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Archives and Records Staff

Barcode
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CHESAPEAKE OPERATING INC

2466

25.8 ~~UNIT~~ ACRES
- 0 - NON-UNIT ACRES


STATE LEASE (FREE ROYALTY) MF097500

CONTROL	BASEFILE	COUNTY	
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08-1510	SF 15828 -	BRAZOS	/021

SURVEY : PRESCOTT P B
 BLOCK :
 TOWNSHIP : 00
 SECTION/TRACT:
 PART :
 ACRES : 25.80
 DEPTH LIMITS : NO

Rentals: M.T.

Lease Admin: DR.

Mineral Maps: 

LESSEE : CHESAPEAKE OPERATING, INC.
 LEASE DATE : Sep 27 1993
 PRIMARY TERM : 6 mos
 BONUS (\$) : 0.00
 RENTAL (\$) : 0.00
 ROYALTY : 0.18750000 0.0625 .125
 VAR ROYALTY :

GS-AS
1/4
00565978

CONTENTS OF FILE NO. M-97500

Free Royalty
C

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|------------------------------|---------|
| 1. Lease's (7) | 9-27-93 |
| 2. Ltr. from Chesapeake | 2-2-95 |
| 3. Pooling Agreement | 3-20-97 |
| 4. Appl. to Drill well # 1H | " |
| 5. Completion Rpts well # 1H | " |

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FILED

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 27th day of September 19 93, between

J. W. MCFARLANE, TRUSTEE

BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS

BY: *[Signature]*
DEPUTY

Lessor (whether one or more), whose address is: P. O. Box 4682, Houston, Texas 77210
and CHESAPEAKE OPERATING, INC., P. O. Box 54525, Oklahoma City, OK. 73154- Lessee, WITNESSETH:

1. Lessor, in consideration of Ten and Other Valuable Considerations 0525 Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Brazos, State of Texas, and is described as follows:

Being 422.085 acres of land, more or less, out of and a part of the S. D. Smith Survey, A-210, the P. P. Prescott Survey, and the A. D. Houston Survey, A-133, Brazos County, Texas; more particularly described in that certain deed dated September 30, 1982, from J. W. McFarlane, Trustee to Michael David Schulte, recorded in Volume 540, Page 383 of the Deed Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

* 29.8 *
S.F. 15828
1/10

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 422.085 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

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

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

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

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

5. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

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

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

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

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

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

IN WITNESS WHEREOF, this instrument is executed on the date first above written. See Exhibit "A" attached hereto and made a part hereof for additional provisions.

✓ J. W. MCFARLANE, TRUSTEE
SS# [REDACTED]

LESSOR SS. OR TAX I.D. NO. LESSOR SS. OR TAX I.D. NO.

STATE OF TEXAS
COUNTY OF HARRIS
This instrument was acknowledged before me on the
by J. W. MCFARLANE, TRUSTEE

6 day of October
September
Nelda Stouy
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires: 12-4-93



STATE OF
COUNTY OF
This instrument was acknowledged before me on the
by

day of , 19
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires: CORPORATE ACKNOWLEDGEMENT

STATE OF
COUNTY OF
This instrument was acknowledged before me on the
by
of
a corporation, on behalf of said corporation.

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

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

No. _____

Oil, Gas and Mineral Lease

FROM _____

TO _____

Dated _____, 19____

No. Acres _____ County, _____

Term _____

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

By _____ County Clerk
Deputy _____

When recorded return to _____

VOl. 1979 PAGE 86

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

EXHIBIT "A"

Attached hereto and made a part hereof
that certain Oil, Gas and Mineral Lease
made and entered into by J. W. MCFARLANE,
TRUSTEE, as Lessor, and CHESAPEAKE
OPERATING, INC., as Lessee, dated
September 27, 1993.

12. Anything to the contrary contained herein notwithstanding, it is expressly understood and agreed that this lease cannot be extended beyond the expiration of the primary term by reason of a shut-in well or wells, for a term longer than three (3) consecutive years or for shorter terms at various times not to exceed in the aggregate three (3) years in all.
13. It is agreed and understood that this lease is limited to oil, gas and other hydrocarbons and substances normally associated with the production of oil and gas. Minerals not covered by this lease include (but are not limited to) sand, clay, gravel, iron ore, coal, lignite and uranium.
14. It is understood and agreed that Lessee, its successors or assigns, shall pay Lessor for any damage done to crops, trees or livestock by reason of operation thereon and shall pay for any damage to road, culverts, bridges and fences, or other improvements on Lessors' lands resulting from the use by Lessee in connection with geophysical exploration thereof, or any other mineral development thereon by Lessee, its successors or assigns, and that upon the abandonment of said lease or surrender thereof, the Lessee, its successors or assigns, shall level all levees around slush pits and/or other excavations and generally restore the surface of the land covered hereby as nearly to its present condition as reasonably possible. In the event of drilling on said land, Lessee, its successors or assigns, shall install cattle guards at all fence crossings used by it or them in connection with said operation even though Lessor maintains gates that could be used, and Lessee shall erect and maintain around all open pits a fence capable of turning livestock.
- 15) In the event Lessee exercises the option to pool the leased premises for the production of oil, gas, and associated hydrocarbons as provided in Paragraph 4 herein, then in such event all of the leased premises described in this Lease shall be placed and included in any such unit so formed. Units formed shall be limited in size to 525 acres, plus a maximum acreage tolerance of 10%.
- 16) Notwithstanding anything to the contrary contained in paragraph 4 of this Lease, it is expressly agreed that if at any time, either before or after the formation of a pooled unit hereunder, should the Railroad Commission of Texas or any other governmental agency having jurisdiction thereof, permit, prescribe or require larger units for production from the unit well than is allowed by this Lease, then Lessee is hereby authorized to form new units, and/or amend existing units, to contain sufficient acreage to obtain the maximum production allowable for the unit well.

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

J. W. McFarlane
J. W. MCFARLANE, TRUSTEE
SS# [REDACTED]

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the 6 day of ~~September~~ 1993, by J. W. MCFARLANE, TRUSTEE.
October

Nelda Stony
Notary Public, State of Texas
My Commission expires: 10-4-93
Nelda Stony
Notary's printed name



STATE OF TEXAS
County of [illegible]

DEC 9 1993



COUNTY CLERK [illegible]

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OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 27th day of September

93 DEC -6 9:14:00
19 93

MICHAEL D. SCHULTEA and wife, SUZANNE K. SCHULTEA

BY [Signature]
DEPUTY

Lessor (whether one or more), whose address is: 11742 Denise, Houston, Texas 77024
and CHESAPEAKE OPERATING, INC., P. O. Box 54525, Oklahoma City, OK. 73154-, Lessee, WITNESSETH:

1. Lessor, in consideration of Ten and Other Valuable Considerations 0525 Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Brazos, State of Texas, and is described as follows:

Being 422.085 acres of land, more or less, out of and a part of the
S. D. Smith Survey, A-210, the P. P. Prescott Survey, and the
A. D. Houston Survey, A-133, Brazos County, Texas; more particularly
described in that certain deed dated September 30, 1982, from J. W.
McFarlane, Trustee to Michael David Schulte, recorded in Volume 540,
Page 383 of the Deed Records of Brazos County, Texas, to which
references are herein made for descriptive purposes only.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 422.085 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder. six (6) months

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipe line to which lessee may connect its wells, the equal one-eighth part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one-eighth part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one-eighth of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor on gas and casinghead gas produced from said land (1) when sold by lessee, one-eighth of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one-eighth of such gas and casinghead gas; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-ins, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the BANK ONE, TEXAS, NA Bank at 7807 Long Point, Hou., 77055 or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

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

5. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

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

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

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

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

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

IN WITNESS WHEREOF, this instrument is executed on the date first above written. See Exhibit "A" attached hereto and made a part hereof for additional provisions.

Michael D. Schulte
MICHAEL D. SCHULTEA
SS# [REDACTED]
LESSOR SS. OR TAX I.D. NO.

Suzanne K. Schulte
SUZANNE K. SCHULTEA
SS# [REDACTED]
LESSOR SS. OR TAX I.D. NO.

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on the 5th day of September, 1993, by MICHAEL D. SCHULTEA and wife, SUZANNE K. SCHULTEA

Michelle E. Cardiff
Notary Public, State of Texas
Notary's name (printed): MICHELLE E. CARDIFF
Notary's commission expires: 12/4/96

ACKNOWLEDGEMENT

STATE OF
COUNTY OF

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

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

STATE OF
COUNTY OF

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

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

1979 PAGE 60

Oil, Gas and Mineral Lease

FROM

TO

Dated _____, 19____

No. Acres _____

County, _____

Term _____

This instrument was filed for record on the _____

day of _____, 19____, at _____

o'clock _____ M., and duly recorded in

Book _____, Page _____

of the _____ records of this office.

By _____

County Clerk _____

Deputy _____

When recorded return to

EXHIBIT "A"

Attached hereto and made a part hereof that certain Oil, Gas and Mineral Lease made and entered into by MICHAEL D. SCHULTEA and wife, SUZANNE K. SCHULTEA, as Lessor, and CHESAPEAKE OPERATING, INC., as Lessee, dated September 27, 1993.

12. Anything to the contrary contained herein notwithstanding, it is expressly understood and agreed that this lease cannot be extended beyond the expiration of the primary term by reason of a shut-in well or wells, for a term longer than three (3) consecutive years or for shorter terms at various times not to exceed in the aggregate three (3) years in all.
13. It is agreed and understood that this lease is limited to oil, gas and other hydrocarbons and substances normally associated with the production of oil and gas. Minerals not covered by this lease include (but are not limited to) sand, clay, gravel, iron ore, coal, lignite and uranium.
14. It is understood and agreed that Lessee, its successors or assigns, shall pay Lessor for any damage done to crops, trees or livestock by reason of operation thereon and shall pay for any damage to road, culverts, bridges and fences, or other improvements on Lessors' lands resulting from the use by Lessee in connection with geophysical exploration thereof, or any other mineral development thereon by Lessee, its successors or assigns, and that upon the abandonment of said lease or surrender thereof, the Lessee, its successors or assigns, shall level all levees around slush pits and/or other excavations and generally restore the surface of the land covered hereby as nearly to its present condition as reasonably possible. In the event of drilling on said land, Lessee, its successors or assigns, shall install cattle guards at all fence crossings used by it or them in connection with said operation even though Lessor maintains gates that could be used, and Lessee shall erect and maintain around all open pits a fence capable of turning livestock.
- 15) In the event Lessee exercises the option to pool the leased premises for the production of oil, gas, and associated hydrocarbons as provided in Paragraph 4 herein, then in such event all of the leased premises described in this Lease shall be placed and included in any such unit so formed. Units formed shall be limited in size to 525 acres, plus a maximum acreage tolerance of 10%.
- 16) Notwithstanding anything to the contrary contained in paragraph 4 of this Lease, it is expressly agreed that if at any time, either before or after the formation of a pooled unit hereunder, should the Railroad Commission of Texas or any other governmental agency having jurisdiction thereof, permit, prescribe or require larger units for production from the unit well than is allowed by this Lease, then Lessee is hereby authorized to form new units, and/or amend existing units, to contain sufficient acreage to obtain the maximum production allowable for the unit well.

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

M. D. Schulte
MICHAEL D. SCHULTEA
SS# [REDACTED]

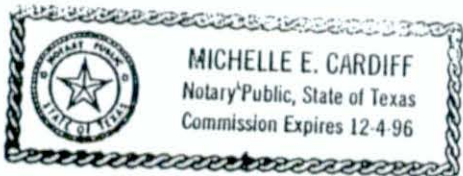
Suzanne K. Schulte
SUZANNE K. SCHULTEA
SS# [REDACTED]

STATE OF TEXAS

COUNTY OF HARRIS

OCTOBER

This instrument was acknowledged before me on the 5th day of ~~September~~ 1993, by MICHAEL D. SCHULTEA and wife, SUZANNE K. SCHULTEA.



Michelle E. Cardiff
Notary Public, State of Texas
My Commission expires: 12/4/96

MICHELLE E. CARDIFF
Notary's printed name

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ST. LOUIS, MO. 63101
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OIL, GAS AND MINERAL LEASE

94 JAN 11 1993
19 11:44
Brazos County Court House
By Bryan, Texas

THIS AGREEMENT made this 4th day of October

FELIPE A. THORNDIKE

Lessor (whether one or more), whose address is: P. O. Box 130X 430547, Houston, Texas 77243
and CHESAPEAKE OPERATING, INC., P. O. Box 54525, Oklahoma City, OK. 73154- Lessee, WITNESSETH:

1. Lessor, in consideration of Ten and Other Valuable Considerations 0525 Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Brazos, State of Texas and is described as follows:

Being 422.085 acres of land, more or less, out of and a part of the S. D. Smith Survey, A-210, the P. P. Prescott Survey, and the A. D. Houston Survey, A-133, Brazos County, Texas; more particularly described in that certain deed dated September 30, 1982, from J. W. McFarlane, Trustee to Michael David Schultea, recorded in Volume 540, Page 383 of the Deed Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 422.085 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder. six (6)

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipe line to which lessee may connect its wells, the equal ~~one-eighth~~ part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such ~~one-eighth~~ part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear ~~one-eighth~~ of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor on gas and casinghead gas produced from said land (1) when sold by lessee, ~~one-eighth~~ of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of ~~one-eighth~~ of such gas and casinghead gas; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-ins, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made in the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the Sent to: P. O. Box 430547 Houston, Tx 77243 Bank

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

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

5. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, or creating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

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

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

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

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

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

IN WITNESS WHEREOF, this instrument is executed on the date first above written. See Exhibit "A" attached hereto and made a part hereof for additional provisions.

F. A. Thorndike
FELIPE A. THORNDIKE
SS. OR TAX I.D. NO. _____

SS. OR TAX I.D. NO. _____

LESSOR SS. OR TAX I.D. NO. _____

LESSOR SS. OR TAX I.D. NO. _____

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on the _____ day of _____, 19 93, by FELIPE A. THORNDIKE

27 day of ~~NOV~~ NOV, 19 93
Barbara J. Hooker



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

ACKNOWLEDGEMENT

STATE OF
COUNTY OF

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF
COUNTY OF

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

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

VOL 2011 PAGE 68

Oil, Gas and Mineral Lease

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

By _____ County Clerk
Deputy _____
RECORD & RETURN TO:
CHESAPEAKE-GENERATING, INC.
P.O. BOX 18496
OKLAHOMA CITY, OK 73154

EXHIBIT "A"

Attached hereto and made a part hereof
that certain Oil, Gas and Mineral Lease
made and entered into by FELIPE A.
THORNDIKE, as Lessor, and CHESAPEAKE
OPERATING, INC., as Lessee, dated
October 4, 1993.

12. Anything to the contrary contained herein notwithstanding, it is expressly understood and agreed that this lease cannot be extended beyond the expiration of the primary term by reason of a shut-in well or wells, for a term longer than three (3) consecutive years or for shorter terms at various times not to exceed in the aggregate three (3) years in all.
13. It is agreed and understood that this lease is limited to oil, gas and other hydrocarbons and substances normally associated with the production of oil and gas. Minerals not covered by this lease include (but are not limited to) sand, clay, gravel, iron ore, coal, lignite and uranium.
14. It is understood and agreed that Lessee, its successors or assigns, shall pay Lessor for any damage done to crops, trees or livestock by reason of operation thereon and shall pay for any damage to road, culverts, bridges and fences, or other improvements on Lessors' lands resulting from the use by Lessee in connection with geophysical exploration thereof, or any other mineral development thereon by Lessee, its successors or assigns, and that upon the abandonment of said lease or surrender thereof, the Lessee, its successors or assigns, shall level all levees around slush pits and/or other excavations and generally restore the surface of the land covered hereby as nearly to its present condition as reasonably possible. In the event of drilling on said land, Lessee, its successors or assigns, shall install cattle guards at all fence crossings used by it or them in connection with said operation even though Lessor maintains gates that could be used, and Lessee shall erect and maintain around all open pits a fence capable of turning livestock.
- 15) In the event Lessee exercises the option to pool the leased premises for the production of oil, gas, and associated hydrocarbons as provided in Paragraph 4 herein, then in such event all of the leased premises described in this Lease shall be placed and included in any such unit so formed. Units formed shall be limited in size to 525 acres, plus a maximum acreage tolerance of 10%.
- 16) Notwithstanding anything to the contrary contained in paragraph 4 of this Lease, it is expressly agreed that if at any time, either before or after the formation of a pooled unit hereunder, should the Railroad Commission of Texas or any other governmental agency having jurisdiction thereof, permit, prescribe or require larger units for production from the unit well than is allowed by this Lease, then Lessee is hereby authorized to form new units, and/or amend existing units, to contain sufficient acreage to obtain the maximum production allowable for the unit well.

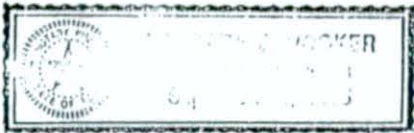
IN WITNESS WHEREOF, this instrument is executed on the date first above written.

Felipe A. Thorndike
FELIPE A. THORNDIKE
SS#

STATE OF TEXAS

COUNTY OF *Harris*

This instrument was acknowledged before me on the 27th day of October, 1993, by FELIPE A. THORNDIKE.



Barbara J. Hooker
Notary Public, State of Texas
My Commission expires: 9-2-95
BARBARA J. HOOKER
Notary's printed name

OIL, GAS AND MINERAL LEASE

539659

FILED

THIS AGREEMENT made this 4th day of October 1993, between

WILLIAM T. FLEMING, JR.

BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS

Lessor (whether one or more), whose address is: P. O. Box 639, Millican, Texas 77866
and CHESAPEAKE OPERATING, INC., P. O. Box 54525, Oklahoma City, OK. 73154-, Lessee, WITNESSETH:

1. Lessor, in consideration of Ten and Other Valuable Considerations 0525 Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Brazos, State of Texas, and is described as follows:

Being 422.085 acres of land, more or less, out of and a part of the S. D. Smith Survey, A-210, the P. P. Prescott Survey, and the A. D. Houston Survey, A-133, Brazos County, Texas; more particularly described in that certain deed dated September 30, 1982, from J. W. McFarlane, Trustee to Michael David Schultea, recorded in Volume 540, Page 383 of the Deed Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment

hereunder, said land shall be deemed to contain 422.085 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder. six (6) months

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

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

above address Bank

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

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

5. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

MPF ✓

1/4th
1/4th
1/4th
1/4th
1/4th

✓

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

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

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

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

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

IN WITNESS WHEREOF, this instrument is executed on the date first above written. See Exhibit "A" attached hereto and made a part hereof for additional provisions.

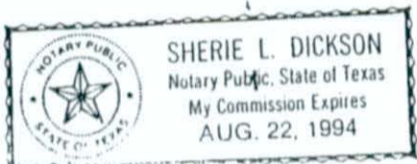
WILLIAM T. FLEMING, JR.
SS. [Redacted]

LESSOR SS. OR TAX I.D. NO. LESSOR SS. OR TAX I.D. NO.

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF BRAZOS
This instrument was acknowledged before me on the
by WILLIAM T. FLEMING, JR.

7th day of October, 19 93
Sherie L. Dickson



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

ACKNOWLEDGEMENT

STATE OF
COUNTY OF
This instrument was acknowledged before me on the
by

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

CORPORATE ACKNOWLEDGEMENT

STATE OF
COUNTY OF
This instrument was acknowledged before me on the
by
of
a
corporation, on behalf of said corporation.

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

VOL. 1979 PAGE 82

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

Oil, Gas and Mineral Lease
FROM
TO
Dated _____, 19____
No. Acres _____ County, _____
Term _____
This instrument was filed for record on the _____
day of _____, 19____, at _____
o'clock _____ M., and duly recorded in
Book _____ Page _____
of the _____ records of this office.
County Clerk _____ Deputy _____
When recorded return to

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

EXHIBIT "A"

Attached hereto and made a part hereof that certain Oil, Gas and Mineral Lease made and entered into by WILLIAM T. FLEMING, JR., as Lessor, and CHESAPEAKE OPERATING, INC., as Lessee, dated October 4, 1993.

12. Anything to the contrary contained herein notwithstanding, it is expressly understood and agreed that this lease cannot be extended beyond the expiration of the primary term by reason of a shut-in well or wells, for a term longer than three (3) consecutive years or for shorter terms at various times not to exceed in the aggregate three (3) years in all.

13. It is agreed and understood that this lease is limited to oil, gas and other hydrocarbons and substances normally associated with the production of oil and gas. Minerals not covered by this lease include (but are not limited to) sand, clay, gravel, iron ore, coal, lignite and uranium.

14. It is understood and agreed that Lessee, its successors or assigns, shall pay Lessor for any damage done to crops, trees or livestock by reason of operation thereon and shall pay for any damage to road, culverts, bridges and fences, or other improvements on Lessors' lands resulting from the use by Lessee in connection with geophysical exploration thereof, or any other mineral development thereon by Lessee, its successors or assigns, and that upon the abandonment of said lease or surrender thereof, the Lessee, its successors or assigns, shall level all levees around slush pits and/or other excavations and generally restore the surface of the land covered hereby as nearly to its present condition as reasonably possible. In the event of drilling on said land, Lessee, its successors or assigns, shall install cattle guards at all fence crossings used by it or them in connection with said operation even though Lessor maintains gates that could be used, and Lessee shall erect and maintain around all open pits a fence capable of turning livestock.

15) In the event Lessee exercises the option to pool the leased premises for the production of oil, gas, and associated hydrocarbons as provided in Paragraph 4 herein, then in such event all of the leased premises described in this Lease shall be placed and included in any such unit so formed. Units formed shall be limited in size to 525 acres, plus a maximum acreage tolerance of 10%.

16) Notwithstanding anything to the contrary contained in paragraph 4 of this Lease, it is expressly agreed that if at any time, either before or after the formation of a pooled unit hereunder, should the Railroad Commission of Texas or any other governmental agency having jurisdiction thereof, permit, prescribe or require larger units for production from the unit well than is allowed by this Lease, then Lessee is hereby authorized to form new units, and/or amend existing units, to contain sufficient acreage to obtain the maximum production allowable for the unit well.

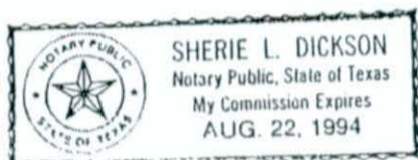
IN WITNESS WHEREOF, this instrument is executed on the date first above written.

William T Fleming
WILLIAM T. FLEMING, JR.
SS# [REDACTED]

STATE OF TEXAS

COUNTY OF BRAZOS

This instrument was acknowledged before me on the 7th day of October, 1993, by WILLIAM T. FLEMING, JR.



Sherie L. Dickson
Notary Public, State of Texas
My Commission expires: _____
Sherie L. Dickson
Notary's printed name

5
4
3

STATE OF TEXAS
COUNTY OF DALLAS
CLERK OF COURTS
DEC 9 1993



COUNTY CLERK, DALLAS COUNTY, TEXAS

12

539658
OIL, GAS AND MINERAL LEASE

FILED

THIS AGREEMENT made this 4th day of October 19 93, between

J. B. CARTER, JR.

BRAZOS COUNTY COURTHOUSE
OKLAHOMA CITY, OKLAHOMA

BY: Jobillar
DEPUTY

Lessor (whether one or more), whose address is: 5757 Memorial Drive, Houston, Texas 77027
and CHESAPEAKE OPERATING, INC., P. O. Box 54525, Oklahoma City, OK. 73154- Lessee, WITNESSETH:

1. Lessor, in consideration of Ten and Other Valuable Considerations 0525 Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Brazos, State of Texas, and is described as follows:

Being 422.085 acres of land, more or less, out of and a part of the S. D. Smith Survey, A-210, the P. P. Prescott Survey, and the A. D. Houston Survey, A-133, Brazos County, Texas; more particularly described in that certain deed dated September 30, 1982, from J. W. McFarlane, Trustee to Michael David Schultea, recorded in Volume 540, Page 383 of the Deed Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 422.085 acres, whether actually containing more or less, and the above recital of acreage in any fact shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

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

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

at HOUSTON TEXAS Houston National Bank

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

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

5. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

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

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

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

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

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

IN WITNESS WHEREOF, this instrument is executed on the date first above written. See Exhibit "A" attached hereto and made a part hereof for additional provisions.

J. B. Carter, Jr.
J. B. CARTER, JR.
SS# [REDACTED]

LESSOR SS. OR TAX I.D. NO.

LESSOR SS. OR TAX I.D. NO.

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on the
by J. B. CARTER, JR.



October, 19 93
Rendia A. Reid
RENDIA A. REID
8-4-94

ACKNOWLEDGEMENT

STATE OF
COUNTY OF

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

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

STATE OF
COUNTY OF

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

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

VOL 1979 PAGE 78

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

Oil, Gas and Mineral Lease
FROM
TO
Dated _____, 19____, at _____, _____ County, _____
No. Acres _____
Term _____
This instrument was filed for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office.
By _____ County Clerk
Deputy _____
When recorded return to _____

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

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

J. B. CARTER, JR.
SS# [REDACTED]

STATE OF TEXAS
COUNTY OF Harris

This instrument was acknowledged before me on the 5th day of October, 1993, by J. B. CARTER, JR.



Brenda A. Reid
Notary Public, State of Texas
My Commission expires: 8.4.94
BRENDA A. REID
Notary's printed name

5
9
7
4

STATE OF TEXAS
COUNTY OF CLAY
DATE OF RECORDING
OF THIS INSTRUMENT

DEC. 06 1993

[Handwritten Signature]
COUNTY CLERK, CLAY COUNTY TEXAS



5
7
4

12-

EXHIBIT "A"

Attached hereto and made a part hereof that certain Oil, Gas and Mineral Lease made and entered into by J. B. CARTER JR., as Lessor, and CHESAPEAKE OPERATING, INC., as Lessee, dated October 4, 1993.

12. Anything to the contrary contained herein notwithstanding, it is expressly understood and agreed that this lease cannot be extended beyond the expiration of the primary term by reason of a shut-in well or wells, for a term longer than three (3) consecutive years or for shorter terms at various times not to exceed in the aggregate three (3) years in all.
13. It is agreed and understood that this lease is limited to oil, gas and other hydrocarbons and substances normally associated with the production of oil and gas. Minerals not covered by this lease include (but are not limited to) sand, clay, gravel, iron ore, coal, lignite and uranium.
14. It is understood and agreed that Lessee, its successors or assigns, shall pay Lessor for any damage done to crops, trees or livestock by reason of operation thereon and shall pay for any damage to road, culverts, bridges and fences, or other improvements on Lessors' lands resulting from the use by Lessee in connection with geophysical exploration thereof, or any other mineral development thereon by Lessee, its successors or assigns, and that upon the abandonment of said lease or surrender thereof, the Lessee, its successors or assigns, shall level all levees around slush pits and/or other excavations and generally restore the surface of the land covered hereby as nearly to its present condition as reasonably possible. In the event of drilling on said land, Lessee, its successors or assigns, shall install cattle guards at all fence crossings used by it or them in connection with said operation even though Lessor maintains gates that could be used, and Lessee shall erect and maintain around all open pits a fence capable of turning livestock.
- 15) In the event Lessee exercises the option to pool the leased premises for the production of oil, gas, and associated hydrocarbons as provided in Paragraph 4 herein, then in such event all of the leased premises described in this Lease shall be placed and included in any such unit so formed. Units formed shall be limited in size to 525 acres, plus a maximum acreage tolerance of 10%.
- 16) Notwithstanding anything to the contrary contained in paragraph 4 of this Lease, it is expressly agreed that if at any time, either before or after the formation of a pooled unit hereunder, should the Railroad Commission of Texas or any other governmental agency having jurisdiction thereof, permit, prescribe or require larger units for production from the unit well than is allowed by this Lease, then Lessee is hereby authorized to form new units, and/or amend existing units, to contain sufficient acreage to obtain the maximum production allowable for the unit well.

FILED

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 15 15th day of March 19 94, between

JOHN MASON CARTER
CLERK

BRAZOS CO. COURTHOUSE
BY [Signature]

Lessor (whether one or more), whose address is: 5757 Memorial Drive, Houston, Texas 77027
and CHESAPEAKE OPERATING, INC., P. O. Box 54525, Oklahoma City, OK. 73154- Lessee, WITNESSETH:

1. Lessor, in consideration of Ten and Other Valuable Considerations 0525 Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Brazos State of Texas, and is described as follows:

Being 422.085 acres of land, more or less, out of and a part of the S. D. Smith Survey, A-210, the P. P. Prescott Survey, and the A. D. Houston Survey, A-133, Brazos County, Texas; more particularly described in that certain Deed dated September 30, 1982, from J. W. McFarlane, Trustee to Michael David Schultea, recorded in Volume 540, Page 383 of the Deed Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 422.085 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of ten (10) years from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days. six (6) months

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

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

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

5. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

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

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

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

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

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

IN WITNESS WHEREOF, this instrument is executed on the date first above written. See Exhibit "A" attached hereto and made a part hereof for additional provisions.

[Signature]
JOHN MASON CARTER
SS# *[Redacted]*

LESSOR SS. OR TAX I.D. NO. LESSOR SS. OR TAX I.D. NO.

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF Harris
This instrument was acknowledged before me on the
by JOHN MASON CARTER

[Signature] April 19 1994
Brenda A. Reid
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires: 4-94
2004

ACKNOWLEDGEMENT

STATE OF
COUNTY OF
This instrument was acknowledged before me on the _____ day of _____, 19____,
by _____

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

STATE OF
COUNTY OF
This instrument was acknowledged before me on the _____ day of _____, 19____,
by _____ of _____ a _____ corporation, on behalf of said corporation.

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

Producers 88 (7/69) - Paid Up with 640 Acres Pooling Provision
No. _____
Oil, Gas and Mineral Lease
FROM _____ TO _____
Dated _____ 19____
No. Acres _____ Country, _____
Term _____
This instrument was filed for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and duly recorded in Book _____ Page _____ of the _____ records of this office.
County Clerk Deputy _____
RECORD & RETURN TO
CHESAPEAKE OPERATING, INC.
P.O. BOX 18888
OKLAHOMA CITY, OK 73154
POUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659-3159
2003 PAGE 320

EXHIBIT "A"

Attached hereto and made a part hereof that certain Oil, Gas and Mineral Lease made and entered into by JOHN MASON CARTER, as Lessor, and CHESAPEAKE OPERATING, INC., as Lessee, dated March 15, 1994.

12. Anything to the contrary contained herein notwithstanding, it is expressly understood and agreed that this lease cannot be extended beyond the expiration of the primary term by reason of a shut-in well or wells, for a term longer than three (3) consecutive years or for shorter terms at various times not to exceed in the aggregate three (3) years in all.
13. It is agreed and understood that this lease is limited to oil, gas and other hydrocarbons and substances normally associated with the production of oil and gas. Minerals not covered by this lease include (but are not limited to) sand, clay, gravel, iron ore, coal, lignite and uranium.
14. It is understood and agreed that Lessee, its successors or assigns, shall pay Lessor for any damage done to crops, trees or livestock by reason of operation thereon and shall pay for any damage to road, culverts, bridges and fences, or other improvements on Lessors' lands resulting from the use by Lessee in connection with geophysical exploration thereof, or any other mineral development thereon by Lessee, its successors or assigns, and that upon the abandonment of said lease or surrender thereof, the Lessee, its successors or assigns, shall level all levees around slush pits and/or other excavations and generally restore the surface of the land covered hereby as nearly to its present condition as reasonably possible. In the event of drilling on said land, Lessee, its successors or assigns, shall install cattle guards at all fence crossings used by it or them in connection with said operation even though Lessor maintains gates that could be used, and Lessee shall erect and maintain around all open pits a fence capable of turning livestock.
- 15) In the event Lessee exercises the option to pool the leased premises for the production of oil, gas, and associated hydrocarbons as provided in Paragraph 4 herein, then in such event all of the leased premises described in this Lease shall be placed and included in any such unit so formed. Units formed shall be limited in size to 525 acres, plus a maximum acreage tolerance of 10%.
- 16) Notwithstanding anything to the contrary contained in paragraph 4 of this Lease, it is expressly agreed that if at any time, either before or after the formation of a pooled unit hereunder, should the Railroad Commission of Texas or any other governmental agency having jurisdiction thereof, permit, prescribe or require larger units for production from the unit well than is allowed by this Lease, then Lessee is hereby authorized to form new units, and/or amend existing units, to contain sufficient acreage to obtain the maximum production allowable for the unit well.

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

→ *John Mason Carter*
JOHN MASON CARTER
SS# [REDACTED]

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the 7th
day of ~~March~~, 1994, by JOHN MASON CARTER.
April

Brenda A. Reid
Notary Public, State of Texas
My Commission expires: 8-4-94
BRENDA A. REID
Notary's printed name

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STATE OF TEXAS COUNTY OF BRAZOS
I hereby certify that the instrument was filed on the
date stated hereon, and that the same has duly re-
corded in the public records of the County records
of Brazos County, Texas as the same were presented by me.



APR 26 1994
Mary Ann Howard
COUNTY CLERK, Brazos County Texas

551626

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 15th day of March

94 APR 21 1984

CATHERINE CARTER MALONE

BY: [Signature]
BRAZOS COUNTY CLERK
MILYAN, TEXAS
DEPUTY

Lessor (whether one or more), whose address is: 5757 Memorial Drive, Houston, Texas 77027
and CHESAPEAKE OPERATING, INC., P. O. Box 54525, Oklahoma City, OK. 73154-, Lessee, WITNESSETH:

1. Lessor, in consideration of Ten and Other Valuable Considerations 0525 Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Brazos, State of Texas, and is described as follows:

Being 422.085 acres of land, more or less, out of and a part of the S. D. Smith Survey, A-210, the P. P. Prescott Survey, and the A. D. Houston Survey, A-133, Brazos County, Texas; more particularly described in that certain Deed dated September 30, 1982, from J. W. McFarlane, Trustee to Michael David Schultea, recorded in Volume 540, Page 383 of the Deed Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 422.085 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder. six (6) months

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

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

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

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

5. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

VOL 2093 PAGE 336

7-11-2011

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

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

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

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

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

IN WITNESS WHEREOF, this instrument is executed on the date first above written. See Exhibit "A" attached hereto and made a part hereof for additional provisions.

Catherine Carter Malone
CATHERINE CARTER MALONE

SS. [Redacted]
LESSOR SS. OR TAX I.D. NO.

STATE OF TEXAS
COUNTY OF Harris

This instrument was acknowledged before me on the
by CATHERINE CARTER MALONE



ACKNOWLEDGEMENT

, 19 94

STATE OF
COUNTY OF

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

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

Notary's commission expires: CORPORATE ACKNOWLEDGEMENT

STATE OF
COUNTY OF

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

a _____ corporation, on behalf of said corporation.

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

Notary's commission expires:

Oil, Gas and Mineral Lease
FROM _____ TO _____
Dated _____, 19 _____
No. Acres _____ County, _____
Term _____
This instrument was filed for record on the _____ day of _____, 19 _____, at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office.
By _____ County Clerk
Deputy _____
When recorded, return to _____

EXHIBIT "A"

Attached hereto and made a part hereof that certain Oil, Gas and Mineral Lease made and entered into by CATHERINE CARTER MALONE, as Lessor, and CHESAPEAKE OPERATING, INC., as Lessee, dated March 15, 1994.

12. Anything to the contrary contained herein notwithstanding, it is expressly understood and agreed that this lease cannot be extended beyond the expiration of the primary term by reason of a shut-in well or wells, for a term longer than three (3) consecutive years or for shorter terms at various times not to exceed in the aggregate three (3) years in all.
13. It is agreed and understood that this lease is limited to oil, gas and other hydrocarbons and substances normally associated with the production of oil and gas. Minerals not covered by this lease include (but are not limited to) sand, clay, gravel, iron ore, coal, lignite and uranium.
14. It is understood and agreed that Lessee, its successors or assigns, shall pay Lessor for any damage done to crops, trees or livestock by reason of operation thereon and shall pay for any damage to road, culverts, bridges and fences, or other improvements on Lessors' lands resulting from the use by Lessee in connection with geophysical exploration thereof, or any other mineral development thereon by Lessee, its successors or assigns, and that upon the abandonment of said lease or surrender thereof, the Lessee, its successors or assigns, shall level all levees around slush pits and/or other excavations and generally restore the surface of the land covered hereby as nearly to its present condition as reasonably possible. In the event of drilling on said land, Lessee, its successors or assigns, shall install cattle guards at all fence crossings used by it or them in connection with said operation even though Lessor maintains gates that could be used, and Lessee shall erect and maintain around all open pits a fence capable of turning livestock.
- 15) In the event Lessee exercises the option to pool the leased premises for the production of oil, gas, and associated hydrocarbons as provided in Paragraph 4 herein, then in such event all of the leased premises described in this Lease shall be placed and included in any such unit so formed. Units formed shall be limited in size to 525 acres, plus a maximum acreage tolerance of 10%.
- 16) Notwithstanding anything to the contrary contained in paragraph 4 of this Lease, it is expressly agreed that if at any time, either before or after the formation of a pooled unit hereunder, should the Railroad Commission of Texas or any other governmental agency having jurisdiction thereof, permit, prescribe or require larger units for production from the unit well than is allowed by this Lease, then Lessee is hereby authorized to form new units, and/or amend existing units, to contain sufficient acreage to obtain the maximum production allowable for the unit well.

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

Catherine Carter Malone
CATHERINE CARTER MALONE
SS#

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the 7th day of ~~March~~, 1994, by CATHERINE CARTER MALONE.
April

Brenda A. Reid
Notary Public State of Texas
My Commission Expires: 8-4-94
BREND A REID
Brenda A. Reid printed name
APR 1 1994

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STATE OF TEXAS
I hereby certify that the contents of the attached file
data and information are true and correct to the best of
my knowledge and belief and that the same are
of Public Interest.

OFFICE OF 37703



APR 26 1994

[Handwritten Signature]
COMPTROLLER OF PUBLIC ACCOUNTS

1-1 1994

M.97500 (1)
Case's (7)

9/27/93

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CHESAPEAKE OPERATING, INC.

P.O. BOX 54525
OKLAHOMA CITY, OKLAHOMA 73154-0525
405/840-3000 (OFFICE)
405/848-4319 (FAX)

February 2, 1995

Texas General Land Office
Petroleum & Minerals Division
Stephen F. Austin Building
1700 N. Congress Avenue
Austin, TX 78701

Re: Title Requirements
Dansby Trust #1-H
Brazos County, TX

Gentlemen:

Chesapeake Operating, Inc. has purchased oil and gas leases executed by J. W. McFarlane, Trustee, Michael D. Schultea et ux, Felipe A. Thorndike, William T. Fleming, Jr., J. B. Carter, Jr., John Mason Carter and Catherine Carter Malone, covering the following described lands:

422.085 acres of land, more or less, out of and a part of the S. D. Smith Survey, A-210, the P. P. Prescott Survey, and the A. D. Houston Survey, A-133, Brazos County, Texas; more particularly described in that certain deed dated September 30, 1982, from J. W. McFarlane, Trustee to Michael David Schultea, recorded in Volume 540, Page 383 of the Deed Records of Brazos County, Texas, to which reference are herein made for descriptive purposes only.

Our records indicate that the State of Texas has a non-participating royalty interest in 25.8 acres of land, more or less, being more particularly described as all of the P.P. Prescott Survey conveyed by the State of Texas to P.P. Prescott, Brazos County, Texas, by Patent No. 153, Volume 26-B, dated April 10, 1956, recorded in Volume 173, Page 368, Deed Records of Brazos County, Texas. We request that you sign a ratification of the leases so that the state may be included with other royalty interest Owners in units established on lands covered by the leases and commence sharing in the production from our Dansby Trust #1-H well.

Enclosed for your signature is our ratification and for your information, xerox copies of the leases. Please execute this ratification before a notary public and return to our office as soon as possible.



Draw

M 97500

170

fax 405-879-3560

*HK. to Hwelle
3.12.95*

*w/4 call for
Parker 18P.*

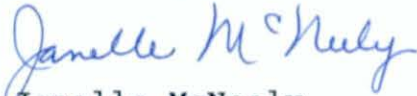
S.F. 19828



Texas General Land Office
February 2, 1995
Page 2

We appreciate your assistance in this matter and if you have further questions, please contact me at the above address or by phone at (405) 848-8000 Ext. 406.

Sincerely,



Janelle McNeely
Title Analyst

enclosure

c:\wp51\cor\dnbytr54.cor
\curative\rat\dnbytr33.rat



②

M.97500

CAR

2.2.95

235

POOLING COMMITTEE REPORT

2/11/96

TO: SCHOOL LAND BOARD
 DATE: November 5, 1996
 OPERATOR: Chesapeake Operating Inc. COUNTY: Brazos
 UNIT NAME: Dansby Trust #1-H FIELD: Giddings
 (Austin Chalk-3)

STATE LEASE(S) IN UNIT

Lease *Type	State Number	State Royalty	Expiration Date	Term Year	Acres Acres	Acres In Unit	Lessee of Record
FR	M-97500	1/16	HBP	6 mo.	25.8	25.8	Chesapeake

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

PRIVATE ACRES: 544.01
 STATE ACRES: 25.80
 TOTAL UNIT ACRES: 569.81

Unitized for:

Oil _____
 Gas _____
 Both x

Depth(s):
 See Remarks
 Formation:
 See Remarks

Well Location:

State Land _____
 Private Land x

Participation:

Basis Surface acreage
 State Acreage 4.53%
 State Unit Royalty 0.283%

Railroad Commission Rules:

Spacing 610 Acres
 Acreage Factor 100%

Agree to drill to density of field rules: _____
 Holds only acreage included in the unit
 past primary term: _____
 Satisfactory geological data furnished: _____

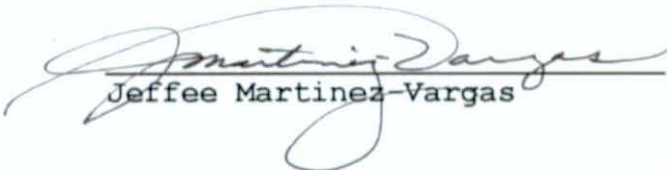
Yes x No _____
 Yes _____ No _____
 Yes x No _____

REMARKS:

- Chesapeake Operating, Inc. is requesting permanent oil and gas pooling of the Austin Chalk Formation defined as the stratigraphic interval or its correlative equivalent occurring from 12,328 feet MD to 16,275 feet MD as indicated as the perforated intervals in the proposed unit well.
- The applicant completed the proposed unit well on June 9, 1994. The well has produced 369,862 bbls of oil and 1,891,036 mcf of casinghead gas through June 1996.
- 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 THE 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

S.D. SMITH A-210

J. C. PALMER

GRIMES CO
BRAZOS CO

NAVASOTA RIVER

1-SL

M-97500

1-BHL

A.D. HOUSTON A-133

10-96/RHIT/96-77

CHESAPEAKE OPERATING, INC.
DANSBURY TRUST No. 1-H
GIDDINGS (AUSTIN CHALK-3) FIELD
M-97500
BRAZOS COUNTY

RATIFICATION OF AMENDED DECLARATION OF POOLED UNIT
DANSBY TRUST #1-H
BRAZOS COUNTY, TEXAS

WHEREAS, a certain instrument, entitled Amended Declaration of Pooled Unit, Dansby Trust #1-H ("Unit Agreement"), has been executed to be effective as of the February 14, 1994, by various persons for conducting Unit Operations in Brazos County, Texas, as more particularly described in said Unit Agreement, recorded at Volume 2320, Page 84, of the Deed Records of Brazos County, Texas and which supersedes the Declaration of Pooled Unit filed of Record at Volume 2063, Page 20 and Volume 2283, Page 98 in the Deed Records of Brazos County, Texas; and,

WHEREAS, the Unit Agreement, by Exhibit "A" describes the leases included within the Unit Area, by Exhibit "B" describes the Unit Area and by a plat attached shows the boundary lines of the Unit Area and the Tracts therein, and,

WHEREAS, a person may become a party to said Unit Agreement by signing the original of said instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions thereof;

WHEREAS, the State of Texas is the owner of a Free Royalty Interest within the Unit Area, and pursuant to the provisions of Subchapter E, Chapter 52 of the Natural Resources Code, the School Land Board has approved said Unit Agreement, upon the condition, however, that the Working Interest Owners agree to the terms hereinafter set forth in consideration of the commitment of the State's Free Royalty Interests to said Unit Agreement, and the Commissioner of the General Land Office is authorized by said statute to commit the State's Free Royalty Interests to said Unit Agreement on behalf of the State:

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the undersigned, the Commissioner of the General Land Office of the State of Texas, acting on behalf of the State, for and in consideration of the premises and the benefits anticipated to accrue to the State under said Unit Agreement, does hereby commit to said Unit Agreement the Free Royalty Interest of the State of Texas in all Tracts within the Unit Area as described in Exhibit "B" and shown on the plat attached to said Unit Agreement, and does hereby agree that the State of Texas shall be bound by all of the provisions of said Unit Agreement, except as hereinafter set forth, the same as if the undersigned had executed the original or a counterpart of said Unit Agreement.

This instrument is executed by the undersigned upon the condition that the Working Interest Owners agree to the following terms in consideration of the commitment of the State's Free Royalty Interests to said Unit Agreement:

PURPOSES:

1.

This Ratification of Unit Agreement ("Ratification") 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 Ratification to effect equitable participation within the unit formed hereby. This Ratification 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. No provision of this Ratification nor any provision of the Unit Agreement shall be construed or applied in a manner that abridges any law governing the Free Royalty Interest of the State.

MINERAL POOLED:

2.

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 over 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 ("unitized interval").

POOLING AND EFFECT:

3.

The State's interests which are within the Unit Area are hereby committed thereto to the extent and as above described into said unit and do unitize and pool hereunder the State's tracts shown on the plat attached to the Unit Agreement 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 Ratification.

(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 Ratification.

(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.

(e) A shut-in oil or gas well located upon any lease included within said unit shall be considered as a shut-in oil or gas well located upon each 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 or otherwise diminished by reason of this Ratification.

(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 "A" to the Unit Agreement only as provided in each such lease. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may 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 569.81 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) There shall not be brought into the Unit Area any tract lying outside its boundaries until approval of such enlargement has been obtained from the School Land Board of the State of Texas.

(i) This Ratification shall not relieve Lessee from the duty of protecting the State Leases within the Unit Area from drainage from any well situated on privately owned land outside the Unit Area or as to any mineral not pooled hereby, 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.

(j) There shall be no obligation to drill internal offsets to any other well on separate tracts within the Unit Area, nor to develop the tracts separately, as to the pooled mineral.

(k) Should the Unit 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 condition 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 the Unit Agreement.

ALLOCATION OF PRODUCTION:

4.

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:

5.

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 Ratification 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:

6.

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) the gross proceeds of the sale thereof, whichever is the greatest;

(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 Ratification "field" means the general area in which the lands covered hereby are located.)

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Ratification shall become effective as of November 5, 1996, however, it is agreed that the State will participate in production from the Unit Well on a unitized basis from the date the pooled mineral was first produced.

TERM:

8.

This Ratification 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 Ratification.

STATE LAND:

9.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Ratification 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:

10.

The Unit Area covered by this Ratification may be dissolved by Lessee, his heirs, successors or assigns, by an instrument filed for record in Brazos 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.

RATIFICATION/WAIVER:

11.

Nothing in this Ratification, nor the approval of this Ratification by the School Land Board, nor the execution of this Ratification 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:

12.

This Ratification 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 Ratification are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Ratification 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 Ratification upon the respective dates indicated below.

Date Executed 3/4/97

STATE OF TEXAS

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

Content AM
Legal MM
Geology MM
Execution MM

~~Date Executed November 27, 1996~~

~~CHESAPEAKE OPERATING, INC.~~

~~By: _____
Title: Vice President - Land & Legal~~

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 5th day of November, 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 4th day of March, 1997.

Linda K. Fisher
Secretary of the School Land Board

~~STATE OF TEXAS~~ Oklahoma
~~COUNTY OF~~ Oklahoma

This instrument was acknowledged before me on the 27th day of November, 1996, by Harold J. Wood as Vice President of Chesapeake Operating, Inc., a corporation on behalf of said corporation.

Marilyn J. Lynch
Notary Public in and for the State of Oklahoma

 **MARILYN J. LYNCH**
Oklahoma County
Notary Public In And For
The State of Oklahoma
My Commission Expires Aug. 20, 1996



BELCO ENERGY L.P.

By: BELCO OPERATING CORP., its General Partner
767 Fifth Avenue, 46th Floor
New York, NY 10153

ATTEST:



Assistant Secretary

BY:


Laurence D. Belfer, Executive Vice-President

AMARADO OIL COMPANY, INC.
8911 Capital of Texas Highway North, Suite 4250
Austin, TX 78759

BY:


David Dachner, President, and as Sole Proprietor of
Amarado Oil Company

EDCO ENERGY, INC.
4833 Spicewood Springs Road
Austin, TX 78759

BY:



Burke T. Edwards, President

CHESAPEAKE INVESTMENTS, an Oklahoma Limited
Partnership
P. O. Box 18496
Oklahoma City, OK 73154

BY:


Aubrey K. McClendon, Sole General Partner

TLW INVESTMENTS, INC.
P. O. Box 54525
Oklahoma City, OK 73154-1525

BY: 
Tom L. Ward, President

CHESAPEAKE EXPLORATION LIMITED PARTNERSHIP, an
Oklahoma Limited Partnership, by CHESAPEAKE
OPERATING, INC., General Partner
P. O. Box 18496
Oklahoma City, OK 73154

BY: 
Aubrey K. McClendon, President

ACKNOWLEDGMENTS

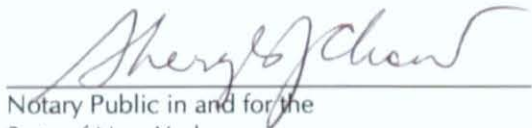
STATE OF NEW YORK)
)
) ss:
COUNTY OF NEW YORK)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 8th day of January, 1997, personally appeared LAURENCE D. BELFER, Executive Vice-President of BELCO OPERATING CORP., a Delaware corporation, acting as General Partner of BELCO ENERGY L.P., a Delaware limited partnership, and on behalf of said partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My Commission Expires:

SHERYL J. CHOW
NOTARY PUBLIC, State Of New York
No. 01CH5040192
Qualified In Queens County
Commission Expires March 06, 1997


Notary Public in and for the
State of New York

STATE OF TEXAS)
)
) ss:
COUNTY OF _____)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 4th day of January, 1996, personally appeared DAVID DACHNER, President, and as Sole Proprietor of AMARADO OIL COMPANY, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My Commission Expires:
8/12/98

Blake B
Notary Public in and for the
State of Texas



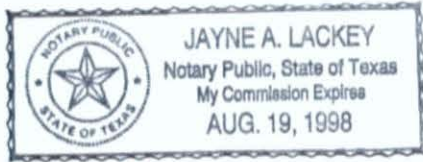
STATE OF TEXAS)
)
) ss:
COUNTY OF Texas)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 20th day of February, 1996, personally appeared BURKE T. EDWARDS, President of EDCO ENERGY, INC., and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My Commission Expires:
8-19-98

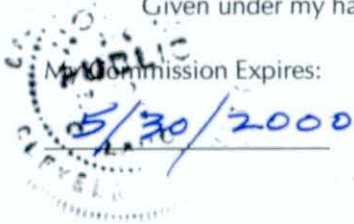
Jayne A. Lackey
Notary Public in and for the
State of Texas



STATE OF OKLAHOMA)
)
) SS:
COUNTY OF OKLAHOMA)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 17th day of December, 1996, personally appeared AUBREY K. MCCLENDON, Sole General Partner of CHESAPEAKE INVESTMENTS, AN OKLAHOMA LIMITED PARTNERSHIP, and on behalf of said partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.



Colene Whitaker
Notary Public in and for the
State of Oklahoma

STATE OF OKLAHOMA)
)
) SS:
COUNTY OF OKLAHOMA)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 17th day of December, 1996, personally appeared TOM L. WARD, President of TLW INVESTMENTS, INC., and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.



Colene Whitaker
Notary Public in and for the
State of Oklahoma

STATE OF OKLAHOMA)
)
) ss:
COUNTY OF OKLAHOMA)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 17th day of December, 1996, personally appeared AUBREY K. MCCLENDON, President of CHESAPEAKE OPERATING, INC. acting as General Partner for CHESAPEAKE EXPLORATION LIMITED PARTNERSHIP, AN OKLAHOMA LIMITED PARTNERSHIP, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

Colene Whitaker
Notary Public in and for the
State of Oklahoma



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AMENDED DECLARATION OF POOLED UNIT
DANSBY TRUST #1-H

Report & Return to:
Chesapeake Operating, Inc.
P.O. Box 18498
Oklahoma City, OK 73154

FILED
MARCH 23 PM 3:11
STATE OF TEXAS
COUNTY OF BRAZOS
CLERK
DEPUTY
John M. Johnson

This Amended Declaration of Pooled Unit is executed to be effective as of February 14, 1994, by the undersigned parties, who are the owners of an interest in the leasehold estates created under those certain Oil, Gas and Mineral Leases (the "Leases") which are more particularly described on Exhibit "A" attached hereto and incorporated herein by reference for all purposes, or who are the owners of an interest in the mineral estate in the lands described in the Leases, who join in the execution hereof to evidence their consent to the pooling, unitization and combination of the leases and mineral estates herein described.

RECITALS

WHEREAS, each of the Leases authorizes the lessee thereunder to pool, unitize or combine all or a portion of the lands covered thereby with other land, lands, lease or leases, to form a pooled unit of the size prescribed or permitted under the rules or regulations of governmental authority for the exploration, development and production of oil, gas and associated and constituent hydrocarbons from the lands covered by the Leases; and

WHEREAS, the pooling, unitization and combination of the Leases and mineral estates to the extent necessary to form the hereinafter described pooled unit is necessary and advisable in the judgment of the undersigned.

WHEREAS, the purpose and intent of this amended declaration is to add the John Mason Carter and Catherine Carter Malone leases (recorded in Volume 2093, Page 328 and Volume 2093, Page 336, respectively, in the records of Brazos County, Texas) which leases were inadvertently omitted from the original Declaration of Pooled Unit - Dansby Trust #1-H, filed at Volume 2063, Page 20 and Volume 2283, Page 98, in the Deed Records of Brazos County, Texas. This amended declaration is intended to amend and supersede said original Declaration of Pooled Unit.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual benefits to be derived by the parties hereto and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agree as follows:

- (1) Declaration of Unit. In accordance with the terms and provisions of the Leases, the undersigned do hereby declare, pool, unitize and combine the Leases, including all renewals, extensions, ratifications and amendments thereof, and the lands covered thereby and the mineral estates therein, to the extent necessary to form and create the Unit Area described below.
- (2) Description of Unit Area. The Unit Area (herein so called) shall consist of 569.81 acres, more or less, being the lands depicted on Exhibit "B"; which is attached hereto and incorporated herein by reference for all purposes, and the unit shall be limited to the interval and depths lying between the top of the Austin Chalk formation and the base of the Austin Chalk formation, **INSOFAR AND ONLY**

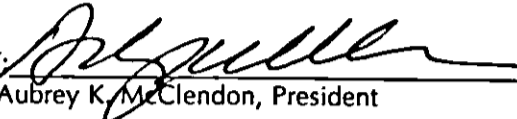
INSOFAR as to oil, gas, and associated and constituent hydrocarbons produced from a well or wells classified as an oil well or a gas well.

- (3) Unit Name. The pooled unit created hereby shall be known as the "Dansby Trust #1-H".
- (4) Additional Interests; Consent. In the event the undersigned own any leasehold interest or mineral interest other than those specifically described or referred to herein covering the lands inside the Unit Area, including any unleased mineral interest in lands inside the Unit Area, or any interest for which ratification of the pooled unit created hereby is necessary, said interest or interests are hereby pooled and combined into said pooled unit as hereby declared without the necessity of specifically enumerating such interest or interests or the specific lands which they cover or in which they are held.
- (5) Right to Amend. The undersigned hereby expressly reserve the right, from time to time, to amend this Declaration of Pooled Unit, and the respective terms and provisions hereof, and to change the size and area of, and interests covered by the pooled unit described herein, including, without limitation, the power (i) to change, reduce, enlarge or extend the size or configuration of the Unit Area; (ii) to include any other formation or formations and any other mineral or minerals therein, thereunder or produced therefrom, all in accordance with the terms and provisions of the Leases; (iii) to include in the pooled unit described herein or in any amendments hereto, oil, gas and mineral leases, or interests in the lands described therein, covering interests in the Unit Area, which are secured or obtained subsequent to the date hereof, or prior to the date hereof and not included and described herein, and (iv) to include in the pooled unit described herein or in any amendments hereto, full or undivided interests in the Unit Area which are not otherwise included herein by the respective owner of such full or undivided interests.
- (6) Dissolution of Unit. The pooled unit formed hereby may be dissolved by Chesapeake Operating, Inc., acting as the Operator of the pooled unit, at any time by an instrument filed for record in Brazos County, Texas, after any failure to establish unit production, or after cessation of operations upon the pooled unit.
- (7) Multiple Originals. This instrument may be executed in any number of counterparts, each of which shall have the same force and effect as an original instrument executed by all of the undersigned parties, regardless of whether such counterpart is executed subsequent to the date hereof or the filing of record of a counterpart hereof. Further, this instrument may be ratified, consented to or approved by any party, individual, person or entity by a separate instrument in writing referring to this instrument, only upon consent of the undersigned parties hereto. This Declaration of Pooled Unit, and each counterpart or ratification hereof, shall be binding upon each party who executed the same, without regard to whether any other party owning an interest in the Leases or Unit Area may execute this instrument, or a counterpart or ratification hereof.

(8) General Provisions. This instrument shall bind, inure to the benefit of, and be exercised by heirs, assigns and successors in interest of all parties. When the context requires, singular nouns and pronouns include the plural.

EXECUTED by the undersigned parties on the respective dates of acknowledgment hereof, to be effective for all purposes as of the date first above written.

CHESAPEAKE OPERATING, INC.
P. O. Box 54525
Oklahoma City, OK 73154-1525


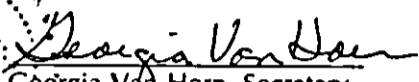
BY: 
Aubrey K. McClendon, President

BELCO OIL & GAS CORP., a Delaware corporation,
acting as General Partner of BELCO ENERGY, L.P.,
a Delaware limited partnership
767 Fifth Avenue, 46th Floor
New York, NY 10153

BY: _____
Laurence D. Belfer, Vice-President

EDCO ENERGY, INC.
4833 Spicewood Springs Road
Austin, TX 78759

BY: _____
Burke T. Edwards, President


ATTEST: 
Georgia Van Horn, Secretary

ATTEST: _____
Secretary

ATTEST: _____
Secretary

(8) General Provisions. This instrument shall bind, inure to the benefit of, and be exercised by heirs, assigns and successors in interest of all parties. When the context requires, singular nouns and pronouns include the plural.

EXECUTED by the undersigned parties on the respective dates of acknowledgment hereof, to be effective for all purposes as of the date first above written.

CHESAPEAKE OPERATING, INC.
P. O. Box 54525
Oklahoma City, OK 73154-1525

ATTEST: _____
Deborah J. Richardson
Assistant Secretary

BY: _____
Tom L. Ward, Vice-President

BELCO OIL & GAS CORP., a Delaware corporation,
acting as General Partner of BELCO ENERGY, L.P.,
a Delaware limited partnership
767 Fifth Avenue, 46th Floor
New York, NY 10153

ATTEST: 
Secretary

BY: 
Laurence D. Belfer, Vice-President

EDCO ENERGY, INC.
4833 Spicewood Springs Road
Austin, TX 78759

ATTEST: _____
Secretary

BY: _____
Burke T. Edwards, President

(8) General Provisions. This instrument shall bind, inure to the benefit of, and be exercised by heirs, assigns and successors in interest of all parties. When the context requires, singular nouns and pronouns include the plural.

EXECUTED by the undersigned parties on the respective dates of acknowledgment hereof, to be effective for all purposes as of the date first above written.

CHESAPEAKE OPERATING, INC.
P. O. Box 54525
Oklahoma City, OK 73154-1525

ATTEST: _____
Deborah J. Richardson
Assistant Secretary

BY: _____
Tom L. Ward, Vice-President

BELCO OIL & GAS CORP., a Delaware corporation,
acting as General Partner of BELCO ENERGY, L.P.,
a Delaware limited partnership
767 Fifth Avenue, 46th Floor
New York, NY 10153

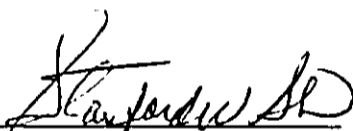
ATTEST: _____
Secretary

BY: _____
Laurence D. Belfer, Vice-President


EDCO ENERGY, INC.
4833 Spicewood Springs Road
Austin, TX 78759

WITNESS

ATTEST:


Secretary

BY:


Burke T. Edwards, President

ACKNOWLEDGMENTS

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA) ss:

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 21st day of March, 1995, personally appeared AUBREY K. MCCLENDON, President of CHESAPEAKE OPERATING, INC., and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My Commission Expires:

7-17-95

Beverly Beany
Notary Public in and for the
State of Oklahoma

STATE OF NEW YORK)
)
COUNTY OF NEW YORK) ss:

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this _____ day of _____, 1995, personally appeared LAURENCE D. BELFER, Vice-President of BELCO OIL & GAS CORP., a Delaware corporation, acting as General Partner of BELCO ENERGY L.P., a Delaware limited partnership, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My Commission Expires:

Notary Public in and for the
State of New York

STATE OF TEXAS)
)
COUNTY OF _____) ss:

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this _____ day of _____, 1995, personally appeared BURKE T. EDWARDS, President of EDCO ENERGY, INC., and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My Commission Expires:

Notary Public in and for the
State of New York

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ACKNOWLEDGMENTS

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA) ss:

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this _____ day of _____, 1995, personally appeared TOM L. WARD, Vice-President of CHESAPEAKE OPERATING, INC., and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My Commission Expires:

Notary Public in and for the
State of Oklahoma

STATE OF NEW YORK)
)
COUNTY OF NEW YORK) ss:

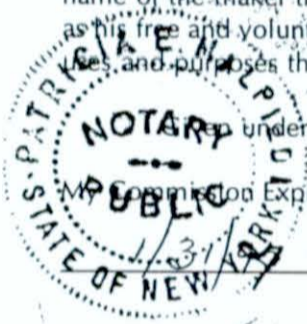
BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 10th day of March, 1995, personally appeared LAURENCE D. BELFER, Vice-President of BELCO OIL & GAS CORP., a Delaware corporation, acting as General Partner of BELCO ENERGY L.P., a Delaware limited partnership, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My Commission Expires:

Patricia E. Matzide

Notary Public in and for the
State of New York



STATE OF TEXAS)
)
COUNTY OF _____) ss:

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this _____ day of _____, 1995, personally appeared BURKE T. EDWARDS, President of EDCO ENERGY, INC., and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My Commission Expires:

Notary Public in and for the
State of New York

curative\dpu\dansbtr2.dpu

ACKNOWLEDGMENTS

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA) ss:

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this _____ day of _____, 1995, personally appeared TOM L. WARD, Vice-President of CHESAPEAKE OPERATING, INC., and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My Commission Expires:

Notary Public in and for the
State of Oklahoma



STATE OF NEW YORK)
)
COUNTY OF NEW YORK) ss:

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this _____ day of _____, 1995, personally appeared LAURENCE D. BELFER, Vice-President of BELCO OIL & GAS CORP., a Delaware corporation, acting as General Partner of BELCO ENERGY L.P., a Delaware limited partnership, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My Commission Expires:

Notary Public in and for the
State of New York

STATE OF TEXAS)
)
COUNTY OF _____) ss:

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 20 day of March, 1995, personally appeared BURKE T. EDWARDS, President of EDCO ENERGY, INC., and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My Commission Expires:

Notary Public in and for the
State of ~~New York~~
TEXAS

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EXHIBIT "A"

ATTACHED HERETO AND MADE A PART OF THAT CERTAIN DECLARATION OF POOLED UNIT DATED EFFECTIVE AS OF FEBRUARY 14, 1994, INsofar AND ONLY INsofar AS THE LEASES PERTAIN TO THE DAnSBY TRUST #1-H.

LESSOR: Julie Finkle Adams, dealing herein as her sole and separate property
LESSEE: Union Pacific Resources Company
DATE: June 18, 1993
RECORDED: 2018/126
DESCRIPTION: Being 37.00 acres of land, more or less, lying and being situated in the S. D. Smith Survey, A-210, Brazos County, Texas; and being more particularly described as tract numbered six (6) out of "share" designated B in that certain Final Decree, Cause Number 15408, R.M. Dansby, et al, vs. P.P. Prescott, et al, dated October 24, 1960 and being recorded in Volume W, at Page 231 of the District Court Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

LESSOR: J. B. Carter, Jr.
LESSEE: Chesapeake Operating, Inc.
DATE: October 4, 1993
RECORDED: 1979/77
DESCRIPTION: Being 422.085 acres of land, more or less, out of and a part of the S. D. Smith Survey, A-210, the P. P. Prescott Survey, and the A. D. Houston Survey, A-133, Brazos County, Texas; more particularly described in that certain Deed dated September 30, 1982, from J. W. McFarlane, Trustee to Michael David Schultea, recorded in Volume 540, Page 383 of the Deed Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

LESSOR: Janet Kerr Cook, a widow
LESSEE: Union Pacific Resources Company
DATE: July 12, 1993
RECORDED: 1914/101
DESCRIPTION: Being 37.00 acres of land, more or less, lying and being situated in the S. D. Smith Survey, A-210, Brazos County, Texas; and being more particularly described as tract numbered six (6) out of "share" designated B in that certain Final Decree, Cause Number 15408, R.M. Dansby, et al, vs. P.P. Prescott, et al, dated October 24, 1960 and being recorded in Volume W, at Page 231 of the District Court Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

LESSOR: Clyde H. Crockett, II, dealing in his separate property
LESSEE: Union Pacific Resources Company
DATE: July 26, 1993
RECORDED: 1937/123
DESCRIPTION: 40.00 acres, more or less, being a part of the Sterrett D. Smith Survey, A-210, Brazos County, Texas, and being the same land allotted out of Share "A" to Jack L. Crockett, Mrs. Willie Crockett and David Crockett as described in Partition Decree dated October 24, 1960, styled R.M. Dansby, et al, vs. P.P. Prescott, et al, Cause Number 15,408, recorded in Volume W, Page 231, Civil Minutes of the District Court, Brazos County, Texas.

LESSOR: Jack L. Crockett, dealing in his own separate property
LESSEE: Union Pacific Resources Company
DATE: July 23, 1993
RECORDED: 1943/45
DESCRIPTION: 40.00 acres, more or less, being a part of the Sterrett D. Smith Survey, A-210, Brazos County, Texas, and being the same land allotted out of Share "A" to Jack L. Crockett, Mrs. Willie Crockett and David Crockett as described in Partition Decree dated October 24, 1960, styled R.M. Dansby, et al, vs. P.P. Prescott, et al, Cause Number 15,408, recorded in Volume W, Page 231, Civil Minutes of the District Court, Brazos County, Texas.

LESSOR: R. E. Dansby, Jr., Trustee
LESSEE: Chesapeake Operating, Inc.
DATE: December 21, 1993
RECORDED: 2011/62
DESCRIPTION: 102.95 acres of land, more or less, out of the S. D. Smith Survey, Abstract No. 210, Brazos County, Texas, being all that certain tract of 337.97 acres described in that certain Oil, Gas and Mineral Lease dated September 5, 1990 between R. E. Dansby, Trustee, as Lessor, and Union Pacific Resources Company, as Lessee, recorded in Volume 1222, Page 840 of the Official Records of Brazos County, Texas, LESS AND EXCEPT the A) UPRC's Henry L. Allen Unit Well No. 1, consisting of 423.33 acres, of which 72.31 acres are out of the lease hereinabove referred to, recorded in Volume 1898, Page 178 AND B) UPRC's Allen-Dansby Unit Well No. 1, consisting of 584.95 acres, of which 162.71 acres are out of the lease hereinabove referred to, recorded in Volume 1898, Page 188, BOTH in the Official Records of Brazos County, Texas. THE RESIDUAL of 337.97 acres, Less "A" (72.31 acres) and "B" (162.71 acres) being 102.95 acres of land, more or less.

LESSOR: Kerry Finkle Dee, a feme sole
LESSEE: Union Pacific Resources Company
DATE: June 18, 1993
RECORDED: 1937/125
DESCRIPTION: Being 37.00 acres of land, more or less, lying and being situated in the S.D. Smith Survey, A-210, Brazos County, Texas; and being more particularly described as tract numbered six (6) out of "share" designated B in that certain Final Decree, Cause Number 15408, R.M. Dansby, et al, vs. P.P. Prescott, et al, dated October 24, 1960 and being recorded in Volume W, at Page 231 of the District Court Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.


LESSOR: Leslie A. Finkle, a feme sole
LESSEE: Union Pacific Resources Company
DATE: June 18, 1993
RECORDED: 2096/207
DESCRIPTION: Being 37.00 acres of land, more or less, lying and being situated in the S.D. Smith Survey, A-210, Brazos County, Texas; and being more particularly described as tract numbered six (6) out of "share" designated B in that certain Final Decree, Cause Number 15408, R.M. Dansby, et al, vs. P.P. Prescott, et al, dated October 24, 1960 and being recorded in Volume W, at Page 231 of the District Court Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

LESSOR: Norman H. Finkle, dealing herein as his sole and separate property
LESSEE: Union Pacific Resources Company
DATE: June 18, 1993
RECORDED: 1873/182
DESCRIPTION: Being 37.00 acres of land, more or less, lying and being situated in the S.D. Smith Survey, A-210, Brazos County, Texas; and being more particularly described as tract numbered six (6) out of "share" designated B in that certain Final Decree, Cause Number 15408, R.M. Dansby, et al, vs. P.P. Prescott, et al, dated October 24, 1960 and being recorded in Volume W, at Page 231 of the District Court Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

LESSOR: Norman John Finkle, dealing herein as his sole and separate property
LESSEE: Union Pacific Resources Company
DATE: August 31, 1993
RECORDED: 2096/210
DESCRIPTION: Being 37.00 acres of land, more or less, lying and being situated in the S.D. Smith Survey, A-210, Brazos County, Texas; and being more particularly described as tract numbered six (6) out of "share" designated B in that certain Final Decree, Cause Number 15408, R.M. Dansby, et al, vs. P.P. Prescott, et al, dated October 24, 1960 and being recorded in Volume W, at Page 231 of the District Court Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

LESSOR: William T. Fleming, Jr.
LESSEE: Chesapeake Operating, Inc.
DATE: October 4, 1993
RECORDED: 1979/81
DESCRIPTION: Being 422.085 acres of land, more or less, out of and a part of the S. D. Smith Survey, A-210, the P. P. Prescott Survey, and the A. D. Houston Survey, A-133, Brazos County, Texas; more particularly described in that certain Deed dated September 30, 1982, from J. W. McFarlane, Trustee to Michael David Schultea, recorded in Volume 540, Page 383 of the Deed Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

LESSOR: Eugene J. Kerr, a/k/a Eugene James Kerr, Jr.
LESSEE: Union Pacific Resources Company
DATE: June 18, 1993
RECORDED: 1914/114
DESCRIPTION: Being 37.00 acres of land, more or less, lying and being situated in the S.D. Smith Survey, A-210, Brazos County, Texas; and being more particularly described as tract numbered six (6) out of "share" designated B in that certain Final Decree, Cause Number 15408, R.M. Dansby, et al, vs. P.P. Prescott, et al, dated October 24, 1960 and being recorded in Volume W, at page 231 of the District Court Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.



LESSOR: Johanna Kerr, a single woman
LESSEE: Union Pacific Resources Company
DATE: June 18, 1993
RECORDED: 1914/117
DESCRIPTION: Being 37.00 acres of land, more or less, lying and being situated in the S.D. Smith Survey, A-210, Brazos County, Texas; and being more particularly described as tract numbered six (6) out of "share" designated B in that certain Final Decree, Cause Number 15408, R.M. Dansby, et al, vs. P.P. Prescott, et al, dated October 24, 1960 and being recorded in Volume W, at Page 231 of the District Court Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

LESSOR: William Ray Kerr, a/k/a W. Ray Kerr, acting by through and under Janet Kerr Cook, his Agent and Attorney-in-Fact
LESSEE: Union Pacific Resources Company
DATE: July 12, 1993
RECORDED: 1914/111
DESCRIPTION: Being 37.00 acres of land, more or less, lying and being situated in the S.D. Smith Survey, A-210, Brazos County, Texas; and being more particularly described as tract numbered six (6) out of "share" designated B in that certain Final Decree, Cause Number 15408, R.M. Dansby, et al, vs. P.P. Prescott, et al, dated October 24, 1960 and being recorded in Volume W, at Page 231 of the District Court Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

LESSOR: J. W. McFarlane, Trustee
LESSEE: Chesapeake Operating, Inc.
DATE: September 27, 1993
RECORDED: 1979/85
DESCRIPTION: Being 422.085 acres of land, more or less, out of and a part of the S. D. Smith Survey, A-210, the P. P. Prescott Survey, and the A. D. Houston Survey, A-133, Brazos County, Texas; more particularly described in that certain Deed dated September 30, 1982, from J. W. McFarlane, Trustee to Michael David Schultea, recorded in Volume 540, Page 383 of the Deed Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

LESSOR: Annette Crockett Melass, dealing in her own separate property
LESSEE: Union Pacific Resources Company
DATE: July 26, 1993
RECORDED: 1937/142
DESCRIPTION: 40.00 acres, more or less, being a part of the Sterrett D. Smith Survey, A-210, Brazos County, Texas, and being the same land allotted out of Share "A" to Jack L. Crockett, Mrs. Willie Crockett and David Crockett as described in Partition Decree dated October 24, 1960, styled R.M. Dansby, et al, vs. P.P. Prescott, et al, Cause Number 15,408, recorded in Volume W, Page 231, Civil Minutes of the District Court, Brazos County, Texas.

LESSOR: Nori C. Reid, formerly known as Nori C. Finkle, dealing herein as her sole and separate property
LESSEE: Union Pacific Resources Company
DATE: June 18, 1993
RECORDED: 1905/337
DESCRIPTION: Being 37.00 acres of land, more or less, lying and being situated in the S.D. Smith Survey, A-210, Brazos County, Texas; and being more particularly described as tract numbered six (6) out of "share" designated B in that certain Final Decree, Cause Number 15408, R.M. Dansby, et al, vs. P.P. Prescott, et al, dated October 24, 1960 and being recorded in Volume W, at Page 231 of the District Court Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

LESSOR: Michael D. Schulte and wife, Suzanne K. Schulte
LESSEE: Chesapeake Operating, Inc.
DATE: September 27, 1993
RECORDED: 1979/89
DESCRIPTION: Being 422.085 acres of land, more or less, out of and a part of the S. D. Smith Survey, A-210, the P. P. Prescott Survey, and the A. D. Houston Survey, A-133, Brazos County, Texas; more particularly described in that certain Deed dated September 30, 1982, from J. W. McFarlane, Trustee to Michael David Schulte, recorded in Volume 540, Page 383 of the Deed Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

LESSOR: Robert M. Tatum, Agent and Attorney-in-Fact for Mrs. Morris W. Tatum a/k/a Robbie Nicol Tatum
LESSEE: Chesapeake Operating, Inc.
DATE: February 4, 1994
RECORDED: 2029/314
DESCRIPTION: 7.85 mineral acres, more or less, out of and a part of the S. D. Smith Survey, Abstract No. 210, situated in Brazos County, Texas, and being the same mineral tract of 7.85 acres awarded to Mrs. Ella Nicol Emmel in that certain Partition Suit dated October 24th, 1960, by and between R. M. Dansby, et al, vs. P. P. Prescott, et al, duly recorded in Volume W at page 231 of the District Court Records of Brazos County, Texas, and same being numbered eight (8) of Share "B" in said suit, containing 7.85 mineral acres, more or less.

LESSOR: Felipe A. Thorndike
LESSEE: Chesapeake Operating, Inc.
DATE: October 4, 1993
RECORDED: 2011/67
DESCRIPTION: Being 422.085 acres of land, more or less, out of and a part of the S. D. Smith Survey, A-210, the P. P. Prescott Survey, and the A. D. Houston Survey, A-133, Brazos County, Texas; more particularly described in that certain Deed dated September 30, 1982, from J. W. McFarlane, Trustee to Michael David Schulte, recorded in Volume 540, Page 383 of the Deed Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

LESSOR: John Mason Carter
LESSEE: Chesapeake Operating, Inc.
DATE: March 15, 1994
RECORDED: 2093/328
DESCRIPTION: Being 422.085 acres of land, more or less, out of and a part of the S. D. Smith Survey, A-210, the P. P. Prescott Survey, and the A. D. Houston Survey, A-133, Brazos County, Texas; more particularly described in that certain Deed dated September 30, 1982, from J. W. McFarlane, Trustee to Michael David Schulte, recorded in Volume 540, Page 383 of the Deed Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

LESSOR: Catherine Carter Malone
LESSEE: Chesapeake Operating, Inc.
DATE: March 15, 1994
RECORDED: 2093/336
DESCRIPTION: Being 422.085 acres of land, more or less, out of and a part of the S. D. Smith Survey, A-210, the P. P. Prescott Survey, and the A. D. Houston Survey, A-133, Brazos County, Texas; more particularly described in that certain Deed dated September 30, 1982, from J. W. McFarlane, Trustee to Michael David Schulte, recorded in Volume 540, Page 383 of the Deed Records of Brazos County, Texas, to which references are herein made for descriptive purposes only.

EXHIBIT "B"

DESCRIPTION OF 569.81 ACRE
DANSBY TRUST UNIT NO. 1-H
S. D. SMITH SURVEY, A-210,
& A. D. HOUSTON SURVEY, A-133,
BRAZOS COUNTY, TEXAS

Being a 569.81 acre unit in the S. D. Smith Survey, A-210, and A. D. Houston Survey, A-133, Brazos County, Texas, for the Chesapeake Operating, Inc. *Dansby Trust Unit Well No. 1-H*; said 569.81 acres being more particularly described as follows:

BEGINNING at a 3/4 inch iron pipe found on the common line of said S. D. Smith Survey and said A. D. Houston Survey for the southerly northwest corner of that certain called 332.701 acre tract described in Special Warranty Deed with Vendor's Lien dated September 30, 1982 from J. W. McFarlane, Trustee to Michael David Schultea, recorded in Volume 540, Page 383 of the Deed Records of Brazos County, Texas;

THENCE, N 88° 10' 31" E, along said common survey line and the southerly north line of said called 332.701 acre tract, a distance of 31.38 feet to a 3/4" iron pipe found for an inner corner of said called 332.701 acre tract;

THENCE, N 01° 36' 34" W, along the northerly west line of said called 332.701 acre tract, at a distance of 1294.69 feet pass a 3/8 inch iron rod found for the northerly northwest corner of said called 332.701 acre tract and the southwest corner of that certain called 462.82 acres described as Share "B" in Cause No. 15408 styled R. M. Dansby, et al vs. P. P. Prescott, et al recorded in Volume W, Page 224 of the Civil Minutes of the District Court of Brazos County, Texas, then continuing along the west line of said called 462.82 acre tract a total distance of 2709.19 feet to a point for the southwest corner of the Henry L. Allen No. 1 423.33 Acre Unit;

THENCE, N 88° 20' 20" E, across said called 462.82 acre tract along the south line of said called 423.33 acre unit, a distance of 4839.77 feet to a point on the west bank of the Navasota River for corner;

THENCE, southeasterly, along the call meanders of said west bank as follows:

- S 09° 04' 36" W, a distance of 188.00 feet;
- S 25° 04' 36" W, a distance of 408.33 feet;
- S 00° 55' 24" E, a distance of 194.44 feet;
- S 02° 25' 24" E, a distance of 186.11 feet;
- S 10° 34' 36" W, a distance of 180.55 feet;
- S 14° 35' 24" E, a distance of 150.00 feet;
- S 79° 35' 24" E, a distance of 466.66 feet;
- N 58° 54' 36" E, a distance of 277.78 feet;

N 51° 21' 31" E, a distance of 271.27 feet;
N 17° 34' 28" E, a distance of 122.65 feet;
N 18° 45' 40" W, a distance of 166.00 feet;
N 82° 12' 57" E, a distance of 39.52 feet;
S 67° 02' 26" E, a distance of 96.66 feet;
S 65° 53' 50" E, a distance of 382.59 feet;
S 54° 17' 30" E, a distance of 116.90 feet;
S 35° 08' 25" E, a distance of 194.95 feet;
S 18° 51' 32" E, a distance of 260.08 feet;
S 05° 23' 07" E, a distance of 177.23 feet;
S 21° 48' 13" W, a distance of 116.94 feet;
S 24° 40' 52" W, a distance of 78.16 feet;
S 45° 29' 19" W, a distance of 100.14 feet;
S 54° 27' 37" W, a distance of 163.92 feet;
S 34° 03' 01" W, a distance of 85.48 feet;
S 21° 24' 04" W, a distance of 264.60 feet;
S 07° 12' 53" E, a distance of 104.66 feet;
S 21° 32' 19" E, a distance of 122.90 feet;
S 68° 18' 00" E, a distance of 164.16 feet;
N 88° 39' 47" E, a distance of 392.93 feet;
N 30° 30' 36" E, a distance of 172.81 feet;
N 01° 43' 53" W, a distance of 103.95 feet;
N 16° 10' 23" E, a distance of 79.73 feet;
N 40° 53' 01" E, a distance of 191.88 feet;
N 45° 47' 11" E, a distance of 172.19 feet;
N 54° 56' 47" E, a distance of 197.50 feet;
N 80° 40' 24" E, a distance of 92.68 feet;
S 65° 46' 23" E, a distance of 99.46 feet;
N 86° 09' 29" E, a distance of 181.23 feet;
S 62° 11' 50" E, a distance of 80.00 feet;
S 45° 01' 51" E, a distance of 182.55 feet;
S 13° 37' 30" W, a distance of 238.99 feet;
S 14° 03' 43" E, a distance of 222.60 feet;
S 47° 05' 44" E, a distance of 133.62 feet;
S 67° 56' 45" E, a distance of 338.13 feet;
S 65° 37' 17" E, a distance of 237.56 feet;
S 64° 19' 56" E, a distance of 122.40 feet;
N 08° 29' 36" E, a distance of 18.27 feet;
S 55° 14' 56" E, a distance of 382.46 feet;
S 24° 36' 47" E, a distance of 153.63 feet;
S 29° 19' 14" W, a distance of 187.59 feet;
S 47° 43' 44" W, a distance of 180.97 feet to a

point for the southeast corner of that ceratin called 89.384 acre tract described in Special Warranty Deed with Vendor's Lien dated September 30, 1982 from J. W. McFarlane, Trustee to Michael David Schulte, recorded in Volume 540, Page 383 of the Deed Records of Brazos County, Texas;

THENCE, S 89° 21' 15" W, along the south line of said called 89.384 acre tract, a distance of 5182.48 feet to a 3/4 inch iron pipe found on the southerly east line of said called 332.701 acre tract for the southwest corner of said called 89.384 acre tract;

THENCE, S 00° 41' 12" E, along said southerly east line, a distance of 844.11 feet to a 3/4 inch iron pipe found for the southerly southeast corner of said called 332.701 acre tract;

THENCE, S 89° 40' 21" W, along the westerly south line of said called 332.701 acre tract, a distance of 3237.68 feet to the southwest corner of said called 332.701 acre tract;

THENCE, N 00° 53' 24" W, along the southerly west line of said called 332.701 acre tract, a distance of 1512.49 feet to the POINT OF BEGINNING and containing 569.81 acres of land.

The above legal description was prepared from legal material furnished and does not represent an actual survey.

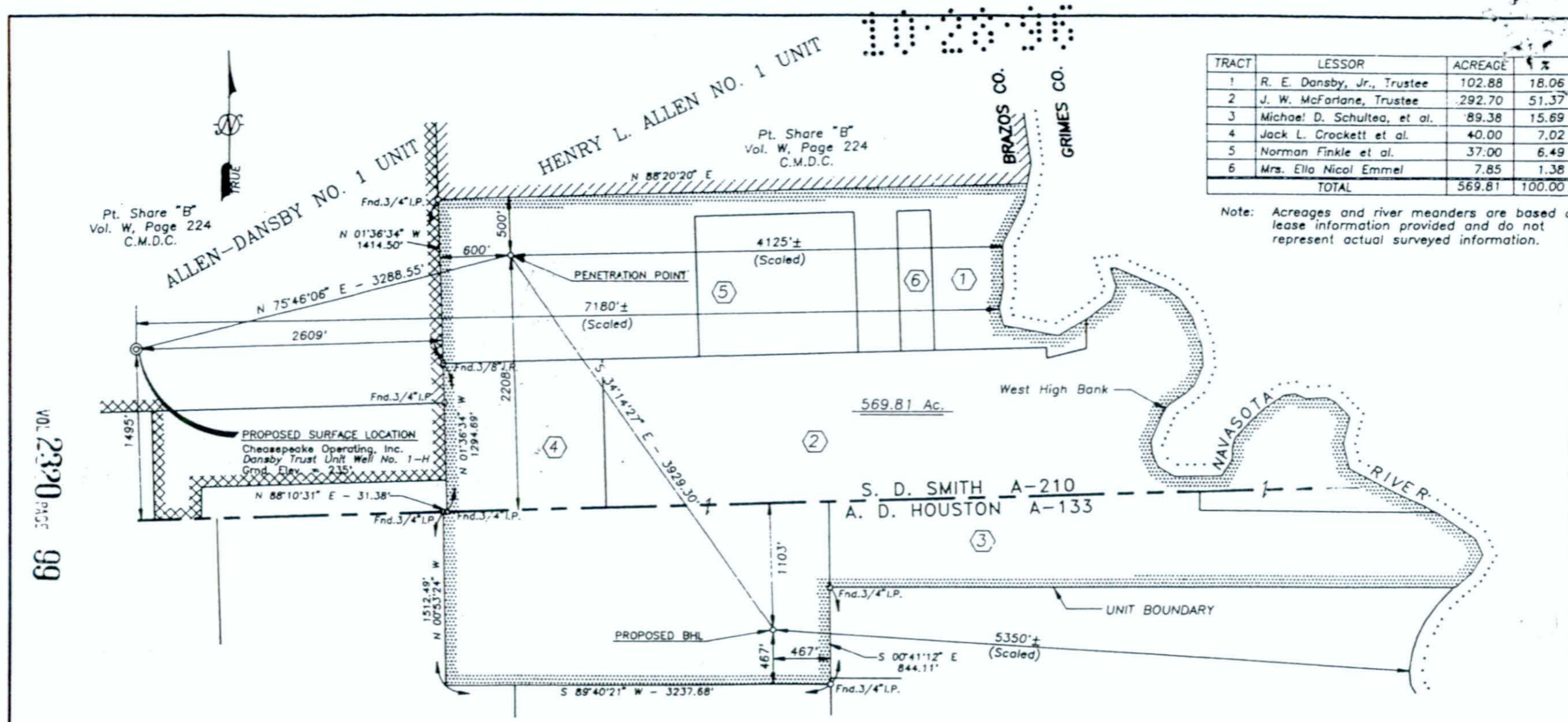
John T. Jakubik & Assoc., Inc.
Date: 06-02-94
File: 4586

Jeffrey L. ...



TRACT	LESSOR	ACREAGE	%
1	R. E. Dansby, Jr., Trustee	102.88	18.06
2	J. W. McFarlane, Trustee	292.70	51.37
3	Michael D. Schultea, et al.	89.38	15.69
4	Jack L. Crockett et al.	40.00	7.02
5	Norman Finkle et al.	37.00	6.49
6	Mrs. Ella Nicol Emmel	7.85	1.38
TOTAL		569.81	100.00

Note: Acreages and river meanders are based on lease information provided and do not represent actual surveyed information.



VOL. 2370 PAGE 99

The proposed surface location is located 4.9 miles north of Millican, Texas

Bearings shown hereon are TRUE based on solar observation.

I hereby certify that this is a true and correct plat based on a ground survey made under my supervision on December 20, 1993

Jeffrey L. Fausler
 Jeffrey L. Fausler
 Registered Professional Surveyor
 R.P.S. No. 4348

JOHN T. JAKUBIK & ASSOCIATES, INC.
 4309 Greenbriar • Stafford, Texas 77477 • 713/240-0498

CHESAPEAKE OPERATING, INC
 PROPOSED WELL LOCATION
 DANSBY TRUST UNIT WELL NO. 1-H
 S.D. SMITH SURVEY, A-210
 A.D. HOUSTON SURVEY, A-133
 BRAZOS COUNTY, TEXAS

DATE: 10-11-93 SCALE: 1" = 1000
 JOB NO.: 93-10-4586 REV.: 02-16-94

③ M-97500

Pooling Agreement

FILED: 3-20-97

10.58.08

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

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

File 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

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 NO. 9 BELOW.
0-2000' - 8100, 2001' - 4000' - 8125, 4001' - 9000' - 8150, 9001' or deeper - 8200

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 type="checkbox"/> Horizontal <input checked="" 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. <u>42-</u> Permit No. _____ Rule 37 Case No. _____					
1. Operator's Name (exactly as shown on Form P-5, Organization Report) <input checked="" type="checkbox"/> Chesapeake Operating, Inc.		3. RRC Operator No. 147715	4. RRC District No. 03	5. County of Well Site Brazos							
2. Address (including city and zip code) P.O. Box 54525 Oklahoma City, Oklahoma 73154-0525		6. Lease Name (32 spaces maximum) Dansby Trust		7. RRC Lease/ID No. N/A	8. Well No. 1H	9. Total Depth 11,600' TVD					
10. Location SL: S.D. Smith Sur. A-210 TL: A.D. Houston Sur. Abstract No. A-133 • Section _____ Block _____ Survey _____ • This well is to be located <u>4.9</u> miles in a <u>north</u> direction from <u>Millican, Texas</u> which is the nearest town in the county of the well site.											
11. Distance from proposed location to nearest lease or unit line <u>500</u> ft.			12. Number of contiguous acres in lease, pooled unit, or unitized tract <u>569.81</u> (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-3)		11,600'	467/1200	160/80	569.81	No	---	Oil	1	0	
Giddings (Austin Chalk, Gas)		11,600'	467/1200	160/80	569.81	No	---	Gas	0	1	
Wildcat		11,600'	467/1200	40	569.81	No	---	O/G	1	1	
22. Perpendicular surface location from two nearest designated lines: • Lease/Unit <u>1495' FSL & 2609' FFI</u> • Survey/Section <u>1495' FSL & 7180' + FEL (Navasota River)</u>						If a directional well, show also projected bottom-hole location: • Lease/Unit <u>467' FSI & 467' FFI</u> • Survey/Section <u>1103' FNL & 5350' + FEL (Navasota River)</u>					
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 type="checkbox"/> No <input type="checkbox"/>						I certify that information stated in this application is true and complete, to the best of my knowledge.					
Remarks Penetration point-600' FWL & 500' FNL						Signature: <u>Janet L. Otey</u> Name and title of operator's representative: <u>Janet L. Otey, Agent</u> Date: <u>2-23-94</u> mo. day yr. Tel: <u>(405) 840-3000</u> Area Code Number					
						• RRC Use Only •					

DEPTH OF USABLE-QUALITY GROUND WATER TO BE PROTECTED

PLEASE READ ALL INSTRUCTIONS

The information requested is essential in order for this agency to provide an appropriate response. Please allow for receipt of this form in our offices at least one week before your operation begins. Due to the volume of these requests, it is difficult for us to handle telephone inquiries, and such only serve to delay the processing of these forms. Complete, keep the bottom sheet (yellow) for your files, and mail the top 3 sheets of the 4-sheet set of carbon-backed forms to the address below; one of them will be returned to you bearing our response and one will be sent to the appropriate district office of the Railroad Commission. For questions phone: 512/463-8003.

Surface Casing
Texas Water Commission
P.O. Box 13087
Austin, TX 78711-3087

Date 2-23-94

TWC File No.: 2C-1961

Janet L. Oney (512) 453-0765
Name of person preparing this request & telephone no. w/AC

Chesapeake Operating, Inc.
Company (operator's name as on RRC form W-1)

P.O. Box 54525
Mailing Address

Oklahoma City, Oklahoma 73154-0525
City and State Zip Code

DO NOT WRITE IN THIS SPACE

Post-It™ brand fax transmittal memo 7871 # of pages <u>1</u>	
To <u>Kinney hertham</u>	From <u>Jay Busan</u>
On <u>Chesapeake</u>	By <u>James H. Murray</u>
Dept.	Phone # <u>512-453-0765</u>
Fax #	Fax #

COUNTY <u>Brazos</u>	Survey Name <u>S.D. Smith</u>
Block No. _____ Township _____	Section or Survey No. _____ (or) Lot No. _____
Abstract No. <u>A-210</u>	LEASE Name <u>Dansby Trust Unit</u> Well No. <u>1H</u>

A map showing all surrounding SURVEYS and your well site must accompany this request.

Distances, in feet, and directions measured at right angles from each of two intersecting Section or Survey lines (NOT LEASE LINES) 1495 feet from South line and 7180'+ feet from East line
Distance (in miles) and direction from a nearby town in this County (name the town):
4.9 miles in a north direction from Millican, Texas

THE ABOVE INFORMATION IN THIS BLOCK MUST BE COMPLETE AND CORRECT!!!

RRC Lease No. _____ RRC Dist. No. 03

Elevation (if avail.) 235' Proposed Total Depth 11,600' TVD Geologic Fm. at T.D. _____

Purpose of the Request: New Drill Re-entry Plug & Abd. Other (specify) _____

Is this an amended request? Yes No Give previous File No. for this well: 2C- _____

Additional data (check if attached):
Log of same or nearby well _____ (The applicable type of well log of a nearby well that shows the aquifers.)

ALWAYS attach the electric log of any well that is to be reentered.

Additional remarks: _____

TYPE OR PRINT IN INK

The TEXAS WATER COMMISSION'S recommendation for the protection of usable-quality ground water at the referenced location is as follows:
CO-BRAZOS, SUR-SMITH S., LSE-DANSBY TRUST UNIT, A-210, #11/500, ZONE, 1075, 1400

The interval from the land surface to a depth of 500 feet, and the ZONE from 1075 to 1400 feet must be protected.

DO NOT WRITE HERE FOR TWC USE ONLY



Very truly yours,
Steven L. White
Steven L. White

Geologist, Surface Casing, TWC

February 23, 1994
Date typed by TWC

NOTE: The depth to which we recommend that usable-quality water sands should be protected is intended to apply only to the subject well and not for area-wide use. Approval of the well-completion methods for protection of this ground water falls under the jurisdiction of the Railroad Commission of Texas. This recommendation is intended for normal drilling, production, and plugging operations only and does not apply to salt water disposal operations into a nonproductive zone (RRC Form W-14).

APPLICATION FOR ALTERNATE
SURFACE CASING PROGRAM
(Statewide Rule 13(b)(2)(G))

DATE 03/01/94 RRC DISTRICT 03
 OPERATOR Chesapeake Operating, Inc. FIELD Giddings (Austin Chalk -3)
Giddings (Austin Chalk, Gas)
 LEASE Dansby Trust LOC. SEC. _____ BLK. _____ SUR. S. D. Smith A-210
 WELL NO. 1-H DRILLING PERMIT NO. 421450 COUNTY Brazos
 DISTANCE AND DIRECTION FROM NEAREST TOWN 4.9 miles North from Millican, Texas
 PROPOSED TOTAL DEPTH 11,600 TVD *INJECTION OR DISPOSAL WELL YES _____ NO X
 DEPTH OF DEEPEST USABLE WATER & ANY SEPARATION DEPTHS AS PER TEXAS WATER COMMISSION LETTER
1400' DATE 02/23/94 S.C.# 1961
 (ATTACH COPY OF TWC LETTER)

DISTANCE & DIRECTION OF NEAREST WATER WELL WITHIN 1/4 MILE #1, #2
 #1 - 140'
 DEPTH OF WATER WELL #2 - 150' TYPE OF WELL (House, City, Stock, etc.) #1 Drilling water
#2 House

PROPOSED CASING & CEMENTING PROGRAM

[CHECK APPLICABLE BOXES] APPLICATION FOR: SHORT SURFACE STRING []
 EXCESS SURFACE STRING NO SURFACE CASING [] MULTI-STAGE TOOL []
 CIRCULATE FROM CASING SHOE: INTERMEDIATE [] PRODUCTION []
 SURFACE CASING DEPTH 2400 FT. MULTI-STAGE TOOL DEPTH None FT.
 INTERMEDIATE OR PRODUCTION CASING DEPTH 11238 TVD FT.

CENTRALIZERS: GIVE NUMBER & PLACEMENT 1 @ shoe, 1 every 4th jt until ttl 18

CEMENT DATA (as appropriate) - APPLIES TO CEMENT FROM MULTI-STAGE TOOL OR INTERMEDIATE-
 PRODUCTION CASING SHOE TO GROUND SURFACE

	TYPE & ADDITIVES	WEIGHT & YIELD	DISPLACEMENT FEET	COMPRESSIVE STRENGTH	
LEAD SLURRY	2% Econolite	11.80	2210	Lead 260 Tail 2800	(24 hr.)
TAIL SLURRY	Standard, Neat	15.10	415 480+	3600	(72 hr.)

REASON FOR REQUEST Precautionary + required to obtain annular injection permit

SIGNATURE Tom L. Ward Vice President NAME & TITLE
 (405) 840-3000 PHONE NUMBER

ADDRESS P. O. Box 54525, Oklahoma City, OK 73154

NOTICE

1. If for injection or disposal well, be aware that for short surface strings there will be annual testing requirements and possible permit restrictions.
2. Centralizers must be used through all usable waters. Refer to Rule 13(b)(2)(F).
3. Notify District Office if cement does not circulate to ground surface.
4. Notify District Office 8 hours prior to setting casing.

Prepared By: Jo Boyd

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

CERTIFICATE OF POOLING AUTHORITY

I, Janet L. Otey, 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: Chesapeake Operating, Inc.

NAME OF POOLED UNIT: Dansby Trust WELL NO. 1H
Giddings (Austin Chalk, Gas)

FIELD: Giddings (Austin Chalk-3), Wildcat, Brazos COUNTY,

TEXAS, contains 569.81 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
Chesapeake Operating, Inc.	R.E. Dansby, Jr., Trustee	102.88	
Chesapeake Operating, Inc.	J.W. McFarlane, Trustee	292.70	
Chesapeake Operating, Inc.	Michael D. Schultea, et al.	89.38	
Chesapeake Operating, Inc.	Jack L. Crockett et al.	40.00	
Chesapeake Operating, Inc.	Norman Finkle et al.	37.00	
Chesapeake Operating, Inc.	Mrs. Ella Nicol Emmel	<u>7.85</u>	
	TOTAL ACREAGE	569.81	

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.

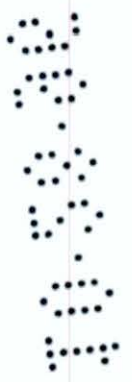
Janet L. Otey
 Janet L. Otey
 Representative of Operator

Agent 2-23-94 Title _____ Date _____
 Telephone (512) 453-0765 A / C _____ Number _____

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.

④ M-97500
 Appl. to Drill Well #1H
 FILED: 3-20-97



RA ROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

JAMES E. (JIM) NUGENT, Chairman
MARY SCOTT NABERS, Commissioner
BARRY WILLIAMSON, Commissioner



DAVID M. GARLICK
Director
GUY M. GROSSMAN
District Director
(713) 460-0631

13201 NORTHWEST FREEWAY

SUITE 701

HOUSTON, TEXAS 77040-6008

March 30, 1994

CHESAPEAKE OPERATING INC.
Attn: DAVID HERRITT
P O BOX 54525
OKLAHOMA CITY OK 73118

RE: MP 03-3081
Casing/Annular Disposal
of Drilling Fluid
Drilling Permit #421450
DANSBY TRUST Lease
Well No. 1-H
Giddings (Austin/Chalk-3) Field
Brazos County, Texas

Pursuant to Rule 8(d)(6)(G), you are hereby authorized to dispose of approximately 50,000 barrels of water base drilling fluid by pumping the fluid down the annulus of the above-referenced well. This permit only authorizes disposal of drilling fluid used for drilling the above-referenced well.

The surface injection pressure shall not exceed 1,100 psig. The injection pressure must be monitored with a pressure recorder of appropriate range (20%-80% of full scale), and a pop-off valve must be installed to prevent any exceedance of the permitted pressure.

The District Office shall be notified prior to testing the casing and prior to beginning injection as set forth by the limitations in the application requirements. Casing test data, methology and pressure recording charts will be provided to the District Office within 30 days of the conclusion of disposal. The District Office must be advised immediately with the minor permit number if cement is not circulated to surface. This permit is void if surface casing is perforated.

This permit is granted on the information submitted in the permit application. Any deviation may result in the cancellation of this permit, which expires 30 days from the date of this letter.

Sincerely,

Gabe Macias
(for) Guy M. Grossman
District Director - 03

GMG:GM:mw

cc:

4-5-94
For [unclear]
[unclear]

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form W-2
Rev. 4/1/83
483-046

Type or print only

API No. 42- 041-31806				7. RRC District No.
Oil Well Potential Test, Completion or Recompletion Report, and Log				03
				8. RRC Lease No.
1. FIELD NAME (as per RRC Records or Wildcat)		2. LEASE NAME		9. Well No.
GIDDINGS (AUSTIN CHALK-3)		DANSBY TRUST		1-H
3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report)			RRC Operator No.	10. County of well site
CHESAPEAKE OPERATING, INC.			147715	BRAZOS
4. ADDRESS				11. Purpose of filing
P. O. BOX 54525 OKLAHOMA CITY OK 73154				Initial Potential <input checked="" type="checkbox"/>
5. If Operator has changed within last 60 days, name former operator				Retest <input type="checkbox"/>
-----				Reclass <input type="checkbox"/>
6a. Location (Section, Block, and Survey)		6b. Distance and direction to nearest town in this county.		
Sec <u>Blk</u> S. D. SMITH A-210		4.9 miles N MILLICAN, TX		
12. If workover or reclass, give former field (with reservoir) & gas ID or oil lease no. FIELD & RESERVOIR		GAS ID or OIL LEASE #	Oil - O Gas - G	WELL NO.
13. Type of electric or other log run			14. Completion or recompletion date	
GR/CBL			06/09/94	

SECTION I: POTENTIAL TEST DATA IMPORTANT: Test should be for 24 hours unless otherwise specified in field rules.

15. Date of test	16. No. of hours tested	17. Production method (Flowing, Gas Lift, Jetting, Pumping-- Size & Type of pump)			18. Choke Size
06/14/94	24	FLOWING			28/64
19. Production during • Test Period	Oil - BBLs	Gas - MCF	Water - BBLs	Gas - Oil Ratio	Flowing Tubing Pressure
• Calculated 24- • Flow Rate	1726	6580	32	3812	2700 PSI
20. Calculated 24- • Flow Rate	Oil - BBLs	Gas - MCF	Water - BBLs	Oil Gravity-API-60°	Casing Pressure
• Flow Rate				47.1	0 PSI
21. Was Swab used during this test?		22. Oil Produced prior to test (New & Reworked wells)			23. Injection Gas-Oil Ratio
Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		8587			

REMARKS

INSTRUCTIONS: File an original and one copy of the completed Form W-2 in the appropriate RRC District Office within 30 days after completing a well and within 10 days after a potential test. If an operator does not properly report the results of a potential test within the 10-day period, the effective date of the allowable assigned to the well will not extend back more than 10 days before the W-2 was received in the District Office. (Statewide Rules 16 and 51) To report a completion or recompletion, fill in both sides of this form. To report a retest, fill in only the front side.

WELL TESTER'S CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test by observation of (a) meter readings or (b) the top and bottom gauges of each tank into which production was run during the test. I further certify that the potential test data shown above is true, correct, and complete, to the best of my knowledge.

Signature : Well Tester _____ Name of Company CHESAPEAKE OPERATING, 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 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.

Typed or printed name of operator's representative FRANK E. JORDAN Title of Person PRODUCTION ENGINEER
Telephone: Area Code (405) 840-3000 Number _____ Date: 07/07/94 mo. day year Signature Frank E. Jordan

SECTION II DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

24. Type of Completion: New Well Deepening Plug Back Other 25. Permit to Drill, Plug Back or Deepen DATE 02/24/94 PERMIT NO. 421459

26. Notice of Intention to Drill this well was filed in Name of CHESAPEAKE OPERATING, INC. Rule 37 Exception Water Injection Permit PERMIT NO.

27. Number of producing wells on this lease in this field (reservoir) including this well 1 28. Total number of acres in this lease 569.81 Salt Water Disposal Permit PERMIT NO. Other PERMIT NO.

29. Date Plug Back, Deepening, WorkOver or Drilling Operations: Commenced 03/13/94 Completed 05/25/94 30. Distance to nearest well, Same Lease & Reservoir -

31. Location of well, relative to nearest lease boundaries of lease on which this well is located 1495 Feet From S Line and 2609 Feet from E Line of the DANSBY TRUST Lease

32. Elevation (DF, RKB, RT, GR, ETC.) GR: 235' 33. Was directional survey made other than inclination (Form W-12)? Yes No

34. Top of Pay 12,328 35. Total Depth MD:16,275 TVD:11,540 36. P.B. Depth MD:16,275 TVD:11,540 37. Surface Casing Determined by: Field Rules Recommendation of T.D.W.R. Railroad Commission (Special) Dt. of Letter 02/23/94 Dt. of Letter 03/02/94

38. Is well multiple completion? NO 39. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No. FIELD & RESERVOIR 40. Intervals Drilled by: Rotary Tools Cable Tools

41. Name of Drilling Contractor WICKLOS RIG #34 42. Is Cementing Affidavit Attached? Yes No

43. 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.
10-3/4	40.5	2397		1230 STANDARD	14-3/4	SURFACE	2688.8
7-5/8	29.7	12328		1140 PREMIUM	9-7/8	10889	2179.2

44. LINER RECORD

Size	Top	Bottom	Sacks Cement	Screen
3-1/2	12227	13054		-

45. TUBING RECORD 46. Producing Interval (this completion) Indicate depth of perforation or open hole

Size	Depth Set	Packer Set	From	To
2-3/8	12151	12151	From 12,328	To 16,275
			From	To
			From	To

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

Depth Interval	Amount and Kind of Material Used
OPEN HOLE COMPLETION	
-	
-	

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

Formations	Depth	Formations	Depth
AUSTIN CHALK	10,400		

REMARKS



Pt. Share "B"
Vol. W, Page 224
C.M.D.C.

ALLEN-DANSBY NO. 1 UNIT

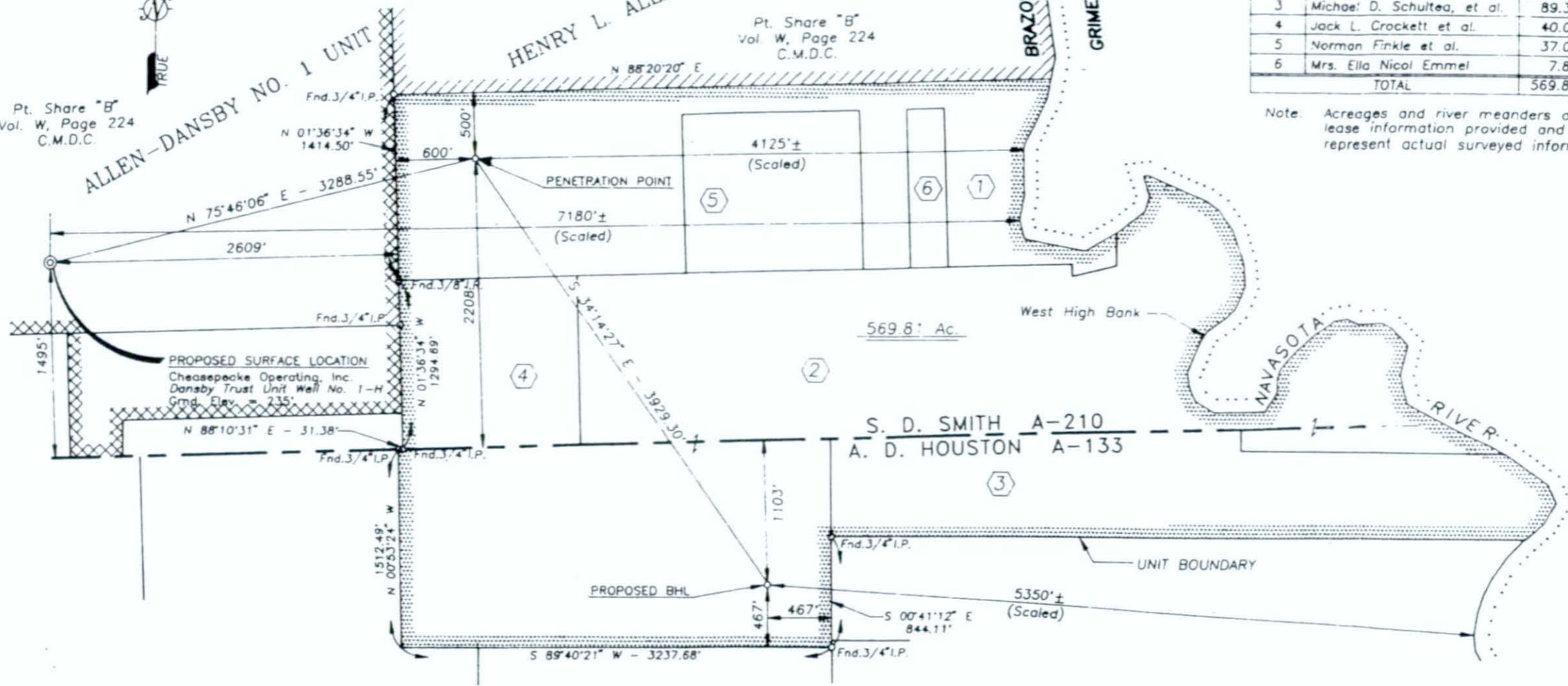
HENRY L. ALLEN NO. 1 UNIT

Pt. Share "B"
Vol. W, Page 224
C.M.D.C.

BRAZOS CO.
GRIMES CO.

TRACT	LESSOR	ACREAGE	%
1	R. E. Dansby, Jr., Trustee	102.88	18.06
2	J. W. McFarlane, Trustee	292.70	51.37
3	Michael D. Schultea, et al.	89.38	15.69
4	Jack L. Crockett et al.	40.00	7.02
5	Norman Finkle et al.	37.00	6.49
6	Mrs. Ella Nicol Emmel	7.85	1.38
TOTAL		569.81	100.00

Note: Acreages and river meanders are based on lease information provided and do not represent actual surveyed information.



The proposed surface location is located
4.9 miles north of Millican, Texas

Bearings shown hereon are TRUE based on
solar observation.

I hereby certify that this is a true and correct
plat based on a ground survey made under my
supervision on December 20, 1993.

JOHN T. JAKUBIK & ASSOCIATES, INC.

4309 Greenbriar • Stafford, Texas 77477 • 713/240-0498

Jeffrey L. Fandley
Jeffrey L. Fandley
R.P.L.S. No. 4348

CHESAPEAKE OPERATING, INC.

PROPOSED WELL LOCATION
DANSBY TRUST UNIT WELL NO. 1-H
S.D. SMITH SURVEY, A-210
A.D. HOUSTON SURVEY, A-133
BRAZOS COUNTY, TEXAS

DATE: 10-11-93 SCALE: 1" = 1000'
JOB NO.: 93-10-4586 REV.: 02-16-94

DWG No. CO1586.DWG

⑤ M-97500

Compl. Rpts well # 14
FILED: 3-20-97

10.33.28