions faster than the operator and in this regard, we will make every effort to respond to your inquiries as quickly as possible so please don't hesitate to contact us.

File No. MF096404 <sup>30.</sup>  
Division Orders  
Date Filed: 6/5/03  
Jerry E. Patterson, Commissioner  
By [Signature]

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