

#2544

8867

#9833

iNut 10694

10695

10696

10703

14045

iNut 14045

Leasing: _____

Analyst: _____

Maps: ~~_____~~

GIS: mc

MF 097515

County	BURLESON
Survey	HIGHWAYS & PUBLIC TRANSPORT
Block	
Block Name	
Township	
Section/tract	
Land Part	
Part Description	
Acre	13.882
Name	WILLIAMS, CLAYTON ENERGY
Lease Date	9-3-1996
Primary Term	3-YEARS
Bonus (\$)	\$1,158.00
Rental (\$)	
Lease Royalty	0.166666000



CAUTION

Documents in this file have been placed in Table of Contents order and scanned.

Please help keep documents in content order and let the ScanLab know when new documents are added to this file.

Thank you for your assistance.

Archives and Records Staff

F23159

WILLIAMS, CLAYTON ENERGY, INC.

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2544

13.882 UNIT ACRES
- 0 - NON-UNIT AC.

STATE LEASE

PAID-UP

MF097515

CONTROL

BASEFILE

COUNTY

56-029447

000

-

BURLESON

/026

SURVEY : HIGHWAYS & PUBLIC TRANSPORTATI
BLOCK :
TOWNSHIP : 00
SECTION/TRACT:
PART :
ACRES : 13.882
DEPTH LIMITS : NO

Rentals:

M.T.

Lease

Admin:

DR.

Mineral

Maps:

AS
ZG

LESSEE : WILLIAMS, CLAYTON ENERGY, INC.
LEASE DATE : Sep 03 1996
PRIMARY TERM : 3 yrs
BONUS (\$) : 1158.00
RENTAL (\$) : 0.00
ROYALTY : 0.16666600
VAR ROYALTY :

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Scanned WM 10-27-2025

The State of Texas



Austin, Texas

PAID-UP
OIL AND GAS LEASE NO. M-97515
GENERAL LAND OFFICE
AUSTIN, TEXAS

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress, Austin, Texas, 78701, hereinafter called "Lessor", hereunto authorized by the School Land Board, pursuant to the provisions of Chapters 32 and 52 of the Natural Resources Code (hereinafter called N.R.C.), and amendments thereto, and all applicable rules promulgated by the School Land Board, and Clayton Williams, Inc., whose address is , Clay Desta Center, Six Desta Drive, Suite 3000, Midland, Texas 79705 hereinafter called "Lessee".

1. Lessor, in consideration of One Thousand One Hundred Fifty Eight and 00/100 Dollars (\$1,158.00), receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of Burleson, State of Texas, and is described as follows:

13.882 acres of land, more or less, situated in said Burleson County, Texas, more particularly described in Exhibit "A" attached hereto and made a part hereof

together with a plat, attached hereto as Exhibit "B", depicting said right-of-way and surrounding area for purposes of illustration only.

For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 13.882 acres, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. PRIMARY TERM: This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of three (3) years from September 3, 1996, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. ROYALTIES: As royalty Lessee covenants and agrees:

(a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its well, the equal one sixth (1/6) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such one sixth (1/6) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil;

(b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by lessee, one sixth (1/6) of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one sixth (1/6) of such gas and casinghead gas.

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

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

(e) If at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check of lessee, as royalty, the sum of \$25.00. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

(f) All royalties not taken in kind shall be paid to the Commissioner of the General Land Office at Austin, Texas, in the following manner:

Royalty on oil is due and must be received in the General Land Office on or before the 5th day of the second month succeeding the month of production, and royalty on gas is due and must be received in the General Land Office on or before the 15th day of the second month succeeding the month of production, accompanied by the affidavit of the owner, manager, or other authorized agent, completed in the form and manner prescribed by the General Land Office and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas, together with a copy of all documents, records or reports confirming the gross production, disposition and market value including gas meter readings, pipeline receipts, gas line receipts and other checks or memoranda of amount produced and put into pipelines, tanks, or pools and gas lines or gas storage, and any other reports or records which the General Land Office may require to verify the gross production, disposition and market value. In all cases the authority of a manager or agent to act for the Lessee herein must be filed in the General Land Office. Each royalty payment shall be accompanied by a check stub, schedule, summary or other remittance advice showing by the assigned General Land Office lease number the amount of royalty being paid on each lease. If Lessee pays his royalty on or before thirty (30) days after the royalty payment was due, the Lessee owes a penalty of 5% on the royalty or \$25.00, whichever is greater. A royalty payment which is over thirty (30) days late shall accrue a penalty of 10% of the royalty due or \$25.00, whichever is greater. In addition to a penalty, royalties shall accrue interest at a rate of 12% per year; such interest will begin accruing when the royalty is sixty (60) days overdue. Affidavits and supporting documents which are not filed when due shall incur a penalty in an amount set by the General Land Office

administrative rule which is effective on the date when the affidavits or supporting documents were due. The Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value. The State shall have first lien upon all oil and gas produced from the area covered by this lease to secure the payment of all unpaid royalty and other sums of money that may become due to the State hereunder.

4. POOLING: (a) Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons. Units pooled for oil hereunder shall not exceed 160 acres each in area, and units pooled for gas hereunder shall not exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, unless oil or gas units of a greater size are allowed under or prescribed by rules of the Railroad Commission of Texas. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, as operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) the proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall

it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force for so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

(b) Neither unit production of oil or gas, nor unit operations, nor payment of shut-in royalties from a unit gas well, shall serve to hold the lease in force as to any area outside the unit, regardless of whether the production, maintenance of a shut-in gas well, or operations are actually located on the State tract or not.

(c) Lessee agrees to file with the General Land Office a copy of any unit designation which this lease is included within ninety (90) days of such designation.

5. RELEASE: Lessee may relinquish the rights granted hereunder to the State at any time by recording the relinquishment in the county where this area is situated and filing the recorded relinquishment or certified copy of same in the General Land Office within ninety (90) days after its execution accompanied by the prescribed filing fee. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

6. REWORK: If at any time or times during the primary term operations are conducted on said land and if all operations are discontinued, this lease shall thereafter terminate at the end of the primary term or on the ninetieth day after discontinuance of all operations, whichever is the later date, unless on such later date either (1) Lessee is conducting operations or (2) the shut-in well provisions of paragraph 3 or the provisions of paragraph 9 are applicable. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to

obtain production of oil or gas, or production of oil or gas in paying quantities.

7. MINERAL USE: Lessee shall have the use, free from royalty, of oil and gas produced from said land in all operations hereunder.

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

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

10. LESSER ESTATE, CLAUSE: If this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessors interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease bears to the whole and undivided fee simple estate therein.

11. ASSIGNMENTS: This lease may be transferred at any time. All

transfers must reference the lease by file number and must be recorded in the county where the land covered hereby is located, and the recorded transfer or a copy certified to by the County Clerk of the county where the transfer is recorded must be filed in the General Land Office within ninety (90) days of the execution date, as provided by N.R.C. Section 52.026, accompanied by the prescribed filing fee. Every transferee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original Lessee or any prior transferee of the lease, including any liabilities to the State for unpaid royalties.

12. WELL INFORMATION: Lessee agrees to forthwith furnish Lessor, upon written request, with copies of all drilling logs, electrical logs, cores and core records and other information pertaining to all wells drilled by lessee either on the leased premises or acreage pooled therewith, when requested to do so. Said information shall remain confidential as required by statute.

13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well located off the leased premises, or by pooling of said land with other land, lease or leases as hereinabove provided.

14. COMPENSATORY ROYALTY: Lessee shall pay a compensatory royalty if this lease is not being held by production on the leased premises, by production from a pooled unit, or by payment of shut-in royalties in accordance with the terms of this lease, and if oil or gas is sold or delivered in paying quantities from a well located within 2500 feet of the leased premises and completed in a producible reservoir underlying the area leased hereunder or in any case in which drainage is occurring. Such compensatory royalty shall be paid at the royalty rate provided in this lease based on the value of production from the well as provided in the lease on which such well is located. The compensatory royalty shall be paid in the same proportion that the acreage of this lease has to the acreage of the proration unit surrounding the draining well plus the acreage of this lease. The compensatory royalty shall be paid monthly to the Commissioner of the General Land Office on or before the last day of the month after the month in which the oil or gas is sold and delivered from the well causing the drainage or from the well located within 2500 feet of the leased premises and completed in a producible reservoir under this lease. Notwithstanding anything herein to the contrary, compensatory royalty payable hereunder shall be no less than an amount equal to \$50.00, and shall maintain this lease in effect for so long as such payments are made as provided herein.

15. FORFEITURE: If Lessee shall fail or refuse to make payment of

any sum within thirty (30) days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office, or refuse the proper authority access to the records pertaining to operations, or if Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if this lease is pooled or assigned and the unit designation or assignment is not filed in the General Land Office as required by law, the rights acquired under this lease shall be subject to forfeiture by the Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease. However, nothing herein shall be construed as waiving the automatic termination of this lease by operations of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative hereto.

16. RAILROAD COMMISSION: No natural gas or casinghead gas, including both associated and non-associated gas, produced from the mineral estate subject to this lease may be sold or contracted for sale to any person for ultimate use outside the State unless the Railroad Commission of Texas, after notice and hearing as provided in Title 3 of the N.R.C., finds that:

(a) the person, agency, or entity that executed the lease in question does not require the natural gas or casinghead gas to meet its own existing needs for fuel;

(b) no private or public hospital, nursing home, or other similar health-care facility in this state requires the natural gas or casinghead gas to meet its existing needs for fuel;

(c) no public or private school in this state that provides elementary, secondary, or higher education requires the natural gas or casinghead gas to meet its existing needs for fuel;

(d) no facility of the State or of any county, municipality, or other political subdivision in this state requires the natural gas or casinghead gas to meet its existing needs for fuel;

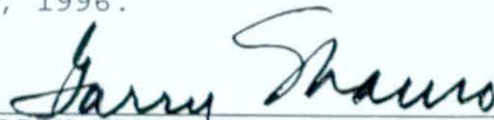
(e) no producer of food and fiber requires the natural gas or casinghead gas necessary to meet the existing needs of irrigation pumps and other machinery directly related to this production; and

(f) no person who resides in this state and who relies on natural gas or casinghead gas to provide in whole or part his existing needs for fuel or raw material requires the natural gas or casinghead gas to meet those needs; provided, however, after notice and hearing as provided in Title 3 of the N.R.C., the Railroad Commission of Texas may grant exceptions to these provisions of Subchapter H of Chapter 52 of the N.R.C. if it finds and determines that enforcement of such provisions:

(1) would cause physical waste as defined in Title 3 of the N.R.C.; or

(2) would unreasonably deny to the Lessee an opportunity to produce economically hydrocarbons from the land subject to this lease.

IN TESTIMONY WHEREOF, witness the signature of the Commissioner of the General Land Office, under the seal of the General Land Office, effective as of September 3, 1996.



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

Approved:
Energy: RH
Executive: SR

STATE OF TEXAS

COUNTY OF BURLESON

LAND DESCRIPTION

Survey plat showing 13.882 acres of land, a part of the George Green Survey, Abstract 126, the David Clark Survey, Abstract 11, and the E. Swearingen Survey, Abstract 58, Burleson County, Texas, and being a part of the Old San Antonio Road and also being that portion of a 100' wide right of way of Old State Highway 21 from centerline station 768+83.93 to 823+38.71, as conveyed to the State of Texas by deeds recorded in volume 97, page 48, volume 77, page 64, volume 72, page 630 and volume 77, page 63 of the Deed Records of Burleson County, Texas. Said 13.883 acre tract being more particularly described as follows:

BEGINNING at a calculated point in Southwest line of said Green Survey, the Northeast line of said Porter Survey, the Northwest margin of Old State Highway 21, 50 foot offset from and parallel to CL Station 768+83.93, for the West corner hereof; said calculated point for corner having state plane coordinates of 10162235.8273 Northing and 3425832.3154 Easting and said calculated point for corner bears North 66 deg. 14 min. 39 sec. East - 65.46 feet from a concrete marker found for reference at the intersection of the Southwest margin of FM Highway 908 and the Northwest margin of present State Highway 21;

THENCE with the Northwest margin of Old State Highway 21, being within the margins of the current Highway 21, **North 38-50-03 East 2306.47 feet** to a calculated point at the intersection of the Northwest margin of said Old San Antonio Road and the Northwest margin of Old State Highway 21, for an angle corner hereof;

THENCE with the Northwest margin of said Old San Antonio Road, **North 34-12-14 East 1730.38 feet** to a calculated point for the Westerly North corner hereof;

THENCE across said Old San Antonio Road, and **South 47-46-31 East 40.40 feet** to a calculated point in the Southeast margin of said Old San Antonio Road for the Southerly East corner hereof;

THENCE with the Southeast margin of Old San Antonio Road, **South 34-12-14 West 1230.87 feet** to a calculated point at the intersection of the Southeast margin of said Old San Antonio Road and the Northwest margin of said Old State Highway 21, for an interior corner hereof;

THENCE with the Northwest margin of said Old State Highway 21, **North 38-50-03 East 2656.15 feet** to a calculated point 50 foot offset from and parallel to CL Station 823+38.71, for the Northerly North corner hereof; said calculated point for corner having state plane coordinates of 10166487.5038 Northing and 3429254.9274 Easting and said calculated point for corner bears South 37 deg. 02 min. 59 sec. West - 1026.74 feet from a concrete marker found for reference in the Northwest margin of present State Highway 21;

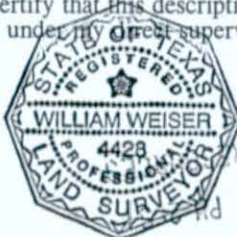
THENCE across said Old State Highway 21, **South 47-20-39 East 100.22 feet** to a calculated point in the Southeast margin of Old State Highway 21, for the Northerly East corner hereof;


THENCE with the Southeast margin of Old State Highway 21, **South 38-50-03 West 5451.44 feet** to a calculated point for the South corner hereof;

THENCE across said Old State Highway 21, **North 51-09-57 West 100.00 feet** to the PLACE OF BEGINNING and containing 13.882 acres of land.

Bearings and distances are Grid, NAD 83, based on the Texas State Plane Coordinate System, Central Zone. Reference is herein made to a plat attached hereto and made a part hereof.

I hereby certify that this description is an accurate representation of an on the ground survey completed under my direct supervision in August, 1996.




William E. Weiser
Professional Land Surveyor
Number 4428
Date of signature: 12-5-96

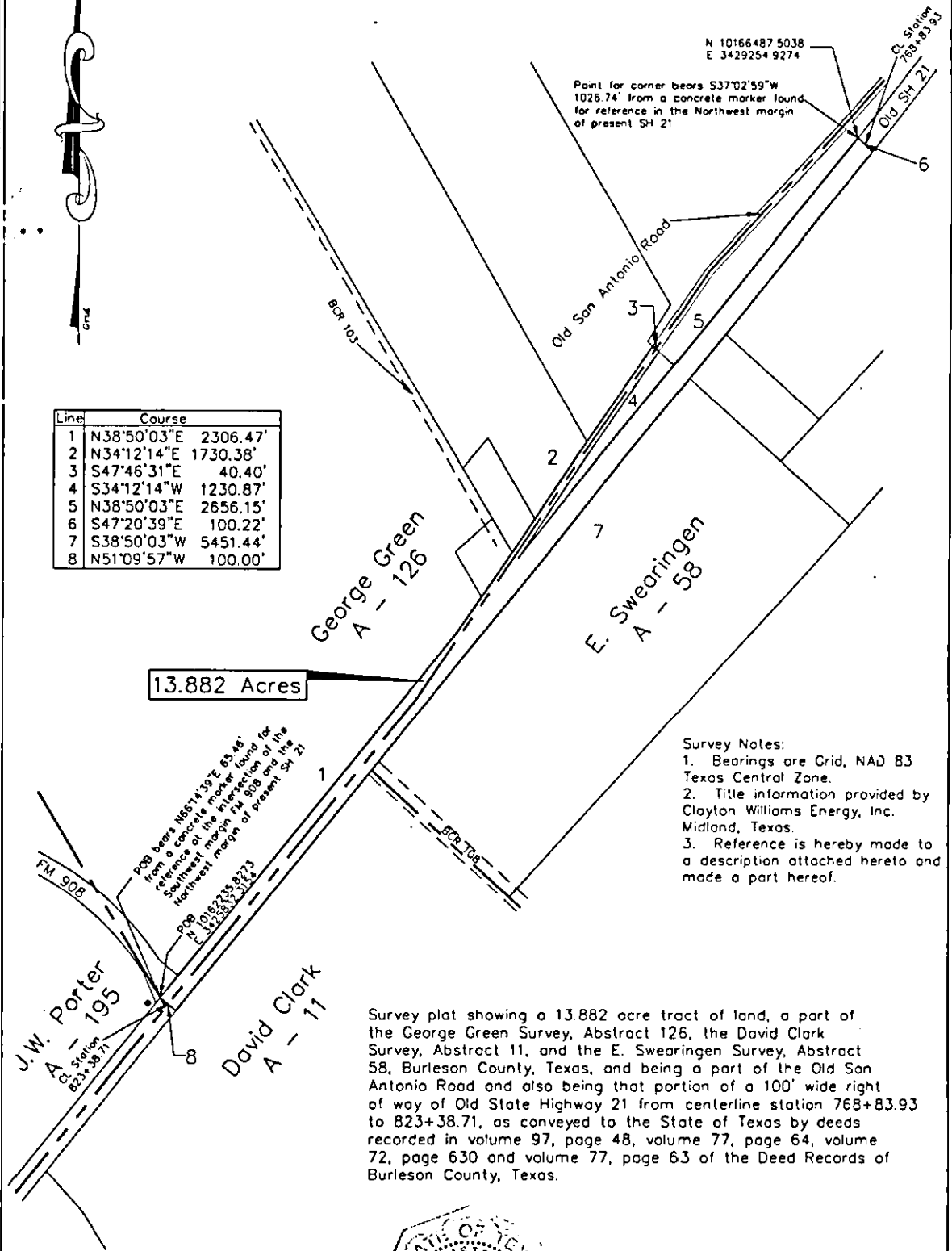
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Burleson County, Texas



Line	Course
1	N38°50'03"E 2306.47'
2	N34°12'14"E 1730.38'
3	S47°46'31"E 40.40'
4	S34°12'14"W 1230.87'
5	N38°50'03"E 2656.15'
6	S47°20'39"E 100.22'
7	S38°50'03"W 5451.44'
8	N51°09'57"W 100.00'



13.882 Acres

Survey Notes:
 1. Bearings are Grid, NAD 83 Texas Central Zone.
 2. Title information provided by Clayton Williams Energy, Inc. Midland, Texas.
 3. Reference is hereby made to a description attached hereto and made a part hereof.

Survey plat showing a 13.882 acre tract of land, a part of the George Green Survey, Abstract 126, the David Clark Survey, Abstract 11, and the E. Swearingen Survey, Abstract 58, Burleson County, Texas, and being a part of the Old San Antonio Road and also being that portion of a 100' wide right of way of Old State Highway 21 from centerline station 768+83.93 to 823+38.71, as conveyed to the State of Texas by deeds recorded in volume 97, page 48, volume 77, page 64, volume 72, page 630 and volume 77, page 63 of the Deed Records of Burleson County, Texas.



Surveyed August, 1996.
William E. Weiser
 William E. Weiser
 Professional Land Surveyor
 Number 4423

① MF 97515
ITEM Lease
TO _____
FROM _____
DATE 9-3-96

GENERAL LAND OFFICE

GARRY MAURO
COMMISSIONER

MEMORANDUM

Docket # 281

DATE: August 28, 1996

TO: Linda Fisher / School Land Board

From: Drew Reid / Minerals Leasing

RE: Application To Lease Highway Right-of-Way

- A) Applicant - Scott Oils, Inc.
Description - 7.764 ac. along St. Hwy. 183, situated
in the Town of Gonzales Sur., A-25 in Gonzales Co.
Terms - \$30.00/Ac. Bonus, 1/6 Royalty, 2 Years Paid-up
- B) Applicant - Union Pacific Resources Co.
Description - 4.45 ac. along F.M. 389, situated
in the Issac Jamison Sur., A-67 in Washington Co.
Terms- \$150/Ac. Bonus, 1/5 Roulalty, 3 Years Paid-up
- C) Applicant - Union Pacific Resources Co.
Description - .47 ac. along Co. Rd. 47, situated
in the James Cox Sur., A-36 in Washington Co.
Terms - \$65.00/Ac. Bonus, 17.667% Royalty, 2 Years Paid-up
- D) Applicant - Exxon Co., U.S.A.
Description - 36.81 ac. along U.S. 385, situated
in Sec. 15, 16, 21, 22, 27, 28, Blk. 42, TWP-1-S,
T&P RR. Co. Sur., in Ector Co.
Terms - \$17.50/Ac. Bonus, 1/8 Royalty, 5 Years Paid-up
- E) Applicant - Ecco Petroleum, Inc.
Description - 3.25 ac. along OSR Hwy., situated
in the D. Harvey Sur., A-125 in Brazos Co.
Terms - \$10.00/Ac. Bonus, 1/8 Royalty, 3 Years Paid-up
- F) Applicant - Calyton Williams Energy, Inc.
Description - ~~23.16~~ ^{13.882} ac. along St. Hwy. 21, situated
in the Geo. Green Sur., A-126 and in the David Clark
Sur., A-11 in Burleson Co.
Terms - \$50.00/Ac. Bonus, 1/6 Royalty, 3 Years Paid-up

G) Applicant - JAMEX, Inc.
Description - 16.08 ac. along St. Hwy. 90A, situated
in the James Earl Sur., A-189 in Colorado Co.
Terms - \$75.00/Ac. Bonus, 3/16 Royalty, 3 Years paid-up

These applications have been reviewed by the Minerals Leasing Division and approved by the Department of Transportation. These applications comply with Subchapter F, Chapter 32 of the Texas Natural Resources Code.



Texas Department of Transportation

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

August 27, 1996

Mr. Garry Mauro
 Commissioner
 General Land Office
 Petroleum and Mineral Division
 1700 North Congress Avenue
 Austin, Texas 78701

Contact: ROW

Dear Commissioner Mauro:

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

<u>County</u>	<u>Nominator</u>	<u>Bonus</u>	<u>Royalty</u>	<u>Primary Term</u>	<u>Delay Rental</u>
Gonzales	Scott Oils, Inc.	\$ 30.00	1/6	2 years	Paid-up
Washington	Union Pacific Resources Company	\$150.00	1/5	3 years	Paid-up
Ector	Exxon	\$ 17.50	1/8	5 years	Paid-up
Brazos	Ecco Petroleum, Inc.	\$ 10.00	1/8	3 years	Paid-up
Burleson	Clayton Williams Energy	\$ 50.00	1/6	3 years	Paid-up
Colorado	JAMEX, Inc.	\$ 75.00	3/16	3 years	Paid-up

If additional information is needed, please contact Carlton Bernhard at 416-2879.

Sincerely,

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

2

MF 97515


ITEM Application

TO _____

FROM _____

DATE 8-28-96

This Check is Full Settlement of the Following Account

INVOICE #	DESCRIPTION	ACCT. #	AMOUNT	DEDUCTIONS	NET AMOUNT
	Bonus Consideration for execution of Oil and Gas Lease covering <u>23.16</u> net acres State Highway 21 Burleson County, Texas \$1158.00 (bonus) \$100.00 processing fee		36066346 170		1,258.00

CLAYTON WILLIAMS ENERGY, INC. ✓

VENDOR COPY

ACCOUNTING COPY

FILE COPY No 910355



CLAYTON WILLIAMS ENERGY, INC.

August 5, 1996

COMMISSIONER OF THE GENERAL LAND OFFICE

Attn: Drew Reid
Room 640, Stephen F. Austin Building
1700 N. Congress Avenue
Austin, TX 78701-1495

RE: Oil & Gas Lease
Portion of State Hwy 21
BURLESON COUNTY, TEXAS

13.082
23.16 ac

Geo. Green A-124
David Clark A-11

Dear Mr. Reid:

Enclosed please find copies of Leases, Lease Purchase Reports, Affidavit of Bonus and Plats that show locations of leases and highway R-O-W.

Footage along the highway is taken from highway plats and shown on the attached list.

Also enclosed is a check in the amount of \$1258.00 (\$1,158.00 + \$100 processing fee).

If you should have any questions, please call.

Yours very truly,

David L. Knape
SENIOR LANDMAN

281
F

Encl.
letter.dk076

RECEIVED
Aug 9 1996
CLAYTON WILLIAMS ENERGY, INC.

Need: copy of Row Deeds
Title opinion
Des.
✓

(3.)
REF 97515
ITEM letter
TO _____
FROM _____
DATE 8-5-76



(4)

MF 9751E
ITEM PLAT
TO _____
FROM _____
DATE —



THE STATE OF TEXAS, }
COUNTY OF MIDLAND

KNOW ALL MEN BY THESE PRESENTS:

BEFORE ME, the undersigned, a Notary Public in and for said County, State of Texas, on this day personally appeared **DAVID L. KNAPE** to me well known to be a credible person, and who, after being by me duly sworn, on his oath did state:

My name is David L. Knape. I am over the age of 21 and am employed by Clayton Williams Energy, Inc. Attached hereto are lease purchase reports and copies of drafts for acreage around the State owned strip that was purchased for State Hwy 21. The bonus for all of the above acreage was \$30.00, \$40.00 and \$50.00 per acre.



SUBSCRIBED AND SWORN TO BEFORE ME, this **5th** day of **August** A.D. 19 **96**

(L. S.)



Notary Public in and for **Midland** County, Texas

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS
COUNTY OF Midland

Before me, the undersigned authority, on this day personally appeared David L. Knap

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

Given under my hand and seal of office this 5th day of August, 19 96.

My Commission Expires _____
Margarita Rowley

Notary Public in and for Midland County, Texas



FORM NO. 255

No. _____

Affidavit to Any Fact

FROM

TO

Dated _____, 19____

No. Acres _____

County, Texas _____

Term _____

This instrument was filed for record on the _____

day of _____, 19____, at

_____ o'clock _____ M., and duly recorded in

Volume _____ Page _____

_____ of the records of this office.

County Clerk.

By _____ Deputy.

When recorded return to _____

4

MF 97515
ITEM Affidavit
TO _____
FROM _____
DATE 8-5-96

Tract #1

391+00

385+20

580' x 170' wide = 2.27 acres

Tract #2

408+00

391+00

1700' x 150' wide = 5.86 acres

148 | 127 ; 605 ; 187 ; 371
> 147 | 548 ; 542

Tract #3



445+00

408+00

3700' x 130' wide = 11.04 acres

Tract #4



447+10

445+00

210' x 140' wide = 0.68 acre

Tract #5

Old R-O-W

2400' x 60' wide - 3.31 acres

2.27

5.86

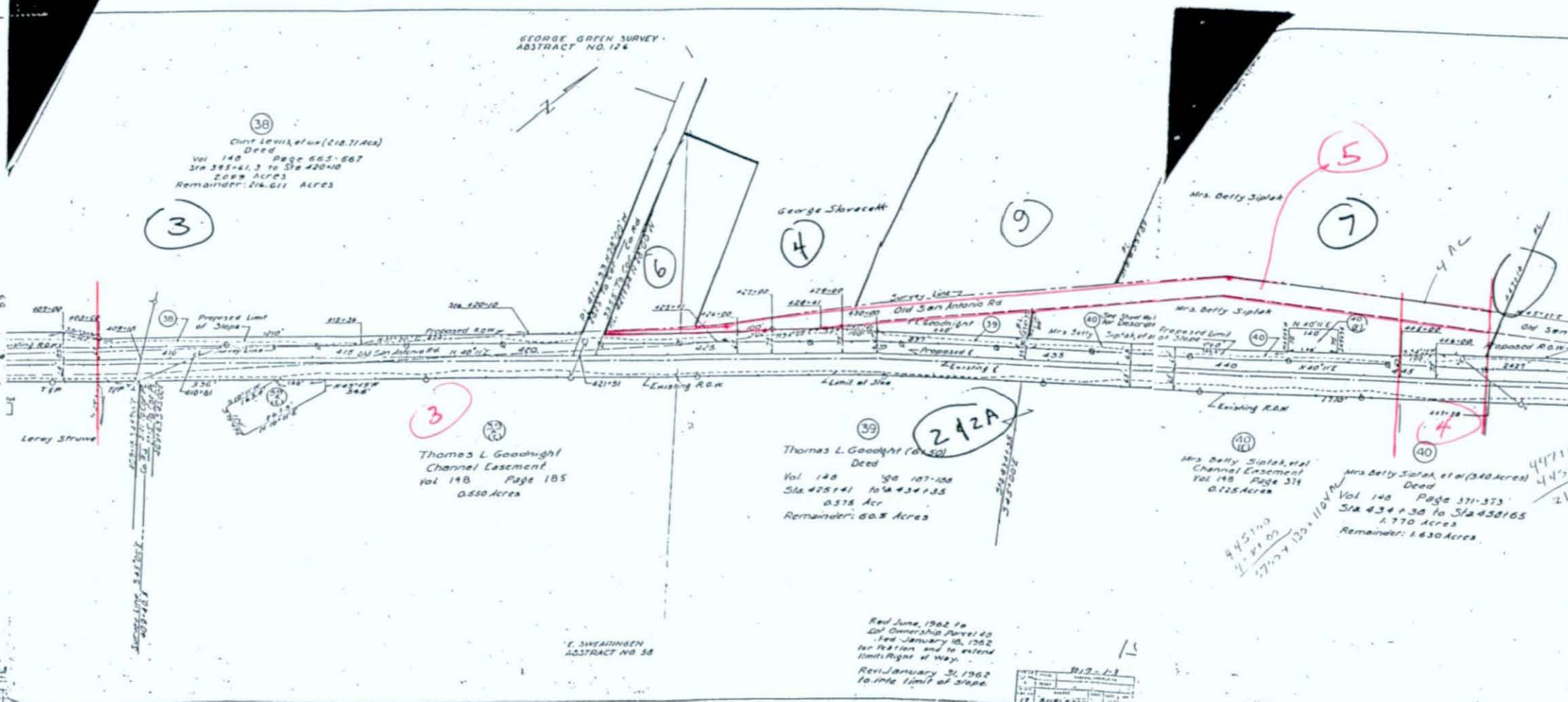
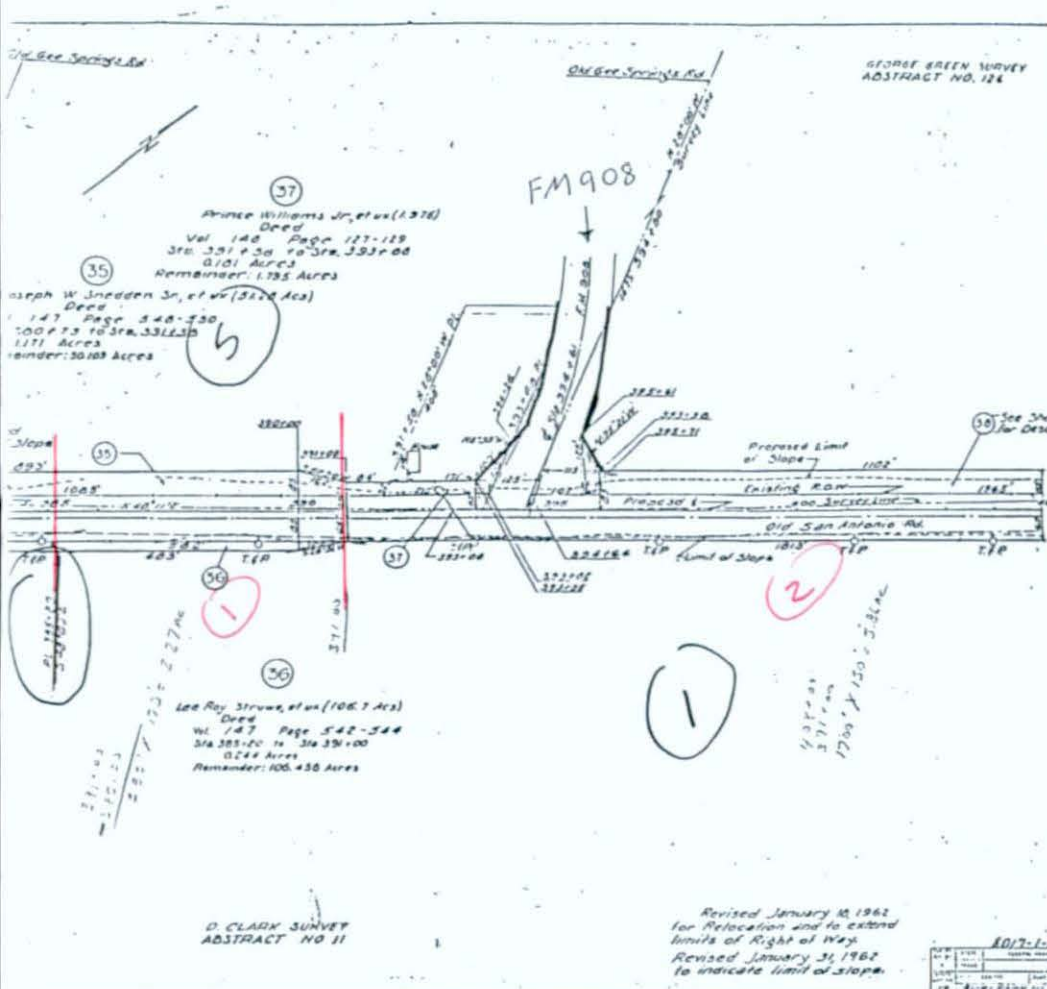
11.04

0.68

3.31

23.16 acres, more or less in
R-OW

Tracts shown on attached plat.



6) 100000

MF 97515
ITEM Tract Information
TO _____
FROM _____
DATE



PROPERTY ACQUISITION BANK DRAFT

1

Prospect Name & No. South Caldwell

NO PROTEST

COLLECT DIRECTLY THROUGH Norwest Bank Texas, Midland NA

Midland
CITY

NORWEST BANK TEXAS,
MIDLAND, TEXAS

March 4, 1996
DATE

10 ~~working~~ working DAYS AFTER SIGHT, AND SUBJECT TO APPROVAL OF TITLE COVERING 206.07 acres of land,
more or less, out of the David Clark League, A-11

SEC. _____ T. _____ R. _____ COUNTY APR 01 1996 STATE OF Texas

PAY TO THE ORDER OF Clara May Ray, f/k/a Clara May Graham \$ 6,182.10

*****Six Thousand One Hundred Eighty Two and 10/100s *****

DOLLARS

VALUE RECEIVED AND CHARGE TO ACCOUNT OF _____ WITH EXCHANGE

TO Clayton Williams Energy, Inc.
6 Desta Dr., Suite 3000
Midland, Texas 79705 Attn: M. Rowley

Jeff Manuppelli
LANDMAN - BROKER
Jeff Manuppelli - agent

CHECK NO.	TOTAL BONUS \$6,182.10	BONUS PER ACRE \$30.00	LEASE NO. <u>2-67532</u>
GROSS LSE ACRES 206.07	NET LSE ACRES 206.07	PAID UP LEASE yes	

PROSPECT South Caldwell

TYPE OF INT. _____ FEE _____ FEDERAL _____ STATE _____ INDIAN _____ OTHER _____

LESSOR Clara Mae Ray, f/k/a Clara May Graham

SOCIAL SECURITY NO. [REDACTED]

ADDRESS P.O. Box 626, Caldwell, Texas 77836

Lessee Clayton Williams Energy, Inc. Assignee _____ Date 03-29-96

RENTAL PAYABLE TO Paid-up

LEASE DATE 02-26-96	TERM 3 yr. + 2 yr.	EXPIRATION DATE 02-26-99
RENTAL DATE paid-up	RENTAL PER ACRE NA	RENTAL AMOUNT NA
CITY/STATE yes	OPTION DUE 02-26-99	OPTION AMOUNT \$4,121.40
BANK ACCT. NO. _____	LOR 1/6	ORR NRI

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Escalating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Drig. Oblig.
---	-------------	--------------------	--------------------	----------------------	--------------

CO-OWNERS _____

REMARKS Original Lease attached to draft. Title completed, okay to pay draft.

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES. PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

2075B2

1526
OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 26th day of February 19 96, between

CLARA MAY RAY F/K/A, CLARA MAY GRAHAM, dealing herein with her separate property

Lessor (whether one or more), whose address is: P.O. Box 626, Caldwell, Texas 77836 79705
and CLAYTON WILLIAMS ENERGY, INC., 6 Desta Dr., Ste. 3000, Midland, Tx, Lessee, WITNESSETH:

1. Lessor, in consideration of Ten and 0.V.C. 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 Burleson, State of Texas, and is described as follows:

206.07 acres of land, more or less, out of the David Clark Leahue, A-11, Burleson County, Texas, being Tract No. 1 and Tract No. 2 in that certain Deed dated March 28, 1980 by and between Lillie Mae Struwe, a widow and Clara May Graham, recorded in Volume 265, Page 880 of the Deed Records of Burleson County, Texas, LESS AND EXCEPT, all that certain tract of land described in that certain Deed dated March 18, 1933, by and between F.M. Buch, et ux, Mrs. Annie W. Buch and the State of Texas, containing 0.63 of an acre of land, more or less, leaving in the aggregate herein described 206.07 acres of land, more or less, Reference is herein made to the above deeds for all purposes.

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 206.07 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. Three (3)

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 Guaranty Federal Bank F.S.B. Bank

at 700 W. Hwy 21 Caldwell Tx, 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 prescribed or permitted 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 prescribed or permitted 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 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 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.

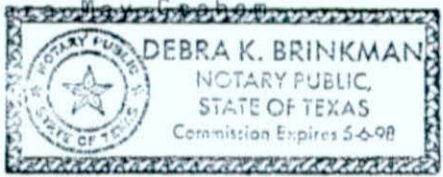
IN WITNESS WHEREOF, this instrument is executed and the date is first set forth hereon, the undersigned have hereunto set their hands and seals at _____ FOR ADDITIONAL PROVISIONS SEE ATTACHED ADDENDUM.

Clara May Ray
Clara May Ray, f/k/a, S.S.# _____
Clara May Graham

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

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF BURLESON
This instrument was acknowledged before me on the 21th 11 day of March, 1996,
by Clara May Ray, f/k/a,
Clara May Graham



Debra K. Brinkman
Notary Public, State of Texas
Notary's name (printed): Debra K. Brinkman
Notary's commission expires: 5-6-98

ACKNOWLEDGEMENT

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

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS
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 **249** PAGE **775**

Producers 88 (7/89) - Paid Up
with 640 Acres Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM _____ TO _____

Dated _____, 19____, at _____, _____ 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 _____

5 POUND PRINTING & STATIONERY COMPANY
4703-C RICHMOND, HOUSTON, TEXAS 77027 (713) 552-9797

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED FEBRUARY 26, 1996, BETWEEN CLARA MAY RAY F/K/A, CLARA MAY GRAHAM, AS LESSOR AND CLAYTON WILLIAMS ENERGY, INC., AS LESSEE.

12. Notwithstanding any other provision herein contained to the contrary, it is herein agreed by Lessor and Lessee that wherever the fraction one-eighth (1/8th) appears in paragraph three (3) of this lease the same shall read one-sixth (1/6th), and in all cases the royalty interest herein provided shall be one-sixth (1/6th).

13. Notwithstanding anything hereinabove to the contrary, it is specifically understood and agreed that this lease covers only oil, gas, sulphur and associated liquid and liquefiable hydrocarbons, but this lease does not cover or include any other minerals, with all other such minerals being reserved to the Lessor herein.

14. Lessee agrees to pay Lessor or tenants of Lessor for all damages or injury to cattle or other livestock, pasturage, crops, fences, terraces, water wells, the surface otherwise in whatever way damaged and all other property of Lessor or tenants of Lessor situated on the leased premises resulting from Lessee's operations under the terms of this lease; and, Lessee further agrees that within a reasonable time after completion or abandonment of any well drilled on the leased premises, Lessee shall fill and level all excavations not required for production, fencing those that must remain open, and restore the surface of the ground to as near its original condition as is practicable.

15. In the event a portion or portions of the land described in this lease are pooled or unitized with other land, lease or leases, so as to form a pooled unit or units, operations for drilling, drilling, or reworking operations on such unit or units, or production of oil or gas from such unit or units, or payment of shut-in gas royalties on a well or wells drilled on such unit or units, shall maintain this lease in effect only as to the portion or portions of the land described in this lease which is included in a pooled unit or units. As to any portion or portions of the land not included in a pooled unit or units, this lease may be maintained in force and effect in any manner elsewhere provided in this lease.

16. On or before the date of expiration of the original primary term of this lease set out in paragraph 2 hereof, Lessee may at its option pay to Lessor or to Lessor's credit at the depository bank named herein, \$20.00 per net mineral acre for each acre covered by this lease and not maintained by drilling operations or production. If said consideration is timely tendered, then the said original primary term shall be extended for an additional two (2) year period from the end of the said original primary term. Lessor and Lessee further agree that the consideration paid by the Lessee in connection with this extension provision shall satisfy all conditions and obligation for the payment of delay rentals under the terms of this lease and that there shall be no further delay rental due during the extension period of said primary term.

17. Although this lease may have terminated in part and been partially released under the provisions of this lease, it is agreed that Lessee shall have and retain such easements over and across such terminated portion or portions of the lands originally covered by this lease as shall be reasonably necessary as a means for ingress and egress and to enable Lessee to develop and operate the portion or portions of this lease continuing in effect for the production of oil or gas therefrom, including the right to install and maintain pipelines, or to build and maintain roads over and across the same for transportation and marketing production from this lease, and Lessee shall have continued use and not be required to remove, move or relocate any existing roads, pipelines, tanks, separators, or other equipment or machinery used in connection with such production of oil or gas.

18. In the event Lessee drills a water well on the herein described premises, the surface owner is hereby granted the right and option, to request in writing that the Lessee not plug said water well, and to leave it in its then existing condition for use by the surface owner when Lessee ceases to use said water well; however, Lessee shall have the full right to use water from said well during the term of this lease for additional drilling operations or reworking upon the herein described premises. It is agreed and understood that Lessee is not obligated to leave the pump to said water well and it will be the responsibility of the surface owner to supply their own pump. In the event Lessee leaves said water well for the surface owner, the surface owner does hereby relieve Lessee of any and all liability, indemnify and agree to hold Lessee harmless, and the surface owner herein shall be solely responsible for full compliance with all rules and regulations of the Railroad Commission of Texas, or any other governmental agency for any continued use, abandonment or plugging of said well.

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

Clara May Ray
CLARA MAY RAY F/K/A CLARA
MAY GRAHAM

SOCIAL SECURITY NUMBER

FILED FOR RECORD
at 9:00 o'clock *A* M.
APR 11 1996
Evelyn M. Henry
EVELYN M. HENRY
COUNTY CLERK, BURLESON CO., TEX.

VOL 249 PAGE 777

THE STATE OF TEXAS
COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the _____ 11 day of April, 19 96, at 9:00 o'clock A. M. and duly recorded on _____ 11 day of April, 19 96, in the _____ Oil & Gas Lease Record of said County, in Vol. 249 Page 774-777.

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

By _____, Deputy

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

PROPERTY ACQUISITION BANK DRAFT

2

Prospect Name & No. South Caldwell

NO PROTEST

COLLECT DIRECTLY THROUGH Norwest Bank Texas, Midland N.A.

Midland Texas 79702 01-22-96
CITY STATE DATE

10 DAYS AFTER SIGHT, AND SUBJECT TO APPROVAL OF TITLE COMPANY 803.322 acres of land,
more or less, out of the Ebimelech King Survey, A-58

SEC. T. MIDLAND COUNTY Burleson STATE OF Texas

PAY TO THE ORDER OF Thomas Luther Goodnight, and T.L. Goodnight
Thomas L. Goodnight \$ 29,132.88

Twenty Nine Thousand One Hundred Thirty Two and 88/100s **DOLLARS**
WITH EXCHANGE

TO Clayton Williams Energy, Inc.
6 Desta Drive, Suite 3000
Midland, Texas 79705

PAID
Jeff Manuppelli
LANDMAN - BROKER
Jeff Manuppelli-agent

CHECK NO. <u> </u>	TOTAL BONUS <u>\$29,132.88</u>	BONUS PER ACRE <u>\$40.00</u>	LEASE NO. <u>2-07420-A</u>
GROSS LSE ACRES <u>803.22</u>	NET LSE ACRES <u>728.322</u>	PAID UP LEASE <u>yes</u>	

PROSPECT South Caldwell

TYPE OF INT. FEE FEDERAL STATE INDIAN OTHER

LESSOR Thomas Luther Goodnight, a/k/a Thomas L. Goodnight and T.L. Goodnight

SOCIAL SECURITY NO.

ADDRESS Box 203, Caldwell, Texas 77836

36704

Lessee Clayton Williams Energy, Inc. Assignee Date

RENTAL PAYABLE TO Paid-up

ADDRESS <u>CITIZENS STATE BANK</u> CITY/STATE <u>CALDWELL, TX</u> BANK ACCT. NO. <u>77836</u>	LEASE DATE <u>01-22-96</u>	TERM <u>3 yr. + 2 yr.</u>	EXPIRATION DATE <u>01-22-99</u>
	RENTAL DATE <u>paid-up</u>	RENTAL PER ACRE <u>NA</u>	RENTAL AMOUNT <u>NA</u>
	OPTION/TOR LSE <u>yes 2yr</u>	OPTION DUE <u>01-22-99</u>	OPTION AMOUNT <u>\$14,566.44</u>
	LOR <u>1/6th</u>	ORR <u> </u>	NRI <u> </u>

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Escalating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Drig. Oblig.
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CO-OWNERS T.L. Goodnight owns 100% of the minerals under Tracts 1-8, 10-16 and 25% of the minerals under Tract 9

REMARKS Original executed lease attached to draft.

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES.
PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

517
OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 22nd day of January, 1996, between

THOMAS LUTHER GOODNIGHT, A/K/A THOMAS L. GOODNIGHT AND T.L. GOODNIGHT

Lessor (whether one or more), whose address is: Box 203, Caldwell, Texas 77836 TX., 79705.
and CLAYTON WILLIAMS ENERGY, INC., 6 Desta Dr., Suite 3000, Midland, TX. Lessee. WITNESSETH:

1. Lessor, in consideration of Ten and 0. V. C. 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, 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 Burleson, State of Texas, and is described as follows:

PROPERTY DESCRIPTION SEE ATTACHED EXHIBIT "A"

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 803.322 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. Three (3)

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. IB

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 Citizens State Bank Caldwell, TX 77836, 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 prescribed or permitted 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 prescribed or permitted 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 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.

FOR ADDITIONAL PROVISIONS SEE ATTACHED ADDENDUM.

Thomas L. Goodnight
Thomas Luther Goodnight S.S.#
a/k/a Thomas L. Goodnight and T.L. Goodnight

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

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF BURLESON

This instrument was acknowledged before me on the 22nd day of January, 19 96,
by Thomas Luther Goodnight, a/k/a
Thomas L. Goodnight and
T.L. Goodnight

Jeffrey S. Manuppelli
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:
JEFFREY S. MANUPPELLI
Notary Public, State of Texas
My Commission Expires 11-29-1997

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF

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

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS
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 _____, at _____ day of _____, 19 _____, at _____ o'clock _____ M., and duly recorded in _____, Page _____ of the _____ records of this office.

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

By _____ County Clerk
Deputy _____

When recorded return to _____

8 POUND PRINTING & STATIONERY COMPANY
4703-C RICHMOND, HOUSTON, TEXAS 77027 (713) 552-9797

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED JANUARY 22, 1996, BETWEEN THOMAS LUTHER GOODNIGHT, A/K/A THOMAS L. GOODNIGHT AND T.L. GOODNIGHT, AS LESSOR AND CLAYTON WILLIAMS ENERGY, INC., AS LESSEE.

12. Notwithstanding any other provision herein contained to the contrary, it is herein agreed by Lessor and Lessee that wherever the fraction one-eighth (1/8th) appears in paragraph three (3) of this lease the same shall read one-sixth (1/6th), and in all cases the royalty interest herein provided shall be one-sixth (1/6th).

13. Notwithstanding anything hereinabove to the contrary, it is specifically understood and agreed that this lease covers only oil, gas, sulphur and associated liquid and liquefiable hydrocarbons, but this lease does not cover or include any other minerals, with all other such minerals being reserved to the Lessor herein.

14. Lessee agrees to pay Lessor or tenants of Lessor for all damages or injury to cattle or other livestock, pasturage, crops, fences, terraces, water wells, the surface otherwise in whatever way damaged and all other property of Lessor or tenants of Lessor situated on the leased premises resulting from Lessee's operations under the terms of this lease; and, Lessee further agrees that within a reasonable time after completion or abandonment of any well drilled on the leased premises, Lessee shall fill and level all excavations not required for production, fencing those that must remain open, and restore the surface of the ground to as near its original condition as is practicable.

15. In the event a portion or portions of the land described in this lease are pooled or unitized with other land, lease or leases, so as to form a pooled unit or units, operations for drilling, drilling, or reworking operations on such unit or units, or production of oil or gas from such unit or units, or payment of shut-in gas royalties on a well or wells drilled on such unit or units, shall maintain this lease in effect only as to the portion or portions of the land described in this lease which is included in a pooled unit or units. As to any portion or portions of the land not included in a pooled unit or units, this lease may be maintained in force and effect in any manner elsewhere provided in this lease.

16. On or before the date of expiration of the original primary term of this lease set out in paragraph 2 hereof, Lessee may at its option pay to Lessor or to Lessor's credit at the depository bank named herein, \$20.00 per net mineral acre for each acre covered by this lease and not maintained by drilling operations or production. If said consideration is timely tendered, then the said original primary term shall be extended for an additional two (2) year period from the end of the said original primary term. Lessor and Lessee further agree that the consideration paid by the Lessee in connection with this extension provision shall satisfy all conditions and obligation for the payment of delay rentals under the terms of this lease and that there shall be no further delay rental due during the extension period of said primary term.

17. Any surface drillsite and/or construction of any roads on the herein leased premises shall be at a location mutually agreed upon between Lessor and Lessee, and Lessor shall not unreasonably withhold his consent to any such drillsite and/or roads proposed by Lessee.

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

Thomas L. Goodnight
Thomas Luther Goodnight, a/k/a Thomas L.
Goodnight and T.L. Goodnight


SOCIAL SECURITY NUMBER

EXHIBIT "A"

Attached hereto and made a part hereof that certain Oil, Gas and Mineral Lease dated January 22, 1996, between Thomas Luther Goodnight, as Lessor and Clayton Williams Energy, Inc., as Lessee.

803.322 acres, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, described in the following sixteen (16) tracts:

Tract 1: 139.60 acres, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, described in Deed dated December 25, 1916, from C.W.F. Windel to Lorinda Windel, recorded in Volume 50, Page 369 of the Deed Records of Burleson County, Texas.

Tract 2: 176.00 acres, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, described in Deed dated November 8, 1937, O.S. Windel to T.L. Goodnight, recorded in Volume 81, Page 458 of the Deed Records of Burleson County, Texas.

Tract 3: 179.75 acres, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, described in two tracts in Deed dated September 23, 1943, from John B. Struwe et al to Dr. T.L. Goodnight et ux, recorded in Volume 89, Page 219 of the Deed Records of Burleson County, Texas.

Tract 4: 100.00 acres, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, described in Deed dated December 14, 1944, from Emma Windel Meyer et vir to Tomee Goodnight, recorded in Volume 93, Page 332 of the Deed Records of Burleson County, Texas.

Tract 5: 53.29 acres, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, described in Exhibit "D" in Deed dated November 10, 1992, from Lonneida P. Goodnight to Thomas Luther Goodnight, recorded in Volume 427, Page 665 of the Official Records of Burleson County, Texas.

Tract 6: 22.13 acres, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, described in Exhibit "C" in Deed dated November 10, 1992, from Lonneida P. Goodnight to Thomas Luther Goodnight, recorded in Volume 427, Page 665 of the Official Records of Burleson County, Texas.

Tract 7: 7.42 acres, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, described in Exhibit "F" in Deed dated November 10, 1992, from Lonneida P. Goodnight to Thomas Luther Goodnight, recorded in Volume 427, Page 674 of the Official Records of Burleson County, Texas.

Tract 8: 0.97 acre, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, described in Exhibit "F" in Deed dated November 10, 1992, from Lonneida P. Goodnight to Thomas Luther Goodnight, recorded in Volume 427, Page 674 of the Official Records of Burleson County, Texas.

Tract 9: 100.00 acres, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, described in Deed dated 12-31-86, from Thomas L. Goodnight et ux to Peoples National Bank, recorded in Volume 361, Page 711 of the Official Records of Burleson County, Texas.

Tract 10: 4.1208 acres, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, described in Deed dated February 10, 1982, from Thomas L. Goodnight, Jr. et ux to Geosource Inc., recorded in Volume 299, Page 83 of the Deed Records of Burleson County, Texas.

Tract 11: 8.5331 acres, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, described in Deed dated November 23, 1981, from Thomas L. Goodnight,

Jr. et ux to Geosource Inc., recorded in Volume 295, Page 621 of the Deed Records of Burleson County, Texas.

Tract 12: 4.3621 acres, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, described in Deed dated May 8, 1981, from Thomas L. Goodnight et ux to Herbert L. Elliott, recorded in Volume 284, Page 714 of the Deed Records of Burleson County, Texas.

Tract 13: 4.3179 acres, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, described in Deed dated August 6, 1979, from Thomas L. Goodnight, Jr. et ux to Gary Franzetti et ux, recorded in Volume 258, Page 65 of the Deed Records of Burleson County, Texas.

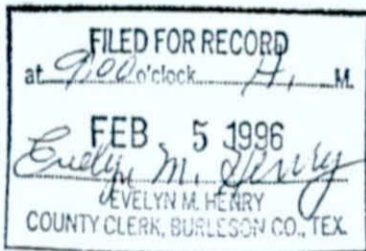
Tract 14: 2.1471 acres, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, described in Deed dated December 15, 1978, from Thomas L. Goodnight, Jr. et ux to Gary Franzetti et ux, recorded in Volume 251, Page 406 of the Deed Records of Burleson County, Texas.

Tract 15: 0.16 acre, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, described in Exhibit "I" in Deed dated November 10, 1992, from Lonneida P. Goodnight to Thomas Luther Goodnight, recorded in Volume 427, Page 665 of the Official Records of Burleson County, Texas.

Tract 16: 0.521 acre, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, described in Exhibit "J" in Deed dated November 10, 1992, from Lonneida P. Goodnight to Thomas Luther Goodnight, recorded in Volume 427, Page 665 of the Official Records of Burleson County, Texas.

SIGN FOR IDENTIFICATION:

Thomas L. Goodnight
Thomas L. Goodnight



VOL 247 PAGE 759

THE STATE OF TEXAS
COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 5 day of February, 19 96, at 9:00 o'clock A. M. and duly recorded on 8 day of February, 19 96, in the Oil & Gas Lease Record of said County, in Vol. 247 Page 755-759.

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

By Therese Ann Turner, Deputy

Evelyn M. Henry
County Clerk, Burleson County, Texas

PROPERTY ACQUISITION BANK DRAFT

2A

Prospect Name & No. South Caldwell
NO PROTEST

COLLECT DIRECTLY THROUGH Norwest Bank Texas, Midland N.A.
Midland

CITY NORWEST BANK STATE Texas DATE 02-06-96
MIDLAND, N.A.

10 banking DAYS AFTER SIGHT, AND SUBJECT TO APPROVAL OF TITLE COVERING 128.0826 acres of land,
more or less, out of the Ebimeleck Swearingen League, A-58

SEC. _____ T. _____ R. _____ MAR 05 1996 _____ STATE OF Texas

PAY TO THE ORDER OF Martha J. Brymer a/k/a, Martha Jane Brymer
Joe D. Brymer a/k/a, Joe Don Brymer and wife, \$ 3,275.70

PAID

*****Three Thousand Two Hundred Seventy Five and 70/100s*****
VALUE RECEIVED AND CHARGE TO ACCOUNT OF _____ DOLLARS
WITH EXCHANGE

TO Clayton Williams Energy, Inc.
6 Delta Drive, Suite 3000
Midland, Texas 79705

Attn. M. Rowley
Jeff Manuppelli
LANDMAN - BROKER
-agent

CHECK NO.	TOTAL BONUS \$3,275.70	BONUS PER ACRE \$30.00
GROSS LSE ACRES 128.0826	NET LSE ACRES 109.19	PAID UP LEASE yes

LEASE NO. 2-07464-A

PROSPECT South Caldwell

TYPE OF INT. _____ FEE _____ FEDERAL _____ STATE _____ INDIAN _____ OTHER _____

LESSOR Joe D. Brymer, A/K/A, Joe Don Brymer and wife, Martha J. Brymer, A/K/A,
Martha Jane Brymer

SOCIAL SECURITY NO. JOE - [REDACTED] Martha - [REDACTED]

ADDRESS Route 1, Box 18, Caldwell, Texas 77836 36887

Lessee Clayton Williams Energy, Inc. Assignee _____ Date 02-29-96

RENTAL PAYABLE TO <u>Paid-up</u>	LEASE DATE <u>02-06-96</u>	TERM <u>3 yr. + 2 yr.</u>	EXPIRATION DATE <u>02-06-99</u>
ADDRESS <u>CALDWELL NATIONAL BANK</u> <u>CALDWELL, TX 77836</u>	RENTAL DATE <u>paid-up</u>	RENTAL PER ACRE <u>NA</u>	RENTAL AMOUNT <u>NA</u>
CITY/STATE <u>28353</u>	OPTION/TOR %SE. <u>yes</u>	OPTION DUE <u>02-06-99</u>	OPTION AMOUNT <u>\$2,183.80</u>
BANK ACCT. NO. <u>X</u>	LOR <u>1/6</u>	ORR	NRI

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Escalating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Drig. Oblig.
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CO-OWNERS Under 58.236 acres Brymer's own 75%; Thomas L. Goodnight own 25% 2-07420-A
Under 17.05 acres Brymer's own 75%, Lonneida Alexander own 25%

REMARKS TITLE COMPLETED, OKAY TO PAY DRAFT. ORIGINAL LEASE ATTACHED.

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES.
PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

1030
OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 6th day of February 1996 between

JOE D. BRYMER, A/K/A JOE DON BRYMER and wife, MARTHA J. BRYMER, A/K/A
MARTHA JANE BRYMER

Lessor (whether one or more), whose address is: Route 1, Box 18, Caldwell, Texas 77836 TX. 79705
and CLAYTON WILLIAMS ENERGY, INC., 6 Desta Dr., Ste. 3000, Midland, Lessee. WITNESSETH:

1. Lessor, in consideration of Ten and 0.0.0. 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, 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 Burleson State of Texas and is described as follows:

128.0826 acres of land, more or less, out of the Ebimeleck Swearingen League, A. 58, Burleson County, Texas and being described in three tracts of land as follows: TRACT ONE: 58.52 acres of land, more or less, out of said League and being the same land as described in that certain Deed dated 03-15-91 from F.D.I.C., as Receiver for Peoples National Bank to Joe Don Brymer, et ux, recorded in Volume 406, Page 501 of the Deed Records of Burleson County, Texas. TRACT TWO: 52.5126 acres of land, more or less, out of said League and being the same land as described in that certain Deed dated 12-07-88 from Robert H. Pohl, Jr., et ux, to Joe Don Brymer, et ux, recorded in Volume 383, Page 434 of the Deed Records of Burleson County, Texas. TRACT THREE: 17.05 acres of land, more or less, out of said League and being the same land as described in that certain Deed dated 04-08-93 from Lonneida P. Goodnight to Joe D. Brymer, et ux, recorded in Volume 432, Page 277 of the Deed Records of Burleson County, Texas. Reference is herein made to the above deeds for all purposes.

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 128.0826 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

Caldwell National Bank

at Caldwell, 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 prescribed or permitted 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 prescribed or permitted 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 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.

FOR ADDITIONAL PROVISIONS SEE ATTACHED

ADDENDUM

Joe D. Brymer, a/k/a Joe Don Brymer

Martha J. Brymer, a/k/a Martha Jane Brymer

S.S.# [REDACTED]

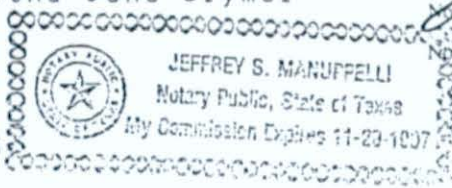
LESSOR SS. OR TAX I.D. NO. LESSOR S.S.# LESSOR SS. OR TAX I.D. NO.

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF BURLESON

This instrument was acknowledged before me on the 6th day of February, 1996, by Joe D. Brymer, a/k/a Joe Don Brymer and wife, Martha J. Brymer, a/k/a Martha Jane Brymer

Notary Public, State of Texas
Notary's name (printed): Jeffrey S. Manuffelli
Notary's commission expires:



ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF

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

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS
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:

VOL 248 : 715

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 _____

© POUND PRINTING & STATIONERY COMPANY
4703-C RICHMOND, HOUSTON, TEXAS 77027 (713) 552-9797

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED FEBRUARY 6, 1996, BETWEEN JOE D. BRYMER AND WIFE, MARTHA J. BRYMER, AS LESSOR AND CLAYTON WILLIAMS ENERGY, INC., AS LESSEE.

12. Notwithstanding any other provision herein contained to the contrary, it is herein agreed by Lessor and Lessee that wherever the fraction one-eighth (1/8th) appears in paragraph three (3) of this lease the same shall read one-sixth (1/6th), and in all cases the royalty interest herein provided shall be one-sixth (1/6th).

13. Notwithstanding anything hereinabove to the contrary, it is specifically understood and agreed that this lease covers only oil, gas, sulphur and associated liquid and liquefiable hydrocarbons, but this lease does not cover or include any other minerals, with all other such minerals being reserved to the Lessor herein.

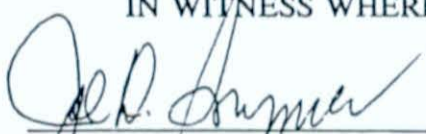
14. Lessee agrees to pay Lessor or tenants of Lessor for all damages or injury to cattle or other livestock, pasturage, crops, fences, terraces, water wells, the surface otherwise in whatever way damaged and all other property of Lessor or tenants of Lessor situated on the leased premises resulting from Lessee's operations under the terms of this lease; and, Lessee further agrees that within a reasonable time after completion or abandonment of any well drilled on the leased premises, Lessee shall fill and level all excavations not required for production, fencing those that must remain open, and restore the surface of the ground to as near its original condition as is practicable.

15. In the event a portion or portions of the land described in this lease are pooled or unitized with other land, lease or leases, so as to form a pooled unit or units, operations for drilling, drilling, or reworking operations on such unit or units, or production of oil or gas from such unit or units, or payment of shut-in gas royalties on a well or wells drilled on such unit or units, shall maintain this lease in effect only as to the portion or portions of the land described in this lease which is included in a pooled unit or units. As to any portion or portions of the land not included in a pooled unit or units, this lease may be maintained in force and effect in any manner elsewhere provided in this lease.

16. On or before the date of expiration of the original primary term of this lease set out in paragraph 2 hereof, Lessee may at its option pay to Lessor or to Lessor's credit at the depository bank named herein, \$20.00 per net mineral acre for each acre covered by this lease and not maintained by drilling operations or production. If said consideration is timely tendered, then the said original primary term shall be extended for an additional two (2) year period from the end of the said original primary term. Lessor and Lessee further agree that the consideration paid by the Lessee in connection with this extension provision shall satisfy all conditions and obligation for the payment of delay rentals under the terms of this lease and that there shall be no further delay rental due during the extension period of said primary term.

17. Any surface drillsite shall be at a location mutually agreed upon between Lessor and Lessee, and Lessor shall not unreasonably withhold his consent to any such drillsite proposed by Lessee.

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



JOE D. BRYMER, A/K/A JOE DON
BRYMER

SOCIAL SECURITY NUMBER



MARTHA J. BRYMER, A/K/A, MARTHA
JANE BRYMER

SOCIAL SECURITY NUMBER

VOL 248 PAGE 716

PROPERTY ACQUISITION BANK DRAFT

3

Prospect Name & No. N. BURLESON NO PROTEST

COLLECT DIRECTLY THROUGH NORWEST BANK TEXAS, MIDLAND, N.A. P.O. BOX 3090
MIDLAND CITY TEXAS 79702 STATE 1-31-96 DATE

TEN BANKING DAYS AFTER SIGHT, AND SUBJECT TO APPROVAL OF TITLE COVERING undivided interest in 618.57 acres out of the G. GREEN SURVEY, A-126 & J.W. FORSTER SURVEY, A-199 NORWEST BANK TEXAS MIDLAND, TEXAS STATE OF TEXAS
 SEC. _____ T. _____ R. _____

PAY TO THE ORDER OF CLINT LEWIS ET UX, HELEN LEWIS **PAID** NOV 20 1996 \$ 19,231.50 DOLLARS
 VALUE RECEIVED AND CHARGE TO ACCOUNT OF NINETEEN THOUSAND TWO HUNDRED THIRTY ONE AND 50/100 WITH EXCHANGE

TO CAYTON WILLIAMS ENERGY, INC. ATTN: M. ROWLEY
5615 DISTA DRIVE SUITE 3000
MIDLAND, TEXAS 79705

Jerry W. Priddy
 LANDMAN - BROKER
 JERRY W. PRIDDY

CHECK NO.	TOTAL BONUS <u>19,231.50</u> <u>14,731.50</u>	BONUS PER ACRE <u>50.00</u>	LEASE NO.
GROSS LSE ACRES <u>708.57</u> <u>618.57</u>	NET LSE ACRES <u>384.63</u> <u>294.63</u>	PAID UP LEASE <u>yes</u>	PROSPECT <u>N. BURLESON</u>

TYPE OF INT. _____ FEE _____ FEDERAL _____ STATE _____ INDIAN _____ OTHER _____

LESSOR CLINT LEWIS ET UX, HELEN LEWIS

SOCIAL SECURITY NO. ROUTE 1 BOX 27 CALDWELL, TEXAS 77836

ADDRESS _____

Lessee CWI Assignee _____ Date _____

RENTAL PAYABLE TO LESSOR NAMED ABOVE

DIRECT TO LESSOR	LEASE DATE <u>1-31-96</u>	TERM <u>3 yr. + 1 yr.</u>	EXPIRATION DATE <u>1-31-99/1-31-2000</u>
ADDRESS _____	RENTAL DATE <u>PAID-UP LSE</u>	RENTAL PER ACRE <u>NA</u>	RENTAL AMOUNT <u>NA</u>
CITY/STATE _____	OPTION/ XXXXXX <u>YES</u>	OPTION DUE <u>1-31-99</u>	OPTION AMOUNT <u>3846.30</u> <u>2946.30</u>
BANK ACCT. NO. _____	LOR <u>1/6th</u>	ORR	NRI

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Escalating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Drig. Oblig.
---	-------------	--------------------	--------------------	----------------------	--------------

CO-OWNERS SALLY FLOST: 50% under 708.57 less 90.00 acres o/o D. CLARK SURVEY, A-11

Lease # 2.07439
1/16 MI in 618.57 acs owned by Federal Land Bank

REMARKS LEASE ADDENDUMS: O & G ONLY, PUGH, DAMAGE, 1 YEAR OPTION, MUTUALLY AGREED UPON DRILLSITE, SURFACE TO 5000 FEET REVERTS TO CWI AFTER EXPIRATION OF EXISTING LEASE

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES. PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

PROPERTY ACQUISITION BANK DEPT

Prospect Name & No. _____ NO PROTEST

BUY THROUGH ROBERT BAY TEXAS, MIDLAND, N.A. 20, 07, 1996
MIDLAND TEXAS 1996
 CITY STATE DATE

14 DAYS AFTER SIGHT, AND SUBJECT TO APPROVAL OF TITLE COVERING undivided interest in the
the G. GRAY SURVEY, 6126 and the G. HENDER SURVEY, 4105
 SEC. _____ T. _____ R. _____ COUNTY MIAMI STATE OF _____

ORDER OF SALLY FLOST \$ _____
 RELATION TO OWNERS UNITED OF THE PROPERTY OF THE LAND IN THE STATE OF TEXAS AND THE COUNTY OF MIAMI TEXAS DOLLARS

VALUE RECEIVED AND CHARGE TO ACCOUNT OF _____ WITH EXCHANGE
ANTON WILLIAMS ENERGY, INC. 2700 N. HWY 101
MIAMI, TEXAS 75116
 LANDMAN - BROKER

CHECK NO. _____	TOTAL BONUS <u>14,731.50</u>	BONUS PER ACRE <u>\$50.00</u>	LEASE NO. <u>207438 A</u>
GROSS LSE ACRES <u>618.57</u>	NET LSE ACRES <u>294.63</u>	PAID UP LEASE <u>yes</u>	

TYPE OF INT. _____ FEE _____ FEDERAL _____ STATE _____ INDIAN _____ OTHER _____

LESSOR SALLY FLOST
 SOCIAL SECURITY NO. [REDACTED] 36799
 ADDRESS ROUTE 1 BOX 27 CALDWELL, TEXAS 77836

Lessee CWI Assignee _____ Date _____

RENTAL PAYABLE TO <u>LESSOR NAMED ABOVE</u>	LEASE DATE <u>1-31-96</u>	TERM <u>3 yr. + 1 yr.</u>	EXPIRATION DATE <u>1-31-99/1-31-2000</u>
<u>DIRECT TO LESSOR</u>	RENTAL DATE <u>PAID-UP LSE</u>	RENTAL PER ACRE <u>NA</u>	RENTAL AMOUNT <u>NA</u>
ADDRESS _____	OPTION/ PAID UP <u>YES</u>	OPTION DUE <u>1-31-99</u>	OPTION AMOUNT <u>2946.30</u>
CITY/STATE _____	LOR <u>1/6th</u>	ORR	NRI

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Escalating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Drig. Oblig.
---	-------------	--------------------	--------------------	----------------------	--------------

CO-OWNERS CLINT LEWIS 50.00% 1/16 NI in 618-57 owned by Federal Land Bank

REMARKS LEASE ADDENDUMS: O & G ONLY, FUGH, DAMAGE, 1 YEAR OPTION, MUTUALLY AGREED UPON DRILL SITE SURFACE TO 5000 FEET REVERTS TO CWI UPON EXPIRATION OF EXISTING LSE.

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES. PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

00-838

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 31st day of JANUARY 19 96, between

CLINT LEWIS ET UX, HELEN LEWIS; SALLY FLOSI

Lessor (whether one or more), whose address is: ROUTE 1 BOX 27 CALDWELL, TEXAS 77836
and CLAYTON WILLIAMS ENERGY, INC. SIX DESTA DRIVE SUITE 3000 MIDLAND, TEXAS 79705, Lessee, WITNESSETH:

1. Lessor, in consideration of TEN AND OTHER GOOD AND VALUABLE CONSIDERATION Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, mining 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 BURLESON, State of TEXAS, and is described as follows:

A parcel of land being 618.57 acres, more or less, out of the G. Green Survey, A-126 and the J.W. Porter Survey, A-195, Burleson County, Texas and being more particularly described in that certain Special Warranty Deed dated March 8, 1993 from Robert Flowers and Clint Lewis, Co-Trustees of the Sally Flosi Trust to Sally Flosi as recorded in Volume 432, Page 267 of the Deed Records of Burleson County, Texas.

SEE ADDITIONAL ADDENDUMS ATTACHED HERETO AND MADE A PART HEREOF

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 618.57 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, three (3)

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 2000 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 all 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

DIRECT TO LESSOR

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 prescribed or permitted 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 prescribed or permitted 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.

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED JANUARY 31, 1996, BETWEEN CLINT LEWIS ET UX, HELEN LEWIS; SALLY FLOSI, AS LESSOR AND CLAYTON WILLIAMS ENERGY, INC., AS LESSEE:

12. Notwithstanding any other provision herein contained to the contrary, it is herein agreed by Lessor and Lessee that wherever the fraction one-eighth (1/8) appears in paragraph three (3) of this lease the same shall read one-sixth (1/6), and in all cases the royalty interest herein provided shall be one-sixth (1/6).

13. Notwithstanding anything hereinabove to the contrary, it is specifically understood and agreed that this lease covers only oil, gas, sulphur and associated liquid and liquifiable hydrocarbons, but this lease does not cover or include any other minerals, with all other such minerals being reserved to the lessor herein.

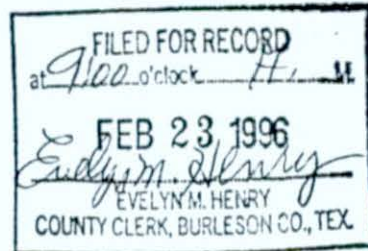
14. Lessee agrees to pay Lessor or tenants of Lessor for all damages or injury to cattle or other livestock, pasturage, crops, fences, terraces, water wells, the surface otherwise in whatever way damaged and all other property of Lessor or tenants of Lessor situated on the lease premises resulting from Lessee's operations under the terms of this lease; and, Lessee further agrees that within a reasonable time after completion or abandonment of any well drilled on the leased premises, Lessee shall fill and level all excavations not required for production, fencing those that must remain open, and restore the surface of the ground to as near its original condition as is practicable.

15. In the event a portion or portions of the land described in this lease are pooled or unitized with other land, lease or leases, so as to form a pooled unit or units, operations for drilling, drilling, or reworking operations on such unit or units, or production of oil or gas from such unit or units, or payment of shut-in gas royalties on a well or wells drilled on such unit or units, shall maintain this lease in effect only as to the portion or portions of the land described in this lease which is included in a pooled unit or units. As to any portion or portions of the land not included in a pooled unit or units, this lease may be maintained in force and effect in any manner elsewhere provided in this lease.

16. On or before the date of expiration of the original primary term of this lease set out in paragraph 2 hereof, Lessee may at its option pay to Lessor or to Lessor's credit at the depository bank named herein, \$10.00 per net mineral acre for each acre covered by this lease and not maintained by drilling operations or production. If said consideration is timely tendered, then the said original primary term shall be extended for an additional one (1) year period from the end of the said original primary term. Lessor and Lessee further agree that the consideration paid by the Lessee in connection with this extension provision shall satisfy all conditions and obligation for the payment of delay rentals under the terms of this lease and that there shall be no further delay rental due during the extension period of said primary term.

17. Any surface drillsite shall be at a location mutually agreed upon between Lessor and Lessee, and Lessor shall not unreasonably withhold his consent to any such drillsite proposed by Lessee.

18. Lessor and Lessee expressly acknowledge and agree that this lease shall be subordinate and subject to a prior Oil and Gas Lease dated November 10, 1995, from Lessor, to Daubert Energy Company, as Lessee, recorded in Volume 246, Page 485, Oil and Gas Lease Records, Burleson County, Texas, covering the lands described in this lease as to depths from the surface of the earth to 5000 feet subsurface (the "Prior Lease"). The primary term of the Prior Lease expires on November 10, 1997, and Lessor hereby covenants and agrees not to further extend, renew, amend or modify the prior lease. If at any time within a period of five (5) years from the date of this Lease, the Prior Lease shall terminate or be released as to all or any portion of the rights or interests covered thereby in the lands described in this lease, then, at such time or times, this lease shall automatically become effective as to the lands and depths which expire or are released under the Prior Lease.



SIGNED FOR IDENTIFICATION

Clint Lewis *Helen Lewis*
CLINT LEWIS HELEN LEWIS

Sally Flosi _____
SALLY FLOSI

VOL. 248 PAGE 336

THE STATE OF TEXAS
COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the _____ 23 day of February, 19 96, at 9:00 o'clock A. M. and duly recorded on _____ 29 day of February, 19 96, in the _____ Oil & Gas Lease Record of said County, in Vol. 248 Page 333-336.

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

By _____, Deputy

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

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.

Clint Lewis
CLINT LEWIS SS# [Redacted]

Sally Floss
SALLY FLOSS SS# [Redacted]
LESSOR SS. OR TAX I.D. NO.

Helen Lewis
HELEN LEWIS SS# [Redacted]

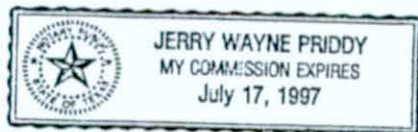
LESSOR SS. OR TAX I.D. NO.

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF BURLESON

This instrument was acknowledged before me on the 1st day of FEBRUARY, 1996
by CLINT LEWIS ET UX, HELEN LEWIS

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

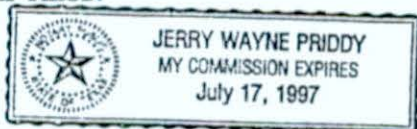


ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF BRAZOS

This instrument was acknowledged before me on the 31st day of JANUARY, 1996
by SALLY FLOSS.

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



STATE OF TEXAS
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 _____ 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 _____

© POUND PRINTING & STATIONERY COMPANY
- 4703-C RICHMOND, HOUSTON, TEXAS 77027 (713) 552-9797

PROPERTY ACQUISITION BANK AFT

4

Prospect Name & No. N. BURLISON NO PROTEST

COLLECT DIRECTLY THROUGH NORWEST BANK TEXAS, MIDLAND, N.A. P.O. BOX 3090
MIDLAND CITY TEXAS 79702 DATE 2-22-96

TEN BANKING DAYS AFTER SIGHT, AND SUBJECT TO APPROVAL OF NORWEST BANK TEXAS COVERING undivided interest in 34.73 acres
 out of the G. GREEN SURVEY, A-126

SEC. _____ T. _____ R. _____ COUNTY N. BURLISON STATE OF TEXAS

PAY TO THE ORDER OF Clyde M. Shaver et ux, Georgie F. Shaver \$ 434.50

FOUR HUNDRED THIRTY FOUR AND 50/100 **DOLLARS**

VALUE RECEIVED AND CHARGE TO ACCOUNT OF

TO CLAYTON WILLIAMS ENERGY, INC. ATTN: M. ROWLEY
SIX OESIA DRIVE SUITE 3000
MIDLAND, TEXAS 79705

PAID

WITH EXCHANGE

Jerry W. Friday
 LANDMAN - BROKER
 JERRY W. FRIDAY

CHECK NO.	TOTAL BONUS 434.50	BONUS PER ACRE 50.00	LEASE NO. <u>2-67466-H</u>
GROSS LSE ACRES 34.73	NET LSE ACRES 8.69	PAID UP LEASE yes	
PROSPECT			<u>N. BURLISON</u>

TYPE OF INT. _____ FEE _____ FEDERAL _____ STATE _____ INDIAN _____ OTHER _____

LESSOR Clyde M. Shaver et ux, Georgie F. Shaver

SOCIAL SECURITY NO. [REDACTED] [REDACTED] *36953*

ADDRESS ROUTE 1 BOX 26A CALLWELL, TEXAS 77836

Lessee CWI Assignee _____ Date _____

RENTAL PAYABLE TO LESSOR NAMED ABOVE

GUARANTY FEDERAL	LEASE DATE 2-24-96	TERM 3 yr. + 1 yr.	EXPIRATION DATE 2-24-99/2-24-00
ADDRESS <u>700 W. HWY 21</u> <i>36760</i>	RENTAL DATE PAID-UP LSE	RENTAL PER ACRE NA	RENTAL AMOUNT NA
CITY/STATE <u>CALLWELL, TEXAS 77836</u>	OPTION <input checked="" type="checkbox"/> FOR ROYalty yes	OPTION DUE 2-24-99	OPTION AMOUNT 96.90
BANK ACCT. NO. _____	LOR 1/6th	ORR	NRI

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Escalating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Drig. Oblig.
---	-------------	--------------------	--------------------	----------------------	--------------

CO-OWNERS SEE ATTACHED MINERAL OWNERSHIP

REMARKS LEASE ADDENDUMS: O & G ONLY, PUGH, DAMAGE, OPTION, MUTUALLY AGREED UPON DRILL SITE

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES. PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

PROPERTY ACQUISITION BANK DEPT

Prospect Name & No. _____ NO PROTEST

PAY TO ORDER DIRECTLY THROUGH _____
 CITY STATE DATE

TEN BUSINESS DAYS AFTER SIGHT, AND SUBJECT TO APPROVAL OF TITLE COVERING _____
 SEC. T. R. COUNTY STATE OF

PAY TO THE ORDER OF _____ \$ _____
 DOLLARS

VALUE RECEIVED AND CHARGE TO ACCOUNT OF _____ WITH EXCHANGE

TO: TAMM WILLIAMS ENERGY CO. ATTN: H. BROWN
 FEDERAL DRIVE SUITE 3700
 MIDLAND, TEXAS 79705
 LANDMAN - BROKER

CHECK NO.	TOTAL BONUS 217.25	BONUS PER ACRE 50.00
GROSS LSE ACRES 34.73	NET LSE ACRES 4.345	PAID UP LEASE yes

LEASE NO. 2-07466-A
 PROSPECT N. BURESON

TYPE OF INT. FEE FEDERAL STATE INDIAN OTHER

LESSOR CINDY LOUISE SHAVER SEE

SOCIAL SECURITY NO. [REDACTED]

ADDRESS ROUTE 1 BOX 26A CALDWELL, TEXAS 77836

Lessee CWI Assignee Date

RENTAL PAYABLE TO LESSOR NAMED ABOVE

GUARANTEE FEDERAL	LEASE DATE 2-22-96	TERM 3 yr. + 1 yr.	EXPIRATION DATE 2-22-99/2-22-00
700 W. HWY. 21	RENTAL DATE	RENTAL PER ACRE NA	RENTAL AMOUNT
CALDWELL, TEXAS 77836	PAID-UP LSE	OPTION DUE 2-22-99	OPTION AMOUNT 43.45
	OPTION/ FOR ROY	ORR	NRI
BANK ACCT. NO.	LOR 1/6th		

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Escalating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Drig. Oblig.
---	-------------	--------------------	--------------------	----------------------	--------------

CO-OWNERS SEE ATTACHED MINERAL OWNERSHIP

REMARKS LEASE ADDENDUMS: O & G ONLY, PUGH, DAMAGE, OPTION, MUTUALLY AGREED UPON DRILL SITE

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES.
 PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

PROPERTY ACQUISITION BANK DRAFT

Prospect Name & No. _____ NO PROTEST

PAY DIRECTLY THROUGH WELLS FARGO BANK, TEXAS, MIDLAND, TEXAS P.O. BOX 9140
 MIDLAND TEXAS 79709
 CITY STATE DATE

30 DAYS AFTER SIGHT, AND SUBJECT TO APPROVAL OF TITLE COVERING individual interest to
part of the G. CRON CREEK ALIEN
 SEC. _____ T. _____ R. _____ COUNTY TERRELL STATE OF TEXAS

PAY TO THE ORDER OF BONNIE FAY HEIL \$ 217.25
217.25 DOLLARS

VALUE RECEIVED AND CHARGE TO ACCOUNT OF _____ WITH EXCHANGE
 TO CLAREN WILLIAMS ENERGY, INC. ATTN: M. BELLEV
3000 W. HWY 21 SUITE 2000
MIDLAND, TEXAS 79705
 LANDMAN - BROKER
JEAN M. BELLEV

CHECK NO.	TOTAL BONUS 217.25	BONUS PER ACRE 50.00
GROSS LSE ACRES 34.73	NET LSE ACRES 4.345	PAID UP LEASE yes

LEASE NO. 2-07466-A
 PROSPECT N. BURLESON

TYPE OF INT. _____ FEE _____ FEDERAL _____ STATE _____ INDIAN _____ OTHER _____

LESSOR BONNIE FAY HEIL
 SOCIAL SECURITY NO. [REDACTED]
 ADDRESS ~~XXXXXXXXXX~~ CALDWELL, TEXAS 77836 ROUTE 1 BOX 26A

Lessee CWI Assignee _____ Date _____

RENTAL PAYABLE TO LESSOR NAMED ABOVE

<u>GUARANTEE FEDERAL</u>	LEASE DATE <u>2-22-96</u>	TERM <u>3 yr. + 1 yr.</u>	EXPIRATION DATE <u>2-22-99/2-22-00</u>
<u>700 W. HWY. 21</u>	RENTAL DATE	RENTAL PER ACRE	RENTAL AMOUNT
<u>CALDWELL, TEXAS 77836</u>	PAID-UP LSE <u>yes</u>	OPTION DUE <u>2-22-99</u>	OPTION AMOUNT <u>43.45</u>
BANK ACCT. NO. _____	OPTION/ROCK <u>1/6th</u>	OPTION DUE <u>ORR</u>	OPTION AMOUNT <u>NRI</u>

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Escalating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Drig. Oblig.
---	-------------	--------------------	--------------------	----------------------	--------------

CO-OWNERS SEE ATTACHED MINERAL OWNERSHIP
Same lse as Cindy Spaton lse

REMARKS LEASE ADDENDUMS: O & G ONLY, PUGH, DAMAGE, OPTION, MUTUALLY AGREED URCN DRILL SITE

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES.
 PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

1063
OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 22nd day of FEBRUARY 19 96 between

CLYDE M. SHAVER ET UX, GEORGIE F. SHAVER; CINDY LOUISE SHAVER SEE & BONNIE FAY HEIL

Lessor (whether one or more), whose address is: ROUTE 1 BOX 26A CALDWELL, TEXAS 77836
and CLAYTON WILLIAMS ENERGY, INC. SIX DESTA DRIVE SUITE 3000 MIDLAND, TEXAS 79705 Lessee, WITNESSETH:

1. Lessor, in consideration of TEN AND OTHER GOOD AND VALUABLE CONSIDERATION Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling, 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 BURLESON, State of TEXAS and is described as follows:

A parcel of land being 34.73 acres, more or less, out of the G. Green Survey, A-126, Burleson County, Texas and being more particularly described in that certain Gift Deed dated November 25, 1981 from Clyde M. Shaver et ux, Georgie F. Shaver to Cindy Louise Shaver and Bonnie Fay Shaver as recorded in Volume 295, Page 723, Deed Records of Burleson County, Texas.

SEE ADDITIONAL ADDENDUMS ATTACHED HERETO AND MADE A PART HEREOF

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 34.73 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 30000 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 Caldwell, TX 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 prescribed or permitted 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 prescribed or permitted 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 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 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.

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

Clyde M. Shaver
CLYDE M. SHAVER SS#
Cindy Louise Shaver See
CINDY LOUISE SHAVER SEE SS#

Georgie F. Shaver
GEORGIE F. SHAVER SS#
Bonnie Fay Hejl
BONNIE FAY HEJL SS#

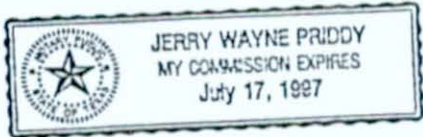
LESSOR SS. OR TAX I.D. NO. LESSOR SS. OR TAX I.D. NO.

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF BURLESON

This instrument was acknowledged before me on the 22nd day of FEBRUARY, 1996, by CLYDE M. SHAVER ET UX, GEORGIE F. SHAVER

22nd day of FEBRUARY, 1996



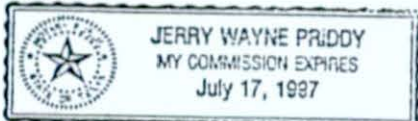
Jerry Wayne Priddy
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF BRAZOS

This instrument was acknowledged before me on the 22nd day of FEBRUARY, 1996, by BONNIE FAY HEJL

22nd day of FEBRUARY, 1996

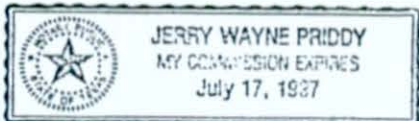


Jerry Wayne Priddy
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires: CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF BURLESON

This instrument was acknowledged before me on the 22nd day of FEBRUARY, 1996, by CINDY LOUISE SHAVER SEE.

22nd day of FEBRUARY, 1996



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

Producers 88 (7/89) - Paid Up with 640 Acres Distingu Provision

Oil, Gas and Mineral Lease

FROM TO

Dated 19 at
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

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED FEBRUARY 22, 1996, BETWEEN CLYDE M. SHAVER ET UX, GEORGIE F. SHAVER; CINDY LOUISE SHAVER SEE AND BONNIE FAY HEJL, AS LESSOR AND CLAYTON WILLIAMS ENERGY, INC., AS LESSEE:

12. Notwithstanding any other provision herein contained to the contrary, it is herein agreed by Lessor and Lessee that wherever the fraction one-eighth (1/8) appears in paragraph three (3) of this lease the same shall read one-sixth (1/6), and in all cases the royalty interest herein provided shall be one-sixth (1/6).

13. Notwithstanding anything hereinabove to the contrary, it is specifically understood and agreed that this lease covers only oil, gas, sulphur and associated liquid and liquifiable hydrocarbons, but this lease does not cover or include any other minerals, with all other such minerals being reserved to the lessor herein.

14. Lessee agrees to pay Lessor or tenants of Lessor for all damages or injury to cattle or other livestock, pasturage, crops, fences, terraces, water wells, the surface otherwise in whatever way damaged and all other property of Lessor or tenants of Lessor situated on the lease premises resulting from Lessee's operations under the terms of this lease; and, Lessee further agrees that within a reasonable time after completion or abandonment of any well drilled on the leased premises, Lessee shall fill and level all excavations not required for production, fencing those that must remain open, and restore the surface of the ground to as near its original condition as is practicable.

15. In the event a portion or portions of the land described in this lease are pooled or unitized with other land, lease or leases, so as to form a pooled unit or units, operations for drilling, drilling, or reworking operations on such unit or units, or production of oil or gas from such unit or units, or payment of shut-in gas royalties on a well or wells drilled on such unit or units, shall maintain this lease in effect only as to the portion or portions of the land described in this lease which is included in a pooled unit or units. As to any portion or portions of the land not included in a pooled unit or units, this lease may be maintained in force and effect in any manner elsewhere provided in this lease.

16. On or before the date of expiration of the original primary term of this lease set out in paragraph 2 hereof, Lessee may at its option pay to Lessor or to Lessor's credit at the depository bank named herein, \$10.00 per net mineral acre for each acre covered by this lease and not maintained by drilling operations or production. If said consideration is timely tendered, then the said original primary term shall be extended for an additional one (1) year period from the end of the said original primary term. Lessor and Lessee further agree that the consideration paid by the Lessee in connection with this extension provision shall satisfy all conditions and obligation for the payment of delay rentals under the terms of this lease and that there shall be no further delay rental due during the extension period of said primary term.

17. Any surface drillsite shall be at a location mutually agreed upon between Lessor and Lessee, and Lessor shall not unreasonably withhold his consent to any such drillsite proposed by Lessee.

SIGNED FOR IDENTIFICATION

Clyde M. Shaver
CLYDE M. SHAVER

Georgie F. Shaver
GEORGIE F. SHAVER

Cindy Louise Shaver See
CINDY LOUISE SHAVER SEE

Bonnie Fay Hejl
BONNIE FAY HEJL

FILED FOR RECORD
at 9:00 o'clock 11 A.M.
MAR 11 1996
Evelyn M. Henry
EVELYN M. HENRY
COUNTY CLERK, BURLESON CO., TEX.

VOL 248 PAGE 773

THE STATE OF TEXAS
COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 11 day of March, 19 96, at 9:00 o'clock A.M. and duly recorded on 14 day of March, 19 96, in the Oil & Gas Lease Record of said County, in Vol. 248 Page 770-773.

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

By *Violet Ann Turner*, Deputy

Evelyn M. Henry
County Clerk, Burleson County, Texas

PROPERTY ACQUISITION BANK ^{Prospect}RAFT

4

Prospect Name & No. N. BURLESON

NO PROTEST

COLLECT DIRECTLY THROUGH NORWEST BANK TEXAS, MIDLAND, N.A. P.O. BOX 3090

MIDLAND

CITY

TEXAS 79702

2-23-96

DATE

TEN BANKING DAYS AFTER SIGHT, AND SUBJECT TO APPROVAL OF THE COVERING, NORWEST BANK TEXAS, MIDLAND, TEXAS provided interest in 34.73 acres out of the G. GREEN SURVEY, A 126

SEC. _____ T. _____ R. _____ COUNTY BURLESON

STATE OF TEXAS

MAR 25 1996

PAY TO THE ORDER OF

CATHY HARVEY JOHNSON

\$ 869.00

PAID RECEIVED AND CHARGE TO ACCOUNT OF

EIGHT HUNDRED SIXTY NINE AND 00/100

DOLLARS

WITH EXCHANGE

TO CLAYTON WILLIAMS ENERGY, INC. ATTN: M. ROWLEY
SIX DESTA DRIVE SUITE 3000
MIDLAND, TEXAS 79705

Jerry W. Priddy
LANDMAN - BROKER
JERRY W. PRIDDY

CHECK NO. _____	TOTAL BONUS <u>869.00</u>	BONUS <u>50.00</u>
GROSS LSE ACRES <u>34.73</u>	NET LSE ACRES <u>17.37</u>	PAID UP LEASE <u>yes</u>

LEASE NO. _____

PROSPECT N. BURLESON

TYPE OF INT. _____ FEE _____ FEDERAL _____ STATE _____ INDIAN _____ OTHER _____

LESSOR CATHY HARVEY JOHNSON

37008

SOCIAL SECURITY NO. _____

ADDRESS 6514 COACHGATE SPRING, TEXAS 77373

Lessee CWI Assignee _____ Date _____

RENTAL PAYABLE TO LESSOR NAMED ABOVE

DIRECT TO LESSOR	LEASE DATE <u>2-23-96</u>	TERM <u>3 yr. + 1 yr.</u>	EXPIRATION DATE <u>2-23-99/2-23-00</u>
ADDRESS _____	RENTAL DATE <u>PAID-UP LSE</u>	RENTAL PER ACRE <u>NA</u>	RENTAL AMOUNT <u>NA</u>
CITY/STATE _____	OPTION XXXXXX <u>YES</u>	OPTION DUE <u>2-23-99</u>	OPTION AMOUNT <u>173.70</u>
BANK ACCT. NO. _____	LOR <u>1/6th</u>	ORR	NRI

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Escalating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Drig. Oblig.
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CO-OWNERS SEE ATTACHED MINERAL OWNERSHIP / co-owner Cindy Louise S. See

REMARKS LEASE ADDENDUMS: O & G ONLY, DAMAGE, PUGH, OPTION, MUTUALLY AGREED UPON DRILLSTIE

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES. PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

2-07466-B

1324
OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 23 day of FEBRUARY 19 96, between

CATHY HARVEY JOHNSON, HEREIN DEALING IN HER SOLE AND SEPARATE PROPERTY

Lessor (whether one or more), whose address is: 6514 COACHGATE SPRING, TEXAS 77373
and CLAYTON WILLIAMS ENERGY, INC., SIX DESTA DRIVE SUITE 3000 MIDLAND, TEXAS 79705 Lessee, WITNESSETH:

1. Lessor, in consideration of TEN AND OTHER GOOD AND VALUABLE CONSIDERATION Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads, 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, 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 BURLESON, State of TEXAS, and is described as follows:

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

A parcel of land being 34.73 acres, more or less, out of the G. Green Survey, A-126, Burleson County, Texas and being more particularly described in that certain Gift Deed dated November 25, 1981 from Clyde M. Shaver et ux, Georgie F. Shaver to Cindy Louise Shaver and Bonnie Fay Shaver as recorded in Volume 295, Page 723, Deed Records of Burleson County, Texas.

SEE ADDITIONAL ADDENDUMS ATTACHED HERETO AND MADE A PART HEREOF

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 34.73 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. three (3)

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 20000 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 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 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

DIRECT TO LESSOR

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 prescribed or permitted 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 prescribed or permitted 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.

Cathy Harvey Johnson
CATHY HARVEY JOHNSON, HEREIN DEALING IN HER SOLE AND SEPARATE PROPERTY

SS# _____

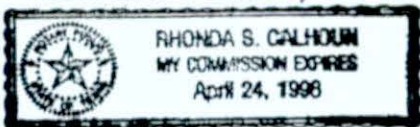
LESSOR SS. OR TAX I.D. NO. _____

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

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on the 29th day of FEBRUARY, 1996, by CATHY HARVEY JOHNSON, HEREIN DEALING IN HER SOLE AND SEPARATE PROPERTY.



Rhonda S. Calhoun
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires: _____

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF _____

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

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS
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 249 PAGE 364

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

No. _____

Oil, Gas and Mineral Lease

FROM _____

TO _____

Dated _____, 19____

No. Acres _____ County _____

Term _____

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

By _____ County Clerk Deputy

When recorded return to _____

4703-C RICHMOND, HOUSTON, TEXAS 77027 (713) 552-9797

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED FEBRUARY 23, 1996, BETWEEN CATHY HARVEY JOHNSON, HEREIN DEALING IN HER SOLE AND SEPARATE PROPERTY, AS LESSOR AND CLAYTON WILLIAMS ENERGY, INC., AS LESSEE:

12. Notwithstanding any other provision herein contained to the contrary, it is herein agreed by Lessor and Lessee that wherever the fraction one-eighth (1/8) appears in paragraph three (3) of this lease the same shall read one-sixth (1/6), and in all cases the royalty interest herein provided shall be one-sixth (1/6).

13. Notwithstanding anything hereinabove to the contrary, it is specifically understood and agreed that this lease covers only oil, gas, sulphur and associated liquid and liquifiable hydrocarbons, but this lease does not cover or include any other minerals, with all other such minerals being reserved to the lessor herein.

14. Lessee agrees to pay Lessor or tenants of Lessor for all damages or injury to cattle or other livestock, pasturage, crops, fences, terraces, water wells, the surface otherwise in whatever way damaged and all other property of Lessor or tenants of Lessor situated on the lease premises resulting from Lessee's operations under the terms of this lease; and, Lessee further agrees that within a reasonable time after completion or abandonment of any well drilled on the leased premises, Lessee shall fill and level all excavations not required for production, fencing those that must remain open, and restore the surface of the ground to as near its original condition as is practicable.

15. In the event a portion or portions of the land described in this lease are pooled or unitized with other land, lease or leases, so as to form a pooled unit or units, operations for drilling, drilling, or reworking operations on such unit or units, or production of oil or gas from such unit or units, or payment of shut-in gas royalties on a well or wells drilled on such unit or units, shall maintain this lease in effect only as to the portion or portions of the land described in this lease which is included in a pooled unit or units. As to any portion or portions of the land not included in a pooled unit or units, this lease may be maintained in force and effect in any manner elsewhere provided in this lease.

16. On or before the date of expiration of the original primary term of this lease set out in paragraph 2 hereof, Lessee may at its option pay to Lessor or to Lessor's credit at the depository bank named herein, \$10.00 per net mineral acre for each acre covered by this lease and not maintained by drilling operations or production. If said consideration is timely tendered, then the said original primary term shall be extended for an additional one (1) year period from the end of the said original primary term. Lessor and Lessee further agree that the consideration paid by the Lessee in connection with this extension provision shall satisfy all conditions and obligation for the payment of delay rentals under the terms of this lease and that there shall be no further delay rental due during the extension period of said primary term.

PROPERTY ACQUISITION BANK **RAFT**

Prospect Name & No. N. BURLESON
NO PROTEST

COLLECT DIRECTLY THROUGH NORWEST BANK TEXAS, MIDLAND, N.A. P.O. BOX 3090
MIDLAND CITY TEXAS 79702 STATE TEXAS DATE 2-7-96

TEN BANKING DAYS AFTER SIGHT, AND SUBJECT TO APPROVAL BY THE BANK COVERING undivided interest in 47.18 acres
out of the J.W. FORTIER SURVEY, A-195

SEC. _____ T. _____ R. _____ COUNTY 1996 BURLESON STATE OF TEXAS

NORWEST BANK TEXAS, MIDLAND, N.A.

MAR 06 1996

PAY TO THE ORDER OF JOSEPH W. SNEDDEN, JR., TRUSTEE \$ 2,359.00

TWO THOUSAND THREE HUNDRED FIFTY NINE AND NO/100 **DOLLARS**

RECEIVED AND CHARGE TO ACCOUNT OF _____ WITH EXCHANGE

TO GAYTON WILLIAMS ENERGY, INC. ATTN: M. ROWLEY
SIX DESTA DRIVE SUITE 300
MIDLAND, TEXAS 79705

[Signature]
LANDMAN - BROKER
JERRY W. FRIDY

CHECK NO. _____	TOTAL BONUS 2359.00	BONUS PER ACRE 50.00	LEASE NO. <u>2-07470</u>
GROSS LSE ACRES 47.18	NET LSE ACRES 47.18	PAID UP LEASE YES	
PROSPECT <u>N. BURLESON</u>			

TYPE OF INT. _____ FEE _____ FEDERAL _____ STATE _____ INDIAN _____ OTHER _____

LESSOR JOSEPH W. SNEDDEN, JR., TRUSTEE UNDER Declaration of Trust dtd 4-24-89.

SOCIAL SECURITY NO. _____

ADDRESS 3314 CASA BONITA CORPUS CHRISTI, TEXAS 78411

Lessee CWI Assignee _____ Date _____

RENTAL PAYABLE TO LESSOR NAMED ABOVE

<u>FIRST NATIONAL BANK</u>	LEASE DATE <u>2-7-96</u>	TERM <u>3 yr. + 1 yr.</u>	EXPIRATION DATE <u>2-7-99/2-7-00</u>
<u>P.O. DRAWER 749</u>	RENTAL DATE <u>PAID-UP LSE</u>	RENTAL PER ACRE <u>NA</u>	RENTAL AMOUNT <u>NA</u>
<u>CORPUS CHRISTI, TEXAS 78903</u>	OPTION/ XXXXXX <u>yes</u>	OPTION DUE <u>2-7-99</u>	OPTION AMOUNT <u>471.80</u>
BANK ACCT. NO. _____	LOR <u>1/6th</u>	ORR	NRI

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Escalating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Drig. Oblig.
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CO-OWNERS _____

REMARKS LEASE ADDENDUMS: O & G ONLY, OPTION

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES.
PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

1062

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 7th day of FEBRUARY 19 96, between

JOSEPH W. SNEDDEN, JR., AS TRUSTEE UNDER DECLARATION OF TRUST DATED APRIL 24, 1989

Lessor (whether one or more), whose address is: 3314 CASA BONITA CORPUS CHRISTI, TEXAS 78411
and CLAYTON WILLIAMS ENERGY, INC. SIX DESTA DRIVE SUITE 3000 MIDLAND, TEXAS 79705, Lessee, WITNESSETH:

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

SEE ADDITIONAL ADDENDUMS AND EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

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 47.18 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. three (3)

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 99999 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 Farm National Bank

P.O. Drawer 749 Corpus Christi, TX 78403-0749 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 prescribed or permitted 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 prescribed or permitted 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 of said land 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.

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

JOSEPH W. SNEDDEN, JR., AS TRUSTEE UNDER
DECLARATION OF TRUST DATED APRIL 24, 1989

Joseph W. Snedden Jr - As Trustee
LESSOR SS OR TAX I.D. NO. LESSOR

SS# [REDACTED]
SS OR TAX I.D. NO.

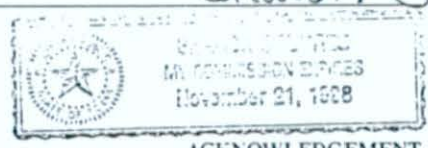
ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF

This instrument was acknowledged before me on the _____ day of FEBRUARY, 19 96
by JOSEPH W. SNEDDEN, JR., AS TRUSTEE UNDER DECLARATION OF TRUST DATED APRIL 24, 1989.

Shaion Squire

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



ACKNOWLEDGEMENT

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

STATE OF TEXAS
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 TEXAS
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

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.

County Clerk _____ Deputy _____
When recorded return to _____

FOUND PRINTING & STATIONERY COMPANY
4703-C RICHMOND, HOUSTON, TEXAS 77027 (713) 552-9797

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED FEBRUARY 7, 1996, BETWEEN JOSEPH W. SNEDDEN, JR., AS TRUSTEE UNDER DECLARATION OF TRUST DATED APRIL 24, 1989, AS LESSOR AND CLAYTON WILLIAMS ENERGY, INC., AS LESSEE:

12. Notwithstanding any other provision herein contained to the contrary, it is herein agreed by Lessor and Lessee that wherever the fraction one-eighth (1/8) appears in paragraph three (3) of this lease the same shall read one-sixth (1/6), and in all cases the royalty interest herein provided shall be one-sixth (1/6).

13. Notwithstanding anything hereinabove to the contrary, it is specifically understood and agreed that this lease covers only oil, gas, sulphur and associated liquid and liquifiable hydrocarbons, but this lease does not cover or include any other minerals, with all other such minerals being reserved to the lessor herein.

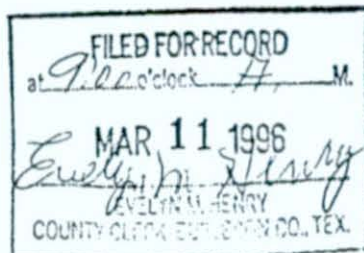
14. On or before the date of expiration of the original primary term of this lease set out in paragraph 2 hereof, Lessee may at its option pay to Lessor or to Lessor's credit at the depository bank named herein, \$10.00 per net mineral acre for each acre covered by this lease and not maintained by drilling operations or production. If said consideration is timely tendered, then the said original primary term shall be extended for an additional one (1) year period from the end of the said original primary term. Lessor and Lessee further agree that the consideration paid by the Lessee in connection with this extension provision shall satisfy all conditions and obligation for the payment of delay rentals under the terms of this lease and that there shall be no further delay rental due during the extension period of said primary term.

COUNTY CLERK'S MEMO.
Portions of This Document
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SIGNED FOR IDENTIFICATION

Joseph W. Snedden, Jr. - As Trustee
JOSEPH W. SNEDDEN, JR.

EXHIBIT "A"



A parcel of land totalling 47.18 acres, more or less, out of the J.W. Porter Survey, A-195, Burleson County, Texas and being more particularly described in two (2) tracts as follows:

TRACT ONE: 3.14 acres, more or less, and being more particularly described in that certain Deed of Exchange dated July 26, 1963 from Clint Lewis et ux, Mrs. Ruth Lewis to Joseph W. Snedden, Sr. et ux, Mrs. Mae E. Snedden as recorded in Volume 151, Page 783 of the Deed Records of Burleson County, Texas.

TRACT TWO: 57.00 acres, more or less, and being more particularly described in that certain Warranty Deed dated October 17, 1953 from Milton J. Marek et ux, Rosalie Marek to Joseph W. Snedden, Sr. et ux, Mae E. Snedden as recorded in Volume 123, Page 90 of the Deed Records of Burleson County, Texas, **SAVE AND EXCEPT:** 2.00 acres, more or less, as described in that certain Warranty Deed dated June 6, 1944 from W.C. DUEWALL et ux, to Joe Allen as recorded in Volume 90, Page 603, Deed Records, Burleson County, Texas, and; **SAVE AND EXCEPT:** 0.75 acres, more or less, as described in that certain Warranty Deed dated February 24, 1933 from W.C. DUEWALL to the State of Texas as recorded in Volume 77, Page 45, Deed Records, Burleson County, Texas, and; **SAVE AND EXCEPT:** 10.21 acres, more or less, as described in that certain Deed of Exchange dated July 26, 1963 from Joseph W. Snedden, Sr. et ux, Mrs. Mae E. Snedden to Clint Lewis et ux, Mrs. Ruth Lewis as recorded in Volume 151, Page 783, Deed Records, Burleson County, Texas. **IT BEING THE INTENT HEREIN TO DESCRIBE A TRACT OF 44.04 ACRES, MORE OR LESS.**

VOL 248 PAGE 769

THE STATE OF TEXAS
COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 11 day of March, 19 96, at 9:00 o'clock A. M. and duly recorded on 14 day of March, 19 96, in the Oil & Gas Lease Record of said County, in Vol. 248 Page 766-769.

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

By Wiolet Ann Turner, Deputy

Evelyn M. Henry
County Clerk, Burleson County, Texas

PROPERTY ACQUISITION BANK ~~NOTE~~

6

Prospect Name & No. N. BURLESON

NO PROTEST

COLLECT DIRECTLY THROUGH NORWEST BANK TEXAS, MIDLAND, N.A. P.O. BOX 3090

MIDLAND

TEXAS 79702

2-24-96

CITY

STATE

DATE

TEN BANKING DAYS AFTER SIGHT, AND SUBJECT TO APPROVAL BY NORWEST BANK TEXAS, divided interest in 2.00 acres
out of the G. GREEN SURVEY, A-126

SEC.

T.

R.

COUNTY

BURLESON

STATE OF

TEXAS

PAY TO THE ORDER OF

CLYDE M. SHAVER ET UX, GEORGIE E. SHAVER

\$ 100.00

ONE HUNDRED AND NO/100

DOLLARS

VALUE RECEIVED AND CHARGE TO ACCOUNT OF

PAID

WITH EXCHANGE

TO CLAYTON WILLIAMS ENERGY, INC. ATTN: M. ROWLEY

SIX DESTA DRIVE SUITE 3000

MIDLAND, TEXAS 79705

[Signature]
LANDMAN - BROKER
JERRY W. PRIDDY

CHECK NO.	TOTAL BONUS 100.00	BONUS PER ACRE 50.00
GROSS LSE ACRES 2.00	NET LSE ACRES 2.00	PAID UP LEASE yes

LEASE NO. 2-07471

PROSPECT N. BURLESON

TYPE OF INT. _____ FEE _____ FEDERAL _____ STATE _____ INDIAN _____ OTHER _____

LESSOR CLYDE M. SHAVER ET UX, GEORGIE E. SHAVER

SOCIAL SECURITY NO. _____

[Redacted]

36953

ADDRESS ROUTE 1 BOX 26A CLADWELL, TEXAS 77836

ASSIGNEE QWI Assignee _____ Date _____

RENTAL PAYABLE TO LESSOR NAMED ABOVE

GUARANTEE FEDERAL <i>36760</i>	LEASE DATE 2-24-96	TERM 3 yr. + 1 yr.	EXPIRATION DATE 2-24-99/2-24-00
700 W. HWY. 21	RENTAL DATE PAID-UP LSE	RENTAL PER ACRE NA	RENTAL AMOUNT NA
CLADWELL, TEXAS 77836	OPTION/ FORFEIT yes	OPTION DUE 2-24-99	OPTION AMOUNT 20.00
BANK ACCT. NO. _____	LOR 1/6th	ORR	NRI

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Escalating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Drig. Oblig.
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CO-OWNERS _____

REMARKS LEASE ATTENDUMS: O & G ONLY, OPTION, NO SURFACE USE

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES. PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

1161
OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 24th day of FEBRUARY 19 96, between

CLYDE M. SHAVER ET UX, GEORGIE F. SHAVER

Lessor (whether one or more), whose address is: ROUTE 1 BOX 26A CALDWELL, TEXAS 77836
and CLAYTON WILLIAMS ENERGY, INC. SIX DESTA DRIVE SUITE 3000 MIDLAND, TEXAS 79705 Lessee, WITNESSETH:

1. Lessor, in consideration of TEN AND OTHER GOOD AND VALUABLE CONSIDERATION Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads, 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 BURLERSON, State of TEXAS, and is described as follows:

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

A parcel of land being 2.00 acres, more or less, out of the G. Green Survey, A-126, Burleson County, Texas and being more particularly described in that certain Gift Deed dated November 6, 1969 from Mrs. Aloisie R. Slovacek to Clyde Shaver et ux, Georgie Shaver as recorded in Volume 181, Page 23, Deed Records of Burleson County, Texas.

SEE ADDITIONAL ADDENDUMS ATTACHED HERETO AND MADE A PART HEREOF

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 2.00 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 20000 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 Caldwell, TX, 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 prescribed or permitted 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 prescribed or permitted 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 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.

Clyde M. Shaver
CLYDE M. SHAVER
SS. _____

Georgie F. Shaver
GEORGIE F. SHAVER

LESSOR SS. OR TAX I.D. NO.

LESSOR SS. OR TAX I.D. NO.

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF BURLESON

This instrument was acknowledged before me on the
by CLYDE M. SHAVER ET UX, GEORGIE F. SHAVER.

24th day of JANUARY, 1996



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

ACKNOWLEDGEMENT

STATE OF TEXAS
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 TEXAS
COUNTY OF

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

day of , 19

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

VOL 249 PAGE 37

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 _____ of the _____ records of this office.
By _____ County Clerk
Deputy _____
When recorded return to _____
FOUND PRINTING & STATIONERY COMPANY
4703-C RICHMOND, HOUSTON, TEXAS 77027 (713) 552-9797

ADDENDUM

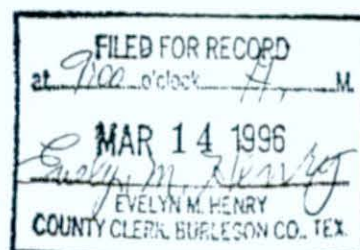
ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED FEBRUARY 6, 1996, BETWEEN LYNDELL N. JOHNSON, JR. ET UX, TAMY C. JOHNSON, AS LESSOR AND CLAYTON WILLIAMS ENERGY, INC., AS LESSEE:

12. Notwithstanding any other provision herein contained to the contrary, it is herein agreed by Lessor and Lessee that wherever the fraction one-eighth (1/8) appears in paragraph three (3) of this lease the same shall read one-sixth (1/6), and in all cases the royalty interest herein provided shall be one-sixth (1/6).

13. Notwithstanding anything hereinabove to the contrary, it is specifically understood and agreed that this lease covers only oil, gas, sulphur and associated liquid and liquifiable hydrocarbons, but this lease does not cover or include any other minerals, with all other such minerals being reserved to the lessor herein.

14. On or before the date of expiration of the original primary term of this lease set out in paragraph 2 hereof, Lessee may at its option pay to Lessor or to Lessor's credit at the depository bank named herein, \$10.00 per net mineral acre for each acre covered by this lease and not maintained by drilling operations or production. If said consideration is timely tendered, then the said original primary term shall be extended for an additional one (1) year period from the end of the said original primary term. Lessor and Lessee further agree that the consideration paid by the Lessee in connection with this extension provision shall satisfy all conditions and obligation for the payment of delay rentals under the terms of this lease and that there shall be no further delay rental due during the extension period of said primary term.

15. Notwithstanding anything herein to the contrary, it is agreed and understood that Lessee shall have no right to conduct operations of any kind whatsoever on the surface of the leased premises herein, without prior written consent of Lessor.



SIGNED FOR IDENTIFICATION

Clyde M. Shaver
CLYDE M. SHAVER

Georgie F. Shaver
GEORGIE F. SHAVER

PROPERTY ACQUISITION BANK DRAFT

Prospect Name & No. N. BURLESON NO PROTEST

COLLECT DIRECTLY THROUGH NORWEST BANK TEXAS, MIDLAND, N.A. P.O. BOX 3090
MIDLAND CITY TEXAS 79702 STATE 2-20-96 DATE

7

TEN BANKING DAYS AFTER SIGHT, AND SUBJECT TO APPROVAL OF TITLE COVERING undivided interest in 299.81
acres out of the G. GREEN SURVEY, A-126 and the E.M. SWARTZ SURVEY, A-58
 SEC. _____ T. _____ R. _____ COUNTY BURLESON STATE OF TEXAS

MAR 08 1996

PAY TO THE ORDER OF JAMES E. SIPTAK \$ 3747.63

THREE THOUSAND SEVEN HUNDRED FORTY SEVEN AND 63/100 **DOLLARS**
 WITH EXCHANGE

TO CLAYTON WILLIAMS ENERGY, INC. ATTN: M. ROWLEY
SIX JESTA DRIVE SUITE 300
MIDLAND, TEXAS 79705

[Signature]
 LANDMAN - BROKER
 JERRY W. FRIDDY

CHECK NO. <u>36673</u>	TOTAL BONUS <u>3747.63</u>	BONUS PER ACRE <u>50.00</u>	LEASE NO. <u>2-07475-A</u>
GROSS LSE ACRES <u>299.81</u>	NET LSE ACRES <u>74.95</u>	PAID UP LEASE <u>yes</u>	

PROSPECT N. BURLESON

TYPE OF INT. _____ FEE _____ FEDERAL _____ STATE _____ INDIAN _____ OTHER _____

LESSOR JAMES F. SIPTAK 36673

SOCIAL SECURITY NO. [REDACTED]

ADDRESS 2709 PERRY LANE ALVIN AUSTIN, TEXAS 77511

Lessee CWI Assignee _____ Date _____

RENTAL PAYABLE TO LESSOR NAMED ABOVE

ADDRESS _____	LEASE DATE <u>2-20-96</u>	TERM <u>3 yr. + 1 yr.</u>	EXPIRATION DATE <u>2-20-99/2-20-00</u>
	RENTAL DATE <u>PAID-UP LSE</u>	RENTAL PER ACRE <u>NA</u>	RENTAL AMOUNT <u>NA</u>
CITY/STATE _____	OPTION/ XXXXXX <u>YES</u>	OPTION DUE <u>2-20-99</u>	OPTION AMOUNT <u>749.50</u>
BANK ACCT. NO. _____	LOR <u>1/6th</u>	ORR	NRI

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Escalating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Orig. Oblig.
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CO-OWNERS SEE BETTIE TOLAR LPR

STEVEN + John. Samuels

REMARKS LEASE ADDENDUMS: O & G ONLY, DAMAGE, PUGH, OPTION

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES.
 PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

PROPERTY ACQUISITION BANK OF TEXAS

Prospect Name & No. _____ NO PROTEST

COLLECT DIRECTLY THROUGH WESTERN BANK, HOUSTON, TEXAS CITY HOUSTON STATE TEXAS DATE _____

180 DAYS AFTER SIGHT, AND SUBJECT TO APPROVAL OF TITLE COVERING _____
 SEC. _____ T. _____ R. _____ COUNTY _____ STATE OF _____

PAY TO THE ORDER OF _____ \$ _____
 THREE THOUSAND SEVEN HUNDRED SEVENTY SEVEN AND 63/100 DOLLARS

VALUE RECEIVED AND CHARGE TO ACCOUNT OF _____ WITH EXCHANGE
 TO CLAYTON WILLIAMS ENERGY, INC. ATTN: M. BERRY
FLORISSIA DRIVE SUITE 310
HOUSTON, TEXAS 77056
 LANDMAN - BROKER

CHECK NO. _____	TOTAL BONUS 3747.63	BONUS PER ACRE 50.00
GROSS LSE ACRES 299.81	NET LSE ACRES 74.95	PAID UP LEASE yes

LEASE NO. 2-07475-A
 PROSPECT N. BURLESON

TYPE OF INT. _____ FEE _____ FEDERAL _____ STATE _____ INDIAN _____ OTHER _____

LESSOR John Siptak _____ 36674

SOCIAL SECURITY NO. _____

ADDRESS 2709 PERRY LANE ALVIN, TEXAS 77511

Lessee CWI Assignee _____ Date _____

RENTAL PAYABLE TO LESSOR NAMED ABOVE

<u>DIRECT TO LESSOR</u>	LEASE DATE 2-20-96	TERM 3 yr. + 1 yr.	EXPIRATION DATE 2-20-99/2-20-00
ADDRESS _____	RENTAL DATE PAID-UP L.E.	RENTAL PER ACRE NA	RENTAL AMOUNT NA
CITY/STATE _____	OPTION/ROYALTY yes	OPTION DUE 2-20-99	OPTION AMOUNT 749.50
BANK ACCT. NO. _____	LOR 1/6th	ORR	NRI

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Escalating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Drig. Oblig.
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CO-OWNERS SEE BETTIE TOLAR LFR

REMARKS LES. A.DENDUMS: O & G ONLY, DAMAGE, PUGH, OPTION

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES.
 PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

PROPERTY ACQUISITION BANK

Prospect Name & No. _____ NO PROTEST

DEPOSIT DIRECTLY THROUGH _____
 CITY STATE DATE

_____ DAYS AFTER SIGHT, AND SUBJECT TO APPROVAL OF TITLE COVERING _____
 SEC. T. R. COUNTY STATE OF _____

PAY TO THE ORDER OF _____ \$ _____
 DOLLARS

VALUE RECEIVED AND CHARGE TO ACCOUNT OF _____ WITH EXCHANGE

TO _____

LANDMAN - BROKER

CHECK NO. _____	TOTAL BONUS 3747.63	BONUS PER ACRE 50.00
GROSS LSE ACRES 299.81	NET LSE ACRES 74.95	PAID UP LEASE yes

LEASE NO. 2-07475-A

PROSPECT N. BURLESON

TYPE OF INT. _____ FEE _____ FEDERAL _____ STATE _____ INDIAN _____ OTHER _____

36675

LESSOR STEVEN C. SIPIAK

SOCIAL SECURITY NO. _____

ADDRESS 2709 PERRY LANE ALVIN, TEXAS 77511

Lessee CWT Assignee _____ Date _____

RENTAL PAYABLE TO LESSOR NAMED ABOVE

ADDRESS _____	LEASE DATE 2-20-96	TERM 3 yr. + 1 yr.	EXPIRATION DATE 2-20-99/2-20-00
	RENTAL DATE	RENTAL PER ACRE NA	RENTAL AMOUNT
CITY/STATE _____	PAID-UP LSE	OPTION DUE 2-20-99	OPTION AMOUNT 749.50
	OPTION/ XXXXXX	ORR	NRI
BANK ACCT. NO. _____	LOR 1/6th		

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Esculating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Drig. Oblig.
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CO-OWNERS SEE BETTIE TOLAR LPR

REMARKS LEASE ADDENDUMS: O & G ONLY, DAMAGE, PUGH, OPTION

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES.
 PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

1157

2-07475-A

OIL, GAS AND MINERAL LEASE

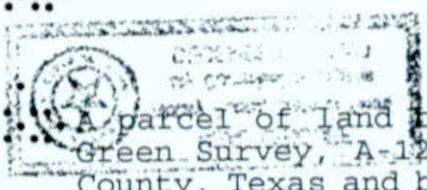
THIS AGREEMENT made this 20th day of FEBRUARY 19 96, between

JAMES F. SIPTAK, JOHN E. SIPTAK AND STEVEN C. SIPTAK, HEREIN DEALING IN THEIR SOLE AND SEPARATE PROPERTY

Lessor (whether one or more), whose address is: 2709 PERRY LANE ALVIN, TEXAS 77511
and CLAYTON WILLIAMS ENERGY, INC. SIX DESTA DRIVE SUITE 3000 MIDLAND, TEXAS 79705. Lessee, WITNESSETH:

I, Lessor, in consideration of TEN AND OTHER GOOD AND VALUABLE CONSIDERATION Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads, 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 BURLESON, State of TEXAS, and is described as follows:

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



A parcel of land being 299.81 acres, more or less, out of the G. Green Survey, A-126 and the E. Swearingen Survey, A-58, Burleson County, Texas and being more particularly described in that certain Gift Deed dated November 3, 1971 from Mrs. Elizabeth Siptak, A widow, to John Edward Siptak, Jr., et al, as recorded in Volume 194, Page 158, Deed Records of Burleson County, Texas.

SEE ADDITIONAL ADDENDUMS ATTACHED HERETO AND MADE A PART HEREOF

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 299.81 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. three (3)

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 20 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

DIRECT TO LESSOR

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 prescribed or permitted 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 prescribed or permitted 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 share 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.

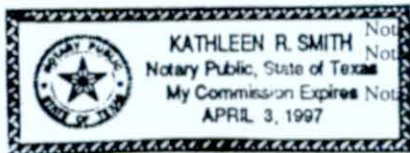
James F. Siptak
JAMES F. SIPTAK, HEREIN DEALING IN HIS SOLE AND SEPARATE PROPERTY. SS# [REDACTED]

John E. Siptak
JOHN E. SIPTAK, HEREIN DEALING IN HIS SOLE AND SEPARATE PROPERTY. SS# [REDACTED]

Steven C. Siptak
LESSOR SS. OR TAX I.D. NO. [REDACTED]
STEVEN C. SIPTAK, HEREIN DEALING IN HIS SOLE AND SEPARATE PROPERTY. SS# [REDACTED]
STATE OF TEXAS

LESSOR SS. OR TAX I.D. NO. [REDACTED]
ACKNOWLEDGEMENT

This instrument was acknowledged before me on the 22ND day of FEBRUARY, 1996, by JAMES F. SIPTAK, HEREIN DEALING IN HIS SOLE AND SEPARATE PROPERTY.

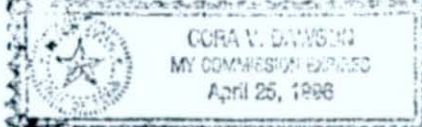


Kathleen R. Smith
Notary Public, State of Texas
Notary's name (printed): KATHLEEN R. SMITH
Notary's commission expires: APRIL 3, 1997

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF HARRIS

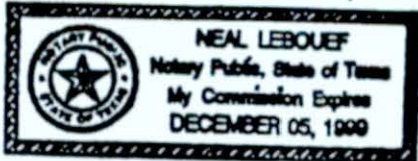
This instrument was acknowledged before me on the 22ND day of FEBRUARY, 1996, by JOHN E. SIPTAK, HEREIN DEALING IN HIS SOLE AND SEPARATE PROPERTY.



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

STATE OF TEXAS
COUNTY OF Harris

This instrument was acknowledged before me on the 22nd day of February, 1996, by STEVEN C. SIPTAK, HEREIN DEALING IN HIS SOLE AND SEPARATE PROPERTY.



Neal Leboeuf
Notary Public, State of Texas
Notary's name (printed): Neal Leboeuf
Notary's commission expires: 12.5.99

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

Producers 88 (7/89) - 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.

County Clerk _____

Deputy _____

When recorded return to _____

EPIC PRINTING & STATIONERY COMPANY
4703-C RICHMOND, HOUSTON, TEXAS 77027 (713) 552-9797

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED FEBRUARY 20, 1996, BETWEEN JAMES E. SIPTAK, JOHN E. SIPTAK AND STEVEN C. SIPTAK, HEREIN DEALING IN THEIR SOLE AND SEPARATE PROPERTY, AS LESSOR AND CLAYTON WILLIAMS ENERGY, INC., AS LESSEE:

12. Notwithstanding any other provision herein contained to the contrary, it is herein agreed by Lessor and Lessee that wherever the fraction one-eighth (1/8) appears in paragraph three (3) of this lease the same shall read one-sixth (1/6), and in all cases the royalty interest herein provided shall be one-sixth (1/6).

13. Notwithstanding anything hereinabove to the contrary, it is specifically understood and agreed that this lease covers only oil, gas, sulphur and associated liquid and liquifiable hydrocarbons, but this lease does not cover or include any other minerals, with all other such minerals being reserved to the lessor herein.

14. Lessee agrees to pay Lessor or tenants of Lessor for all damages or injury to cattle or other livestock, pasturage, crops, fences, terraces, water wells, the surface otherwise in whatever way damaged and all other property of Lessor or tenants of Lessor situated on the lease premises resulting from Lessee's operations under the terms of this lease; and, Lessee further agrees that within a reasonable time after completion or abandonment of any well drilled on the leased premises, Lessee shall fill and level all excavations not required for production, fencing those that must remain open, and restore the surface of the ground to as near its original condition as is practicable.

15. In the event a portion or portions of the land described in this lease are pooled or unitized with other land, lease or leases, so as to form a pooled unit or units, operations for drilling, drilling, or reworking operations on such unit or units, or production of oil or gas from such unit or units, or payment of shut-in gas royalties on a well or wells drilled on such unit or units, shall maintain this lease in effect only as to the portion or portions of the land described in this lease which is included in a pooled unit or units. As to any portion or portions of the land not included in a pooled unit or units, this lease may be maintained in force and effect in any manner elsewhere provided in this lease.

16. On or before the date of expiration of the original primary term of this lease set out in paragraph 2 hereof, Lessee may at its option pay to Lessor or to Lessor's credit at the depository bank named herein, \$10.00 per net mineral acre for each acre covered by this lease and not maintained by drilling operations or production. If said consideration is timely tendered, then the said original primary term shall be extended for an additional one (1) year period from the end of the said original primary term. Lessor and Lessee further agree that the consideration paid by the Lessee in connection with this extension provision shall satisfy all conditions and obligation for the payment of delay rentals under the terms of this lease and that there shall be no further delay rental due during the extension period of said primary term.

SIGNED FOR IDENTIFICATION

James F. Siptak

JAMES F. SIPTAK

John E. Siptak

JOHN E. SIPTAK

Steven C. Siptak

STEVEN C. SIPTAK

FILED FOR RECORD
at 9:00 o'clock *H.* M.
MAR 14 1996
 Evelyn M. Henry
EVELYN M. HENRY
COUNTY CLERK, BURLESON CO., TEX.

VOL. 249 PAGE 22

PROPERTY ACQUISITION BANK **AFT**

Prospect Name & No. N. BURLESON NO PROTEST

COLLECT DIRECTLY THROUGH NORWEST BANK TEXAS, MIDLAND, N.A. P.O. BOX 3090
MIDLAND TEXAS 79705 2-20-96
 CITY STATE DATE

TEN BANKING DAYS AFTER SIGHT, AND SUBJECT TO APPROVAL OF TITLE COVERING undivided interest in 299.81
acres out of the G. GREEN SURVEY, A-126 NORWEST BANK TEXAS
 SEC. T. R. MIDLAND COUNTY BURLESON STATE OF TEXAS

PAY TO THE ORDER OF BETTIE CAROLYN TOLAR \$ 3747.63

MAR 14 1996
 THREE THOUSAND SEVEN HUNDRED AND FORTY SEVEN AND 63/100 ~~40320~~ **DOLLARS**

VALUE RECEIVED AND CHARGE TO ACCOUNT OF WITH EXCHANGE

TO WILLIAMS ENERGY, INC. ATTN: M. ROWLEY
SIX DESTA DRIVE SUITE 3000
MIDLAND, TEXAS 79705

PAID

Jerry W. Priddy
 LANDMAN - BROKER
 JERRY W. PRIDDY '0800 374 7631'

CHECK NO.	TOTAL BONUS 3747.63	BONUS PER ACRE 50.00
GROSS LSE ACRES 299.81	NET LSE ACRES 74.95	PAID UP LEASE yes

LEASE NO. 2-07475-B

PROSPECT N. BURLESON

TYPE OF INT. FEE FEDERAL STATE INDIAN OTHER

LESSOR BETTIE CAROLYN TOLAR *316974*

SOCIAL SECURITY NO. [REDACTED]

ADDRESS 97 CAMDEN CIRCLE SAN ANTONIO, TEXAS 78218

Lessee CWT Assignee Date

RENTAL PAYABLE TO LESSOR NAMED ABOVE

<u>DIRECT TO LESSOR</u>	LEASE DATE 2-20-96	TERM 3 yr. + 1 yr.	EXPIRATION DATE 2-20-99/2-20-00
ADDRESS	RENTAL DATE PAID-UP LSE	RENTAL PER ACRE NA	RENTAL AMOUNT NA
CITY/STATE	OPTION/ XXXXXX YES	OPTION DUE 2-20-99	OPTION AMOUNT 749.50
BANK ACCT. NO.	LOR 1/6th	ORR	NRI

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Escalating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Drig. Oblig.
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CO-OWNERS BETTIE TOLAR 1/2 JAMES F. SIPTAK 1/2 JOHN E. SIPTAK 1/2
STEVEN C. SIPTAK 1/2

REMARKS LEASE ADDENDUMS: O & G ONLY, DAMAGE, PUGH, OPTION

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES.
 PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

1192

2-07475-B

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 20th day of FEBRUARY 19 96, between

BETTIE CAROLYN TOLAR, HEREIN DEALING IN HER SOLE AND SEPARATE PROPERTY

Lessor (whether one or more), whose address is: 97 CAMPDEN CIRCLE SAN ANTONIO, TEXAS 78218
and CLAYTON WILLIAMS ENERGY, INC. SIX DESTA DRIVE SUITE 3000 MIDLAND, TEXAS 79705, Lessee, WITNESSETH:

1. Lessor, in consideration of TEN AND OTHER GOOD AND VALUABLE CONSIDERATION Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads, 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 BURLESON, State of TEXAS, and is described as follows:

A parcel of land being 299.81 acres, more or less, out of the G. Green Survey, A-126 and the E. Swearingen Survey, A-58, Burleson County, Texas and being more particularly described in that certain Gift Deed dated November 3, 1971 from Mrs. Elizabeth Siptak, A widow, to John Edward Siptak, Jr., et al, as recorded in Volume 194, Page 158, Deed Records of Burleson County, Texas.

SEE ADDITIONAL ADDENDUMS ATTACHED HERETO AND MADE A PART HEREOF

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 299.81 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 three 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 BROADWAY 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 prescribed or permitted 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 prescribed or permitted 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 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.

Bettie Carolyn Tolar
BETTIE CAROLYN TOLAR, HEREIN DEALING IN HER SOLE AND SEPARATE PROPERTY

SS#

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

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF BEXAR

This instrument was acknowledged before me on the 29 day of FEBRUARY, 1996, by BETTIE CAROLYN TOLAR, HEREIN DEALING IN HER SOLE AND SEPARATE PROPERTY.



Martha Ann Shoemaker
Notary Public, State of Texas
Notary's name (printed): MARTHA ANN SHOEMAKER
Notary's commission expires: 11-19-98

ACKNOWLEDGEMENT

STATE OF TEXAS
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 TEXAS
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 249 PAGE 104

No. _____

Oil, Gas and Mineral Lease

FROM

TO

Dated _____, 19____

No. Acres _____

County _____

Term _____

This instrument was filed for record on the _____

day of _____, 19____, at _____

_____ o'clock _____ M., and duly recorded in _____

_____ Page _____

of the _____ records of this office.

By _____ County Clerk

Deputy _____

When recorded return to _____

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED FEBRUARY 20, 1996, BETWEEN BETTIE CAROLYN TOLAR, HEREIN DEALING IN HER SOLE AND SEPARATE PROPERTY, AS LESSOR AND CLAYTON WILLIAMS ENERGY, INC., AS LESSEE:

12. Notwithstanding any other provision herein contained to the contrary, it is herein agreed by Lessor and Lessee that wherever the fraction one-eighth (1/8) appears in paragraph three (3) of this lease the same shall read one-sixth (1/6), and in all cases the royalty interest herein provided shall be one-sixth (1/6).

13. Notwithstanding anything hereinabove to the contrary, it is specifically understood and agreed that this lease covers only oil, gas, sulphur and associated liquid and liquifiable hydrocarbons, but this lease does not cover or include any other minerals, with all other such minerals being reserved to the lessor herein.

14. Lessee agrees to pay Lessor or tenants of Lessor for all damages or injury to cattle or other livestock, pasturage, crops, fences, terraces, water wells, the surface otherwise in whatever way damaged and all other property of Lessor or tenants of Lessor situated on the lease premises resulting from Lessee's operations under the terms of this lease; and, Lessee further agrees that within a reasonable time after completion or abandonment of any well drilled on the leased premises, Lessee shall fill and level all excavations not required for production, fencing those that must remain open, and restore the surface of the ground to as near its original condition as is practicable.

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15. In the event a portion or portions of the land described in this lease are pooled or unitized with other land, lease or leases, so as to form a pooled unit or units, operations for drilling, drilling, or reworking operations on such unit or units, or production of oil or gas from such unit or units, or payment of shut-in gas royalties on a well or wells drilled on such unit or units, shall maintain this lease in effect only as to the portion or portions of the land described in this lease which is included in a pooled unit or units. As to any portion or portions of the land not included in a pooled unit or units, this lease may be maintained in force and effect in any manner elsewhere provided in this lease.

16. On or before the date of expiration of the original primary term of this lease set out in paragraph 2 hereof, Lessee may at its option pay to Lessor or to Lessor's credit at the depository bank named herein, \$10.00 per net mineral acre for each acre covered by this lease and not maintained by drilling operations or production. If said consideration is timely tendered, then the said original primary term shall be extended for an additional one (1) year period from the end of the said original primary term. Lessor and Lessee further agree that the consideration paid by the Lessee in connection with this extension provision shall satisfy all conditions and obligation for the payment of delay rentals under the terms of this lease and that there shall be no further delay rental due during the extension period of said primary term.

SIGNED FOR IDENTIFICATION

Bettie Carolyn Tolar
BETTIE CAROLYN TOLAR

FILED FOR RECORD
at 9:00 o'clock P.M.
MAR 18 1996
Evelyn M. Henry
EVELYN M. HENRY
COUNTY CLERK, BURLESON CO., TEX.

[REDACTED]

PROPERTY ACQUISITION BANK

Prospect Name & No. N. BURLESON
NO PROTEST

COLLECT DIRECTLY THROUGH NORWEST BANK TEXAS, MIDLAND, N.A. P.O. BOX 3090
MIDLAND TEXAS 79705
CITY STATE

2-21-96
DATE

TEN BANKING DAYS AFTER SIGHT, AND SUBJECT TO APPROVAL OF TITLE COVERING undivided interest in 37.64
acres out of the G. GREEN SURVEY, A-126
SEC. T. R. MIDLAND COUNTY BURLESON STATE OF TEXAS

NORWEST BANK

PAY TO THE ORDER OF CHISHOLM TRAIL TRUCK AND LEASING, INC. \$ 941.00
NINE HUNDRED FORTY ONE AND NO/100 DOLLARS
WITH EXCHANGE

MAR 08 1996

PAID

TO DAVID WILLIAMS ENERGY, INC. ATTN: M. ROWLEY
SIX DESTA DRIVE SUITE 3000
MIDLAND, TEXAS 79705

Jerry W. Triloff
LANDMAN - BROKER
JERRY W. TRILOFF

CHECK NO.	TOTAL BONUS	BONUS PER ACRE
...	<u>37.64</u> <u>941.00</u>	<u>50.00</u>
GROSS LSE ACRES	NET LSE ACRES	PAID UP LEASE
<u>37.64</u>	<u>18.82</u>	<u>yes</u>

LEASE NO. 207473-A

PROSPECT N. BURLESON

TYPE OF INT. FEE FEDERAL STATE INDIAN OTHER

LESSOR CHISHOLM TRAIL TRUCK AND LEASING, INC. 36951 / change to K.S. 2/2/92

SOCIAL SECURITY NO. [REDACTED]

ADDRESS P.O. Box 671 CALDWELL, TEXAS 77836

Lessee CWT Assignee _____ Date _____

RENTAL PAYABLE TO LESSOR NAMED ABOVE

ADDRESS <u>CALDWELL NATIONAL</u> <u>28353</u>	LEASE DATE <u>2-21-96</u>	TERM <u>3 yr. + 1 yr.</u>	EXPIRATION DATE <u>2-21-99/2-21-00</u>
CITY/STATE <u>CALDWELL, TEXAS 77836</u>	RENTAL DATE _____	RENTAL PER ACRE _____	RENTAL AMOUNT _____
BANK ACCT. NO. _____	PAID-UP LSE <u>YES</u>	OPTION DUE <u>2-21-99</u>	OPTION AMOUNT <u>188.20</u>
	OPTION/LEASE <u>YES</u>	ORR _____	NR1 _____
	LOR <u>1/6ht</u>		

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Escalating Sir Cl.	Shutin Roy Cl Term	Re Assignment	Orig. Oblig.

CO-OWNERS EDWARD SLOVACEK 50.00%

REMARKS LEASE ADDENDUMS: O & G ONLY, PUGH, DAMAGE, OPTION, MUTUALLY AGREED UPON 2/21/96

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES. PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

1159
OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 21st day of FEBRUARY 1996, between

CHISHOLM TRAIL TRUCK & LEASE COMPANY A/K/A CHISHOLM TRAIL TRUCK AND LEASING, INC., BY,
TERRY GARRETT, PRESIDENT

Lessor (whether one or more), whose address is: P.O. BOX 671 CALDWELL, TEXAS 77836
and CLAYTON WILLIAMS ENERGY, INC. SIX DESTA DRIVE SUITE 3000 MIDLAND, TEXAS 79705 Lessee, WITNESSETH:

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

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

A parcel of land being 37.64 acres, more or less, out of the G. Green Survey, A-126, Burleson County, Texas and being more particularly described in that certain Warranty Deed dated November 5, 1993 from Edward J. Slovacek et ux, Frankie Jean Slovacek to Chisholm Trail Truck & Lease Company as recorded in Volume 439, Page 29, Deed Records of Burleson County, Texas.

SEE ADDITIONAL ADDENDUMS ATTACHED HERETO AND MADE A PART HEREOF

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 37.64 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 three (3) 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 a condition, 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 Caldwell Nat'l Bank Bank

at Caldwell, 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 prescribed or permitted 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 prescribed or permitted 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 well are 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.

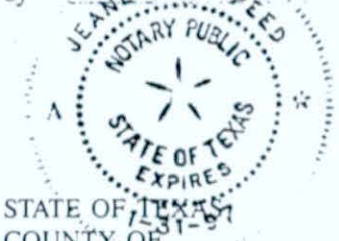
Terry Garrett
CHISHOLM TRAIL TRUCK & LEASE COMPANY A/K/A CHISHOLM TRAIL TRUCK AND LEASING, INC., BY: TERRY GARRETT, PRESIDENT. TIN# [REDACTED]

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

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF BURLESON

This instrument was acknowledged before me on the 22nd day of FEBRUARY, 1996,



Jeanette S. Peed
Notary Public, State of Texas
Notary's name (printed): Jeanette S. Peed
Notary's commission expires: 1/31/97

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF BURLESON

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

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

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

STATE OF TEXAS
COUNTY OF BURLESON

This instrument was acknowledged before me on the 22nd day of FEBRUARY, 1996,
by TERRY GARRETT, PRESIDENT
of CHISHOLM TRAIL TRUCK & LEASE COMPANY A/K/A CHISHOLM TRAIL TRUCK AND LEASING, INC.
an Oklahoma corporation, on behalf of said corporation.



Notary Public, State of Texas
Notary's name (printed): Jeanette S. Peed
Notary's commission expires: 1/31/97

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

No. _____

Oil, Gas and Mineral Lease

FROM _____

TO _____

Dated _____, 19____

No. Acres _____ County, _____

Term _____

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

By _____ County Clerk
Deputy _____

When recorded return to _____

VOL. 249 PAGE 29

GROUND PRINTING & STATIONERY COMPANY
4703-C RICHMOND, HOUSTON, TEXAS 77027 (713) 552-9797

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED FEBRUARY 21, 1996, BETWEEN CHISHOLM TRAIL TRUCK & LEASE COMPANY A/K/A CHISHOLM TRAIL TRUCK AND LEASING, INC., BY, TERRY GARRETT, PRESIDENT, AS LESSOR AND CLAYTON WILLIAMS ENERGY, INC., AS LESSEE:

12. Notwithstanding any other provision herein contained to the contrary, it is herein agreed by Lessor and Lessee that wherever the fraction one-eighth (1/8) appears in paragraph three (3) of this lease the same shall read one-sixth (1/6), and in all cases the royalty interest herein provided shall be one-sixth (1/6).

13. Notwithstanding anything hereinabove to the contrary, it is specifically understood and agreed that this lease covers only oil, gas, sulphur and associated liquid and liquifiable hydrocarbons, but this lease does not cover or include any other minerals, with all other such minerals being reserved to the lessor herein.

14. Lessee agrees to pay Lessor or tenants of Lessor for all damages or injury to cattle or other livestock, pasturage, crops, fences, terraces, water wells, the surface otherwise in whatever way damaged and all other property of Lessor or tenants of Lessor situated on the lease premises resulting from Lessee's operations under the terms of this lease; and, Lessee further agrees that within a reasonable time after completion or abandonment of any well drilled on the leased premises, Lessee shall fill and level all excavations not required for production, fencing those that must remain open, and restore the surface of the ground to as near its original condition as is practicable.

15. In the event a portion or portions of the land described in this lease are pooled or unitized with other land, lease or leases, so as to form a pooled unit or units, operations for drilling, drilling, or reworking operations on such unit or units, or production of oil or gas from such unit or units, or payment of shut-in gas royalties on a well or wells drilled on such unit or units, shall maintain this lease in effect only as to the portion or portions of the land described in this lease which is included in a pooled unit or units. As to any portion or portions of the land not included in a pooled unit or units, this lease may be maintained in force and effect in any manner elsewhere provided in this lease.

16. On or before the date of expiration of the original primary term of this lease set out in paragraph 2 hereof, Lessee may at its option pay to Lessor or to Lessor's credit at the depository bank named herein, \$10.00 per net mineral acre for each acre covered by this lease and not maintained by drilling operations or production. If said consideration is timely tendered, then the said original primary term shall be extended for an additional one (1) year period from the end of the said original primary term. Lessor and Lessee further agree that the consideration paid by the Lessee in connection with this extension provision shall satisfy all conditions and obligation for the payment of delay rentals under the terms of this lease and that there shall be no further delay rental due during the extension period of said primary term.

17. Any surface drillsite shall be at a location mutually agreed upon between Lessor and Lessee, and Lessor shall not unreasonably withhold his consent to any such drillsite proposed by Lessee.



SIGNED FOR IDENTIFICATION

Terry S. Garrett
TERRY GARRETT

FILED FOR RECORD
at 9:00 o'clock A. M.
MAR 14 1996
Evelyn M. Henry
EVELYN M. HENRY
COUNTY CLERK, BURLESON CO., TEX.

VOL. 249 PAGE 31

THE STATE OF TEXAS
COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 14 day of March, 19 96, at 9:00 o'clock A. M. and duly recorded on 14 day of March, 19 96, in the Oil and Gas Lease Record of said County, in Vol. 249 Page 28-31.

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

By Michelle Ann Turner, Deputy

Evelyn M. Henry
County Clerk, Burleson County, Texas

PROPERTY ACQUISITION BANK AFT

Prospect Name & No. N. BURLESON NO PROTEST


COLLECT DIRECTLY THROUGH NORWEST BANK TEXAS, MIDLAND, N.A. P.O. BOX 3090
MIDLAND CITY TEXAS 79702 STATE 2-23-96 DATE

TEN BANKING DAYS AFTER SIGHT, AND SUBJECT TO CANCELLATION OF THIS CHECK COVERING undivided interest in 37.64 acres
out of the G. GREEN SURVEY, A-126 MIDLAND, TEXAS
 SEC. _____ T. _____ R. _____ COUNTY BURLESON STATE OF TEXAS

PAY TO THE ORDER OF EDWARD J. SLOVACEK ET UX, FRANKIE JEAN SLOVACEK \$ 941.00
NINE HUNDRED FORTY ONE AND NO/100 DOLLARS

VALUE RECEIVED AND CHARGE TO ACCOUNT OF
 TO GAYLEN WILLIAMS ENERGY, INC. ATTN: M. ROWLEY
SIX DESTA DRIVE SUITE 3000
MIDLAND, TEXAS 79705

PAID

WITH EXCHANGE

 LANDMAN - BROKER
 JERRY W. PRIDDY

CHECK NO. <u>3478</u>	TOTAL BONUS <u>941.00</u>	BONUS PER ACRE <u>50.00</u>
GROSS LSE ACRES <u>37.64</u>	NET LSE ACRES <u>18.82</u>	PAID UP LEASE <u>yes</u>

LEASE NO. 2-07473-B
 PROSPECT N. BURLESON

TYPE OF INT. _____ FEE _____ FEDERAL _____ STATE _____ INDIAN _____ OTHER _____

LESSOR EDWARD J. SLOVACEK ET UX, FRANKIE JEAN SLOVACEK 36950
 SOCIAL SECURITY NO. [REDACTED]
 ADDRESS 11580 GOLDENMIST COLLEGE STATION, TEXAS 77845

Lessee CWI Assignee _____ Date _____

RENTAL PAYABLE TO <u>LESSOR NAMED ABOVE</u>	LEASE DATE <u>2-23-96</u>	TERM <u>3 yr. + 1 yr.</u>	EXPIRATION DATE <u>2-23-99/2-23-00</u>
<u>FIRST NATIONAL BANK</u>	RENTAL DATE <u>PAID-UP LSE</u>	RENTAL PER ACRE <u>NA</u>	RENTAL AMOUNT <u>NA</u>
ADDRESS <u>[REDACTED]</u>	OPTION/ FOR LSE <u>YES</u>	OPTION DUE <u>2-23-99</u>	OPTION AMOUNT <u>188.20</u>
CITY/STATE <u>BRYAN, TEXAS</u>	LOR <u>1/6th</u>	ORR	NRI

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Escalating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Orig. Oblig.
---	-------------	--------------------	--------------------	----------------------	--------------

CO-OWNERS CHISHOLM TRAIL TRUCK AND LEASE: 50.00%

REMARKS LEASE ATTENDUMS: O & G ONLY, DAMAGE, PUGH, OPTION, MUTUALLY AGREED UPON DRILL SITE

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES.
 PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 23rd day of FEBRUARY 19 96, between

EDWARD J. SLOVACEK ET UX, FRANKIE JEAN SLOVACEK

Lessor (whether one or more), whose address is: 11580 GOLDENMIST COLLEGE STATION, TEXAS 77845
and CLAYTON WILLIAMS ENERGY, INC. SIX DESTA DRIVE SUITE 3000 MIDLAND, TEXAS 79705. Lessee, WITNESSETH:

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

A parcel of land being 37.64 acres, more or less, out of the G. Green Survey, A-126, Burleson County, Texas and being more particularly described in that certain Warranty Deed dated November 5, 1993 from Edward J. Slovacek et ux, Frankie Jean Slovacek to Chisholm Trail Truck & Lease Company as recorded in Volume 439, Page 29, Deed Records of Burleson County, Texas.

SEE ADDITIONAL ADDENDUMS ATTACHED HERETO AND MADE A PART HEREOF

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 37.64 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 ~~XXXXXX~~ three (3) 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 FIRST NATIONAL BANK

at BRYAN, 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 prescribed or permitted 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 prescribed or permitted 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.

Es

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.

Edward J. Slovacek [Redacted] *Frankie Jean Slovacek* [Redacted]
EDWARD J. SLOVACEK SS# [Redacted] FRANKIE JEAN SLOVACEK 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 27TH day of FEBRUARY, 19 96, by EDWARD J. SLOVACEK ET UX, FRANKIE JEAN SLOVACEK.



Notary Public, State of Texas
Notary's name (printed): RONNIE L. CRAIG
Notary's commission expires: 6-9-99

ACKNOWLEDGEMENT

STATE OF TEXAS
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 TEXAS
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:

Producers 88 (7/89) - Paid Up with 640 Acres Pooling Provision

No. _____

Oil, Gas and Mineral Lease

FROM _____ TO _____

Dated _____, 19 _____, at _____ o'clock _____ M., and duly recorded in _____ of the _____ records of this office.

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

By _____ County Clerk
Deputy _____

When recorded return to _____

VOL. 249 PAGE 25

GROUND PRINTING & STATIONERY COMPANY
4703-C RICHMOND, HOUSTON, TEXAS 77027 (713) 552-9797

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED FEBRUARY 23, 1996, BETWEEN EDWARD J. SLOVACEK ET UX, FRANKIE JEAN SLOVACEK, AS LESSOR AND CLAYTON WILLIAMS ENERGY, INC., AS LESSEE:

12. Notwithstanding any other provision herein contained to the contrary, it is herein agreed by Lessor and Lessee that wherever the fraction one-eighth (1/8) appears in paragraph three (3) of this lease the same shall read one-sixth (1/6), and in all cases the royalty interest herein provided shall be one-sixth (1/6).

13. Notwithstanding anything hereinabove to the contrary, it is specifically understood and agreed that this lease covers only oil, gas, sulphur and associated liquid and liquifiable hydrocarbons, but this lease does not cover or include any other minerals, with all other such minerals being reserved to the lessor herein.

14. Lessee agrees to pay Lessor or tenants of Lessor for all damages or injury to cattle or other livestock, pasturage, crops, fences, terraces, water wells, the surface otherwise in whatever way damaged and all other property of Lessor or tenants of Lessor situated on the lease premises resulting from Lessee's operations under the terms of this lease; and, Lessee further agrees that within a reasonable time after completion or abandonment of any well drilled on the leased premises, Lessee shall fill and level all excavations not required for production, fencing those that must remain open, and restore the surface of the ground to as near its original condition as is practicable.

15. In the event a portion or portions of the land described in this lease are pooled or unitized with other land, lease or leases, so as to form a pooled unit or units, operations for drilling, drilling, or reworking operations on such unit or units, or production of oil or gas from such unit or units, or payment of shut-in gas royalties on a well or wells drilled on such unit or units, shall maintain this lease in effect only as to the portion or portions of the land described in this lease which is included in a pooled unit or units. As to any portion or portions of the land not included in a pooled unit or units, this lease may be maintained in force and effect in any manner elsewhere provided in this lease.

16. On or before the date of expiration of the original primary term of this lease set out in paragraph 2 hereof, Lessee may at its option pay to Lessor or to Lessor's credit at the depository bank named herein, \$10.00 per net mineral acre for each acre covered by this lease and not maintained by drilling operations or production. If said consideration is timely tendered, then the said original primary term shall be extended for an additional one (1) year period from the end of the said original primary term. Lessor and Lessee further agree that the consideration paid by the Lessee in connection with this extension provision shall satisfy all conditions and obligation for the payment of delay rentals under the terms of this lease and that there shall be no further delay rental due during the extension period of said primary term.

17. Any surface drillsite shall be at a location mutually agreed upon between Lessor and Lessee, and Lessor shall not unreasonably withhold his consent to any such drillsite proposed by Lessee.



SIGNED FOR IDENTIFICATION

Edward J. Slovacek
EDWARD J. SLOVACEK

Frankie Jean Slovacek
FRANKIE JEAN SLOVACEK

FILED FOR RECORD
at 9:00 o'clock A. M.
MAR 14 1996
Evelyn M. Henry
EVELYN M. HENRY
COUNTY CLERK, BURLESON CO., TEX.

VOL 249 PAGE 27

THE STATE OF TEXAS
COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 14 day of March, 19 96, at 9:00 o'clock A. M. and duly recorded on 14 day of March, 19 96, in the Oil and Gas Lease Record of said County, in Vol. 249 Page 24-27.

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

By *Theresa Ann Turner*, Deputy

Evelyn M. Henry
County Clerk, Burleson County, Texas

PROPERTY ACQUISITION BANK DRAFT

9

Prospect Name & No. N. BURLISON

NO PROTEST

COLLECT DIRECTLY THROUGH NORWEST BANK TEXAS, MIDLAND, N.A. P.O. BOX 3090
MIDLAND CITY TEXAS 79702 STATE 2-22-96 DATE

TEN BANKING DAYS AFTER SIGHT, AND SUBJECT TO ANY STATE TITLE COVERING undivided interest in 36.08 acres
 out of the G. GREEN SURVEY, A-126 NORWEST BANK TEXAS, MIDLAND, N.A.

SEC. _____ T. _____ R. _____ COUNTY BURLISON STATE OF TEXAS

PAY TO THE ORDER OF

MABLE SLOVACEK **MAR 05 1996** \$ 360.80

THREE HUNDRED SIXTY AND 80/100 DOLLARS

PAID

VALUE RECEIVED AND CHARGE TO ACCOUNT OF _____ WITH EXCHANGE

TO CLAYTON WILLIAMS ENERGY, INC. ATTN: M. ROWLEY
SIX DESTA DRIVE SUITE 3000
MIDLAND, TEXAS 79705

Jerry W. Friddy
 LANDMAN - BROKER
 JERRY W. FRIDDY

CHECK NO. _____	TOTAL BONUS 360.80	BONUS PER ACRE 50.00	LEASE NO. <u>2-07478A</u>
GROSS LSE ACRES 36.08	NET LSE ACRES 7.216	PAID UP LEASE yes	
PROSPECT			<u>N. BURLISON</u>

TYPE OF INT. _____ FEE _____ FEDERAL _____ STATE _____ INDIAN _____ OTHER _____

LESSOR MABLE SLOVACEK

36955

SOCIAL SECURITY NO. _____

ADDRESS 804 FAWN CALDWELL, TEXAS 77836

Lessee CWI Assignee _____ Date _____

RENTAL PAYABLE TO LESSOR NAMED ABOVE

ADDRESS <u>FIRST STATE BANK</u>	LEASE DATE <u>2-22-96</u>	TERM <u>3 yr. + 1 yr.</u>	EXPIRATION DATE <u>2-22-99/2-22-00</u>
ADDRESS <u>114 S. ECHOLS</u>	RENTAL DATE <u>PAID-UP LSE</u>	RENTAL PER ACRE <u>NA</u>	RENTAL AMOUNT <u>NA</u>
CITY/STATE <u>CALDWELL, TEXAS 77836</u>	OPTION/ FOR <u>yes</u>	OPTION DUE <u>2-22-99</u>	OPTION AMOUNT <u>72.18</u>
BANK ACCT. NO. _____	LOR <u>1/6th</u>	ORR	NRI

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Escalating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Drig. Oblig.
---	-------------	--------------------	--------------------	----------------------	--------------

CO-OWNERS SEE ATTACHED MINERAL OWNERSHIP

REMARKS LEASE ADDENDUMS: O & G ONLY, PUGH, DAMAGE, OPTION, MUTUALLY AGREED UPON DRILL SITE

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES.
 PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

PROPERTY ACQUISITION BANK DEPT

Prospect Name & No. _____ NO PROTEST

SELECT DIRECTLY THROUGH _____

_____ CITY _____ STATE _____ DATE _____

_____ DAYS AFTER SIGHT, AND SUBJECT TO APPROVAL OF TITLE COVERING _____

_____ SEC. _____ T. _____ R. _____ COUNTY _____ STATE OF _____

PAY TO THE ORDER OF _____ \$ _____

THREE HUNDRED TWENTY AND 80/100 _____ DOLLARS

VALUE RECEIVED AND CHARGE TO ACCOUNT OF _____ WITH EXCHANGE

TO _____ LANDMAN - BROKER

CHECK NO. _____	TOTAL BONUS 360.80	BONUS PER ACRE 50.00	LEASE NO. <u>2-07478-A</u>
GROSS LSE ACRES 36.08	NET LSE ACRES 1.216 7.216	PAID UP LEASE yes	

PROSPECT _____ N. BURLESON

TYPE OF INT. _____ FEE _____ FEDERAL _____ STATE _____ INDIAN _____ OTHER _____

LESSOR _____ JO BETH CARLSON *36940*

SOCIAL SECURITY NO. _____

ADDRESS _____ 804 FAWN CALDWELL, TEXAS 77836

Lessee _____ Assignee _____ Date _____

RENTAL PAYABLE TO _____ LESSOR NAMED ABOVE

ADDRESS _____ 114 S. ECHOLS	LEASE DATE _____ 2-22-96	TERM _____ 3 yr. + 1 yr.	EXPIRATION DATE _____ 2-22-99/2-22-00
CITY/STATE _____ CALDWELL, TEXAS 77836	RENTAL DATE _____ PAID-UP LSE	RENTAL PER ACRE _____ NA	RENTAL AMOUNT _____ NA
BANK ACCT. NO. _____	OPTION/_____ yes	OPTION DUE _____ 2-22-99	OPTION AMOUNT _____ 72.16
	LOR _____ 1/6th	ORR _____	NRI _____

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Esculating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Drig. Oblig.
---	-------------	--------------------	--------------------	----------------------	--------------

CO-OWNERS _____ SEE ATTACHED MINERAL OWNERSHIP

REMARKS _____ LEASE ADDENDUMS: O & G ONLY, PUGH, DAMAGE, OPTION, MUTUALLY AGREED UPON DRILL SITE

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES. PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

PROPERTY ACQUISITION BANK DEPT

Prospect Name & No. _____ NO PROTEST

PAY DIRECTLY THROUGH FIRST STATE BANK CITY MIDLAND STATE TEXAS DATE _____

15 DAYS AFTER SIGHT, AND SUBJECT TO APPROVAL OF TITLE COVERING SITES OUT OF THE G. GREEN LEASE, 4-126 SEC. _____ T. _____ R. _____ COUNTY TERRELL STATE OF _____

PAY TO THE ORDER OF JEAN R. STORM \$ _____ DOLLARS

VALUE RECEIVED AND CHARGE TO ACCOUNT OF _____ WITH EXCHANGE _____
 TO JOHN WILLIAMS ENERGY INC. ATTN: M. BURLSON LANDMAN - BROKER
12015A DRIVE SUITE 200
MIDLAND, TEXAS 79703

CHECK NO. _____	TOTAL BONUS <u>360.80</u>	BONUS PER ACRE <u>50.00</u>
GROSS LSE ACRES <u>36.08</u>	NET LSE ACRES <u>7.216</u>	PAID UP LEASE <u>yes</u>

LEASE NO. 2-07478-A
 PROSPECT N. BURLSON

TYPE OF INT. _____ FEE _____ FEDERAL _____ STATE _____ INDIAN _____ OTHER _____

LESSOR JEAN R. STORM *36941*

SOCIAL SECURITY NO. _____

ADDRESS 804 FAWN CALDWELL, TEXAS 77836

Lessea CWI Assignee _____ Date _____

RENTAL PAYABLE TO LESSOR NAMED ABOVE

ADDRESS <u>FIRST STATE BANK</u>	LEASE DATE <u>2-22-96</u>	TERM <u>3 yr. + 1 yr.</u>	EXPIRATION DATE <u>2-22-99/2-22-00</u>
ADDRESS <u>114 S. ECHOLS</u>	RENTAL DATE	RENTAL PER ACRE	RENTAL AMOUNT
CITY/STATE <u>CALDWELL, TEXAS 77836</u>	PAID-UP LSE <u>yes</u>	OPTION DUE <u>2-22-99</u>	OPTION AMOUNT <u>72.16</u>
BANK ACCT. NO. _____	OPTION/ XXXXXX	ORR	NRI
	LOR <u>1/6th</u>		

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Esculating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Drig. Oblig.
---	-------------	--------------------	--------------------	----------------------	--------------

CO-OWNERS SEE ATTACHED MINERAL OWNERSHIP

REMARKS LEASE ADDENDUMS: O & G ONLY, PUGH, DAMAGE, OPTION, MUTUALLY AGREED UPON DRILL SITE

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES. PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

1154

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 22nd day of FEBRUARY 19 96, between

MABLE SLOVACEK, A WIDOW, JO BETH CARLSON AND JEAN R. STORM

Lessor (whether one or more), whose address is: 804 FAWN CALDWELL, TEXAS 77836
and CLAYTON WILLIAMS ENERGY, INC. SIX DESTA DRIVE SUITE 3000 MIDLAND, TEXAS 79705 Lessee, WITNESSETH:

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

A parcel of land being 36.08 acres, more or less, out of the G. Green Survey, A-126, Burleson County, Texas and being more particularly described in that certain Warranty Deed dated September 5, 1974 from Aloisie R. Slovacek Estate to Edmund R. Slovacek as recorded in Volume 224, Page 781, Deed Records of Burleson County, Texas.

SEE ADDITIONAL ADDENDUMS ATTACHED HERETO AND MADE A PART HEREOF

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 36.08 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 three (3)

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of ~~XXXXX~~ 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, for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the

FIRST STATE BANK Bank

at Caldwell, TX, 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 prescribed or permitted 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 prescribed or permitted 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 acreage 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.

Mable Slovacek [Redacted]
MABLE SLOVACEK, A WIDOW SS# [Redacted]
Jean R. Storm [Redacted]
JEAN R. STORM SS# [Redacted]

Jo Beth Carlson [Redacted]
JO BETH CARLSON SS# [Redacted]

LESSOR SS. OR TAX I.D. NO.

LESSOR SS. OR TAX I.D. NO.

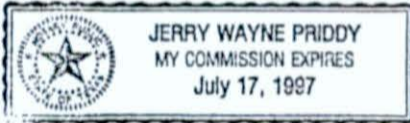
ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF BURLISON

This instrument was acknowledged before me on the
by MABLE SLOVACEK, A WIDOW.

23rd day of FEBRUARY, 1996

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



Notary's commission expires:

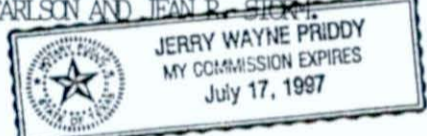
ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF BURLISON

This instrument was acknowledged before me on the
by JO BETH CARLSON AND JEAN R. STORM.

23rd day of FEBRUARY, 1996

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



Notary's commission expires:

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF

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

day of , 19

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

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 _____, Page _____ of the _____ records of this office.
By _____ County Clerk Deputy _____
When recorded return to _____

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED FEBRUARY 22, 1996, BETWEEN MABLE SLOVACEK, A WIDOW; JO BETH CARLSON AND JEAN R. STORM, AS LESSOR AND CLAYTON WILLIAMS ENERGY, INC., AS LESSEE:

12. Notwithstanding any other provision herein contained to the contrary, it is herein agreed by Lessor and Lessee that wherever the fraction one-eighth (1/8) appears in paragraph three (3) of this lease the same shall read one-sixth (1/6), and in all cases the royalty interest herein provided shall be one-sixth (1/6).

13. Notwithstanding anything hereinabove to the contrary, it is specifically understood and agreed that this lease covers only oil, gas, sulphur and associated liquid and liquifiable hydrocarbons, but this lease does not cover or include any other minerals, with all other such minerals being reserved to the lessor herein.

14. Lessee agrees to pay Lessor or tenants of Lessor for all damages or injury to cattle or other livestock, pasturage, crops, fences, terraces, water wells, the surface otherwise in whatever way damaged and all other property of Lessor or tenants of Lessor situated on the lease premises resulting from Lessee's operations under the terms of this lease; and, Lessee further agrees that within a reasonable time after completion or abandonment of any well drilled on the leased premises, Lessee shall fill and level all excavations not required for production, fencing those that must remain open, and restore the surface of the ground to as near its original condition as is practicable.

15. In the event a portion or portions of the land described in this lease are pooled or unitized with other land, lease or leases, so as to form a pooled unit or units, operations for drilling, drilling, or reworking operations on such unit or units, or production of oil or gas from such unit or units, or payment of shut-in gas royalties on a well or wells drilled on such unit or units, shall maintain this lease in effect only as to the portion or portions of the land described in this lease which is included in a pooled unit or units. As to any portion or portions of the land not included in a pooled unit or units, this lease may be maintained in force and effect in any manner elsewhere provided in this lease.

16. On or before the date of expiration of the original primary term of this lease set out in paragraph 2 hereof, Lessee may at its option pay to Lessor or to Lessor's credit at the depository bank named herein, \$10.00 per net mineral acre for each acre covered by this lease and not maintained by drilling operations or production. If said consideration is timely tendered, then the said original primary term shall be extended for an additional one (1) year period from the end of the said original primary term. Lessor and Lessee further agree that the consideration paid by the Lessee in connection with this extension provision shall satisfy all conditions and obligation for the payment of delay rentals under the terms of this lease and that there shall be no further delay rental due during the extension period of said primary term.

17. Any surface drillsite shall be at a location mutually agreed upon between Lessor and Lessee, and Lessor shall not unreasonably withhold his consent to any such drillsite proposed by Lessee.

SIGNED FOR IDENTIFICATION

Mable Slovacek
MABLE SLOVACEK

Jo Beth Carlson
JO BETH CARLSON

Jean R. Storm
JEAN R. STORM

FILED FOR RECORD
at 9:00 o'clock A. M.
Evelyn M. Henry
MAR 14 1996
EVELYN M. HENRY
COUNTY CLERK, BURLERSON CO., TEX.

VOL 249 PAGE 10

THE STATE OF TEXAS
COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 14 day of March, 19 96, at 9:00 o'clock A. M. and duly recorded on 14 day of March, 19 96, in the Oil & Gas Lease Record of said County, in Vol. 249 Page 7-10.

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

By Thelma Ann Turner, Deputy

Evelyn M. Henry
County Clerk, Burleson County, Texas

PROPERTY ACQUISITION BANK [] FT

Prospect Name & No. N. BURLISON
NO PROTEST

COLLECT DIRECTLY THROUGH NORWEST BANK TEXAS, MIDLAND, N.A. P.O. BOX 3090
MIDLAND TEXAS 79702 2-22-96
CITY NORWEST BANK TEXAS, STATE DATE

9

TEN BANKING DAYS AFTER SIGHT, AND SUBJECT TO APPROVAL BY BANK COVERING undivided interest in 36.08 acres
out of the G. GREEN SURVEY, A-126

SEC. _____ T. _____ R. _____ COUNTY BURLISON STATE OF TEXAS

MAR 08 1998

PAY TO THE ORDER OF KAREN L. MOORE \$ 360.80
THREE HUNDRED SIXTY PAID **DOLLARS**

VALUE RECEIVED AND CHARGE TO ACCOUNT OF _____ WITH EXCHANGE

TO CLAYTON WILLIAMS ENERGY, INC. ATTN: M. ROWLEY
SIX PASTA DRIVE SUITE 300
MIDLAND, TEXAS 79705

Jerry W. Priddy
LANDMAN - BROKER
JERRY W. PRIDDY

CHECK NO. <u>3608</u>	TOTAL BONUS <u>360.80</u>	BONUS PER ACRE <u>50.00</u>	LEASE NO. <u>2-07478-B</u>
GROSS LSE ACRES <u>36.08</u>	NET LSE ACRES <u>7.216</u>	PAID UP LEASE <u>yes</u>	PROSPECT <u>N. BURLISON</u>

TYPE OF INT. _____ FEE _____ FEDERAL _____ STATE 3608 INDIAN _____ OTHER _____

LESSOR KAREN L. MOORE

SOCIAL SECURITY NO. [REDACTED]

ADDRESS 1914 VILLA ROSE COURT MODESTA, CALIFORNIA 95350

Lessee CWI Assignee _____ Date _____

RENTAL PAYABLE TO LESSOR NAMED ABOVE

MOCSE FEDERAL CREDIT UNION	LEASE DATE <u>2-22-96</u>	TERM <u>3 yr. + 1 yr.</u>	EXPIRATION DATE <u>2-22-99/2-22-00</u>
ADDRESS <u>3600 COFFEE ROAD</u>	RENTAL DATE <u>PAID-UP LSE</u>	RENTAL PER ACRE <u>NA</u>	RENTAL AMOUNT <u>NA</u>
CITY/STATE <u>MODESTO, CA.</u>	OPTION/TAXES <u>YES</u>	OPTION DUE <u>2-22-99</u>	OPTION AMOUNT <u>72.16</u>
BANK ACCT. NO. _____	LOR _____	ORR _____	NRI _____

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Esculating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Drig. Oblig.
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CO-OWNERS SEE ATTACHED MINERAL OWNERSHIP
Jean Storm, Mable Slovacek, Jo Beth Carlson, Dorothy Orsak

REMARKS LEASE ADDENDUMS: O & G ONLY, PUGH, DAMAGE, OPTION, MUTUALLY AGREED UPON DRILL SITE

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES.
PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

2-07478-B

1153

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 22nd day of FEBRUARY 19 96, between

KAREN L. MOORE, HEREIN DEALING IN HER SOLE AND SEPARATE PROPERTY

Lessor (whether one or more), whose address is: 1914 VILLA ROSE COURT MODESTA, CALIFORNIA 95350
and CLAYTON WILLIAMS ENERGY, INC. SIX DESTA DRIVE SUITE 3000 MIDLAND, TEXAS 79705, Lessee, WITNESSETH:

I, Lessor, in consideration of TEN AND OTHER GOOD AND VALUABLE CONSIDERATION Dollars, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling, 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 BURLESON, State of TEXAS, and is described as follows:

A parcel of land being 36.08 acres, more or less, out of the G. Green Survey, A-126, Burleson County, Texas and being more particularly described in that certain Warranty Deed dated September 5, 1974 from Aloisie R. Slovacek Estate to Edmund R. Slovacek as recorded in Volume 224, Page 781, Deed Records of Burleson County, Texas.

SEE ADDITIONAL ADDENDUMS ATTACHED HERETO AND MADE A PART HEREOF

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 36.08 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 20 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 MOOSE Federal

Credit Union 3600 Coffee Rd. Modesto, CA 95355 Bank at Modesto, CA 95355, 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 prescribed or permitted 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 prescribed or permitted 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.

Karen L. Moore
KAREN L. MOORE, HEREIN DEALING IN HER SOLE AND SEPARATE PROPERTY

[Redacted]
SS#

LESSOR SS. OR TAX I.D. NO.

LESSOR SS. OR TAX I.D. NO.

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF

This instrument was acknowledged before me on the _____ day of FEBRUARY, 19 96, by KAREN L. MOORE, HEREIN DEALING IN HER SOLE AND SEPARATE PROPERTY.



Julie Vrieling
Notary Public, State of Texas California
Notary's name (printed): Julie Vrieling
Notary's commission expires: 10/14/99

ACKNOWLEDGEMENT

STATE OF TEXAS
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 TEXAS
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:

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

Oil, Gas and Mineral Lease

FROM

TO

No. _____, 19 _____, at _____ o'clock _____ M., and duly recorded in _____ of the _____ records of this office.
County Clerk _____ Deputy _____
When recorded return to _____

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED FEBRUARY 22, 1996, BETWEEN KAREN L. MOORE, HEREIN DEALING IN HER SOLE AND SEPARATE PROPERTY, AS LESSOR AND CLAYTON WILLIAMS ENERGY, INC., AS LESSEE:

12. Notwithstanding any other provision herein contained to the contrary, it is herein agreed by Lessor and Lessee that wherever the fraction one-eighth (1/8) appears in paragraph three (3) of this lease the same shall read one-sixth (1/6), and in all cases the royalty interest herein provided shall be one-sixth (1/6).

13. Notwithstanding anything hereinabove to the contrary, it is specifically understood and agreed that this lease covers only oil, gas, sulphur and associated liquid and liquifiable hydrocarbons, but this lease does not cover or include any other minerals, with all other such minerals being reserved to the lessor herein.

14. Lessee agrees to pay Lessor or tenants of Lessor for all damages or injury to cattle or other livestock, pasturage, crops, fences, terraces, water wells, the surface otherwise in whatever way damaged and all other property of Lessor or tenants of Lessor situated on the lease premises resulting from Lessee's operations under the terms of this lease; and, Lessee further agrees that within a reasonable time after completion or abandonment of any well drilled on the leased premises, Lessee shall fill and level all excavations not required for production, fencing those that must remain open, and restore the surface of the ground to as near its original condition as is practicable.

15. In the event a portion or portions of the land described in this lease are pooled or unitized with other land, lease or leases, so as to form a pooled unit or units, operations for drilling, drilling, or reworking operations on such unit or units, or production of oil or gas from such unit or units, or payment of shut-in gas royalties on a well or wells drilled on such unit or units, shall maintain this lease in effect only as to the portion or portions of the land described in this lease which is included in a pooled unit or units. As to any portion or portions of the land not included in a pooled unit or units, this lease may be maintained in force and effect in any manner elsewhere provided in this lease.

16. On or before the date of expiration of the original primary term of this lease set out in paragraph 2 hereof, Lessee may at its option pay to Lessor or to Lessor's credit at the depository bank named herein, \$10.00 per net mineral acre for each acre covered by this lease and not maintained by drilling operations or production. If said consideration is timely tendered, then the said original primary term shall be extended for an additional one (1) year period from the end of the said original primary term. Lessor and Lessee further agree that the consideration paid by the Lessee in connection with this extension provision shall satisfy all conditions and obligation for the payment of delay rentals under the terms of this lease and that there shall be no further delay rental due during the extension period of said primary term.

17. Any surface drillsite shall be at a location mutually agreed upon between Lessor and Lessee, and Lessor shall not unreasonably withhold his consent to any such drillsite proposed by Lessee.



SIGNED FOR IDENTIFICATION

Karen L. Moore
KAREN L. MOORE

FILED FOR RECORD
at 9:00 o'clock A. M.
MAR 14 1996
Evelyn M. Henry
EVELYN M. HENRY
COUNTY CLERK, BURLESON CO., TEX.

VOL. 249 PAGE 6

THE STATE OF TEXAS
COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 14 day of March, 19 96, at 9:00 o'clock A. M. and duly recorded on 14 day of March, 19 96, in the Oil & Gas Lease Record of said County, in Vol. 249 Page 3-6.

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

By Violet Ann Turner, Deputy

Evelyn M. Henry
County Clerk, Burleson County, Texas

PROPERTY ACQUISITION BANK **RAFT**

(9)

Prospect Name & No. N. BURLESON

NO PROTEST

COLLECT DIRECTLY THROUGH NORWEST BANK TEXAS, MIDLAND, N.A. P.O. BOX 3090
MIDLAND CITY TEXAS 79702 STATE 2-22-96 DATE

TEN BANKING DAYS AFTER SIGHT, AND SUBJECT TO APPROVAL OF TITLE COVERING undivided interest in 36.08 acres
out of hte G. GREEN SURVEY, A-126 **NORWEST BANK TEXAS**
 SEC. _____ T. _____ R. _____ COUNTY BURLESON STATE OF TEXAS

PAY TO THE ORDER OF DOROTHY M. CRSAK **MAR 25 1996** \$ 360.80
 THREE HUNDRED SIXTY AND 80/100 **DOLLARS**

TO CLAYTON WILLIAMS ENERGY, INC. ATTN: M. ROWLEY
SIX DEETA DRIVE SUITE 300C
MIDLAND, TEXAS 79705

PAID

Jerry W. Priddy
 LANDMAN - BROKER
 JERRY W. PRIDDY

2-07478C

CHECK NO.	TOTAL BONUS 360.80	BONUS PER ACRE 50.00	LEASE NO. <u>2-07478C</u>
GROSS LSE ACRES 36.08	NET LSE ACRES 7.216	PAID UP LEASE yes	PROSPECT <u>N. BURLESON</u>

TYPE OF INT. _____ FEE _____ FEDERAL _____ STATE _____ INDIAN _____ OTHER _____

LESSOR DOROTHY M. CRSAK *3700*

SOCIAL SECURITY NO. [REDACTED]

ADDRESS 2605 BURKE PASADENA, TEXAS 77502

Lessee CWI Assignee _____ Date _____

RENTAL PAYABLE TO LESSOR NAMED ABOVE

ADDRESS <u>FIRST INTERSTATE BANK</u>	LEASE DATE <u>2-22-96</u>	TERM <u>3 yr. + 1 yr.</u>	EXPIRATION DATE <u>2-22-99/2-22-00</u>
CITY/STATE <u>PASADENA, TX.</u>	RENTAL DATE <u>PAID-UP LSE</u>	RENTAL PER ACRE <u>NA</u>	RENTAL AMOUNT <u>NA</u>
BANK ACCT. NO. _____	OPTION/ FOR XXXX <u>YES</u>	OPTION DUE <u>2-22-99</u>	OPTION AMOUNT <u>72.16</u>
	LOR <u>1/6th</u>	ORR	NRI

SPECIAL LEASE PROVISIONS

Pugh Cl. Rental on Ac. Pooled with other Lses	Minimum Roy	Esculating Sir Cl.	Shutin Roy Cl Term	Re-Assignment Clause	Drig. Oblig.
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CO-OWNERS SEE ATTACHED MINERAL OWNERSHIP

REMARKS LEASE ADDENDUMS: O & G ONLY, DAMAGE, PUGH, OPTION, MUTUALLY AGREED UPON DRILL SITE

*NOTE TO LAND PERSONEL: RENTAL DIVISION ORDER REQUIRED ON ALL PARTIAL INTEREST LEASES.
 PLEASE SEE THAT NOTARY PUBLICS PRINT OR TYPE THEIR NAME UNDER SIGNATURE LINE AND DATE THEIR COMMISSION EXPIRES.

1325
OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 22nd day of FEBRUARY 19 96, between

DOROTHY M. ORSAK, HEREIN DEALING IN HER SOLE AND SEPARATE PROPERTY

Lessor (whether one or more), whose address is: 2605 BURKE PASADENA, TEXAS 77502
and CLAYTON WILLIAMS ENERGY, INC. SIX DESTA DRIVE SUITE 3000 MIDLAND, TEXAS 79705 Lessee, WITNESSETH:

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

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

A parcel of land being 36.08 acres, more or less, out of the G. Green Survey, A-126, Burleson County, Texas and being more particularly described in that certain Warranty Deed dated September 5, 1974 from Aloisie R. Slovacek Estate to Edmund R. Slovacek as recorded in Volume 224, Page 781, Deed Records of Burleson County, Texas.

SEE ADDITIONAL ADDENDUMS ATTACHED HERETO AND MADE A PART HEREOF

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 36.08 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. three (3)

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 30000 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 First Interstate Bank

at of Texas Pasadena 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 prescribed or permitted 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 prescribed or permitted 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 part 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.

Dorothy M. Orsak
DOROTHY M. ORSAK, HEREIN DEALING IN HER SOLE AND SEPARATE PROPERTY

SS# [REDACTED]

LESSOR SS. OR TAX I.D. NO.

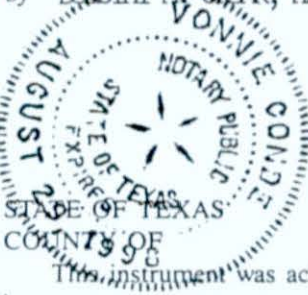
LESSOR SS. OR TAX I.D. NO.

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on the 26 day of FEBRUARY, 1996, by DOROTHY M. ORSAK, HEREIN DEALING IN HER SOLE AND SEPARATE PROPERTY.

Jonnie Conde



Notary Public, State of Texas
Notary's name (printed): VONNIE CONDE
Notary's commission expires: 08-29-98

ACKNOWLEDGEMENT

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

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS
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 249-368

Oil, Gas and Mineral Lease

FROM _____ TO _____

Dated _____, 19____, No. Acres _____, County, _____

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

By _____ County Clerk Deputy _____ When recorded return to _____

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED FEBRUARY 22, 1996, BETWEEN DOROTHY M. ORSAK, HEREIN DEALING IN HER SOLE AND SEPARATE PROPERTY, AS LESSOR AND CLAYTON WILLIAMS ENERGY, INC., AS LESSEE:

12. Notwithstanding any other provision herein contained to the contrary, it is herein agreed by Lessor and Lessee that wherever the fraction one-eighth (1/8) appears in paragraph three (3) of this lease the same shall read one-sixth (1/6), and in all cases the royalty interest herein provided shall be one-sixth (1/6).

13. Notwithstanding anything hereinabove to the contrary, it is specifically understood and agreed that this lease covers only oil, gas, sulphur and associated liquid and liquifiable hydrocarbons, but this lease does not cover or include any other minerals, with all other such minerals being reserved to the lessor herein.

14. Lessee agrees to pay Lessor or tenants of Lessor for all damages or injury to cattle or other livestock, pasturage, crops, fences, terraces, water wells, the surface otherwise in whatever way damaged and all other property of Lessor or tenants of Lessor situated on the lease premises resulting from Lessee's operations under the terms of this lease; and, Lessee further agrees that within a reasonable time after completion or abandonment of any well drilled on the leased premises, Lessee shall fill and level all excavations not required for production, fencing those that must remain open, and restore the surface of the ground to as near its original condition as is practicable.

15. In the event a portion or portions of the land described in this lease are pooled or unitized with other land, lease or leases, so as to form a pooled unit or units, operations for drilling, drilling, or reworking operations on such unit or units, or production of oil or gas from such unit or units, or payment of shut-in gas royalties on a well or wells drilled on such unit or units, shall maintain this lease in effect only as to the portion or portions of the land described in this lease which is included in a pooled unit or units. As to any portion or portions of the land not included in a pooled unit or units, this lease may be maintained in force and effect in any manner elsewhere provided in this lease.

16. On or before the date of expiration of the original primary term of this lease set out in paragraph 2 hereof, Lessee may at its option pay to Lessor or to Lessor's credit at the depository bank named herein, \$10.00 per net mineral acre for each acre covered by this lease and not maintained by drilling operations or production. If said consideration is timely tendered, then the said original primary term shall be extended for an additional one (1) year period from the end of the said original primary term. Lessor and Lessee further agree that the consideration paid by the Lessee in connection with this extension provision shall satisfy all conditions and obligation for the payment of delay rentals under the terms of this lease and that there shall be no further delay rental due during the extension period of said primary term.

17. Any surface drillsite shall be at a location mutually agreed upon between Lessor and Lessee, and Lessor shall not unreasonably withhold his consent to any such drillsite proposed by Lessee.

FILED FOR RECORD
at 9:00 o'clock AM M.
MAR 27 1996
Evelyn M. Henry
EVELYN M. HENRY
COUNTY CLERK, BURLESON CO. TEX.

SIGNED FOR IDENTIFICATION

Dorothy M. Orsak
DOROTHY M. ORSAK

VOL 249 PAGE 370

THE STATE OF TEXAS
COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 27 day of March, 19 96, at 9:00 o'clock A. M. and duly recorded on 28 day of March, 19 96, in the Oil & Gas Lease Record of said County, in Vol. 249 Page 367-370.

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

By _____, Deputy

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

①

NF 97515
ITEM Property
TO _____
FROM _____
DATE 3-4-96





CLAYTON WILLIAMS ENERGY, INC.

April 3, 1997

M-97515

Si: 4/22/97

RECEIVED
97 APR -7 PM 2:30
ENERGY RESOURCES

Dear Interest Owner:

Enclosed please find a DIVISION ORDER on the following:

Friddell OL Unit #1

... which is operated by Clayton Williams Energy, Inc.

... Payment made in accordance with the interests as set out in the DIVISION ORDER will be expedited and further correspondence reduced if you will follow the instructions set forth below:

1. Sign your name as shown on the DIVISION ORDER and have your signature witnessed by a disinterested party.
2. Acknowledge your mailing address. If different than shown on the Exhibit, indicate correction.
3. Include the proper Social Security Number or Tax Identification, whichever applies.
4. Signatures by Agents, Attorneys-in-Fact, or Guardians other than the named interest owner must be verified by attaching evidence of the rights vested in the signatory party.
5. Where one member of a partnership signs, evidence of his rights to do so must be furnished, along with the Social Security number applicable.
6. For Corporations: The DIVISION ORDER must be executed and attested by authorized officials of the company, and the corporation tax I.D. number included.

One fully executed copy of the attached DIVISION ORDER should be returned to the attention of the undersigned at the address shown above. The other copy is for your records.

If there are any questions regarding the above instructions or the attached DIVISION ORDER, please contact the undersigned.

NOTE: If signed division orders are received by April 28th, payment will be made on May 25, 1997.

Yours very truly,

Pat L. McLain

Pat L. McLain (Ms.)
Land Specialist

plm
Enclosures

OIL AND GAS
DIVISION ORDER

To: CLAYTON WILLIAMS ENERGY, INC.
(Hereinafter called "PURCHASER")
6 Desta Drive, Suite 3000
Midland, TX 79705

Division Order No. 29303 001

Date April 3, 1997

EFFECTIVE First Sales: 10-12-96

The undersigned, and each of us, as Owners, guarantee and warrant that we are the legal owners, in the proportions set out below, of all the oil and gas (the term "gas" including, without limitation, gas well gas, casinghead gas, and condensate, natural gas liquids, and all other constituent elements of the raw gas stream) produced, or all of the proceeds thereof, from the

Clayton Williams Energy, Inc., Friddell OL Unit #1

located in Burleson County, State of Texas,
described as:

1,289.386-acre unit out of the David Clark League, A-11, the George Green Survey, A-126 and the E. Swearingen League, A-58, Burleson County, Texas, more fully described in Declaration of Unit recorded in Volume 258, Page 167, Oil and Gas Lease Records, Burleson County, Texas. (See Exhibit "B" for plat of Unit.)

and commencing on date of first production/or last settlement and until 30-day advance written notice from the undersigned, you are authorized to receive and give credit for all oil and gas received from said property, or the proceeds therefrom, as may be applicable as per directions below:

CREDIT TO	DIVISION OF INTEREST	ADDRESS
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See attached Exhibit "A"

FIRST: It is agreed that payments will be made monthly based on the division of interest as set out herein, except payments of less than One Hundred Dollars (\$100.00) may be accrued before disbursement (without payment of interest) until the total amount equals at least \$100.00 or until December of each year, whichever occurs first.

SECOND: The purpose of this division order is to set out the ownership of the property described herein and in no way diminishes or enlarges either parties' obligations under the oil and gas lease(s) attributable thereto, or amend the terms thereof.

THIRD: The owner agrees to notify Purchaser in writing of any change in the division of interest. No change of interest is binding on Purchaser until the recorded copy of the instrument of change is furnished to Purchaser at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by Purchaser.

WITNESS	SIGNATURE OF INTEREST OWNER	Social Security Tax Account No.
---------	-----------------------------	---------------------------------

_____	COMMISSIONER, GENERAL LAND OFFICE OF THE STATE OF TEXAS	_____
_____	_____	_____

Interest Owner Address: _____

EXHIBIT "A"
CLAYTON WILLIAMS ENERGY, INC.
FRIDDELL OL UNIT #1
BURLESON COUNTY, TEXAS

OWNERSHIP OF PRODUCTION

<u>OWNER - ADDRESS</u>	<u>TYPE INTEREST</u>	<u>DECIMAL INTEREST</u>
LONNEDA FAYE ARNETT 305 Apache Trail Leander, TX 78641	Royalty 1/16 x 1/6 x 54.561/1289.386 + 1/4 x 1/6 x 181.773/1289.386 + 1/8 x 1/6 x 14.742/1289.386	.00655300
ALBINA BERAN Rt. 1, Box 122 Caldwell, TX 77836	Royalty 1/3 x 1/6 x 112.202/1289.386	.00483440
FRANKLIN JAMES BERAN Rt. 1, Box 51-B Caldwell, TX 77836	Royalty 1/3 x 1/6 x 112.202/1289.386	.00483440
LINDA ANN BERAN Box 52 Deanville, TX 77852	Royalty 3/4 x 1/6 x 33.091/1289.386 + 1/4 x 1/6 x 1.25/1289.386	.00324840
PAUL JOHN BILSKI and wife, JOSIE BILSKI Rt. 1, Box 155-C Chappell Hill, TX 77426	Royalty 30.667% x 3/4 x 1/6 x 124.066/1289.386 + 3/4 x 1/6 x 14.710/1289.386	.00511460
LILLIE MAE BRINKMAN 1700 Old San Antonio Rd. Caldwell, TX 77836	Royalty 1/2 x 1/6 x 45.756/1289.386	.00295720
JOE D. BRYMER and wife, MARTHA JANE BRYMER Rt. 1, Box 18 Caldwell, TX 77836	Royalty 3/4 x 1/6 x 17.468/1289.386	.00169340
JO BETH CARLSON 804 Fawn Caldwell, TX 77836	Royalty 1/6 x 1/6 x 32.405/1289.386	.00069810
CHARLES RAY CLARK 2309 Wicklow Drive Pearland, TX 77581	Royalty 1/3 x 1/6 x 86.797/1289.386	.00373980
K. B. CLARK 309 West Harvey Caldwell, TX 77836	Royalty 1/3 x 1/6 x 86.797/1289.386	.00373980
<u>COMMISSIONER, GENERAL LAND OFFICE OF THE STATE OF TEXAS 1700 N. Congress Ave. Austin, TX 78701</u>	<u>Royalty 1/6 x 13.882/1289.386</u>	<u>.00179440</u>
ROBERT V. ELLIOTT and wife, JOHANNA A. ELLIOTT 101 East Hwy 21 Caldwell, TX 77836	Royalty 1/4 x 1/6 x 153.477/1289.386	.00495960
PAULA L. EVANS Rt. 1, Box 235-B Somerville, TX 77879	Non-participating Royalty 1/4 x 1/6 x 31.412/1289.386	.00101510

EXHIBIT "A"
 CLAYTON WILLIAMS ENERGY, INC.
 FRIDDELL OL UNIT #1
 BURLESON COUNTY, TEXAS

OWNERSHIP OF PRODUCTION

<u>OWNER - ADDRESS</u>	<u>TYPE INTEREST</u>	<u>DECIMAL INTEREST</u>
FARM CREDIT BANK OF TEXAS P. O. Box 2943 Austin, TX 78769	Non-participating Royalty 1/16 x 195.527/1289.386	.00947770
SALLY FLOSI 714 Hasselt College Station, TX 77845	Royalty 1/2 x (1/6 - 1/16) x 194.277/1289.386 + (3/8 x 1/6) - (1/2 x 1/16) x 1.25/1289.386	.00787790
ELVA JANELLE FRIDDELL Rt. 1, Box 29-D Caldwell, TX 77836	Royalty 1/4 x 1/6 x 84.456/1289.386	.00272930
GROVER CLEVELAND FRIDDELL Rt. 1, Box 29-D Caldwell, TX 77836	Royalty 1/4 x 1/6 x 84.456/1289.386 + 1/2 x 1/6 x 84.456/1289.386*	.00272930 .00545840*
*To revert to Anna C. Friddell when certain conditions are met.		
MARY BESS GERDES Rt. 1, Box 24-C Caldwell, TX 77836 with remainderman to STEVE RAY SCHOENEMAN	Royalty 1/2 x 1/6 x 31.412/1289.386	.00203020
JACK CLARK GERMANY and wife, LA NETTE G. GERMANY P. O. Box 18 Deanville, TX 77852	Royalty 1/2 x 1/6 x 32.556/1289.386	.00210410
THOMAS LUTHER GOODNIGHT, JR. Box 203 Caldwell, TX 77836	Royalty 3/16 x 1/6 x 54.561/1289.386 + 3/4 x 1/6 x 181.773/1289.386 + 3/8 x 1/6 x 14.742/1289.386	.01965900
BONNIE FAY HEJL Rt. 1, Box 26-A Caldwell, TX 77836	Non-participating Royalty 1/8 x 1/6 x 34.328/1289.386	.00055470
JOHN C. HOFFMAN Rt. 1, Box 240 Caldwell, TX 77836	Non-participating Royalty 1/4 x 1/6 x 31.412/1289.386	.00101510
GEORGIA ANN HOWRY 111 Congress Ave. Suite 2000 Austin, TX 78701	Royalty 1/3 x 1/6 x 112.202/1289.386	.00483440
CHARLES JOSEPH JACKSON and wife, BONNIE JACKSON Rt. 1, Box 120-J Burton, TX 77835	Royalty 1/2 x 1/6 x 2.481/1289.386	.00016040
DOROTHY CLARK JANACEK 110 Pickwell San Antonio, TX 78223	Royalty 1/3 x 1/6 x 86.797/1289.386	.00373980

EXHIBIT "A"
CLAYTON WILLIAMS ENERGY, INC.
FRIDDELL OL UNIT #1
BURLESON COUNTY, TEXAS

OWNERSHIP OF PRODUCTION

<u>OWNER - ADDRESS</u>	<u>TYPE INTEREST</u>	<u>DECIMAL INTEREST</u>
CATHY HARVEY JOHNSON 6514 Coachgate Spring, TX 77373	Royalty 1/2 x 1/6 x 34.328/1289.386	.00221860
ROBERT N. JONES and wife, KATHY RENEE JONES Rt. 1, Box 25 Caldwell, TX 77836	Royalty 3/4 x 1/6 x 4.002/1289.386 + 1/6 x 15.993/1289.386	.00245520
ISIDORE IKE JOZWIAK and wife, EUGENIA JOZWIAK Rt. 1, Box 156 Chappell Hill, TX 77426	Royalty 30.667% x 3/4 x 1/6 x 124.066/1289.386 + 3/4 x 1/6 x 14.701/1289.386	.00511370
WALTER JOZWIAK and wife, CLARA JOZWIAK Rt. 1, Box 155 Chappell Hill, TX 77426	Royalty 38.667% x 3/4 x 1/6 x 124.066/1289.386	.00465070
CLINT LEWIS Rt. 1, Box 27 Caldwell, TX 77836	Royalty 1/2 x (1/6 - 1/16) x 194.277/1289.386 + (3/8 x 1/6) - (1/2 x 1/16) x 1.25/1289.386 + 1/6 x 30.605/1289.386	.01183390
EDILE LIGHTSEY Rt. 3, Box 55-A Caldwell, TX 77836	Royalty 1/6 x 94.929/1289.386	.01227060
MARTHA JEAN MAREK Rt. 3, Box 246 Caldwell, TX 77836	Royalty 1/2 x 1/6 x 45.756/1289.386	.00295720
KAREN L. MOORE 1914 Villa Rose Court Modesto, CA 95350	Royalty 1/6 x 1/6 x 32.405/1289.386	.00069810
DOROTHY M. ORSAK 2605 Burke Pasadena, TX 77502	Royalty 1/6 x 1/6 x 32.405/1289.386	.00069810
CLARA MAY RAY P. O. Box 626 Caldwell, TX 77836	Royalty 1/6 x 69.562/1289.386	.00899160
CINDY LOUISE SHAVER SEE Rt. 1, Box 26-A Caldwell, TX 77836	Non-participating Royalty 1/8 x 1/6 x 34.328/1289.386	.00055470
CLYDE M. SHAVER Rt. 1, Box 26-A Caldwell, TX 77836	Royalty 1/2 x 1/6 x 1.942/1289.386 + 1/4 x 1/6 x 34.328/1289.386	.00123480
GEORGIE F. SHAVER Rt. 1, Box 26-A Caldwell, TX 77836	Royalty 1/2 x 1/6 x 1.942/1289.386	.00012550

EXHIBIT "A"
CLAYTON WILLIAMS ENERGY, INC.
FRIDDELL OL UNIT #1
BURLESON COUNTY, TEXAS

OWNERSHIP OF PRODUCTION

<u>OWNER - ADDRESS</u>	<u>TYPE INTEREST</u>	<u>DECIMAL INTEREST</u>
MABEL SLOVACEK 804 Fawn Caldwell, TX 77836 for life, with remainder to Karen L. Moore Dorothy M. Orsak Jo Beth Carlson, and Jean R. Storm	Royalty 1/3 x 1/6 x 32.405/1289.386	.00139620
JEAN R. STORM 804 Fawn Caldwell, TX 77836	Royalty 1/6 x 1/6 x 32.405/1289.386	.00069810
KEITH ALAN WEEBER Rt. 1, Box 24-D1 Caldwell, TX 77836	Royalty 1/2 x 1/6 x 14.742/1289.386	.00095280
MARY LOVE WINDEL 2211 W. North Loop #110 Austin, TX 78756	Royalty 1/2 x 1/6 x 35.037/1289.386	.00226440
CLAYTON WILLIAMS ENERGY, INC. 6 Desta Dr., Suite 1100 Midland, TX 79705-5510	Working Interest 5/6 x 1289.386/1289.386	.83333330
	TOTAL	<hr/> 1.00000000



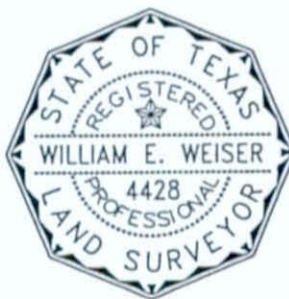
BURLESON COUNTY, TEXAS



Grid NAD 83

Bearings are Texas State Plane
Central Zone NAD 83/93
Convergence 01'51'19"

1. Bearings are Grid, NAD 83
Texas Central Zone.
2. Well is located S35°39'W 3.71 miles
from Caldwell Texas.
Latitude 30°29'40" North
Longitude 96°43'53" West
Elevation 377
USGS 7.5 min. Quad "Frenstadt"
3. Title work provided by
Clayton Williams Energy, Inc.
Midland, Texas
4. As-Drilled information provided by
Clayton Williams Energy, Inc.
Midland, Texas



Staked in August 1996.

William E. Weiser
Professional Land Surveyor
Number 4428

Clayton Williams Energy, Inc.

Friddell OL # 1 As-Drilled

1289.386 Acre Unit

Prepared By Weiser Becker Surveyors, P.C.
P.O. Box 706 Giddings, Texas 78942 409-542-4444

Drawn By: Weiser Date: 8-22-96 Scale: 1" = 2000' Book 77, Page 07
Disk: G Revised: 11-14-96 Rev. # 5-B Dwg # 961228 W.O. # 961228

BURLESON COUNTY, TEXAS

Tract	Lessor	Lease #	Deed	Area
1	Clint Lewis, et al	2-07438A	432/267	194.277
2	Linda Beran	2-07438B	314/413	1.250
3	Clyde Shaver, et ux	2-07471	181/23	1.942
4	Clyde Shaver, et al	2-07466A	295/723	34.328
5	Mabel Slovacek	2-07478A	224/781	32.405
6	State of Texas			13.882
7	Clara May Ray	2-07532	265/480	69.562
8	Clint Lewis, et ux	2-07439	220/480	30.605
9	K. B. Clark, et al	2-07576A	83/476	86.797
10A	Thomas Goodnight, et ux	2-07420A	361/711	56.954
			299/83	
			295/621	
			284/714	
			258/65	
			251/406	
10B	Thomas Goodnight, et ux	2-07420A	427/674	1.393
10C	Thomas Goodnight, et ux	2-07420A	361/711	17.468
10D	Thomas Goodnight, et ux	2-07420A	427/665	53.102
10E	Thomas Goodnight, et ux	2-07420A	50/369	103.415
11	Robert Neal Jones	2-07543A	397/629	4.002
12	Robert Neal Jones, et ux	2-07542	452/450	15.993
13A	Robert Elliott, et ux		423/601	124.066
13B	Robert Elliott, et ux		423/601	14.710
13C	Robert Elliott, et ux		423/601	14.701
14	Charles Joseph Jackson, et ux		457/1	2.481
15	John Clark Germany, et ux	2-07584	456/874	32.556
16	Keith Alan Weeber, et ux	2-07445	431/724	14.742
17	Mary Bess Gerbes, et c.	2-07688	394/344	31.412
18	Grover Friddell, et al	2-07490	372/706	84.456
19	Edile Lightsey, et vir	2-07489	50/367	94.929
20	Lillie Mae Brinkman, et c.	2-07640A	329/694	45.756
21	Albino Beran, et al	2-07599	86/106	112.202
			82/404	
			83/41	
			76/56	
			77/333	
Unit Total				1289.386

Line	Course	Distance
1	N59°19'03"E	2603.19'
2	S30°54'33"E	24.44'
3	N59°02'28"E	603.30'
4	N86°56'04"E	36.31'
5	N88°30'13"E	772.91'
6	S30°22'40"E	1668.55'
7	S31°37'54"W	211.37'
8	S47°46'31"E	173.83'
9	N38°50'03"E	1435.18'
10	S47°20'39"E	802.26'
11	S47°42'57"E	692.19'
12	S47°20'39"E	2363.06'
13	S41°30'16"W	184.94'
14	S48°17'22"E	1444.12'
15	N24°14'43"E	169.77'
16	S47°20'39"E	2453.97'
17	S42°37'24"W	1109.85'
18	S52°44'01"E	1173.75'
19	S18°32'07"W	514.45'
20	S47°32'55"E	923.63'
21	S42°33'05"W	1389.13'
22	S47°36'40"E	770.40'
23	S36°30'50"W	1001.34'
24	N47°20'39"W	2482.34'
25	S42°07'12"W	991.66'
26	S41°24'59"W	55.24'
27	N47°20'39"W	7988.24'
28	S38°50'03"W	524.28'
29	N51°09'57"W	100.00'
30	N30°40'57"W	3755.92'

M.F. 97515
 Correspondence File
 From Clayton Williams Energy, Inc.
 Dated 4/3/97

Clayton Williams Energy, Inc.

Friddell OL # 1 As-Drilled

1289.386 Acre Unit

Prepared By Weiser Becker Surveyors, P.C.
 P.O. Box 706 Giddings, Texas 78942 409-542-4444

Drawn By: Weiser

Date: 8-22-96

Scale: 1" = 2000'

Book 77, Page 07

Disk: G

Revised: 11-14-96

Rev. # 5-B

Dwg # 961228

W.O. # 961228

(8)



April 29, 1997

ATTN: Pat L. McLain - Land Department
Clayton Williams Energy, Inc.
6 Desta Drive, Suite 3000
Midland, Texas 79705-5594

Re: Mineral File No. M-97515
Division Order No. 29303 001
Friddell OL Unit #1
Burleson County, Texas

Dear Ms. McLain:

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

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

If you should have any questions, please feel free to call me at (512) 475-1524.

Sincerely,

Paul Dvorak
Supervisor
Royalty Management
Energy Resources
PD/bh

Enclosures

M-97515 ⑨
Division Order
5-1-97

#2544

DO NOT DESTROY

GLO-36-10-84

-MEMO-

Operator CLAYTON Williams Energy, Inc

Unit Name FRIDDELL OL UNIT #1

County BURLESON

Effective Date 1/31/97

Unitized for: Oil Gas Oil & Gas

1. M.F. No. 97515

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

$\frac{13.882}{1289.386} \times \frac{1}{6} = 0.17944$ %
 $.0107663 \times .166667$

2. M.F. No. _____

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

_____ x _____ . _____ %

3. M.F. No. _____

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

_____ x _____ . _____ %

4. M.F. No. _____

Area _____ Tr. _____

Sec. _____ Blk. _____ Survey _____

_____ x _____ . _____ %

REMARKS:

Keypd 6/12/97

5-11-97

DECLARATION OF UNIT

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
 COUNTY OF BURLESON §

THAT, Clayton Williams Energy, Inc., the present owner and holder of those certain Oil, Gas and Mineral Leases (the "Leases"), more particularly described in Exhibit "A" attached hereto and incorporated by reference herein and made a part hereof, pursuant to the right, power and option granted to the owner of said Leases under the terms and provisions thereof, as the same may have from time to time been amended or ratified, hereby POOLS, COMBINES and UNITIZES into one pooled area or unit (the "Unit") the leases described in the attached Exhibit "A", INSOFAR AS AND ONLY INSOFAR AS said Leases cover and include the limited vertical interval commonly known as the "Austin Chalk" Formation in and under 1,289.386 acres of land out of the lands described in and covered by said Leases in the David Clark League, A-11, George Green Survey, A-126, and E. Swearingen League, A-58, Burleson County, Texas, said 1,289.386 acres being more particularly described in the attached Exhibit "B", reference to which is herein made for all purposes, for the purpose of exploring, operating, drilling for and producing oil, gas, casinghead gas, condensate, distillate and other liquid or gaseous hydrocarbons in and from said unitized interval and area. The Unit described herein, containing an aggregate 1,289.386 acres, is hereby designated as the CLAYTON WILLIAMS ENERGY, INC. - FRIDDELL OL UNIT NO. 1.

This Unit shall include only the oil, gas and mineral interests covered by the Leases, insofar as the Leases cover the lands described in Exhibit "B", which are presently owned or hereafter acquired by Clayton Williams Energy, Inc., its successors and assigns. This instrument shall not be construed an invitation or offer to the owner of any unleased mineral interest in lands within the pooled area to unitize such interest other than pursuant to an oil and gas lease to the undersigned, nor shall this instrument be construed as an invitation or offer to the owner of any oil and gas lease or interest therein (other than the undersigned) within the pooled area herein described to pool said lease or interest without the written consent and agreement of the undersigned. This Unit may be amended from time to time to correct any errors herein, to add any additional leases owned or acquired by the undersigned covering the Unit acreage, to limit the pooled interval to one or more producing formations, or to reform or revise the Unit when, in the judgment of the undersigned, it is necessary or advisable to do so in order to properly develop or operate the Unit area or the Leases.

This instrument is executed this 31ST day of January, 1997.

CLAYTON WILLIAMS ENERGY, INC.

By: [Signature]
Jerry F. Groner, Vice President
Land and Lease Administration

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 31ST day of JANUARY, 1997 by Jerry F. Groner, Vice President Land and Lease Administration of Clayton Williams Energy, Inc., a Delaware corporation, on behalf of said corporation.

[Signature]
Notary Public, State of Texas

My Commission Expires: _____

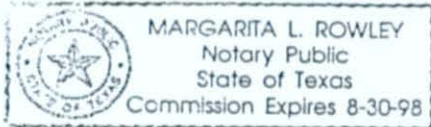


EXHIBIT "A"

(Attached to the Declaration of Unit for the Clayton Williams Energy, Inc. - Friddell OL Unit No. 1)

LEASE 1: Oil, Gas and Mineral Lease dated January 31, 1996, from Clint Lewis and wife, Helen Lewis, and Sallie Flosi, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 248, page 333, Oil and Gas Lease Records, Burleson County, Texas, covering 618.57 acres of land, more or less, INSOFAR AS AND ONLY INSOFAR AS said lease covers and includes 195.527 acres out of the George Green Survey, A-126, Burleson County, Texas, being that portion of the lands covered by said lease included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07438A).

LEASE 2: Oil, Gas and Mineral Lease dated July 11, 1996, from Linda A. Beran, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 254, page 246, Oil and Gas Lease Records, Burleson County, Texas, covering 1.00 acres of land, more or less, out of the George Green Survey, A-126, Burleson County, Texas, determined to actually contain 1.250 acres by survey conducted in August, 1996, by William E. Weiser, Professional Land Surveyor, all of said 1.250 acres, comprising a portion of the lands described above in connection with Lease 1, being included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07438B).

LEASE 3: Oil, Gas and Mineral Lease dated February 24, 1996, from Clyde M. Shaver and wife, Georgie F. Shaver, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 249, page 36, Oil and Gas Lease Records, Burleson County, Texas, covering 2.00 acres of land, more or less, out of the George Green Survey, A-126, Burleson County, Texas, determined to actually contain 1.942 acres by survey conducted in August, 1996, by William E. Weiser, Professional Land Surveyor, all of said 1.942 acres being included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07471).

LEASE 4: Oil, Gas and Mineral Lease dated February 22, 1996, from Clyde M. Shaver and wife, Georgie F. Shaver, Cindy Louise Shaver See and Bonnie Fay Hejl, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 248, page 770, Oil and Gas Lease Records, Burleson County, Texas, covering 34.73 acres of land, more or less, out of the George Green Survey, A-126, Burleson County, Texas, determined to actually contain 34.328 acres by survey conducted in August, 1996, by William E. Weiser, Professional Land Surveyor, all of said 34.328 acres being included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07466A).

LEASE 5: Oil, Gas and Mineral Lease dated February 23, 1996, from Cathy Harvey Johnson, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 249, page 363, Oil and Gas Lease Records, Burleson County, Texas, covering 34.73 acres of land, more or less, out of the George Green Survey, A-126, Burleson County, Texas, determined to actually contain 34.328 acres, all of said 34.328 acres, comprising the same lands described above in connection with Lease 4, being included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07466B).

LEASE 6: Oil, Gas and Mineral Lease dated February 22, 1996, from Mable Slovacek, Jo Beth Carlson and Jean R. Storm, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 249, page 7, Oil and Gas Lease Records, Burleson County, Texas, covering 36.08 acres of land, more or less, out of the George Green Survey, A-126, Burleson County, Texas, determined to actually contain 32.405 acres by survey conducted in August, 1996, by William E. Weiser, Professional Land

Surveyor, all of said 32.405 acres, being included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07478A).

LEASE 7: Oil, Gas and Mineral Lease dated February 22, 1996, from Karen L. Moore, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 249, page 3, Oil and Gas Lease Records, Burleson County, Texas, covering 36.08 acres of land, more or less, out of the George Green Survey, A-126, Burleson County, Texas, determined to actually contain 32.405 acres, all of said 32.405 acres, comprising the same lands described above in connection with Lease 6, being included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-7478B).

LEASE 8: Oil, Gas and Mineral Lease dated February 22, 1996, from Dorothy M. Orsak, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 249, page 367, Oil and Gas Lease Records, Burleson County, Texas, covering 36.08 acres of land, more or less, out of the George Green Survey, A-126, Burleson County, Texas, determined to actually contain 32.405 acres, all of said 32.405 acres, comprising the same lands described above in connection with Lease 6, being included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-074780C).

LEASE 9: Oil, Gas and Mineral Lease dated September 3, 1996, from the Commissioner of the General Land Office of the State of Texas, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded as Document No. 385, County Clerk's Reception Records, Burleson County, Texas, covering 13.882 acres of land, more or less, out of the David Clark League, A-11, the George Green Survey, A-126 and the E. Swearingen League, A-58, Burleson County, Texas, all of said 13.882 acres being included within the 1,289.386-acre pooled area described in the attached Exhibit "B". Lease No. 2-07869).

LEASE 10: Oil, Gas and Mineral Lease dated February 26, 1996, from Clara May Ray, f/k/a Clara May Graham, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 249, page 774, Oil and Gas Lease Records, Burleson County, Texas, covering 206.07 acres of land, more or less, INSOFAR AS AND ONLY INSOFAR AS said lease covers and includes 69.562 acres out of the David Clark League, A-11, Burleson County, Texas, being that portion of the lands covered by said lease included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07532).

LEASE 11: Oil, Gas and Mineral Lease dated January 31, 1996, from Clint Lewis and wife, Helen Lewis, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 248, page 337, Oil and Gas Lease Records, Burleson County, Texas, covering 90.00 acres of land, more or less, INSOFAR AS AND ONLY INSOFAR AS said lease covers and includes 30.605 acres out of the David Clark League, A-11, Burleson County, Texas, being that portion of the lands covered by said lease included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07439).

LEASE 12: Oil, Gas and Mineral Lease dated April 2, 1996, from K. B. Clark and Dorothy Clark Janacek, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 250, page 434, Oil and Gas Lease Records, Burleson County, Texas, covering 176.12 acres of land, more or less, INSOFAR AS AND ONLY INSOFAR AS said lease covers and includes 86.797 acres out of the David Clark League, A-11, Burleson County, Texas, being that portion of the lands covered by said lease included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07576A).

LEASE 13: Oil, Gas and Mineral Lease dated April 2, 1996, from Charles Ray Clark, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 250, page 438, Oil and Gas Lease Records, Burleson County, Texas, covering 176.12 acres of land, more or less, INSOFAR AS AND ONLY INSOFAR AS said lease covers and includes 86.797 acres, comprising the same lands described above in connection with

Lease 12, and being that portion of the lands covered by said lease included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07576B).

LEASE 14: Oil, Gas and Mineral Lease dated January 22, 1996, from Thomas Luther Goodnight, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 247, page 755, Oil and Gas Lease Records, Burleson County, Texas, covering 803.322 acres of land, more or less, INSOFAR AS AND ONLY INSOFAR AS said lease covers and includes 236.334 acres out of the E. Swearingen League, A-58, Burleson County, Texas, being that portion of the lands covered by said lease included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07420A).

LEASE 15: Oil, Gas and Mineral Lease dated August 6, 1996, from Linda Ann Beran, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 255, page 61, Oil and Gas Lease Records, Burleson County, Texas, covering 33.09 acres of land, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, determined to actually contain 33.091 acres by survey conducted in August, 1996, by William E. Weiser, Professional Land Surveyor, all of said 33.091 acres, comprising a portion of the lands described above in connection with Lease 14, being included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07420 c)

LEASE 16: Oil, Gas and Mineral Lease dated February 6, 1996, from Joe D. Brymer and wife, Martha J. Brymer, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 248, page 714, Oil and Gas Lease Records, Burleson County, Texas, covering 128.0826 acres of land, more or less, INSOFAR AS AND ONLY INSOFAR AS said lease covers and includes 17.468 acres out of the E. Swearingen League, A-58, Burleson County, Texas, comprising a portion of the lands described above in connection with Lease 14, and being that portion of the lands covered by said lease included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07464A).

LEASE 17: Oil, Gas and Mineral Lease dated March 11, 1996, from Robert Noel Jones and wife, Kathy Renee Jones, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 250, page 320, Oil and Gas Lease Records, Burleson County, Texas, covering 4.0 acres of land, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, determined to actually contain 4.002 acres by survey conducted in August, 1996, by William E. Weiser, Professional Land Surveyor, all of said 4.002 acres, comprising a portion of the lands described above in connection with Lease 14, being included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07543A).

LEASE 18: Oil, Gas and Mineral Lease dated March 11, 1996, from Robert Noel Jones and wife, Kathy Renee Jones, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 250, page 316, Oil and Gas Lease Records, Burleson County, Texas, covering 16.00 acres of land, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, determined to actually contain 15.993 acres by survey conducted in August, 1996, by William E. Weiser, Professional Land Surveyor, all of said 15.993 acres being included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07542).

LEASE 19: Oil, Gas and Mineral Lease dated June 24, 1996, from Robert V. Elliott and wife, Johanna A. Elliott, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 254, page 302, Oil and Gas Lease Records, Burleson County, Texas, covering 153.325 acres of land, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, determined to actually contain 153.477 acres by survey conducted in August, 1996, by William E. Weiser, Professional Land Surveyor, all of said 153.477 acres being included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07693).

LEASE 20: Oil, Gas and Mineral Lease dated July 8, 1996, from Charles Joseph Jackson and wife, Bonnie Jackson, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 255, page 101, Oil and Gas Lease Records, Burleson County, Texas, covering 2.3749 acres of land, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, determined to actually contain 2.481 acres by survey conducted in August, 1996, by William E. Weiser, Professional Land Surveyor, all of said 2.481 acres being included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07721).

LEASE 21: Oil, Gas and Mineral Lease dated April 9, 1996, from John Clark Germany and wife, La Nette G. Germany, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 250, page 846, Oil and Gas Lease Records, Burleson County, Texas, covering 32.6931 acres of land, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, determined to actually contain 32.556 acres by survey conducted in August, 1996, by William E. Weiser, Professional Land Surveyor, all of said 32.556 acres being included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07584A).

LEASE 22: Oil, Gas and Mineral Lease dated August 14, 1996, from Mary Love Windel, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 255, page 64, Oil and Gas Lease Records, Burleson County, Texas, covering 35.068 acres of land, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, determined to actually contain 35.037 acres, all of said 35.037 acres, comprising the same lands described above in connection with Leases 20 and 21, being included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07584B).

LEASE 23: Oil, Gas and Mineral Lease dated January 30, 1996, from Keith Alan Weeber and wife, Cyndi Weeber, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 248, page 425, Oil and Gas Lease Records, Burleson County, Texas, covering 102.71 acres of land, more or less, INSOFAR AS AND ONLY INSOFAR AS said lease covers and includes 14.742 acres out of the E. Swearingen League, A-58, Burleson County, Texas, being that portion of the lands covered by said lease included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07445).

LEASE 24: Oil, Gas and Mineral Lease dated June 27, 1996, from Mary Bess Gerdes and Steve Ray Schoeneman, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 254, page 279 Oil and Gas Lease Records, Burleson County, Texas, covering 93.407 acres of land, more or less, INSOFAR AS AND ONLY INSOFAR AS said lease covers and includes 31.412 acres out of the E. Swearingen League, A-58, Burleson County, Texas, being that portion of the lands covered by said lease included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07688).

LEASE 25: Oil, Gas and Mineral Lease dated January 16, 1996, from Grover Cleveland Friddell and wife, Elva Janelle Friddell, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 249, page 278, Oil and Gas Lease Records, Burleson County, Texas, covering 83.9223 acres of land, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, determined to actually contain 84.456 acres by survey conducted in August, 1996, by William E. Weiser, Professional Land Surveyor, all of said 84.456 acres being included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07490).

LEASE 26: Oil, Gas and Mineral Lease dated March 5, 1996, from Edile Lightsey and husband, D. D. "Buddy" Lightsey, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 249, page 274, Oil and Gas Lease Records, Burleson County, Texas, covering 91.5 acres of land, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, determined to actually contain 94.929 acres by survey conducted in August, 1996, by William E. Weiser, Professional Land Surveyor,

all of said 94.929 acres being included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07489).

LEASE 27: Oil, Gas and Mineral Lease dated May 22, 1996, from Lillie Mae Brinkman and Martha Jean Marek, as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 252, page 410, Oil and Gas Lease Records, Burleson County, Texas, covering 119.80 acres of land, more or less, INSOFAR AS AND ONLY INSOFAR AS said lease covers and includes 45.756 acres out of the E. Swearingen League, A-58, Burleson County, Texas, being that portion of the lands covered by said lease included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07640).

LEASE 28: Oil, Gas and Mineral Lease dated April 15, 1996, from Albina Beran et al., as Lessor, to Clayton Williams Energy, Inc., as Lessee, recorded in Volume 251, page 252, Oil and Gas Lease Records, Burleson County, Texas, covering 111.30 acres of land, more or less, out of the E. Swearingen League, A-58, Burleson County, Texas, determined to actually contain 112.202 acres by survey conducted in August, 1996, by William E. Weiser, Professional Land Surveyor, all of said 112.202 acres being included within the 1,289.386-acre pooled area described in the attached Exhibit "B". (Lease No. 2-07599).

INSOFAR AS AND ONLY INSOFAR AS Leases 1 through 28 cover and include the limited vertical interval commonly known as the "Austin Chalk" Formation in and under the 1,289.386-acre pooled unit described in the attached Exhibit "B", reference to which is herein made for all purposes.

STATE OF TEXAS

COUNTY OF BURLESON

CLAYTON WILLIAMS ENERGY INC.

FRIDDELL # 1

UNIT DESCRIPTION

BEING 1289.386 acres of land, a part of the E. Swearingen Survey, Abstract 58, the George Green Survey, Abstract 126, and the David Clark Survey, Abstract 11, Burleson County, Texas, and consisting of the following tracts:

Tract 1: 194.277 acres being a part of that certain called 469 acre tract conveyed to Sally Flosi by deed recorded in volume 432, page 267 of the Deed Records of Burleson County;

Tract 2: 1.250 acres being all of that certain called 1.00 acre tract conveyed to Linda A. Beran by deed recorded in volume 314, page 413 of the Deed Records of Burleson County;

Tract 3: 1.942 acres being all of that certain called 2.000 acre tract conveyed to Clyde Shaver, et ux by deed recorded in volume 181, page 23 of the Deed Records of Burleson County, LESS that portion which lies in the Old San Antonio Road;

Tract 4: 34.328 acres being all of that certain called 34.73 acre tract conveyed to Cindy Louise Shaver and Bonnie Fay Shaver by deed recorded in volume 295, page 723 of the Deed Records of Burleson County, LESS that portion which lies in the Old San Antonio Road;

Tract 5: 32.405 acres being all of that certain called 36.08 acre tract conveyed to Edmund R. Slovacek by deed recorded in volume 224, page 781 of the Deed Records of Burleson County, Texas, LESS that portion which lies in the Old San Antonio Road;

Tract 6: 13.882 acres being a part of the Old San Antonio Road and also being that portion of a 100' wide right of way of Old State Highway 21 from centerline station 768+83.93 to 823+38.71, as conveyed to the State of Texas by deeds recorded in volume 97, page 48, volume 77, page 64, volume 72, page 630 and volume 77, page 63 of the Deed Records of Burleson County, Texas;

Tract 7: 69.562 acres being a part of that certain called 106.7 acre (Tract 2) and that certain called 100 acre (Tract 1) conveyed to Clara May Graham by deed recorded in volume 265, page 480 of the Deed Records of Burleson County, Texas;

Tract 8: 30.605 acre being a part of that certain called 90 acre tract conveyed to Clint Lewis by deed recorded in volume 220, page 480 of the Deed Records of Burleson County, Texas;

Tract 9: 86.797 acres being a part of that certain called 106.18 acre (Second Tract) conveyed to Jack H. Clark and wife, Adeline Clark by deed recorded in volume 83, page 476 and a part of that called 48.56 acre tract conveyed to Jack H. Clark and wife, Adeline Clark by deed recorded in volume 83, page 476 all of the Deed Records of Burleson County, Texas;

Tract 10A: 56.955 acres being a part of that certain called 100.00 acres conveyed to Peoples National Bank by deed recorded in volume 361, page 711, all of that certain called 4.1208 acre tract conveyed to Geosource, Inc. by deed recorded in volume 299, page 83, all of that certain called 8.5331 acre tract conveyed to Geosource, Inc., by deed recorded in volume 295, page 621, all of that certain called 4.3621 acre tract conveyed to Herbert L. Elliott by deed recorded in volume 284, page 714, all of that certain called 4.3179 acre tract conveyed to Gary W. Franzetti and wife, Peggy Franzetti by deed recorded in volume 258, page 65 and all of that certain called 2.1471 acre tract conveyed to Gary W. Franzetti and wife, Peggy Franzetti by deed recorded in volume 251, page 406 all of the Deed Records of Burleson County, Texas;

Tract 10B: 1.393 acres being that portion of a called 65 acre tract conveyed to Thomas L. Goodnight by deed recorded in volume 139, page 409, which lies Northwest of Old State Highway 21, said portion being further described as 0.97 acres in a Quit Claim Deed to Thomas Luther Goodnight recorded in volume 427, page 674 all of the Deed Records of Burleson County, Texas;

Tract 10C: 17.468 acres being a part of that certain called 100.00 acre tract conveyed to Peoples National Bank by deed recorded in volume 361, page 711 of the Deed Records of Burleson County, Texas;

Tract 10D: 53.102 acres being all of that certain called 53.29 acre tract conveyed to Thomas Luther Goodnight by deed recorded in volume 427, page 665 of the Deed Records of Burleson County, Texas;

Tract 10E: 103.415 acres being a part of that certain called 139-6/10 acre tract conveyed to Laurinda Windel by deed recorded in volume 50, page 369 of the Deed Records of Burleson County, Texas;

Tract 11: 4.002 acres being all of that certain called 4.00 acre tract conveyed to Robert Noel Jones and wife, Kathy Renee Jones by deed recorded in volume 397, page 629 of the Deed Records of Burleson County, Texas;

Tract 12: 15.993 acres being all of that certain called 16.00 acre tract conveyed to Robert Noel Jones and wife, Kathy Renee Jones by deed recorded in volume 452, page 450 of the Deed Records of Burleson County, Texas;

Tract 13A: 124.066 acres being all of that certain called 123.843 acre (First Tract) conveyed to Robert V. Elliott and wife, Johanna A. Elliott by deed recorded in volume 423, page 601 of the Deed Records of Burleson County, Texas;

Tract 13B: 14.710 acres being all of that certain called 14.741 acre (Third Tract) conveyed to Robert V. Elliott and wife, Johanna A. Elliott by deed recorded in volume 423, page 601 of the Deed Records of Burleson County, Texas;

Tract 13C: 14.701 acres being all of that certain called 14.741 acre (Second Tract) conveyed to Robert V. Elliott and wife, Johanna A. Elliott by deed recorded in volume 423, page 601 of the Deed Records of Burleson County, Texas;

Tract 14: 2.481 acres being all of that certain called 2.3749 acres conveyed to Charles Joseph Jackson and wife, Bonnie Jackson by deed recorded in volume 457, page 1 of the Deed Records of Burleson County, Texas;

Tract 15: 32.556 acres being all of that certain called 21.1005 acre tract conveyed to John Clark Germany and wife, La Nette'G. Germany by deed recorded in volume 456, page 874, all of a called 10.4851 acre tract conveyed to John Clark Germany and wife, La Nette'G. Germany by deed recorded in volume 457, page 1 and all of that certain called 1.1075 acre tract conveyed to John Clark Germany and wife, La Nette'G. Germany by deed recorded in volume 449, page 751 all of the Deed Records of Burleson County, Texas;

Tract 16: 14.742 acres being a part of that certain called 101.30 acre tract conveyed to Keith Alan Weeber by deed recorded in volume 431, page 724 of the Deed Records of Burleson County, Texas;

Tract 17: 31.412 acres being a part of that certain called 93.407 acre tract conveyed to Steve Ray Schoeneman by deed recorded in volume 394, page 344 of the Deed Records of Burleson County, Texas;

Tract 18: 84.456 acres being all of that certain called 83.9223 acre tract conveyed to Elva Janelle Friddell by deed recorded in volume 372, page 706 of the Deed Records of Burleson County, Texas;

Tract 19: 94.929 acres being all of that certain called 91-5/10 acre tract conveyed to Itha Pohl by deed recorded in volume 50, page 367 of the Deed Records of Burleson County, Texas;

Tract 20: 45.756 acres being all of that certain called 23.3 acre (First Tract) and all of that certain called 23.3 acre (Second Tract) conveyed to Lillie Mae Brinkman and Martha Jean Marek by deed recorded in volume 329, page 694 of the Deed Records of Burleson County, Texas;

Tract 21: 112.202 acres being all of that certain called 26.3 acres conveyed to Frank Beran by deed recorded in volume 86, page 106, all of that certain called 40.3 acre tract conveyed to Frank Beran by deed recorded in volume 83, page 41, all of that certain called 30.3 acre tract conveyed to Frank Beran by deed recorded in volume 82, page 404, all of that certain called 23.2 acre tract conveyed to Frank Beran by deed recorded in volume 76, page 56, and all of that certain called 23.2 acre tract conveyed to Frank Beran by deed recorded in volume 77, page 333, LESS a 32 acre tract conveyed to Elizabeth Beran, et la by deed recorded in volume 82, page 405, all of the Deed Records of Burleson County, Texas;

Said 1289.386 acre unit being more particularly described as follows;

BEGINNING at a cross tie corner post found in the Northeast line of the J. W. Porter

CWI Friddell #1

page 3

Survey, Abstract 195, the Southwest line of the George Green Survey, Abstract 126, for an interior corner of said Flosi 479 acre tract and an interior corner hereof;

THENCE with the Easterly Northwest line of said Flosi 469 acre tract, **North 59 deg. 19 min. 03 sec. East 2603.19 feet** to a calculated point in the Northeast margin of Burleson County Road 103, for the Easterly North corner of said Flosi 469 acre tract and a North corner hereof; said calculated point for corner bears North 59 deg. 19 min. 03 sec. East - 36.63 feet from a 6 inch corner post found for reference;

THENCE with the Northeast margin of Burleson County Road 103, with the Easterly Northeast line of said Flosi 469 acre tract, **South 30 deg. 54 min. 33 sec. East 24.44 feet** to a 5/8 inch iron rod found at a 2-1/2 inch pipe corner post for the South corner of a 37.64 acre tract conveyed to Adolph Slovacek by deed recorded in volume 224, page 784, the West corner of said 34.73 acre Shaver tract and an interior corner hereof;

THENCE with the Southeast line of said 37.64 acre Slovacek tract, the Northwest line of said 34.73 acre Shaver tract, **North 59 deg. 02 min. 28 sec. East 603.30 feet** to a 2-1/2 inch pipe corner post found for an interior corner of said 37.64 acre Slovacek tract, an angle corner of said 34.73 acre Shaver tract and an angle corner hereof;

THENCE with a South line of said 37.64 acre Slovacek tract, a North line of 34.73 acre Shaver tract, **North 86 deg. 56 min. 04 sec. East 36.31 feet** to a 5/8 inch iron rod found for the North corner of said 34.73 acre Shaver tract, a Northwest corner of said 36.08 acre Slovacek tract and an angle corner hereof;

THENCE continuing with a South line of said 37.64 acre Slovacek tract, the North line of said 36.08 acre Slovacek tract, **North 88 deg. 30 min. 13 sec. East 772.91 feet** to a 5/8 inch iron rod found for the East corner of said 37.64 acre Slovacek tract, the Northeast corner of said 36.08 acre Slovacek tract and a Northeast corner hereof;

THENCE with the Northerly Northeast line of said 36.08 acre Slovacek tract, **South 30 deg. 22 min. 40 sec. East 1668.55 feet** to a old downed fence corner for the East corner of said 36.08 acre Slovacek tract and an East corner hereof;

THENCE with the Easterly Southeast line of said 36.08 acre Slovacek tract, with said old downed fence, **South 31 deg. 37 min. 54 sec. West 211.37 feet** to a calculated point for a interior corner of said 36.08 acre Slovacek tract and an interior corner hereof; said calculated point for corner bears North 31 deg. 37 min. 54 sec. East - 1.69 feet from an old downed fence corner found for reference;

THENCE with the Southerly Northeast line of said 36.08 acre Slovacek, **South 47 deg. 46 min. 31 sec. East at 33.89 feet** passing the Northwest margin of the Old San Antonio Road, at 74.29 feet passing the Southeast margin of the Old San Antonio Road, a calculated point for the North corner of said 0.97 acre Goodnight tract, and continuing with the Northeast line of said 0.97 acre Goodnight tract a total distance of **173.83 feet** to a calculated point in the Northwest margin of Old State Highway 21, for the East corner of said 0.97 acre Goodnight tract and an interior corner hereof;

THENCE with the Northwest margin of Old State Highway 21, **North 38 deg. 50 min. 03 sec. East 1435.18 feet** to a calculated point for a North corner hereof;

THENCE across said Old State Highway 21, **South 47 deg. 20 min. 39 sec. East at 100.22 feet** passing the Southeast margin of Old State Highway 21, the Northwest line of said 100.00 acre Peoples National Bank tract and continuing a total distance of **802.26 feet** to a 1/2 inch iron rod found in the Southeast line of said 100 acre Peoples National Bank tract, for the North corner of said 16.00 acre Jones tract and an angle corner hereof;

THENCE with the Northeast line of said 16.00 acre Jones tract, **South 47 deg. 42 min. 57 sec. East 692.19 feet** to a 1/2 inch iron rod found in the Northerly Northwest line of said 101.30 acre Weeber tract, for the East corner of said 16.00 acre Jones tract, and an angle corner hereof;

THENCE across said 101.30 acre Weeber tract, **South 47 deg. 20 min. 39 sec. East at 1285.80 feet** passing the Southerly Southeast line of said 101.30 acre Weeber tract, the Northerly Northwest line of said 93.407 acre Schoeneman tract and continuing across said 93.407 acre Schoeneman tract a total distance of **2363.06 feet** to a calculated point in the Southeast line of said 93.407 acre Schoeneman tract, for an East corner hereof;

THENCE with the Southeast line of said 93.407 acre Schoeneman tract, **South 41 deg. 30 min. 16 sec. West 184.94 feet** to a 1/2 inch iron rod found for the North corner of said 53.29 acre Goodnight tract and an interior corner hereof;

THENCE with the Northeast line of said 53.29 acre Goodnight tract, **South 48 deg. 17 min. 22 sec. East 1444.12 feet** to a 1/2 inch iron rod found in the Northwest line of said 139-6/10 acre Windel tract, for the East corner of said 53.29 acre Goodnight tract and an interior corner hereof;

THENCE with the Northwest line of said 139-6/10 acre Windel tract, **North 24 deg. 14 min. 43 sec. East 169.77 feet** to a calculated point for a North corner hereof;

THENCE across said 139-6/10 acre Windel tract, **South 47 deg. 20 min. 39 sec. East 2453.97 feet** to a calculated point in the Northwest line of a 32 acre tract conveyed to Billie B. Beran by deed recorded in volume 441, page 210, the Southeast line of said 139-6/10 acre Windel tract, for an East corner hereof;

THENCE with the Northwest line of said 32 acre Beran tract, the Southeast line of said 139-6/10 acre Windel tract, **South 42 deg. 37 min. 24 sec. West 1109.85 feet** to a to a calculated point for the West corner of said 32 acre Beran tract, the North corner of the residue from said 23.2 acre Frank Beran (76/56) tract and an interior corner hereof; said calculated point for corner bears North 52 deg. 44 min. 01 sec. West - 0.93 feet from a fence corner post found for reference;

THENCE with the Southwest line of said 32 acre Beran tract, the Northeast line of the residue from said 23.2 acre Frank Beran (76/56) tract and the Northeast line of the residue from said 23.2 acre Frank Beran (77/333) tract, **South 52 deg. 44 min. 01 sec. East 1173.75 feet** to a cross tie corner post found in the Northwest line of a 23.2 acre tract conveyed to Billie Beran by deed recorded in volume 415, page 205, for the East corner of the residue from said 23.2 acre Frank Beran (77/333) tract and an East corner hereof;

THENCE with the Northwest line of said 23.2 acre Billie Beran tract, the Southeast line of said 23.2 acre Frank Beran (77/333) tract, **South 18 deg. 32 min. 07 sec. West 514.45 feet** to a calculated point found in the Northeast line of said 30.3 acre Frank Beran tract, for the West corner of said 23.2 acre Billie Beran tract, the South corner of said 23.2 acre Frank Beran (77/333) tract, and an interior corner hereof;

THENCE with the Northeast line of said 30.3 acre Frank Beran tract, **South 47 deg. 32 min. 55 sec. East 923.63 feet** to a fence corner post for the North corner of a 24.3 acre tract conveyed to Adolph Beran by deed recorded in volume 83, page 41, the East corner of said 30.3 acre Frank Beran tract and an East corner hereof;

THENCE with the Northwest line of said 24.3 acre Adolph Beran tract, the Southeast line of said 30.3 acre Frank Beran tract, **South 42 deg. 33 min. 05 sec. West 1389.13 feet** to a cross tie corner post found in the Northeast line of a 7-1/2 foot strip of land as described in volume 83, page 41, for an interior corner hereof;

THENCE with the Northeast line of said 7-1/2 foot strip of land, **South 47 deg. 36 min. 40 sec. East 770.40 feet** to a calculated point in the approximate center of Burleson County Road 106, for the South corner of said Adolph Beran tract, and the Southerly East corner hereof; said calculated point for corner bears South 47 deg. 36 min. 40 sec. East - 35.18 feet from a 1-1/2 inch pipe found for reference at a cross tie corner post in the Northwest margin of said Burleson County Road 106;

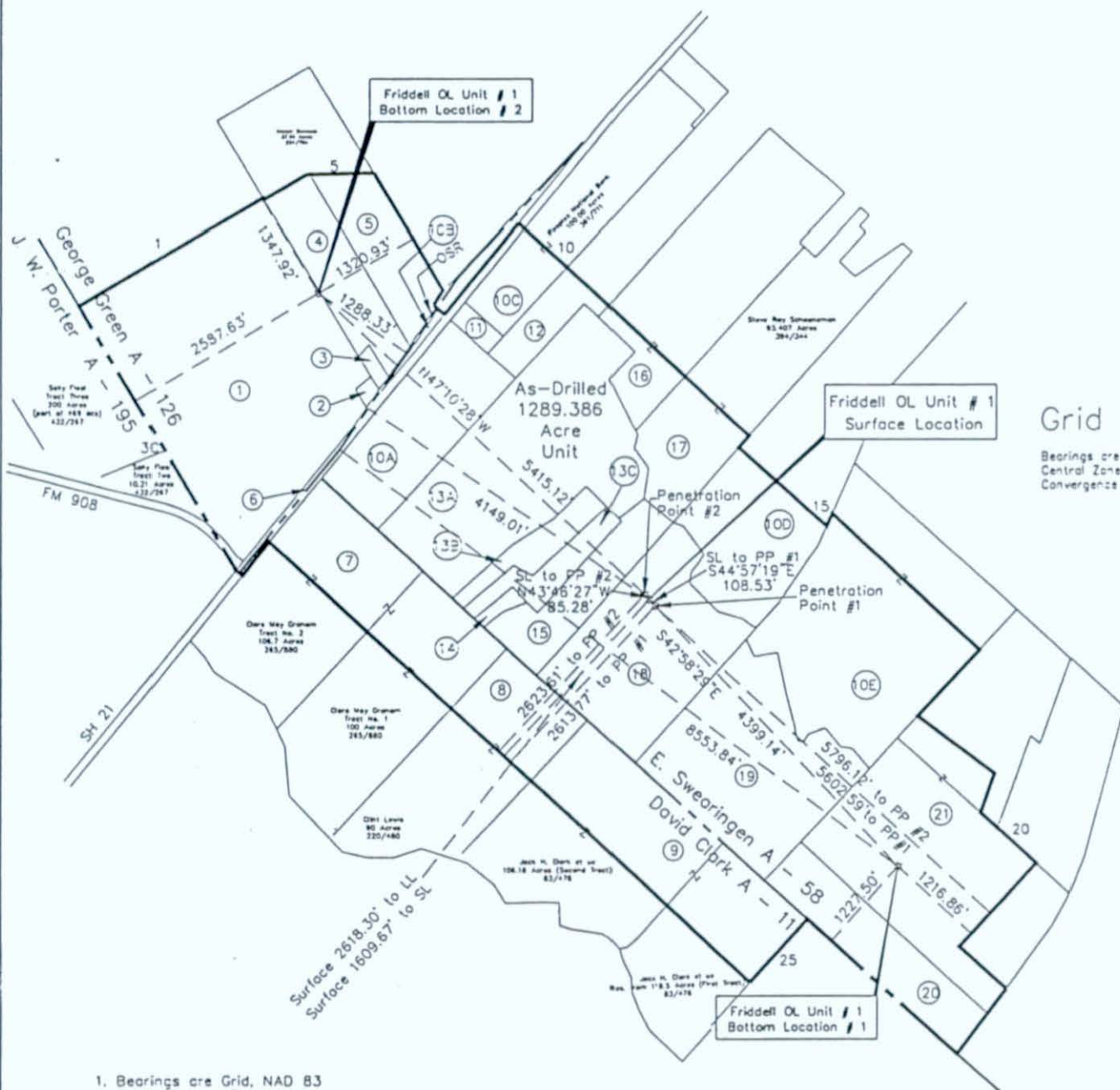
THENCE with the approximate center of Burleson County Road 106, the Southeast line of said 26.3 Frank Beran tract, the South line of said 23.3 acre (Second Tract) Brinkman tract, the South line of said 23.3 acre (First Tract) Brinkman tract, **South 36 deg. 30 min. 50 sec. West 1001.34 feet** to a calculated point within the margins of Burleson County Road 106, the Northeast line of the David Clark Survey, Abstract 11, the Southeast line of said Swearingen Survey, for the South corner of said 23.3 acre (First Tract) Brinkman tract and the South corner hereof; said calculated point for corner bears South 47 deg. 57 min. 52 sec. East - 35.16 feet from a 5/8 inch iron rod found at the intersection of the Northeast margin of Burleson County Road 108 and the Northwest margin of Burleson County Road 106;

THENCE with the Northeast line of said Clark Survey, the Southwest line of said Swearingen Survey, the Southwest line of said 23.3 acre (First Tract) Brinkman tract, **North 47 deg. 57 min. 52 sec. West 2482.34 feet** to a calculated point for the East corner of said 48.56 acre Clark tract and an interior corner hereof; said calculated point for corner bears North 42 deg. 07 min. 12 sec. East - 4.51 feet from a 6 inch bois' d arc tree found for reference hereof;

THENCE with the Southeast line of said 48.56 acre Clark tract, **South 42 deg. 07 min. 12 sec. West 991.66 feet** to a 5/8 inch iron rod and **South 41 deg. 24 min. 59 sec. West 55.24 feet** to a calculated point for a South corner hereof;

THENCE across said 48.56 acre Clark tract and said 106.18 acre Clark tract, **North 47 deg. 20 min. 39 sec. West at 3666.31 feet** passing the Southeast line of said 90 acre Lewis

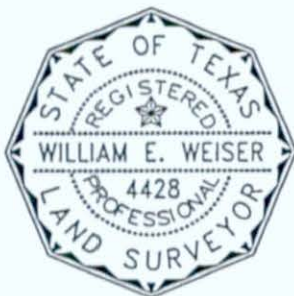
BURLESON COUNTY, TEXAS



Grid NAD 83

Bearings are Texas State Plane
Central Zone NAD 83/93
Convergence 01'51'19"

1. Bearings are Grid, NAD 83
Texas Central Zone.
2. Well is located S35°39'W 3.71 miles
from Caldwell Texas.
Latitude 30°29'40" North
Longitude 96°43'53" West
Elevation 377
USGS 7.5 min. Quad "Frenstadt"
3. Title work provided by
Clayton Williams Energy, Inc.
Midland, Texas
4. As-Drilled information provided by
Clayton Williams Energy, Inc.
Midland, Texas



Staked in August 1996.

William E. Weiser
Professional Land Surveyor
Number 4428

Clayton Williams Energy, Inc.

Friddell OL # 1 As-Drilled

1289.386 Acre Unit

Prepared By Weiser Becker Surveyors, P.C.
P.O. Box 706 Giddings, Texas 78942 409-542-4444

Drawn By: Weiser	Date: 8-22-96	Scale: 1" = 2000'	Book 77, Page 07
Disk: G	Revised: 11-14-96	Rev. # 5-B	Dwg # 961228 W.O. # 961228

CWI Friddell #1

page 5

tract, the Northwest line of said 106.18 acre Clark tract and continuing across said 90 acre Lewis tract, at 4988.64 feet passing the Northwest line of said 90 acre Lewis tract, the Southeast line of said 100 acre Graham tract and continuing across said 100 acre Graham tract and said 106.7 acre Graham tract, a total distance of 7988.24 feet to a calculated point in the Southeast margin of Old State Highway 21, for an interior corner hereof;

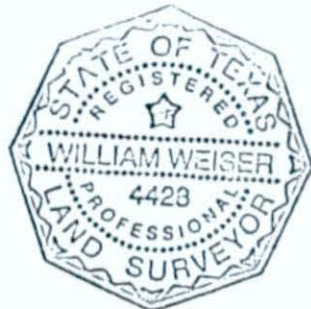
THENCE with the Southeast margin of said Old State Highway 21, South 38 deg. 50 min. 03 sec. West 524.28 feet to a calculated point for the Westerly South corner hereof;

THENCE across said old State Highway 21, North 51 deg. 09 min. 57 sec. West 100.00 feet to a calculated point in the Northwest margin of old State Highway 21, the Southwest line of said Green Survey, the Northeast line of said Porter Survey, the Southerly South corner of said 469 acre Flosi tract for an angle corner hereof;

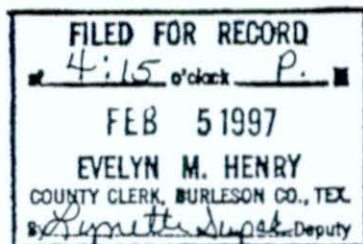
THENCE with the Southwest line of said Green Survey, the Northeast line of said Porter Survey, North 30 deg. 40 min. 57 sec. West 3755.92 feet to the PLACE OF BEGINNING and containing 1289.386 acres of land.

Bearings and distances are grid, NAD 83, Texas State Plane, Central Zone. Reference is hereby made to a plat attached hereto and made a part hereof.

I hereby certify that this description is an accurate representation of an on the ground survey completed under my supervision in August, 1996.



William E. Weiser
William E. Weiser
Professional Land Surveyor
Number 4428
Date of Signature: 11-19-96



THE STATE OF TEXAS
COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 5 day of February, 19 97, at 4:15 o'clock P. M. and duly recorded on 6 day of February, 19 97, in the Oil and Gas Lease Record of said County, in Vol. 258 Page 167-178.

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

By _____, Deputy

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



FILED FOR RECORD
 at 4:15 o'clock P.
 FEB 5 1997
 EVELYN M. HENRY
 COUNTY CLERK, BURLESON CO., TEX.
 By *Lynette L. [Signature]* Deputy

Clayton Williams Energy, Inc
 6 Dasta Dr. Ste 3000
 Midland, TX 79705
 ATTN: hand Dept.

10

M.F. 97515

Correspondence File
* CLAYTON Williams ENERGY, Inc.

From
Dated 1-31-97



January 27, 1997

I, Garry Mauro, Commissioner of the General Land Office of the State of Texas, do hereby certify that the papers, records, and documents of said office show:

That this Certificate of Fact is supplemental to and amends that certain Certificate of Fact, dated December 18, 1996, and issued to Mr. Allen Lee Click, covering Section 128, Gregorio Ruiz Survey, Duval County, Texas;

That the following oil & gas lease M-97515 is to be included in the Certificate of Fact, to wit:

That on August 15, 1996, Ponciano Ruiz, individually, and as agent for the State of Texas, executed and delivered a State Relinquishment Act Oil & Gas Lease, covering "One Hundred Sixty and No/100 (160.00) acres of land, more or less, being in the form of a square and being the South one-quarter (S/4) of the Gregorio Ruiz Survey No. 128, Abstract No. 1922, Duval County, Texas, and also being the same tract of land depicted by the dotted shading on the plat attached hereto as Exhibit "B".", to the Dan A. Hughes Company, for a primary term of three (3) years, with a cash bonus of \$26,000.00, and an annual delay rental of \$1,600.00, with like amounts payable each to landowner and State, and a royalty of three-sixteenths (3.16), one-half payable to landowner and State, and a copy of said lease was filed in the Texas General Land Office on August 15, 1996, in Mineral File M-97515;

IN TESTIMONY WHEREOF, I hereto set my hand and seal of said office the first date above written.

GARRY MAURO
COMMISSIONER

GM/MC

Mr. Allen Lee Click
421 E. 6th Street, Ste. G
Austin, TX 78701-3758

Fee: \$ NC
Dicta No. 97-040.A
Files: Mineral File M-97515

(11)

FILE NO. M-97515
Dural COUNTY

CP 97-040-A

FILED 2-13-97

GARRY MAURO, COM'R

BY M. Callan



CLAYTON WILLIAMS ENERGY, INC.

JERRY F. GRONER
Vice-President
Land & Lease Administration
(915) 688-3013

March 19, 1997



GENERAL LAND OFFICE of the
STATE OF TEXAS
Stephen F. Austin Building
1700 N. Congress
Austin, TX 78701

Attn: Drew Reid

RE: Oil and Gas Leases with
Clayton Williams Energy, Inc.
State Lease # M-97515 (CWEI Lse # 2-07869)
S. Caldwell Prospect
BURLESON COUNTY, TEXAS

97040458

Dear Mr. Reid:

As required in the above referenced Oil and Gas Lease to Clayton Williams Energy, Inc., I have enclosed a certified copy of the subject lease as required. A check in the amount of \$25.00 for filing fees is also attached.

If you have any questions, please feel free to contact me at (915) 688-3801.

Thanking you, I remain,

Margarita L. Rowley
LAND ADMINISTRATOR

mlr:
Encl.
letter.mr\345



CLAYTON WILLIAMS ENERGY, INC. 6 DESTA DRIVE - SUITE 1100 MIDLAND, TEXAS 79705-5510

INVOICE DATE	INVOICE NUMBER	VOUCHER NUMBER	DESCRIPTION	AMOUNT
04/08/97	CK REQ 04/08	310252	State of Texas #M-97515 Our Lease #207869 Required filing fee w/certified copy of lease S. Caldwell Prospect Burleson County, Texas Prospect: N. Burleson Lease #207896	25.00 97040458
<div style="display: flex; justify-content: space-between;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg);"> RECEIVED 57 APR 14 PM 2:19 ENERGY SERVICES </div> <div style="text-align: center;"> <i>A. Reed</i> </div> <div style="text-align: center;"> <u>170</u> </div> </div>				
CHECK NUMBER	CHECK DATE	VENDOR NUMBER	VENDOR NAME	
43556	4/09/97	006777	TEXAS GENERAL LAND OFFICES	

The State of Texas

385

2-07869



Austin, Texas

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PAID-UP
OIL AND GAS LEASE NO. M-97515
GENERAL LAND OFFICE
AUSTIN, TEXAS

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress, Austin, Texas, 78701, hereinafter called "Lessor", hereunto authorized by the School Land Board, pursuant to the provisions of Chapters 32 and 52 of the Natural Resources Code (hereinafter called N.R.C.), and amendments thereto, and all applicable rules promulgated by the School Land Board, and Clayton Williams, Inc., whose address is , Clay Desta Center, Six Desta Drive, Suite 3000, Midland, Texas 79705 hereinafter called "Lessee".

1. Lessor, in consideration of One Thousand One Hundred Fifty Eight and 00/100 Dollars (\$1,158.00), receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of Burleson, State of Texas, and is described as follows:

13.882 acres of land, more or less, situated in said Burleson County, Texas, more particularly described in Exhibit "A" attached hereto and made a part hereof

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STATE OF TEXAS
COUNTY OF BURLESON
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Thereby certified, on



Edgar M. Henry
County Clerk
Burleson County, Texas

together with a plat, attached hereto as Exhibit "B", depicting said right-of-way and surrounding area for purposes of illustration only.

For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 13.882 acres, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. PRIMARY TERM: This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of three (3) years from September 3, 1996, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. ROYALTIES: As royalty Lessee covenants and agrees:

(a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its well, the equal one sixth (1/6) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such one sixth (1/6) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil;

(b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by lessee, one sixth (1/6) of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one sixth (1/6) of such gas and casinghead gas.

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

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

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Burleson County, Texas

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(e) If at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check of lessee, as royalty, the sum of \$25.00. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

(f) All royalties not taken in kind shall be paid to the Commissioner of the General Land Office at Austin, Texas, in the following manner:

Royalty on oil is due and must be received in the General Land Office on or before the 5th day of the second month succeeding the month of production, and royalty on gas is due and must be received in the General Land Office on or before the 15th day of the second month succeeding the month of production, accompanied by the affidavit of the owner, manager, or other authorized agent, completed in the form and manner prescribed by the General Land Office and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas, together with a copy of all documents, records or reports confirming the gross production, disposition and market value including gas meter readings, pipeline receipts, gas line receipts and other checks or memoranda of amount produced and put into pipelines, tanks, or pools and gas lines or gas storage, and any other reports or records which the General Land Office may require to verify the gross production, disposition and market value. In all cases the authority of a manager or agent to act for the Lessee herein must be filed in the General Land Office. Each royalty payment shall be accompanied by a check stub, schedule, summary or other remittance advice showing by the assigned General Land Office lease number the amount of royalty being paid on each lease. If Lessee pays his royalty on or before thirty (30) days after the royalty payment was due, the Lessee owes a penalty of 5% on the royalty or \$25.00, whichever is greater. A royalty payment which is over thirty (30) days late shall accrue a penalty of 10% of the royalty due or \$25.00, whichever is greater. In addition to a penalty, royalties shall accrue interest at a rate of 12% per year; such interest will begin accruing when the royalty is sixty (60) days overdue. Affidavits and supporting documents which are not filed when due shall incur a penalty in an amount set by the General Land Office

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County Clerk
Burleson County, Texas

administrative rule which is effective on the date when the affidavits or supporting documents were due. The Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value. The State shall have first lien upon all oil and gas produced from the area covered by this lease to secure the payment of all unpaid royalty and other sums of money that may become due to the State hereunder.

4. POOLING: (a) Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons. Units pooled for oil hereunder shall not exceed 160 acres each in area, and units pooled for gas hereunder shall not exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, unless oil or gas units of a greater size are allowed under or prescribed by rules of the Railroad Commission of Texas. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, as operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) the proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall

STATE OF TEXAS
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4-2-97



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Burleson County, Texas

it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force for so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

(b) Neither unit production of oil or gas, nor unit operations, nor payment of shut-in royalties from a unit gas well, shall serve to hold the lease in force as to any area outside the unit, regardless of whether the production, maintenance of a shut-in gas well, or operations are actually located on the State tract or not.

(c) Lessee agrees to file with the General Land Office a copy of any unit designation which this lease is included within ninety (90) days of such designation.

5. RELEASE: Lessee may relinquish the rights granted hereunder to the State at any time by recording the relinquishment in the county where this area is situated and filing the recorded relinquishment or certified copy of same in the General Land Office within ninety (90) days after its execution accompanied by the prescribed filing fee. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

6. REWORK: If at any time or times during the primary term operations are conducted on said land and if all operations are discontinued, this lease shall thereafter terminate at the end of the primary term or on the ninetieth day after discontinuance of all operations, whichever is the later date, unless on such later date either (1) Lessee is conducting operations or (2) the shut-in well provisions of paragraph 3 or the provisions of paragraph 9 are applicable. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to

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County Clerk
Burleson County, Texas

obtain production of oil or gas, or production of oil or gas in paying quantities.

7. MINERAL USE: Lessee shall have the use, free from royalty, of oil and gas produced from said land in all operations hereunder.

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

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

10. LESSER ESTATE, CLAUSE: If this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessors interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease bears to the whole and undivided fee simple estate therein.

11. ASSIGNMENTS: This lease may be transferred at any time. All

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COUNTY OF BURLESON

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Carlton M. Henry
County Clerk
Burleson County, Texas

transfers must reference the lease by file number and must be recorded in the county where the land covered hereby is located, and the recorded transfer or a copy certified to by the County Clerk of the county where the transfer is recorded must be filed in the General Land Office within ninety (90) days of the execution date, as provided by N.R.C. Section 52.026, accompanied by the prescribed filing fee. Every transferee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original Lessee or any prior transferee of the lease, including any liabilities to the State for unpaid royalties.

12. WELL INFORMATION: Lessee agrees to forthwith furnish Lessor, upon written request, with copies of all drilling logs, electrical logs, cores and core records and other information pertaining to all wells drilled by lessee either on the leased premises or acreage pooled therewith, when requested to do so. Said information shall remain confidential as required by statute.

13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well located off the leased premises, or by pooling of said land with other land, lease or leases as hereinabove provided.

14. COMPENSATORY ROYALTY: Lessee shall pay a compensatory royalty if this lease is not being held by production on the leased premises, by production from a pooled unit, or by payment of shut-in royalties in accordance with the terms of this lease, and if oil or gas is sold or delivered in paying quantities from a well located within 2500 feet of the leased premises and completed in a producible reservoir underlying the area leased hereunder or in any case in which drainage is occurring. Such compensatory royalty shall be paid at the royalty rate provided in this lease based on the value of production from the well as provided in the lease on which such well is located. The compensatory royalty shall be paid in the same proportion that the acreage of this lease has to the acreage of the proration unit surrounding the draining well plus the acreage of this lease. The compensatory royalty shall be paid monthly to the Commissioner of the General Land Office on or before the last day of the month after the month in which the oil or gas is sold and delivered from the well causing the drainage or from the well located within 2500 feet of the leased premises and completed in a producible reservoir under this lease. Notwithstanding anything herein to the contrary, compensatory royalty payable hereunder shall be no less than an amount equal to \$50.00, and shall maintain this lease in effect for so long as such payments are made as provided herein.

15. FORFEITURE: If Lessee shall fail or refuse to make payment of

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County Clerk
Burleson County, Texas

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any sum within thirty (30) days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office, or refuse the proper authority access to the records pertaining to operations, or if Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if this lease is pooled or assigned and the unit designation or assignment is not filed in the General Land Office as required by law, the rights acquired under this lease shall be subject to forfeiture by the Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease. However, nothing herein shall be construed as waiving the automatic termination of this lease by operations of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative hereto.

16. RAILROAD COMMISSION: No natural gas or casinghead gas, including both associated and non-associated gas, produced from the mineral estate subject to this lease may be sold or contracted for sale to any person for ultimate use outside the State unless the Railroad Commission of Texas, after notice and hearing as provided in Title 3 of the N.R.C., finds that:

(a) the person, agency, or entity that executed the lease in question does not require the natural gas or casinghead gas to meet its own existing needs for fuel;

(b) no private or public hospital, nursing home, or other similar health-care facility in this state requires the natural gas or casinghead gas to meet its existing needs for fuel;

(c) no public or private school in this state that provides elementary, secondary, or higher education requires the natural gas or casinghead gas to meet its existing needs for fuel;

(d) no facility of the State or of any county, municipality, or other political subdivision in this state requires the natural gas or casinghead gas to meet its existing needs for fuel;

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

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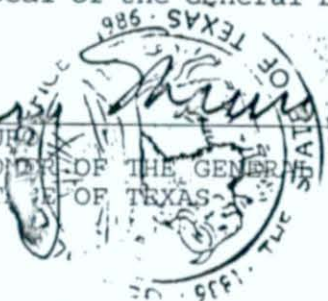
Carol M. Henry
County Clerk
Burleson County, Texas

(f) no person who resides in this state and who relies on natural gas or casinghead gas to provide in whole or part his existing needs for fuel or raw material requires the natural gas or casinghead gas to meet those needs; provided, however, after notice and hearing as provided in Title 3 of the N.R.C., the Railroad Commission of Texas may grant exceptions to these provisions of Subchapter H of Chapter 52 of the N.R.C. if it finds and determines that enforcement of such provisions:

- (1) would cause physical waste as defined in Title 3 of the N.R.C.; or
- (2) would unreasonably deny to the Lessee an opportunity to produce economically hydrocarbons from the land subject to this lease.

IN TESTIMONY WHEREOF, witness the signature of the Commissioner of the General Land Office, under the seal of the General Land Office, effective as of September 3, 1996.


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



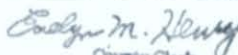
Approved:
Energy: RH
Executive: SR

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STATE OF TEXAS
COUNTY OF BURLESON
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Thereby certified, on 4-2-97




Evelyn M. Henry
County Clerk
Burleson County, Texas

STATE OF TEXAS

COUNTY OF BURLESON

LAND DESCRIPTION

Survey plat showing 13.882 acres of land, a part of the George Green Survey, Abstract 126, the David Clark Survey, Abstract 11, and the E. Swearingen Survey, Abstract 58, Burleson County, Texas, and being a part of the Old San Antonio Road and also being that portion of a 100' wide right of way of Old State Highway 21 from centerline station 768+83.93 to 823+38.71, as conveyed to the State of Texas by deeds recorded in volume 97, page 48, volume 77, page 64, volume 72, page 630 and volume 77, page 63 of the Deed Records of Burleson County, Texas. Said 13.883 acre tract being more particularly described as follows:

BEGINNING at a calculated point in Southwest line of said Green Survey, the Northeast line of said Porter Survey, the Northwest margin of Old State Highway 21, 50 foot offset from and parallel to CL Station 768+83.93, for the West corner hereof; said calculated point for corner having state plane coordinates of 10162235.8273 Northing and 3425832.3154 Easting and said calculated point for corner bears North 66 deg. 14 min. 39 sec. East - 65.46 feet from a concrete marker found for reference at the intersection of the Southwest margin of FM Highway 908 and the Northwest margin of present State Highway 21;

THENCE with the Northwest margin of Old State Highway 21, being within the margins of the current Highway 21, North 38-50-03 East 2306.47 feet to a calculated point at the intersection of the Northwest margin of said Old San Antonio Road and the Northwest margin of Old State Highway 21, for an angle corner hereof;

THENCE with the Northwest margin of said Old San Antonio Road, North 34-12-14 East 1730.38 feet to a calculated point for the Westerly North corner hereof;

THENCE across said Old San Antonio Road, and South 47-46-31 East 40.40 feet to a calculated point in the Southeast margin of said Old San Antonio Road for the Southerly East corner hereof;

THENCE with the Southeast margin of Old San Antonio Road, South 34-12-14 West 1230.87 feet to a calculated point at the intersection of the Southeast margin of said Old San Antonio Road and the Northwest margin of said Old State Highway 21, for an interior corner hereof;

THENCE with the Northwest margin of said Old State Highway 21, North 38-50-03 East 2656.15 feet to a calculated point 50 foot offset from and parallel to CL Station 823+38.71, for the Northerly North corner hereof; said calculated point for corner having state plane coordinates of 10166487.5038 Northing and 3429254.9274 Easting and said calculated point for corner bears South 37 deg. 02 min. 59 sec. West - 1026.74 feet from a concrete marker found for reference in the Northwest margin of present State Highway 21;

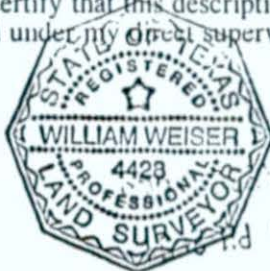
THENCE across said Old State Highway 21, South 47-20-39 East 100.22 feet to a calculated point in the Southeast margin of Old State Highway 21, for the Northerly East corner hereof;

THENCE with the Southeast margin of Old State Highway 21, South 38-50-03 West 5451.44 feet to a calculated point for the South corner hereof;

THENCE across said Old State Highway 21, North 51-09-57 West 100.00 feet to the PLACE OF BEGINNING and containing 13.882 acres of land.

Bearings and distances are Grid, NAD 83, based on the Texas State Plane Coordinate System, Central Zone. Reference is herein made to a plat attached hereto and made a part hereof.

I hereby certify that this description is an accurate representation of an on the ground survey completed under my direct supervision in August, 1996.



William E. Weiser

William E. Weiser
Professional Land Surveyor
Number 4428
Date of signature: 12-5-96

RECEIVED

doc G11221961228R

STATE OF TEXAS
COUNTY OF BURLESON
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file and of record in my office.
Thereby certified, on 4-2-97



Erlynn M. Henry
County Clerk
Burleson County, Texas

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Burleson County, Texas

Line	Course	Distance
1	N38°50'03"E	2306.47'
2	N34°12'14"E	1730.38'
3	S47°46'31"E	40.40'
4	S34°12'14"W	1230.87'
5	N38°50'03"E	2656.15'
6	S47°20'39"E	100.22'
7	S38°50'03"W	5451.44'
8	N51°09'57"W	100.00'

13.882 Acres

- Survey Notes:
1. Bearings are Grid, NAD 83 Texas Central Zone.
 2. Title information provided by Clayton Williams Energy, Inc. Midland, Texas.
 3. Reference is hereby made to a description attached hereto and made a part hereof.

Survey plot showing a 13.882 acre tract of land, a part of the George Green Survey, Abstract 126, the David Clark Survey, Abstract 11, and the E. Swearingen Survey, Abstract 58, Burleson County, Texas, and being a part of the Old San Antonio Road and also being that portion of a 100' wide right of way of Old State Highway 21 from centerline station 768+83.93 to 823+38.71, as conveyed to the State of Texas by deeds recorded in volume 97, page 48, volume 77, page 64, volume 72, page 630 and volume 77, page 63 of the Deed Records of Burleson County, Texas.

FILED FOR RECORD
 9:30 o'clock A.M.
 FEB 4 1997
 EVELYN M. HENRY
 COUNTY CLERK, BURLESON CO., TEX.
 By *Deputy* Deputy



Surveyed August, 1996.

William E. Weiser
 William E. Weiser
 Professional Land Surveyor
 Number 4428

STATE OF TEXAS
 COUNTY OF BURLESON
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Evelyn M. Henry
 Evelyn M. Henry
 County Clerk
 Burleson County, Texas

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Weiser Becker Surveyors, P.C.
 P.O. Box 706 Giddings, Texas 78942 409-542-4444

Drawn By: S.B. Date: 12-5-96 Scale: 1" = 600' Book 77, Page 07
 Disk: C Revised: Rev. #5-A Dwg #961228R W.O. #961228R

THE STATE OF TEXAS
 COUNTY OF BURLESON

I, Evelyn M. Henry, Clerk of the County Court of said County, do hereby certify the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 4 day of February, 19 97, at 9:00 o'clock A. M. and duly recorded on 6 day of February, 19 97, in the Oil & Gas Lease Record of said County, in Vol. 258 Page 142-152.

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

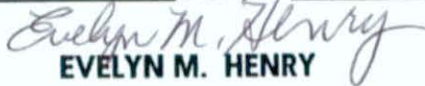
By _____, Deputy

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

STATE OF TEXAS
COUNTY OF BURLESON

I, EVELYN M. HENRY, County Clerk, Burleson County, Texas, do hereby certify that the foregoing is a true and correct copy of the original, as same appears of record in Vol. 258, Page 142-152, Oil & Gas Lease Records, Burleson County, Texas

Witness my hand and seal of office on this the 2 day of April A.D., 19 97


EVELYN M. HENRY

County Clerk, Burleson County, Texas

By _____
Deputy



(12) M-97515

Letter 3/19/97. Certified copy of lease & filing fee. 1/22/99.

12

Texas General
Land Office



David Dewhurst
Commissioner

December 1, 2000

CERTIFIED MAIL 7000 0520 0023 2503 5086

CLAYTON WILLIAMS ENERGY, INC.
SIX DESTA DRIVE
SUITE 3000
MIDLAND, TEXAS 79705

RE: Notice of non-payment on State Leases
(M-96387, 96579, 96731, 97515, 99298)

Dear Sir or Madam:

The Energy Inspections Division of the Texas General Land Office has completed a limited review of the above referenced lease operated by Clayton Williams, Inc. Through this review, it was determined that \$6,691.20 is due for various production periods starting in February 1995 through December 1999. This amount is comprised of \$1,313.97 in royalty, \$4,950.00 in penalty and \$427.23 in interest, which has been computed through December 31, 2000, in accordance with Section 52.131 of the Texas Natural Resources Code.

The following documents are attached in support of our findings:

- A brief summary of findings (Attachment I);
- Schedules supporting royalty, penalty and interest calculations (Attachment II/IIA, IIB, IIC& IID), and;
- Procedures used for assessment of penalties and interest (Attachment III).

To ensure your company remains in good standing with the General Land Office, please respond to this notice within 25 days of the above date. If your records reflect this royalty has been paid, please provide us with documentation of payments made and remittance dates. Payment of this notice should be submitted separately from monthly royalty payments you may be remitting. In order to ensure proper credit, your payment should be mailed to my attention along with a copy of this letter.

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

512-463-5001

Clayton Williams, Inc.
December 1, 2000
Page 2

This notice in no way precludes the General Land Office from pursuing any claim or remedy related to this royalty payment. Additionally, this notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Natural Resources Code and, consequently, does not preclude the General Land Office from conducting further examinations of this or other leases operated and/or reported by Clayton Williams, Inc. or from examining these or other issues and time periods in a future inspection of your books, accounts, reports or other records.

If you have any questions, please call John Cantu, Regional Inspections Manager, at (512) 475-1439 to discuss details of findings or Landia Robinson, Accounts Examiner, at (512) 475-1490 to discuss payment and production/royalty reports.

Sincerely,



Michael W. Dunn, Director
Energy Inspections Division
Energy Resources

MD/lr

CC: John Cantu
Regional Inspections Manager
Energy Resources
(512) 475-1439
e-mail: john.cantu@glo.state.tx.us

ATTACHMENT I
REVIEW SUMMARY

State Lease M-096387, 96579, 96731, 97515, 99298

During a routine field inspection conducted on Clayton Williams, Inc. well#'s 22650, 23104, 23219/23332, 22729/23527, 23484 it was determined that gas has been vented rather than sending it down a pipeline for processing. This vented gas has not been reported nor paid to the GLO.

State Leases M-96387, 96371, 97515, 99298 lease agreements Section 3(b) reads:

ROYALTIES: As royalty Lessee covenants and agrees: (b) To pay lessor on gas and casinghead gas produced... the market value, at the mouth of the well...

State Lease M-96579 lease agreement section 3 reads:

PRODUCTION ROYALTIES: Upon production of oil and/or gas, the lessee agrees to pay or cause to be paid..., (b)...royalty on any gas (including flared gas)...100% of the gross production or the comparable quality...

We have concluded that royalty revenue is due in the following amount.

Royalty	Penalty	Interest	Total
\$1,313.97	\$4,950.00	\$427.23	\$6,691.20

(See attachment II/IIA, IIB, IIC, IID for supporting calculations)

CLAYTON WILLIAMS
PRODUCTION ANALYSIS
VENTED GAS
GIDDINGS (AUSTIN CHALK-3) FIELD

ATTACHMENT II

AE: LWR
Filename: Clayton Williams
Date: 11/30/00

SUMMARY

Lease Name	Mineral File	Royalty Due	Penalty	Interest	Additional Royalty Due
Nigliazzo-Scamardo Unit	96579	\$329.61	\$1,475.00	\$155.99	\$1,960.60
Friddell OI Unit	97515	\$84.67	\$975.00	\$25.43	\$1,085.10
Scarpinato-Denena Unit & Muse- Fazzino Unit	96731 & 99298	\$586.92	\$600.00	\$131.76	\$1,318.68
Ely Unit	96731	\$96.25	\$725.00	\$24.67	\$845.92
Hudson-Destefano Unit	96387	\$216.52	\$1,175.00	\$89.38	\$1,480.90
Total		\$1,313.97	\$4,950.00	\$427.23	\$6,691.20

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: NIGLIAZZO-SCAMARDO
 MINLERAL FILE : 96579
 RRC#03-22650

ATTACHMENT IIA

Penalty Date
 12/31/00

AE: LWR
 Filename: Clayton Williams
 Date: 11/30/00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 22650 (A)	Tract Participation .0107254 (2) X .0107254	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Feb-95	745	7.99	2.36	18.84	1.000	18.84	2,087	25.00	12.56	56.40
Mar-95	787	8.44	2.36	19.90	1.000	19.90	2,057	25.00	13.07	57.97
Apr-95	658	7.06	2.36	16.64	1.000	16.64	2,026	25.00	10.76	52.40
May-95	509	5.46	2.36	12.87	1.000	12.87	1,996	25.00	8.20	46.07
Jun-95	312	3.35	2.36	7.90	1.000	7.90	1,965	25.00	4.95	37.85
Jul-95	775	8.31	2.36	19.59	1.000	19.59	1,934	25.00	12.08	56.67
Aug-95	210	2.25	2.36	5.30	1.000	5.30	1,904	25.00	3.21	33.51
Sep-95	300	3.22	2.36	7.59	1.000	7.59	1,873	25.00	4.53	37.12
Oct-95	220	2.36	2.36	5.56	1.000	5.56	1,843	25.00	3.26	33.82
Nov-95	270	2.90	2.36	6.84	1.000	6.84	1,812	25.00	3.94	35.78
Dec-95	300	3.22	2.36	7.59	1.000	7.59	1,781	25.00	4.30	36.89
Jan-96	270	2.90	2.36	6.84	1.000	6.84	1,752	25.00	3.81	35.65
Feb-96	220	2.36	2.36	5.56	1.000	5.56	1,721	25.00	3.04	33.60
Mar-96	290	3.11	2.36	7.33	1.000	7.33	1,691	25.00	3.93	36.26
Apr-96	240	2.57	2.36	6.06	1.000	6.06	1,660	25.00	3.19	34.25
May-96	170	1.82	2.36	4.29	1.000	4.29	1,630	25.00	2.22	31.51
Jun-96	240	2.57	2.36	6.06	1.000	6.06	1,599	25.00	3.07	34.13
Jul-96	270	2.90	2.36	6.84	1.000	6.84	1,568	25.00	3.39	35.23
Aug-96	300	3.22	2.36	7.59	1.000	7.59	1,538	25.00	3.69	36.28
Sep-96	300	3.22	2.36	7.59	1.000	7.59	1,507	25.00	3.61	36.20
Oct-96	285	3.06	2.36	7.21	1.000	7.21	1,477	25.00	3.36	35.57
Nov-96	271	2.91	2.36	6.86	1.000	6.86	1,446	25.00	3.13	34.99
Dec-96	270	2.90	2.36	6.84	1.000	6.84	1,415	25.00	3.05	34.89
Jan-97	288	3.09	2.36	7.28	1.000	7.28	1,387	25.00	3.18	35.46
Feb-97	280	3.00	2.36	7.07	1.000	7.07	1,356	25.00	3.01	35.08
Mar-97	310	3.32	2.36	7.83	1.000	7.83	1,326	25.00	3.26	36.09
Apr-97	155	1.66	2.36	3.91	1.000	3.91	1,295	25.00	1.59	30.50
May-97	240	2.57	2.36	6.06	1.000	6.06	1,265	25.00	2.40	33.46
Jun-97	210	2.25	2.57	5.78	1.000	5.78	1,234	25.00	2.23	33.01

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: NIGLIAZZO-SCAMARDO
 MINERAL FILE : 96579
 RRC#03-22650

ATTACHMENT IIA

Penalty Date
 12/31/00

AE: LWR
 Filename: Clayton Williams
 Date: 11/30/00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 22650 (A)	Tract Participation .0107254 (2) X .0107254	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Jul-97	140	1.50	2.41	3.62	1.000	3.62	1,203	25.00	1.36	29.98
Aug-97	30	0.32	2.44	0.78	1.000	0.78	1,173	25.00	0.29	26.07
Sep-97	154	1.65	2.82	4.65	1.000	4.65	1,142	25.00	1.66	31.31
Oct-97	112	1.20	2.82	3.38	1.000	3.38	1,112	25.00	1.17	29.55
Nov-97	99	1.06	3.90	4.14	1.000	4.14	1,081	25.00	1.39	30.53
Dec-97	143	1.53	3.07	4.70	1.000	4.70	1,050	25.00	1.53	31.23
Jan-98	116	1.24	2.77	3.43	1.000	3.43	1,022	25.00	1.09	29.52
Feb-98	78	0.84	2.24	1.88	1.000	1.88	991	25.00	0.58	27.46
Mar-98	137	1.47	2.48	3.64	1.000	3.64	961	25.00	1.08	29.72
Apr-98	98	1.05	2.76	2.90	1.000	2.90	930	25.00	0.83	28.73
May-98	110	1.18	2.64	3.12	1.000	3.12	900	25.00	0.86	28.98
Jun-98	112	1.20	2.18	2.62	1.000	2.62	869	25.00	0.70	28.32
Jul-98	99	1.06	2.62	2.78	1.000	2.78	838	25.00	0.71	28.49
Aug-98	96	1.03	2.18	2.25	1.000	2.25	808	25.00	0.55	27.80
Sep-98	109	1.17	2.01	2.35	1.000	2.35	777	25.00	0.55	27.90
Oct-98	79	0.85	2.60	2.21	1.000	2.21	747	25.00	0.50	27.71
Nov-98	91	0.98	2.53	2.48	1.000	2.48	716	25.00	0.54	28.02
Dec-98	118	1.27	2.38	3.02	1.000	3.02	685	25.00	0.62	28.64
Jan-99	40	0.43	2.06	0.89	1.000	0.89	657	25.00	0.17	26.06
Feb-99	98	1.05	1.95	2.05	1.000	2.05	626	25.00	0.38	27.43
Mar-99	83	0.89	1.80	1.60	1.000	1.60	596	25.00	0.28	26.88
Apr-99	112	1.20	2.09	2.51	1.000	2.51	565	25.00	0.42	27.93
May-99	93	1.00	2.69	2.69	1.000	2.69	535	25.00	0.42	28.11
Jun-99	92	0.99	2.52	2.49	1.000	2.49	504	25.00	0.36	27.85
Jul-99	52	0.56	2.62	1.47	1.000	1.47	473	25.00	0.20	26.67
Aug-99	96	1.03	3.02	3.11	1.000	3.11	443	25.00	0.39	28.50
Sep-99	94	1.01	3.38	3.42	1.000	3.42	412	25.00	0.40	28.82
Oct-99	68	0.73	3.55	2.59	1.000	2.59	382	25.00	0.28	27.87
Nov-99	113	1.21	3.74	4.52	1.000	4.52	351	25.00	0.43	29.95

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: NIGLIAZZO-SCAMARDO
 MINLERAL FILE : 96579
 RRC#03-22650

ATTACHMENT IIA

Penalty Date
 12/31/00

AE: LWR
 Filename: Clayton Williams
 Date: 11/30/00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 22650 (A)	Tract Participation .0107254 (2) X .0107254	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Dec-99	83	0.89	3.03	2.70	1.000	2.70	320	25.00	0.23	27.93
Total	12,640	135.58		\$329.61		\$329.61		\$1,475.00	\$155.99	\$1,960.60

NOTE:

- (A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-22650.
- (B) - PRICE - REPRESENTS THE PRICES REPORTED TO THE GLO ON GLO-2 REPORTS FOR M-96731. THE PRICE FOR THE MONTHS OF FEBRUARY 1995 THROUGH APRIL 1997 WERE NOT AVAILABLE AND WERE TAKEN FROM THE MONTH OF MAY 1997 (M-96731)
- (C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: FRIDDELL OL UNIT
 MINERAL FILE : 97515
 RRC#03-23104

ATTACHMENT IIB

Penalty Date
 12/31/00

AE: LWR
 Filename: Clayton Williams
 Date: 11/30/00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 23104 (A)	Tract Participation .0107663 (2) x .0107663	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Oct-96	310	3.34	2.36	7.87	0.166667	1.31	1,477	25.00	0.61	26.92
Nov-96	845	9.10	2.36	21.45	0.166667	3.58	1,446	25.00	1.63	30.21
Dec-96	660	7.11	2.36	16.75	0.166667	2.79	1,415	25.00	1.24	29.03
Jan-97	610	6.57	2.36	15.48	0.166667	2.58	1,387	25.00	1.13	28.71
Feb-97	353	3.80	2.36	8.96	0.166667	1.49	1,356	25.00	0.64	27.13
Mar-97	560	6.03	2.36	14.21	0.166667	2.37	1,326	25.00	0.99	28.36
Apr-97	285	3.07	2.36	7.23	0.166667	1.21	1,295	25.00	0.49	26.70
May-97	450	4.84	2.36	11.42	0.166667	1.90	1,265	25.00	0.75	27.65
Jun-97	460	4.95	2.57	12.72	0.166667	2.12	1,234	25.00	0.82	27.94
Jul-97	1,160	12.49	2.41	30.15	0.166667	5.03	1,203	25.00	1.89	31.92
Aug-97	800	8.61	2.44	21.00	0.166667	3.50	1,173	25.00	1.28	29.78
Sep-97	767	8.26	2.82	23.29	0.166667	3.88	1,142	25.00	1.38	30.26
Oct-97	614	6.61	2.82	18.64	0.166667	3.11	1,112	25.00	1.08	29.19
Nov-97	684	7.36	3.90	28.74	0.166667	4.79	1,081	25.00	1.61	31.40
Dec-97	599	6.45	3.07	19.82	0.166667	3.30	1,050	25.00	1.08	29.38
Jan-98	584	6.29	2.77	17.40	0.166667	2.90	1,022	25.00	0.92	28.82
Feb-98	507	5.46	2.24	12.21	0.166667	2.04	991	25.00	0.63	27.67
Mar-98	400	4.31	2.48	10.67	0.166667	1.78	961	25.00	0.53	27.31
Apr-98	572	6.16	2.76	17.00	0.166667	2.83	930	25.00	0.81	28.64
May-98	486	5.23	2.64	13.81	0.166667	2.30	900	25.00	0.64	27.94
Jun-98	446	4.80	2.18	10.46	0.166667	1.74	869	25.00	0.46	27.20
Jul-98	449	4.83	2.62	12.68	0.166667	2.11	838	25.00	0.54	27.65
Aug-98	431	4.64	2.18	10.12	0.166667	1.69	808	25.00	0.42	27.11
Sep-98	406	4.37	2.01	8.79	0.166667	1.47	777	25.00	0.35	26.82
Oct-98	383	4.12	2.60	10.72	0.166667	1.79	747	25.00	0.40	27.19
Nov-98	401	4.32	2.53	10.92	0.166667	1.82	716	25.00	0.39	27.21
Dec-98	250	2.69	2.38	6.41	0.166667	1.07	685	25.00	0.22	26.29
Jan-99	427	4.60	2.06	9.47	0.166667	1.58	657	25.00	0.31	26.89
Feb-99	320	3.45	1.95	6.72	0.166667	1.12	626	25.00	0.21	26.33
Mar-99	350	3.77	1.80	6.78	0.166667	1.13	596	25.00	0.20	26.33
Apr-99	334	3.60	2.09	7.53	0.166667	1.26	565	25.00	0.21	26.47
May-99	323	3.48	2.69	9.35	0.166667	1.56	535	25.00	0.24	26.80

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: FRIDDELL OL UNIT
 MINERAL FILE : 97515
 RRC#03-23104

ATTACHMENT IIB

Penalty Date
 12/31/00

AE: LWR
 Filename: Clayton Williams
 Date: 11/30/00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 23104 (A)	Tract Participation .0107663 (2) x .0107663	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Jun-99	265	2.85	2.52	7.19	0.166667	1.20	504	25.00	0.18	26.38
Jul-99	370	3.98	2.62	10.44	0.166667	1.74	473	25.00	0.24	26.98
Aug-99	333	3.59	3.02	10.84	0.166667	1.81	443	25.00	0.23	27.04
Sep-99	285	3.07	3.38	10.38	0.166667	1.73	412	25.00	0.20	26.93
Oct-99	271	2.92	3.55	10.35	0.166667	1.73	382	25.00	0.18	26.91
Nov-99	263	2.83	3.74	10.58	0.166667	1.76	351	25.00	0.17	26.93
Dec-99	285	3.07	3.03	9.31	0.166667	1.55	320	25.00	0.13	26.68
Total	18,298	197.00		\$507.86		\$84.67		\$975.00	\$25.43	\$1,085.10

NOTE:

(A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-23104.

(B) - PRICE - REPRESENTS THE PRICES REPORTED TO THE GLO ON GLO-2 REPORTS FOR M-96731. THE PRICE FOR THE MONTHS OF OCTOBER 1996 THROUGH APRIL 1997 WERE NOT AVAILABLE AND WERE TAKEN FROM THE MONTH OF MAY 1997 (M-96731)

(C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: SCARPINATO-DENENA UNIT / MUSE-FAZZINO UNIT
 MINERAL FILE: 96731, 99298
 RRC#03-23219, 23484

ATTACHMENT IIC-1

Penalty Date
 12/31/00

AE: LWR
 Filename: Clayton William
 Date: 11/30/00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Month	RRC Vented Gas W# 23484 (A)	RRC Production W# 23219 (A)	Tract Participation (2)x.018358	Tract Participation (3)x.016805	Total RRC Production (4) + (5)	Price (B)	Gross Value (6)X(7)	Royalty Decimal	Royalty Due (8)X(9)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (10)+(12)+(13)
Mar-97		490		8.23	8.23	2.36	19.41	0.25	4.85	1,326	25.00	2.02	31.87
Apr-97		2,440		41.00	41.00	2.36	96.67	0.25	24.17	1,295	25.00	9.82	58.99
May-97		4,100		68.90	68.90	2.36	162.43	0.25	40.61	1,265	25.00	16.10	81.71
Apr-98	1,482		27.21		27.21	2.76	75.09	0.25	18.77	930	25.00	5.37	49.14
May-98	5,512		101.19		101.19	2.64	267.14	0.25	66.79	900	25.00	18.47	110.26
Jun-98	3,734		68.55		68.55	2.18	149.39	0.25	37.35	869	25.00	9.95	72.30
Jul-98	4,314		79.20		79.20	2.62	207.72	0.25	51.93	838	25.00	13.30	90.23
Aug-98	3,168		58.16		58.16	2.18	126.78	0.25	31.70	808	25.00	7.81	64.51
Sep-98	2,236		41.05		41.05	2.01	82.51	0.25	20.63	777	25.00	4.87	50.50
Oct-98	2,360		43.32		43.32	2.60	112.64	0.25	28.16	747	25.00	6.37	59.53
Nov-98	1,870		34.33		34.33	2.53	86.85	0.25	21.71	716	25.00	4.69	51.40
Dec-98	729		13.38		13.38	2.38	31.85	0.25	7.96	685	25.00	1.64	34.60
Jan-99	1,411		25.90		25.90	2.06	53.36	0.25	13.34	657	25.00	2.62	40.96
Feb-99	1,628		29.89		29.89	1.95	58.28	0.25	14.57	626	25.00	2.72	42.29
Mar-99	1,820		33.41		33.41	1.80	60.14	0.25	15.04	596	25.00	2.66	42.70
Apr-99	1,686		30.95		30.95	2.09	64.81	0.25	16.20	565	25.00	2.69	43.89
May-99	1,360		24.97		24.97	2.69	67.16	0.25	16.79	535	25.00	2.63	44.42
Jun-99	1,615		29.65		29.65	2.52	74.71	0.25	18.68	504	25.00	2.73	46.41
Jul-99	1,649		30.27		30.27	2.62	79.34	0.25	19.84	473	25.00	2.70	47.54
Aug-99	1,662		30.51		30.51	3.02	92.27	0.25	23.07	443	25.00	2.91	50.98
Sep-99	1,562		28.68		28.68	3.38	96.98	0.25	24.25	412	25.00	2.81	52.06
Oct-99	1,681		30.86		30.86	3.55	109.47	0.25	27.37	382	25.00	2.91	55.28
Nov-99	1,582		29.04		29.04	3.74	108.49	0.25	27.12	351	25.00	2.60	54.72
Dec-99	1,150		21.11		21.11	3.03	64.06	0.25	16.02	320	25.00	1.37	42.39
Total	44,211	7,030	811.63	118.14	929.76		\$2,347.55		\$586.92		\$600.00	\$131.76	\$1,318.68

NOTE:

(A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-23219, 23484.

(B) - PRICE - REPRESENTS THE PRICES REPORTED TO THE GLO ON GLO-2 REPORTS FOR M-96731. THE PRICE FOR THE MONTHS OF MARCH 1997 AND APRIL 1997 WERE NOT AVAILABLE AND WERE TAKEN FROM THE MONTH OF MAY 1997 (M-96731).

(C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: ELY UNIT
 MINERAL FILE: 96731
 RRC#03-23332

ATTACHMENT IIC-2

Penalty Date
 12/31/00

AE: LWR
 Filename: Clayton Williarr
 Date: 11/30/00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 23332 (A)	Tract Participation (4)x.005390	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Aug-97	420	2.26	2.44	5.51	0.225	1.24	1,173	25.00	0.45	26.69
Sep-97	2,412	13.00	2.82	36.66	0.225	8.25	1,142	25.00	2.94	36.19
Oct-97	2,539	13.69	2.82	38.60	0.225	8.69	1,112	25.00	3.01	36.70
Nov-97	1,480	7.98	3.90	31.14	0.225	7.01	1,081	25.00	2.36	34.37
Dec-97	1,525	8.22	3.07	25.27	0.225	5.69	1,050	25.00	1.85	32.54
Jan-98	1,430	7.71	2.77	21.33	0.225	4.80	1,022	25.00	1.52	31.32
Feb-98	976	5.26	2.24	11.77	0.225	2.65	991	25.00	0.81	28.46
Mar-98	1,489	8.03	2.48	19.89	0.225	4.48	961	25.00	1.33	30.81
Apr-98	1,464	7.89	2.76	21.78	0.225	4.90	930	25.00	1.40	31.30
May-98	1,355	7.30	2.64	19.27	0.225	4.34	900	25.00	1.20	30.54
Jun-98	1,146	6.18	2.18	13.47	0.225	3.03	869	25.00	0.81	28.84
Jul-98	1,050	5.66	2.62	14.85	0.225	3.34	838	25.00	0.86	29.20
Aug-98	1,073	5.78	2.18	12.60	0.225	2.84	808	25.00	0.70	28.54
Sep-98	862	4.65	2.01	9.35	0.225	2.10	777	25.00	0.50	27.60
Oct-98	903	4.87	2.60	12.66	0.225	2.85	747	25.00	0.64	28.49
Nov-98	821	4.43	2.53	11.21	0.225	2.52	716	25.00	0.54	28.06
Dec-98	441	2.38	2.38	5.66	0.225	1.27	685	25.00	0.26	26.53
Jan-99	665	3.58	2.06	7.37	0.225	1.66	657	25.00	0.33	26.99
Feb-99	531	2.86	1.95	5.58	0.225	1.26	626	25.00	0.23	26.49
Mar-99	478	2.58	1.80	4.64	0.225	1.04	596	25.00	0.18	26.22
Apr-99	778	4.19	2.09	8.77	0.225	1.97	565	25.00	0.33	27.30
May-99	656	3.54	2.69	9.52	0.225	2.14	535	25.00	0.33	27.47
Jun-99	734	3.96	2.52	9.98	0.225	2.25	504	25.00	0.33	27.58
Jul-99	810	4.37	2.62	11.45	0.225	2.58	473	25.00	0.35	27.93
Aug-99	464	2.50	3.02	7.56	0.225	1.70	443	25.00	0.21	26.91
Sep-99	866	4.67	3.38	15.79	0.225	3.55	412	25.00	0.41	28.96
Oct-99	700	3.77	3.55	13.37	0.225	3.01	382	25.00	0.32	28.33
Nov-99	703	3.79	3.74	14.16	0.225	3.19	351	25.00	0.31	28.50

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: ELY UNIT
 MINERAL FILE: 96731
 RRC#03-23332

ATTACHMENT IIC-2

Penalty Date
 12/31/00

AE: LWR
 Filename: Clayton William
 Date: 11/30/00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 23332 (A)	Tract Participation (4)x.005390	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Dec-99	515	2.78	3.03	8.44	0.225	1.90	320	25.00	0.16	27.06
Total	29,286	157.88		\$427.65		\$96.25		\$725.00	\$24.67	\$845.92

NOTE:

- (A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-23332.
- (B) - PRICE - REPRESENTS THE PRICES REPORTED TO THE GLO ON GLO-2 REPORTS FOR M-96731.
- (C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: HUDSON-DESTEFANO
 MINERAL FILE: 96387
 RRC#03-22729, 23527

ATTACHMENT IID

Penalty Date
 12/31/00

AE: LWR
 Filename: Clayton Williar
 Date: 11/30/00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Month	RRC Vented Gas W# 23527 (A)	RRC Vented Gas W# 22729 (A)	Tract Participation 0.013645 (2) x (.013645)	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Apr-95		5,708	77.89	2.36	183.61	0.20	36.72	2,026	25.00	23.75	85.47
Jun-95		2,467	33.66	2.36	79.36	0.20	15.87	1,965	25.00	9.94	50.81
Sep-95		1,766	24.10	2.36	56.81	0.20	11.36	1,873	25.00	6.77	43.13
Oct-95		1,534	20.93	2.36	49.35	0.20	9.87	1,843	25.00	5.79	40.66
Nov-95		1,192	16.26	2.36	38.34	0.20	7.67	1,812	25.00	4.42	37.09
Dec-95		706	9.63	2.36	22.71	0.20	4.54	1,781	25.00	2.57	32.11
Jan-96		403	5.50	2.36	12.96	0.20	2.59	1,752	25.00	1.44	29.03
Feb-96		141	1.92	2.36	4.54	0.20	0.91	1,721	25.00	0.50	26.41
Mar-96		775	10.57	2.36	24.93	0.20	4.99	1,691	25.00	2.68	32.67
Apr-96		230	3.14	2.36	7.40	0.20	1.48	1,660	25.00	0.78	27.26
May-96		330	4.50	2.36	10.62	0.20	2.12	1,630	25.00	1.09	28.21
Jun-96		300	4.09	2.36	9.65	0.20	1.93	1,599	25.00	0.98	27.91
Jul-96		310	4.23	2.36	9.97	0.20	1.99	1,568	25.00	0.99	27.98
Aug-96		310	4.23	2.36	9.97	0.20	1.99	1,538	25.00	0.97	27.96
Sep-96		300	4.09	2.36	9.65	0.20	1.93	1,507	25.00	0.92	27.85
Oct-96		285	3.89	2.36	9.17	0.20	1.83	1,477	25.00	0.85	27.68
Nov-96		271	3.70	2.36	8.72	0.20	1.74	1,446	25.00	0.79	27.53
Dec-96		250	3.41	2.36	8.04	0.20	1.61	1,415	25.00	0.72	27.33
Jan-97		177	2.42	2.36	5.69	0.20	1.14	1,387	25.00	0.50	26.64
Feb-97		227	3.10	2.36	7.30	0.20	1.46	1,356	25.00	0.62	27.08
Mar-97		342	4.67	2.36	11.00	0.20	2.20	1,326	25.00	0.92	28.12
May-97		340	4.64	2.36	10.94	0.20	2.19	1,265	25.00	0.87	28.06
Sep-97		187	2.55	2.82	7.20	0.20	1.44	1,142	25.00	0.51	26.95
Oct-97		171	2.33	2.82	6.58	0.20	1.32	1,112	25.00	0.46	26.78
Nov-97		218	2.97	3.90	11.61	0.20	2.32	1,081	25.00	0.78	28.10
Dec-97		118	1.61	3.07	4.95	0.20	0.99	1,050	25.00	0.32	26.31
Jan-98		39	0.53	2.77	1.47	0.20	0.29	1,022	25.00	0.09	25.38
Feb-98		38	0.52	2.24	1.16	0.20	0.23	991	25.00	0.07	25.30
Jun-98	1,376		18.78	2.18	40.92	0.20	8.18	869	25.00	2.18	35.36

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: HUDSON-DESTEFANO
 MINERAL FILE: 96387
 RRC#03-22729, 23527

ATTACHMENT IID

Penalty Date
 12/31/00

AE: LWR
 Filename: Clayton Williar
 Date: 11/30/00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Month	RRC Vented Gas W# 23527 (A)	RRC Vented Gas W# 22729 (A)	Tract Participation 0.013645 (2) x (.013645)	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Jul-98	1,757		23.97	2.62	62.88	0.20	12.58	838	25.00	3.22	40.80
Aug-98	1,480		20.19	2.18	44.02	0.20	8.80	808	25.00	2.17	35.97
Sep-98	1,301		17.75	2.01	35.68	0.20	7.14	777	25.00	1.69	33.83
Oct-98	1,110		15.15	2.60	39.38	0.20	7.88	747	25.00	1.78	34.66
Nov-98	831		11.34	2.53	28.69	0.20	5.74	716	25.00	1.24	31.98
Dec-98	628		8.57	2.38	20.39	0.20	4.08	685	25.00	0.84	29.92
Jan-99	464		6.33	2.06	13.04	0.20	2.61	657	25.00	0.51	28.12
Feb-99	418		5.70	1.95	11.12	0.20	2.22	626	25.00	0.41	27.63
Mar-99	418		5.70	1.80	10.27	0.20	2.05	596	25.00	0.36	27.41
Apr-99	661		9.02	2.09	18.89	0.20	3.78	565	25.00	0.63	29.41
May-99	501		6.84	2.69	18.39	0.20	3.68	535	25.00	0.58	29.26
Jun-99	479		6.54	2.52	16.47	0.20	3.29	504	25.00	0.48	28.77
Jul-99	416		5.68	2.62	14.88	0.20	2.98	473	25.00	0.41	28.39
Aug-99	416		5.68	3.02	17.17	0.20	3.43	443	25.00	0.43	28.86
Sep-99	390		5.32	3.38	18.00	0.20	3.60	412	25.00	0.42	29.02
Oct-99	336		4.58	3.55	16.26	0.20	3.25	382	25.00	0.35	28.60
Nov-99	349		4.76	3.74	17.79	0.20	3.56	351	25.00	0.34	28.90
Dec-99	356		4.86	3.03	14.74	0.20	2.95	320	25.00	0.25	28.20
Total	13,687	19,135.00	447.86		\$1,082.68		\$216.52		\$1,175.00	\$89.38	\$1,480.90

NOTE:

(A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-23527 AND 22729.

(B) - PRICE - REPRESENTS THE PRICES REPORTED TO THE GLO ON GLO-2 REPORTS FOR M-96731. THE PRICE FOR THE MONTHS OF APRIL 1995 THROUGH APRIL 1997 WERE NOT AVAILABLE AND WERE TAKEN FROM THE MONTH OF MAY 1997 (M-96731).

(C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

(13)

File No. M-97515

Let to Clayton Affairs

From GLO

Date Filed: 12/6/00

David Dewhurst, Commissioner

By _____

Texas General
Land Office



David Dewhurst
Commissioner

March 13, 2001

CERTIFIED MAIL 7000 0520 0023 2503 6038

W. RAY PEACOCK
CLAYTON WILLIAMS ENERGY, INC.
SIX DESTA DRIVE
SUITE 3000
MIDLAND, TEXAS 79705

RE: Penalty on non-payment billing for State Leases
(M-96387, 96579, 96731, 97515, 99298)

Dear Mr. Peacock:

We received your letter on February 1, 2001 along with a check dated January 31, 2001 for the billing we submitted to you on December 1, 2000. In your response you requested a waiver of the penalty amount due on three leases since the leases are silent regarding flared gas. Please be advised that only the School Land Board has the authority to waive penalty. Therefore, please address your request for waiver of penalty to Mr. Jeff Pender, Director, Energy Section of our Legal Services Division and ask that your request be presented to the School Land Board.

Regarding the leases that are silent on flared gas, it is our contention that royalties are due on total production.

State Leases M-96387, 96371, 97515, 99298 lease agreements Section 3(b) reads:

ROYALTIES: As royalty Lessee covenants and agrees: (b) To pay the lessor on gas and casinghead gas produced... the market value, at the mouth of the well...

State Lease M-96579 lease agreement section 3 reads:

PRODUCTION ROYALTIES: Upon production of oil and/or gas, the lessee agrees to pay or caused to be paid..., (b)...royalty on any gas (including flared gas)...100% of the gross production or the comparable quality...

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

512-463-5001

Clayton Williams, Inc.
March 13, 2001
Page 2

A recalculation of the royalties was prepared using the gas price and BTU provided on your schedules. The penalty and interest was recomputed through payment receipt date of February 1, 2001 and your partial payment was applied. The result is that \$2,649.38 in penalty remains outstanding. This amount due is comprised of \$.09 in royalty, \$2,675.00 in penalty and (\$25.71) in interest.

The following documents are attached in support of our recalculation:

- A summary of recomputation by lease (Attachment I);
- Schedules supporting royalty, penalty and interest calculations (Attachment IIA, IIB, IIC, IID & IIE),

You are also hereby notified that if the amount now due is not received in this office by April 9, 2001, these leases will be forwarded to our legal division for appropriate action.

Sincerely,



John Cantu
Regional Inspections Manager
Energy Resources

MD/lr

CC: Michael W. Dunn, Director
Energy Inspections Division
Energy Resources

Jeff Pender, Director
Legal Services Division

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 VENTED / FLARED GAS
 GIDDINGS (AUSTIN CHALK-3) FIELD

ATTACHMENT I

AE: LWR
 Filename: Clayton Williams
 Date: 3/7/01

**SUMMARY
 AMOUNTS DUE BY LEASE**

Lease Name	Mineral File	Royalty Due (A)	Penalty	Interest	Additional Royalty Due
Nigliazzo-Scamardo Unit	96579	\$365.68	\$1,475.00	\$176.45	\$2,017.13
Friddell OL Unit	97515	\$92.24	\$975.00	\$30.29	\$1,097.53
Scarpinato-Denena Unit	96731	\$71.10	\$75.00	\$29.22	\$175.32
Ely Unit	96731	\$108.93	\$725.00	\$29.51	\$863.44
Hudson-Destefano Unit	96387	\$224.48	\$1,175.00	\$96.33	\$1,495.81
Muse- Fazzino Unit	99298	\$489.89	\$525.00	\$104.41	\$1,119.30
Total		\$1,352.32	\$4,950.00	\$466.21	\$6,768.53
Payment dated 1/31/01		\$1,352.23	\$2,275.00	\$491.92	\$4,119.15
Additional Royalty still Due		\$0.09	\$2,675.00	(\$25.71)	\$2,649.38

Note:
 (A) - This summary represents the recalculation of royalty due based on the prices and BTU reported by Clayton Williams on their response letter dated January 31, 2001. Supporting Schedules are attached.

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: NIGLIAZZO-SCAMARDO
 MINERAL FILE : 96579
 RRC#03-22650

ATTACHMENT IIA

Penalty Date
 2/1/01

AE: LWR
 Filename: Clayton Williams
 Date: 3/7/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(14)
Month	RRC Vented Gas W# 22650 (A)	Tract Participation .0107254 (2) X .0107254	Price (B)	BTU	Gross Value (3)X(4)X(5)	Royalty Decimal	Royalty Due (6)X(7)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (8)+(10)+(11)
Feb-95	745	7.99	1.41	1,4265	16.04	1.000	16.04	2,119	25.00	10.86	51.90
Mar-95	787	8.44	1.48	1,4265	17.85	1.000	17.85	2,089	25.00	11.91	54.76
Apr-95	658	7.06	1.57	1,4265	15.83	1.000	15.83	2,058	25.00	10.40	51.23
May-95	509	5.46	1.63	1,4265	12.68	1.000	12.68	2,028	25.00	8.21	45.89
Jun-95	312	3.35	1.61	1,4265	7.71	1.000	7.71	1,997	25.00	4.91	37.62
Jul-95	775	8.31	1.41	1,4265	16.71	1.000	16.71	1,966	25.00	10.48	52.19
Aug-95	210	2.25	1.44	1,4265	4.64	1.000	4.64	1,936	25.00	2.86	32.50
Sep-95	300	3.22	1.61	1,4265	7.39	1.000	7.39	1,905	25.00	4.49	36.88
Oct-95	220	2.36	1.61	1,4265	5.41	1.000	5.41	1,875	25.00	3.23	33.64
Nov-95	270	2.90	1.68	1,4265	6.94	1.000	6.94	1,844	25.00	4.07	36.01
Dec-95	300	3.22	1.90	1,4265	8.73	1.000	8.73	1,813	25.00	5.03	38.76
Jan-96	270	2.90	2.14	1,4265	8.86	1.000	8.86	1,784	25.00	5.02	38.88
Feb-96	220	2.36	2.17	1,4265	7.31	1.000	7.31	1,753	25.00	4.07	36.38
Mar-96	290	3.11	2.15	1,4265	9.54	1.000	9.54	1,723	25.00	5.22	39.76
Apr-96	240	2.57	2.29	1,4265	8.40	1.000	8.40	1,692	25.00	4.51	37.91
May-96	170	1.82	2.16	1,4265	5.61	1.000	5.61	1,662	25.00	2.96	33.57
Jun-96	240	2.57	2.30	1,4265	8.43	1.000	8.43	1,631	25.00	4.36	37.79
Jul-96	270	2.90	2.45	1,4265	10.12	1.000	10.12	1,600	25.00	5.13	40.25
Aug-96	300	3.22	2.41	1,4265	11.09	1.000	11.09	1,570	25.00	5.51	41.60
Sep-96	300	3.22	2.51	1,4265	11.54	1.000	11.54	1,539	25.00	5.62	42.16
Oct-96	285	3.06	2.73	1,4265	11.90	1.000	11.90	1,509	25.00	5.67	42.57
Nov-96	271	2.91	3.20	1,4265	13.27	1.000	13.27	1,478	25.00	6.19	44.46
Dec-96	270	2.90	3.56	1,4265	14.75	1.000	14.75	1,447	25.00	6.73	46.48
Jan-97	288	3.09	3.17	1,4265	13.96	1.000	13.96	1,419	25.00	6.24	45.20
Feb-97	280	3.00	2.00	1,4265	8.54	1.000	8.54	1,388	25.00	3.73	37.27
Mar-97	310	3.32	1.19	1,4265	5.65	1.000	5.65	1,358	25.00	2.41	33.06
Apr-97	155	1.66	1.25	1,4265	2.95	1.000	2.95	1,327	25.00	1.23	29.18
May-97	240	2.57	1.65	1,4265	6.05	1.000	6.05	1,297	25.00	2.46	33.51
Jun-97	210	2.25	1.82	1,4265	5.84	1.000	5.84	1,266	25.00	2.32	33.16

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: NIGLIAZZO-SCAMARDO
 MINLERAL FILE : 96579
 RRC#03-22650

ATTACHMENT IIA

Penalty Date
 2/1/01

AE: LWR
 Filename: Clayton Williams
 Date: 3/7/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(14)
Month	RRC Vented Gas W# 22650 (A)	Tract Participation .0107254 (2) X .0107254	Price (B)	BTU	Gross Value (3)X(4)X(5)	Royalty Decimal	Royalty Due (6)X(7)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (8)+(10)+(11)
Jul-97	140	1.50	1.71	1.4265	3.66	1.000	3.66	1,235	25.00	1.42	30.08
Aug-97	30	0.32	1.73	1.4265	0.79	1.000	0.79	1,205	25.00	0.30	26.09
Sep-97	154	1.65	2.00	1.4265	4.70	1.000	4.70	1,174	25.00	1.72	31.42
Oct-97	112	1.20	2.52	1.4265	4.31	1.000	4.31	1,144	25.00	1.54	30.85
Nov-97	99	1.06	2.65	1.4265	4.01	1.000	4.01	1,113	25.00	1.39	30.40
Dec-97	143	1.53	1.96	1.4265	4.27	1.000	4.27	1,082	25.00	1.44	30.71
Jan-98	116	1.24	1.76	1.4265	3.11	1.000	3.11	1,054	25.00	1.02	29.13
Feb-98	78	0.84	1.58	1.4265	1.89	1.000	1.89	1,023	25.00	0.60	27.49
Mar-98	137	1.47	1.77	1.4265	3.71	1.000	3.71	993	25.00	1.14	29.85
Apr-98	98	1.05	1.82	1.4265	2.72	1.000	2.72	962	25.00	0.81	28.53
May-98	110	1.18	1.80	1.4265	3.03	1.000	3.03	932	25.00	0.87	28.90
Jun-98	112	1.20	1.62	1.4265	2.76	1.000	2.76	901	25.00	0.76	28.52
Jul-98	99	1.06	1.90	1.4265	2.87	1.000	2.87	870	25.00	0.77	28.64
Aug-98	96	1.03	1.54	1.4265	2.26	1.000	2.26	840	25.00	0.58	27.84
Sep-98	109	1.17	1.28	1.4265	2.14	1.000	2.14	809	25.00	0.53	27.67
Oct-98	79	0.85	1.61	1.4265	1.95	1.000	1.95	779	25.00	0.46	27.41
Nov-98	91	0.98	1.56	1.4265	2.19	1.000	2.19	748	25.00	0.50	27.69
Dec-98	118	1.27	1.64	1.4265	2.97	1.000	2.97	717	25.00	0.64	28.61
Jan-99	40	0.43	1.39	1.4265	0.85	1.000	0.85	689	25.00	0.18	26.03
Feb-99	98	1.05	1.39	1.4265	2.08	1.000	2.08	658	25.00	0.41	27.49
Mar-99	83	0.89	1.28	1.4265	1.62	1.000	1.62	628	25.00	0.30	26.92
Apr-99	112	1.20	1.45	1.4265	2.49	1.000	2.49	597	25.00	0.44	27.93
May-99	93	1.00	1.87	1.4265	2.67	1.000	2.67	567	25.00	0.45	28.12
Jun-99	92	0.99	1.78	1.4265	2.51	1.000	2.51	536	25.00	0.39	27.90
Jul-99	52	0.56	1.82	1.4265	1.45	1.000	1.45	505	25.00	0.21	26.66
Aug-99	96	1.03	2.10	1.4265	3.08	1.000	3.08	475	25.00	0.42	28.50
Sep-99	94	1.01	2.35	1.4265	3.38	1.000	3.38	444	25.00	0.43	28.81
Oct-99	68	0.73	2.03	1.4265	2.12	1.000	2.12	414	25.00	0.25	27.37
Nov-99	113	1.21	2.45	1.4265	4.23	1.000	4.23	383	25.00	0.45	29.68

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: NIGLIAZZO-SCAMARDO
 MINLERAL FILE : 96579
 RRC#03-22650

ATTACHMENT IIA

Penalty Date
 2/1/01

AE: LWR
 Filename: Clayton Williams
 Date: 3/7/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(14)
Month	RRC Vented Gas W# 22650 (A)	Tract Participation .0107254 (2) X .0107254	Price (B)	BTU	Gross Value (3)X(4)X(5)	Royalty Decimal	Royalty Due (6)X(7)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (8)+(10)+(11)
Dec-99	83	0.89	1.67	1.4265	2.12	1.000	2.12	352	25.00	0.20	27.32
Total	12,640	135.58			\$365.68		\$365.68		\$1,475.00	\$176.45	\$2,017.13

NOTE:

(A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-22650.

(B) - PRICE - REPRESENTS THE PRICES REPORTED BY CLAYTON WILLIAMS RESPONSE SCHEDULE ATTACHED TO JANUARY 31, 2001 LETTER.

(C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: FRIDDELL OL UNIT
 MINERAL FILE : 97515
 RRC#03-23104

ATTACHMENT IIB

Penalty Date
 2/1/01

AE: LWR
 Filename: Clayton Williams
 Date: 3/7/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Month	RRC Vented Gas W# 23104 (A)	Tract Participation .0107663 (2) x .0107663	Price (B)	BTU	Gross Value (3)X(4)X(5)	Royalty Decimal	Royalty Due (6)X(7)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (8)+(10)+(11)
Oct-96	310	3.34	2.73	1.42067	12.92	0.166667	2.15	1,509	25.00	1.02	28.17
Nov-96	845	9.10	3.20	1.42067	41.33	0.166667	6.89	1,478	25.00	3.21	35.10
Dec-96	660	7.11	3.56	1.42067	35.98	0.166667	6.00	1,447	25.00	2.74	33.74
Jan-97	610	6.57	3.17	1.42067	29.54	0.166667	4.92	1,419	25.00	2.20	32.12
Feb-97	353	3.80	2.00	1.42067	10.77	0.166667	1.80	1,388	25.00	0.79	27.59
Mar-97	560	6.03	1.19	1.42067	10.21	0.166667	1.70	1,358	25.00	0.73	27.43
Apr-97	285	3.07	1.25	1.42067	5.43	0.166667	0.91	1,327	25.00	0.38	26.29
May-97	450	4.84	1.65	1.42067	11.35	0.166667	1.89	1,297	25.00	0.77	27.66
Jun-97	460	4.95	1.82	1.42067	12.80	0.166667	2.13	1,266	25.00	0.85	27.98
Jul-97	1,160	12.49	1.71	1.42067	30.31	0.166667	5.05	1,235	25.00	1.95	32.00
Aug-97	800	8.61	1.73	1.42067	21.11	0.166667	3.52	1,205	25.00	1.33	29.85
Sep-97	767	8.26	2.00	1.42067	23.43	0.166667	3.91	1,174	25.00	1.43	30.34
Oct-97	614	6.61	2.52	1.42067	23.63	0.166667	3.94	1,144	25.00	1.41	30.35
Nov-97	684	7.36	2.65	1.42067	27.75	0.166667	4.63	1,113	25.00	1.60	31.23
Dec-97	599	6.45	1.96	1.42067	17.91	0.166667	2.99	1,082	25.00	1.01	29.00
Jan-98	584	6.29	1.76	1.42067	15.72	0.166667	2.62	1,054	25.00	0.86	28.48
Feb-98	507	5.46	1.58	1.42067	12.26	0.166667	2.04	1,023	25.00	0.65	27.69
Mar-98	400	4.31	1.77	1.42067	10.82	0.166667	1.80	993	25.00	0.55	27.35
Apr-98	572	6.16	1.82	1.42067	15.91	0.166667	2.65	962	25.00	0.79	28.44
May-98	486	5.23	1.80	1.42067	13.40	0.166667	2.23	932	25.00	0.64	27.87
Jun-98	446	4.80	1.62	1.42067	11.02	0.166667	1.84	901	25.00	0.51	27.35
Jul-98	449	4.83	1.90	1.42067	13.02	0.166667	2.17	870	25.00	0.58	27.75
Aug-98	431	4.64	1.54	1.42067	10.14	0.166667	1.69	840	25.00	0.43	27.12
Sep-98	406	4.37	1.28	1.42067	7.97	0.166667	1.33	809	25.00	0.33	26.66
Oct-98	383	4.12	1.61	1.42067	9.41	0.166667	1.57	779	25.00	0.37	26.94
Nov-98	401	4.32	1.56	1.42067	9.59	0.166667	1.60	748	25.00	0.36	26.96
Dec-98	250	2.69	1.64	1.42067	6.27	0.166667	1.05	717	25.00	0.23	26.28
Jan-99	427	4.60	1.39	1.42067	9.05	0.166667	1.51	689	25.00	0.31	26.82
Feb-99	320	3.45	1.39	1.42067	6.78	0.166667	1.13	658	25.00	0.22	26.35
Mar-99	350	3.77	1.28	1.42067	6.83	0.166667	1.14	628	25.00	0.21	26.35
Apr-99	334	3.60	1.45	1.42067	7.43	0.166667	1.24	597	25.00	0.22	26.46
May-99	323	3.48	1.87	1.42067	9.24	0.166667	1.54	567	25.00	0.26	26.80

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: FRIDDELL OL UNIT
 MINERAL FILE : 97515
 RRC#03-23104

ATTACHMENT IIB

Penalty Date
 2/1/01

AE: LWR
 Filename: Clayton Williams
 Date: 3/7/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Month	RRC Vented Gas W# 23104 (A)	Tract Participation .0107663 (2) x .0107663	Price (B)	BTU	Gross Value (3)X(4)X(5)	Royalty Decimal	Royalty Due (6)X(7)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (8)+(10)+(11)
Jun-99	265	2.85	1.78	1.42067	7.20	0.166667	1.20	536	25.00	0.19	26.39
Jul-99	370	3.98	1.82	1.42067	10.29	0.166667	1.72	505	25.00	0.25	26.97
Aug-99	333	3.59	2.10	1.42067	10.69	0.166667	1.78	475	25.00	0.24	27.02
Sep-99	285	3.07	2.35	1.42067	10.23	0.166667	1.71	444	25.00	0.22	26.93
Oct-99	271	2.92	2.03	1.42067	8.42	0.166667	1.40	414	25.00	0.16	26.56
Nov-99	263	2.83	2.45	1.42067	9.85	0.166667	1.64	383	25.00	0.17	26.81
Dec-99	285	3.07	1.67	1.42067	7.26	0.166667	1.21	352	25.00	0.12	26.33
Total	18,298	197.00			\$553.27		\$92.24		\$975.00	\$30.29	\$1,097.53

NOTE:

(A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-23104.

(B) - PRICE - REPRESENTS THE PRICES REPORTED BY CLAYTON WILLIAMS RESPONSE SCHEDULE ATTACHED TO JANUARY 31, 2001 LETTER.

(C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: SCARPINATO-DENENA UNIT / MUSE-FAZZINO UNIT
 MINERAL FILE: 96731
 RRC#03-23219

ATTACHMENT IIC-1

Penalty Date
 2/1/01

AE: LWR
 Filename: Clayton Williams
 Date: 3/7/01

(1) Month	(2) RRC Production W# 23219 (A)	(3) Tract Participation (2)x.016805	(4) Price (B)	(5) BTU	(6) Gross Value (3)X(4)X(5)	(7) Royalty Decimal	(8) Royalty Due (6)X(7)	(9) Number of Days Late	(10) Penalty (C)	(11) Interest (C)	(12) Additional Royalty Due (8)+(10)+(11)
Mar-97	490	8.23	1.19	1,630	16.01	0.25	4.00	1,358	25.00	1.71	30.71
Apr-97	2,440	41.00	1.25	1,630	83.21	0.25	20.80	1,327	25.00	8.67	54.47
May-97	4,100	68.90	1.65	1,630	185.20	0.25	46.30	1,297	25.00	18.84	90.14
Total	7,030	118.14			\$284.42		\$71.10		\$75.00	\$29.22	\$175.32

NOTE:

(A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-23219, 23484.

(B) - PRICE - REPRESENTS THE PRICES REPORTED BY CLAYTON WILLIAMS RESPONSE SCHEDULE ATTACHED TO JANUARY 31, 2001 LETTER.

(C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: ELY UNIT
 MINERAL FILE: 96731
 RRC#03-23332

ATTACHMENT IIC-2

Penalty Date
 2/1/01

AE: LWR
 Filename: Clayton Williams
 Date: 3/7/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Month	RRC Vented Gas W# 23332 (A)	Tract Participation (2)x.005390	Price (B)	BTU	Gross Value (3)X(4)X(5)	Royalty Decimal	Royalty Due (6)X(7)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (8)+(10)+(11)
Aug-97	420	2.26	1.73	1.630	6.36	0.225	1.43	1,205	25.00	0.54	26.97
Sep-97	2,412	13.00	2.00	1.630	42.33	0.225	9.52	1,174	25.00	3.49	38.01
Oct-97	2,539	13.69	2.52	1.630	56.14	0.225	12.63	1,144	25.00	4.51	42.14
Nov-97	1,480	7.98	2.65	1.630	34.50	0.225	7.76	1,113	25.00	2.69	35.45
Dec-97	1,525	8.22	1.96	1.630	26.19	0.225	5.89	1,082	25.00	1.98	32.87
Jan-98	1,430	7.71	1.76	1.630	22.11	0.225	4.97	1,054	25.00	1.63	31.60
Feb-98	976	5.26	1.58	1.630	13.56	0.225	3.05	1,023	25.00	0.97	29.02
Mar-98	1,489	8.03	1.77	1.630	23.14	0.225	5.21	993	25.00	1.60	31.81
Apr-98	1,464	7.89	1.82	1.630	23.39	0.225	5.26	962	25.00	1.56	31.82
May-98	1,355	7.30	1.80	1.630	21.44	0.225	4.82	932	25.00	1.38	31.20
Jun-98	1,146	6.18	1.62	1.630	16.27	0.225	3.66	901	25.00	1.01	29.67
Jul-98	1,050	5.66	1.90	1.630	17.49	0.225	3.94	870	25.00	1.05	29.99
Aug-98	1,073	5.78	1.54	1.630	14.49	0.225	3.26	840	25.00	0.84	29.10
Sep-98	862	4.65	1.28	1.630	9.73	0.225	2.19	809	25.00	0.54	27.73
Oct-98	903	4.87	1.61	1.630	12.75	0.225	2.87	779	25.00	0.68	28.55
Nov-98	821	4.43	1.56	1.630	11.29	0.225	2.54	748	25.00	0.58	28.12
Dec-98	441	2.38	1.64	1.630	6.36	0.225	1.43	717	25.00	0.31	26.74
Jan-99	665	3.58	1.39	1.630	8.08	0.225	1.82	689	25.00	0.38	27.20
Feb-99	531	2.86	1.39	1.630	6.46	0.225	1.45	658	25.00	0.29	26.74
Mar-99	478	2.58	1.28	1.630	5.36	0.225	1.21	628	25.00	0.23	26.44
Apr-99	778	4.19	1.45	1.630	9.93	0.225	2.23	597	25.00	0.39	27.62
May-99	656	3.54	1.87	1.630	10.79	0.225	2.43	567	25.00	0.41	27.84
Jun-99	734	3.96	1.78	1.630	11.47	0.225	2.58	536	25.00	0.40	27.98
Jul-99	810	4.37	1.82	1.630	12.96	0.225	2.92	505	25.00	0.43	28.35
Aug-99	464	2.50	2.10	1.630	8.56	0.225	1.93	475	25.00	0.26	27.19
Sep-99	866	4.67	2.35	1.630	17.86	0.225	4.02	444	25.00	0.51	29.53
Oct-99	700	3.77	2.03	1.630	12.48	0.225	2.81	414	25.00	0.33	28.14

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: ELY UNIT
 MINERAL FILE: 96731
 RRC#03-23332

ATTACHMENT IIC-2

Penalty Date
 2/1/01

AE: LWR
 Filename: Clayton Williams
 Date: 3/7/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Month	RRC Vented Gas W# 23332 (A)	Tract Participation (2)x.005390	Price (B)	BTU	Gross Value (3)X(4)X(5)	Royalty Decimal	Royalty Due (6)X(7)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (8)+(10)+(11)
Nov-99	703	3.79	2.45	1.630	15.12	0.225	3.40	383	25.00	0.36	28.76
Dec-99	515	2.78	1.67	1.630	7.55	0.225	1.70	352	25.00	0.16	26.86
Total	29,286	157.88			\$484.16		\$108.93		\$725.00	\$29.51	\$863.44

NOTE:

(A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-23332.

(B) - PRICE - REPRESENTS THE PRICES REPORTED BY CLAYTON WILLIAMS RESPONSE SCHEDULE ATTACHED TO JANUARY 31, 2001 LETTER.

(C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: HUDSON-DESTEFANO
 MINERAL FILE: 96387
 RRC#03-22729, 23527

ATTACHMENT IID

AE: LWR
 Filename: Clayton Williams
 Date: 3/7/01

Penalty Date
 2/1/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Month	RRC Vented Gas W# 23527 (A)	RRC Vented Gas W# 22729 (A)	Tract Participation 0.013645 (2) x (.013645)	Price (B)	BTU	Gross Value (3)X(4)X(5)	Royalty Decimal	Royalty Due (6)X(7)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (8)+(10)+(11)
Apr-95		5,708	77.89	1.57	1.4265	174.63	0.20	34.93	2,058	25.00	22.96	82.89
Jun-95		2,467	33.66	1.61	1.4265	77.51	0.20	15.50	1,997	25.00	9.88	50.38
Sep-95		1,766	24.10	1.61	1.4265	55.33	0.20	11.07	1,905	25.00	6.72	42.79
Oct-95		1,534	20.93	1.61	1.4265	47.95	0.20	9.59	1,875	25.00	5.73	40.32
Nov-95		1,192	16.26	1.68	1.4265	38.91	0.20	7.78	1,844	25.00	4.57	37.35
Dec-95		706	9.63	1.90	1.4265	26.12	0.20	5.22	1,813	25.00	3.01	33.23
Jan-96		403	5.50	2.14	1.4265	16.81	0.20	3.36	1,784	25.00	1.91	30.27
Feb-96		141	1.92	2.17	1.4265	5.96	0.20	1.19	1,753	25.00	0.66	26.85
Mar-96		775	10.57	2.15	1.4265	32.43	0.20	6.49	1,723	25.00	3.55	35.04
Apr-96		230	3.14	2.29	1.4265	10.26	0.20	2.05	1,692	25.00	1.10	28.15
May-96		330	4.50	2.16	1.4265	13.87	0.20	2.77	1,662	25.00	1.46	29.23
Jun-96		300	4.09	2.30	1.4265	13.43	0.20	2.69	1,631	25.00	1.39	29.08
Jul-96		310	4.23	2.45	1.4265	14.76	0.20	2.95	1,600	25.00	1.49	29.44
Aug-96		310	4.23	2.41	1.4265	14.57	0.20	2.91	1,570	25.00	1.45	29.36
Sep-96		300	4.09	2.51	1.4265	14.67	0.20	2.93	1,539	25.00	1.43	29.36
Oct-96		285	3.89	2.73	1.4265	15.12	0.20	3.02	1,509	25.00	1.44	29.46
Nov-96		271	3.70	3.20	1.4265	16.87	0.20	3.37	1,478	25.00	1.57	29.94
Dec-96		250	3.41	3.56	1.4265	17.34	0.20	3.47	1,447	25.00	1.58	30.05
Jan-97		177	2.42	3.17	1.4265	10.91	0.20	2.18	1,419	25.00	0.97	28.15
Feb-97		227	3.10	2.00	1.4265	8.81	0.20	1.76	1,388	25.00	0.77	27.53
Mar-97		342	4.67	1.19	1.4265	7.94	0.20	1.59	1,358	25.00	0.68	27.27
May-97		340	4.64	1.65	1.4265	10.91	0.20	2.18	1,297	25.00	0.89	28.07
Sep-97		187	2.55	2.00	1.4265	7.27	0.20	1.45	1,174	25.00	0.53	26.98
Oct-97		171	2.33	2.52	1.4265	8.37	0.20	1.67	1,144	25.00	0.60	27.27
Nov-97		218	2.97	2.65	1.4265	11.25	0.20	2.25	1,113	25.00	0.78	28.03
Dec-97		118	1.61	1.96	1.4265	4.49	0.20	0.90	1,082	25.00	0.30	26.20
Jan-98		39	0.53	1.76	1.4265	1.34	0.20	0.27	1,054	25.00	0.09	25.36
Feb-98		38	0.52	1.58	1.4265	1.17	0.20	0.23	1,023	25.00	0.07	25.30
Jun-98	1,376		18.78	1.62	1.4265	43.25	0.20	8.65	901	25.00	2.39	36.04
Jul-98	1,757		23.97	1.90	1.4265	64.82	0.20	12.96	870	25.00	3.46	41.42
Aug-98	1,480		20.19	1.54	1.4265	44.32	0.20	8.86	840	25.00	2.27	36.13
Sep-98	1,301		17.75	1.28	1.4265	32.50	0.20	6.50	809	25.00	1.60	33.10
Oct-98	1,110		15.15	1.61	1.4265	34.71	0.20	6.94	779	25.00	1.64	33.58
Nov-98	831		11.34	1.56	1.4265	25.30	0.20	5.06	748	25.00	1.15	31.21
Dec-98	628		8.57	1.64	1.4265	20.05	0.20	4.01	717	25.00	0.87	29.88

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: HUDSON-DESTEFANO
 MINERAL FILE: 96387
 RRC#03-22729, 23527

ATTACHMENT IID

AE: LWR
 Filename: Clayton Williams
 Date: 3/7/01

Penalty Date
 2/1/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Month	RRC Vented Gas W# 23527 (A)	RRC Vented Gas W# 22729 (A)	Tract Participation 0.013645 (2) x (.013645)	Price (B)	BTU	Gross Value (3)X(4)X(5)	Royalty Decimal	Royalty Due (6)X(7)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (8)+(10)+(11)
Jan-99	464		6.33	1.39	1.4265	12.51	0.20	2.50	689	25.00	0.52	28.02
Feb-99	418		5.70	1.39	1.4265	11.27	0.20	2.25	658	25.00	0.44	27.69
Mar-99	418		5.70	1.28	1.4265	10.37	0.20	2.07	628	25.00	0.39	27.46
Apr-99	661		9.02	1.45	1.4265	18.70	0.20	3.74	597	25.00	0.66	29.40
May-99	501		6.84	1.87	1.4265	18.24	0.20	3.65	567	25.00	0.61	29.26
Jun-99	479		6.54	1.78	1.4265	16.56	0.20	3.31	536	25.00	0.52	28.83
Jul-99	416		5.68	1.82	1.4265	14.73	0.20	2.95	505	25.00	0.43	28.38
Aug-99	416		5.68	2.10	1.4265	17.00	0.20	3.40	475	25.00	0.47	28.87
Sep-99	390		5.32	2.35	1.4265	17.81	0.20	3.56	444	25.00	0.45	29.01
Oct-99	336		4.58	2.03	1.4265	13.29	0.20	2.66	414	25.00	0.31	27.97
Nov-99	349		4.76	2.45	1.4265	16.63	0.20	3.33	383	25.00	0.35	28.68
Dec-99	356		4.86	1.67	1.4265	11.54	0.20	2.31	352	25.00	0.22	27.53
Total	13,687	19,135.00	447.86			\$1,122.60		\$224.48		\$1,175.00	\$96.33	\$1,495.81

NOTE:

(A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-23527 AND 22729.

(B) - PRICE - REPRESENTS THE PRICES REPORTED BY CLAYTON WILLIAMS RESPONSE SCHEDULE ATTACHED TO JANUARY 31, 2001 LETTER.

(C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: SCARPINATO-DENENA UNIT / MUSE-FAZZINO UNIT
 MINERAL FILE: 99298
 RRC#03-23484

ATTACHMENT IIE

Penalty Date
 2/1/01

AE: LWR
 Filename: Clayton Williams
 Date: 3/7/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Month	RRC Vented Gas W# 23484 (A)	Tract Participation (2)x.018358	Price (B)	BTU	Gross Value (3)X(4)X(5)	Royalty Decimal	Royalty Due (6)X(7)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (8)+(10)+(11)
Apr-98	1,482	27.21	1.82	1,400	69.28	0.25	17.32	962	25.00	5.14	47.46
May-98	5,512	101.19	1.80	1,400	255.28	0.25	63.82	932	25.00	18.32	107.14
Jun-98	3,734	68.55	1.62	1,400	154.99	0.25	38.75	901	25.00	10.73	74.48
Jul-98	4,314	79.20	1.90	1,400	210.16	0.25	52.54	870	25.00	14.01	91.55
Aug-98	3,168	58.16	1.54	1,400	125.27	0.25	31.32	840	25.00	8.04	64.36
Sep-98	2,236	41.05	1.28	1,400	73.76	0.25	18.44	809	25.00	4.55	47.99
Oct-98	2,360	43.32	1.61	1,400	97.44	0.25	24.36	779	25.00	5.77	55.13
Nov-98	1,870	34.33	1.56	1,400	75.17	0.25	18.79	748	25.00	4.26	48.05
Dec-98	729	13.38	1.64	1,400	30.74	0.25	7.69	717	25.00	1.66	34.35
Jan-99	1,411	25.90	1.39	1,400	50.24	0.25	12.56	689	25.00	2.60	40.16
Feb-99	1,628	29.89	1.39	1,400	57.97	0.25	14.49	658	25.00	2.85	42.34
Mar-99	1,820	33.41	1.28	1,400	59.64	0.25	14.91	628	25.00	2.79	42.70
Apr-99	1,686	30.95	1.45	1,400	62.98	0.25	15.75	597	25.00	2.79	43.54
May-99	1,360	24.97	1.87	1,400	65.36	0.25	16.34	567	25.00	2.73	44.07
Jun-99	1,615	29.65	1.78	1,400	73.74	0.25	18.44	536	25.00	2.89	46.33
Jul-99	1,649	30.27	1.82	1,400	77.09	0.25	19.27	505	25.00	2.83	47.10
Aug-99	1,662	30.51	2.10	1,400	89.68	0.25	22.42	475	25.00	3.07	50.49
Sep-99	1,562	28.68	2.35	1,400	94.18	0.25	23.55	444	25.00	2.98	51.53
Oct-99	1,681	30.86	2.03	1,400	87.77	0.25	21.94	414	25.00	2.56	49.50
Nov-99	1,582	29.04	2.45	1,400	99.53	0.25	24.88	383	25.00	2.65	52.53
Dec-99	1,150	21.11	1.67	1,400	49.24	0.25	12.31	352	25.00	1.19	38.50
Total	44,211	811.63			\$1,959.51		\$489.89		\$525.00	\$104.41	\$1,119.30

NOTE:

(A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-23219, 23484.

(B) - PRICE - REPRESENTS THE PRICES REPORTED BY CLAYTON WILLIAMS RESPONSE SCHEDULE ATTACHED TO JANUARY 31, 2001 LETTER.

(C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

File No. M-97515

(14)

Billing

Date Filed: 3-13-01

David Dewhurst, Commissioner

By _____

Texas General
Land Office



David Dewhurst
Commissioner

January 10, 2000

CERTIFIED MAIL 7000 0520 0023 2503 5109

SECOND REQUEST

CLAYTON WILLIAMS
SIX DESTA DRIVE
SUITE 3000
MIDLAND, TEXAS 79705

RE: Notice of non-payment on State Lease
(M-96387, 96579, 96731, 97515, 99298)

Dear Sir or Madam:

Enclosed is a copy of our letter to you dated December 1, 2000, requesting additional royalties due on the captioned leases. As of this date we have not received your payment or a reply to this letter.

Be advised that penalty and interest continue to accrue until payment is received. A revised schedule is enclosed showing updated penalty and interest. The amount now due is \$6,707.16, which is comprised of \$1,313.97 in additional royalty, \$4,950.00 in penalty and \$443.19 in interest. Penalty and interest have been computed in accordance with Section 52.131 of the Texas Natural Resources Code.

You are also hereby notified that if the amount now due is not received in this office by February 6, 2001, these leases will be forwarded to our legal division for appropriate action.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael W. Dunn".

Michael W. Dunn, Director
Energy Inspections Division
Energy Resources

MD/lr

CC: John Cantu
Regional Inspections Manager
Energy Resources
(512) 475-1439
e-mail: john.cantu@glo.state.tx.us

Mailing

Post Office Box 12873
Austin, Texas
78711-2873

Street

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495

512.463.5001
1.800.998.4GLO
www.glo.state.tx.us

CLAYTON WILLIAMS
PRODUCTION ANALYSIS
VENTED GAS
GIDDINGS (AUSTIN CHALK-3) FIELD

ATTACHMENT II

AE: LWR
Filename: Clayton Williams
Date: 1/10/01

SUMMARY

Lease Name	Mineral File	Royalty Due	Penalty	Interest	Additional Royalty Due
Nigliazzo-Scamardo Unit	96579	\$329.61	\$1,475.00	\$160.04	\$1,964.65
Friddell OL Unit	97515	\$84.67	\$975.00	\$26.43	\$1,086.10
Scarpinato-Denena Unit & Muse- Fazzino Unit	96731 & 99298	\$586.92	\$600.00	\$138.89	\$1,325.81
Ely Unit	96731	\$96.25	\$725.00	\$25.86	\$847.11
Hudson-Destefano Unit	96387	\$216.52	\$1,175.00	\$91.97	\$1,483.49
Total		\$1,313.97	\$4,950.00	\$443.19	\$6,707.16

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: NIGLIAZZO-SCAMARDO
 MINLERAL FILE : 96579
 RRC#03-22650

ATTACHMENT IIA

Penalty Date
 2/6/01

AE: LWR
 Filename: Clayton Williams
 Date: 1/10/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 22650 (A)	Tract Participation .0107254 (2) X .0107254	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Feb-95	745	7.99	2.36	18.84	1.000	18.84	2,124	25.00	12.79	56.63
Mar-95	787	8.44	2.36	19.90	1.000	19.90	2,094	25.00	13.31	58.21
Apr-95	658	7.06	2.36	16.64	1.000	16.64	2,063	25.00	10.96	52.60
May-95	509	5.46	2.36	12.87	1.000	12.87	2,033	25.00	8.35	46.22
Jun-95	312	3.35	2.36	7.90	1.000	7.90	2,002	25.00	5.05	37.95
Jul-95	775	8.31	2.36	19.59	1.000	19.59	1,971	25.00	12.31	56.90
Aug-95	210	2.25	2.36	5.30	1.000	5.30	1,941	25.00	3.28	33.58
Sep-95	300	3.22	2.36	7.59	1.000	7.59	1,910	25.00	4.62	37.21
Oct-95	220	2.36	2.36	5.56	1.000	5.56	1,880	25.00	3.33	33.89
Nov-95	270	2.90	2.36	6.84	1.000	6.84	1,849	25.00	4.03	35.87
Dec-95	300	3.22	2.36	7.59	1.000	7.59	1,818	25.00	4.39	36.98
Jan-96	270	2.90	2.36	6.84	1.000	6.84	1,789	25.00	3.89	35.73
Feb-96	220	2.36	2.36	5.56	1.000	5.56	1,758	25.00	3.11	33.67
Mar-96	290	3.11	2.36	7.33	1.000	7.33	1,728	25.00	4.02	36.35
Apr-96	240	2.57	2.36	6.06	1.000	6.06	1,697	25.00	3.26	34.32
May-96	170	1.82	2.36	4.29	1.000	4.29	1,667	25.00	2.27	31.56
Jun-96	240	2.57	2.36	6.06	1.000	6.06	1,636	25.00	3.14	34.20
Jul-96	270	2.90	2.36	6.84	1.000	6.84	1,605	25.00	3.48	35.32
Aug-96	300	3.22	2.36	7.59	1.000	7.59	1,575	25.00	3.78	36.37
Sep-96	300	3.22	2.36	7.59	1.000	7.59	1,544	25.00	3.71	36.30
Oct-96	285	3.06	2.36	7.21	1.000	7.21	1,514	25.00	3.45	35.66
Nov-96	271	2.91	2.36	6.86	1.000	6.86	1,483	25.00	3.21	35.07
Dec-96	270	2.90	2.36	6.84	1.000	6.84	1,452	25.00	3.13	34.97
Jan-97	288	3.09	2.36	7.28	1.000	7.28	1,424	25.00	3.27	35.55
Feb-97	280	3.00	2.36	7.07	1.000	7.07	1,393	25.00	3.10	35.17
Mar-97	310	3.32	2.36	7.83	1.000	7.83	1,363	25.00	3.36	36.19
Apr-97	155	1.66	2.36	3.91	1.000	3.91	1,332	25.00	1.64	30.55
May-97	240	2.57	2.36	6.06	1.000	6.06	1,302	25.00	2.48	33.54
Jun-97	210	2.25	2.57	5.78	1.000	5.78	1,271	25.00	2.30	33.08

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: NIGLIAZZO-SCAMARDO
 MINLERAL FILE : 96579
 RRC#03-22650

ATTACHMENT IIA

Penalty Date
 2/6/01

AE: LWR
 Filename: Clayton Williams
 Date: 1/10/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 22650 (A)	Tract Participation .0107254 (2) X .0107254	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Jul-97	140	1.50	2.41	3.62	1.000	3.62	1,240	25.00	1.41	30.03
Aug-97	30	0.32	2.44	0.78	1.000	0.78	1,210	25.00	0.30	26.08
Sep-97	154	1.65	2.82	4.65	1.000	4.65	1,179	25.00	1.71	31.36
Oct-97	112	1.20	2.82	3.38	1.000	3.38	1,149	25.00	1.21	29.59
Nov-97	99	1.06	3.90	4.14	1.000	4.14	1,118	25.00	1.44	30.58
Dec-97	143	1.53	3.07	4.70	1.000	4.70	1,087	25.00	1.59	31.29
Jan-98	116	1.24	2.77	3.43	1.000	3.43	1,059	25.00	1.13	29.56
Feb-98	78	0.84	2.24	1.88	1.000	1.88	1,028	25.00	0.60	27.48
Mar-98	137	1.47	2.48	3.64	1.000	3.64	998	25.00	1.12	29.76
Apr-98	98	1.05	2.76	2.90	1.000	2.90	967	25.00	0.87	28.77
May-98	110	1.18	2.64	3.12	1.000	3.12	937	25.00	0.90	29.02
Jun-98	112	1.20	2.18	2.62	1.000	2.62	906	25.00	0.73	28.35
Jul-98	99	1.06	2.62	2.78	1.000	2.78	875	25.00	0.75	28.53
Aug-98	96	1.03	2.18	2.25	1.000	2.25	845	25.00	0.58	27.83
Sep-98	109	1.17	2.01	2.35	1.000	2.35	814	25.00	0.58	27.93
Oct-98	79	0.85	2.60	2.21	1.000	2.21	784	25.00	0.53	27.74
Nov-98	91	0.98	2.53	2.48	1.000	2.48	753	25.00	0.57	28.05
Dec-98	118	1.27	2.38	3.02	1.000	3.02	722	25.00	0.66	28.68
Jan-99	40	0.43	2.06	0.89	1.000	0.89	694	25.00	0.19	26.08
Feb-99	98	1.05	1.95	2.05	1.000	2.05	663	25.00	0.41	27.46
Mar-99	83	0.89	1.80	1.60	1.000	1.60	633	25.00	0.30	26.90
Apr-99	112	1.20	2.09	2.51	1.000	2.51	602	25.00	0.45	27.96
May-99	93	1.00	2.69	2.69	1.000	2.69	572	25.00	0.45	28.14
Jun-99	92	0.99	2.52	2.49	1.000	2.49	541	25.00	0.39	27.88
Jul-99	52	0.56	2.62	1.47	1.000	1.47	510	25.00	0.22	26.69
Aug-99	96	1.03	3.02	3.11	1.000	3.11	480	25.00	0.43	28.54
Sep-99	94	1.01	3.38	3.42	1.000	3.42	449	25.00	0.44	28.86
Oct-99	68	0.73	3.55	2.59	1.000	2.59	419	25.00	0.31	27.90
Nov-99	113	1.21	3.74	4.52	1.000	4.52	388	25.00	0.49	30.01

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: NIGLIAZZO-SCAMARDO
 MINLERAL FILE : 96579
 RRC#03-22650

ATTACHMENT IIA

Penalty Date
 2/6/01

AE: LWR
 Filename: Clayton Williams
 Date: 1/10/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 22650 (A)	Tract Participation .0107254 (2) X .0107254	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Dec-99	83	0.89	3.03	2.70	1.000	2.70	357	25.00	0.26	27.96
Total	12,640	135.58		\$329.61		\$329.61		\$1,475.00	\$160.04	\$1,964.65

NOTE:

- (A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-22650.
- (B) - PRICE - REPRESENTS THE PRICES REPORTED TO THE GLO ON GLO-2 REPORTS FOR M-96731. THE PRICE FOR THE MONTHS OF FEBRUARY 1995 THROUGH APRIL 1997 WERE NOT AVAILABLE AND WERE TAKEN FROM THE MONTH OF MAY 1997 (M-96731)
- (C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: FRIDDELL OL UNIT
 MINERAL FILE : 97515
 RRC#03-23104

ATTACHMENT IIB

Penalty Date
 2/6/01

AE: LWR
 Filename: Clayton Williams
 Date: 1/10/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 23104 (A)	Tract Participation .0107663 (2) x .0107663	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Oct-96	310	3.34	2.36	7.87	0.166667	1.31	1,514	25.00	0.63	26.94
Nov-96	845	9.10	2.36	21.45	0.166667	3.58	1,483	25.00	1.68	30.26
Dec-96	660	7.11	2.36	16.75	0.166667	2.79	1,452	25.00	1.28	29.07
Jan-97	610	6.57	2.36	15.48	0.166667	2.58	1,424	25.00	1.16	28.74
Feb-97	353	3.80	2.36	8.96	0.166667	1.49	1,393	25.00	0.65	27.14
Mar-97	560	6.03	2.36	14.21	0.166667	2.37	1,363	25.00	1.02	28.39
Apr-97	285	3.07	2.36	7.23	0.166667	1.21	1,332	25.00	0.51	26.72
May-97	450	4.84	2.36	11.42	0.166667	1.90	1,302	25.00	0.78	27.68
Jun-97	460	4.95	2.57	12.72	0.166667	2.12	1,271	25.00	0.84	27.96
Jul-97	1,160	12.49	2.41	30.15	0.166667	5.03	1,240	25.00	1.95	31.98
Aug-97	800	8.61	2.44	21.00	0.166667	3.50	1,210	25.00	1.32	29.82
Sep-97	767	8.26	2.82	23.29	0.166667	3.88	1,179	25.00	1.43	30.31
Oct-97	614	6.61	2.82	18.64	0.166667	3.11	1,149	25.00	1.11	29.22
Nov-97	684	7.36	3.90	28.74	0.166667	4.79	1,118	25.00	1.67	31.46
Dec-97	599	6.45	3.07	19.82	0.166667	3.30	1,087	25.00	1.12	29.42
Jan-98	584	6.29	2.77	17.40	0.166667	2.90	1,059	25.00	0.95	28.85
Feb-98	507	5.46	2.24	12.21	0.166667	2.04	1,028	25.00	0.65	27.69
Mar-98	400	4.31	2.48	10.67	0.166667	1.78	998	25.00	0.55	27.33
Apr-98	572	6.16	2.76	17.00	0.166667	2.83	967	25.00	0.84	28.67
May-98	486	5.23	2.64	13.81	0.166667	2.30	937	25.00	0.66	27.96
Jun-98	446	4.80	2.18	10.46	0.166667	1.74	906	25.00	0.48	27.22
Jul-98	449	4.83	2.62	12.68	0.166667	2.11	875	25.00	0.57	27.68
Aug-98	431	4.64	2.18	10.12	0.166667	1.69	845	25.00	0.44	27.13
Sep-98	406	4.37	2.01	8.79	0.166667	1.47	814	25.00	0.36	26.83
Oct-98	383	4.12	2.60	10.72	0.166667	1.79	784	25.00	0.43	27.22
Nov-98	401	4.32	2.53	10.92	0.166667	1.82	753	25.00	0.42	27.24
Dec-98	250	2.69	2.38	6.41	0.166667	1.07	722	25.00	0.23	26.30
Jan-99	427	4.60	2.06	9.47	0.166667	1.58	694	25.00	0.33	26.91
Feb-99	320	3.45	1.95	6.72	0.166667	1.12	663	25.00	0.22	26.34
Mar-99	350	3.77	1.80	6.78	0.166667	1.13	633	25.00	0.21	26.34
Apr-99	334	3.60	2.09	7.53	0.166667	1.26	602	25.00	0.22	26.48
May-99	323	3.48	2.69	9.35	0.166667	1.56	572	25.00	0.26	26.82

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: FRIDDELL OL UNIT
 MINERAL FILE : 97515
 RRC#03-23104

ATTACHMENT IIB

Penalty Date
 2/6/01

AE: LWR
 Filename: Clayton Williams
 Date: 1/10/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 23104 (A)	Tract Participation .0107663 (2) x .0107663	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Jun-99	265	2.85	2.52	7.19	0.166667	1.20	541	25.00	0.19	26.39
Jul-99	370	3.98	2.62	10.44	0.166667	1.74	510	25.00	0.26	27.00
Aug-99	333	3.59	3.02	10.84	0.166667	1.81	480	25.00	0.25	27.06
Sep-99	285	3.07	3.38	10.38	0.166667	1.73	449	25.00	0.22	26.95
Oct-99	271	2.92	3.55	10.35	0.166667	1.73	419	25.00	0.20	26.93
Nov-99	263	2.83	3.74	10.58	0.166667	1.76	388	25.00	0.19	26.95
Dec-99	285	3.07	3.03	9.31	0.166667	1.55	357	25.00	0.15	26.70
Total	18,298	197.00		\$507.86		\$84.67		\$975.00	\$26.43	\$1,086.10

NOTE:

(A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-23104.

(B) - PRICE - REPRESENTS THE PRICES REPORTED TO THE GLO ON GLO-2 REPORTS FOR M-96731. THE PRICE FOR THE MONTHS OF OCTOBER 1996 THROUGH APRIL 1997 WERE NOT AVAILABLE AND WERE TAKEN FROM THE MONTH OF MAY 1997 (M-96731)

(C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: HUDSON-DESTEFANO
 MINERAL FILE: 96387
 RRC#03-22729, 23527

ATTACHMENT IID

Penalty Date
 2/6/01

AE: LWR
 Filename: Clayton Williar
 Date: 1/10/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Month	RRC Vented Gas W# 23527 (A)	RRC Vented Gas W# 22729 (A)	Tract Participation 0.013645 (2) x (.013645)	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Apr-95		5,708	77.89	2.36	183.61	0.20	36.72	2,063	25.00	24.19	85.91
Jun-95		2,467	33.66	2.36	79.36	0.20	15.87	2,002	25.00	10.14	51.01
Sep-95		1,766	24.10	2.36	56.81	0.20	11.36	1,910	25.00	6.91	43.27
Oct-95		1,534	20.93	2.36	49.35	0.20	9.87	1,880	25.00	5.91	40.78
Nov-95		1,192	16.26	2.36	38.34	0.20	7.67	1,849	25.00	4.51	37.18
Dec-95		706	9.63	2.36	22.71	0.20	4.54	1,818	25.00	2.63	32.17
Jan-96		403	5.50	2.36	12.96	0.20	2.59	1,789	25.00	1.47	29.06
Feb-96		141	1.92	2.36	4.54	0.20	0.91	1,758	25.00	0.51	26.42
Mar-96		775	10.57	2.36	24.93	0.20	4.99	1,728	25.00	2.74	32.73
Apr-96		230	3.14	2.36	7.40	0.20	1.48	1,697	25.00	0.80	27.28
May-96		330	4.50	2.36	10.62	0.20	2.12	1,667	25.00	1.12	28.24
Jun-96		300	4.09	2.36	9.65	0.20	1.93	1,636	25.00	1.00	27.93
Jul-96		310	4.23	2.36	9.97	0.20	1.99	1,605	25.00	1.01	28.00
Aug-96		310	4.23	2.36	9.97	0.20	1.99	1,575	25.00	0.99	27.98
Sep-96		300	4.09	2.36	9.65	0.20	1.93	1,544	25.00	0.94	27.87
Oct-96		285	3.89	2.36	9.17	0.20	1.83	1,514	25.00	0.88	27.71
Nov-96		271	3.70	2.36	8.72	0.20	1.74	1,483	25.00	0.81	27.55
Dec-96		250	3.41	2.36	8.04	0.20	1.61	1,452	25.00	0.74	27.35
Jan-97		177	2.42	2.36	5.69	0.20	1.14	1,424	25.00	0.51	26.65
Feb-97		227	3.10	2.36	7.30	0.20	1.46	1,393	25.00	0.64	27.10
Mar-97		342	4.67	2.36	11.00	0.20	2.20	1,363	25.00	0.94	28.14
May-97		340	4.64	2.36	10.94	0.20	2.19	1,302	25.00	0.89	28.08
Sep-97		187	2.55	2.82	7.20	0.20	1.44	1,179	25.00	0.53	26.97
Oct-97		171	2.33	2.82	6.58	0.20	1.32	1,149	25.00	0.47	26.79
Nov-97		218	2.97	3.90	11.61	0.20	2.32	1,118	25.00	0.81	28.13
Dec-97		118	1.61	3.07	4.95	0.20	0.99	1,087	25.00	0.33	26.32
Jan-98		39	0.53	2.77	1.47	0.20	0.29	1,059	25.00	0.10	25.39
Feb-98		38	0.52	2.24	1.16	0.20	0.23	1,028	25.00	0.07	25.30
Jun-98	1,376		18.78	2.18	40.92	0.20	8.18	906	25.00	2.28	35.46

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: HUDSON-DESTEFANO
 MINERAL FILE: 96387
 RRC#03-22729, 23527

ATTACHMENT IID

Penalty Date
 2/6/01

AE: LWR
 Filename: Clayton Williar
 Date: 1/10/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Month	RRC Vented Gas W# 23527 (A)	RRC Vented Gas W# 22729 (A)	Tract Participation 0.013645 (2) x (.013645)	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Jul-98	1,757		23.97	2.62	62.88	0.20	12.58	875	25.00	3.37	40.95
Aug-98	1,480		20.19	2.18	44.02	0.20	8.80	845	25.00	2.27	36.07
Sep-98	1,301		17.75	2.01	35.68	0.20	7.14	814	25.00	1.77	33.91
Oct-98	1,110		15.15	2.60	39.38	0.20	7.88	784	25.00	1.88	34.76
Nov-98	831		11.34	2.53	28.69	0.20	5.74	753	25.00	1.31	32.05
Dec-98	628		8.57	2.38	20.39	0.20	4.08	722	25.00	0.89	29.97
Jan-99	464		6.33	2.06	13.04	0.20	2.61	694	25.00	0.54	28.15
Feb-99	418		5.70	1.95	11.12	0.20	2.22	663	25.00	0.44	27.66
Mar-99	418		5.70	1.80	10.27	0.20	2.05	633	25.00	0.39	27.44
Apr-99	661		9.02	2.09	18.89	0.20	3.78	602	25.00	0.67	29.45
May-99	501		6.84	2.69	18.39	0.20	3.68	572	25.00	0.62	29.30
Jun-99	479		6.54	2.52	16.47	0.20	3.29	541	25.00	0.52	28.81
Jul-99	416		5.68	2.62	14.88	0.20	2.98	510	25.00	0.44	28.42
Aug-99	416		5.68	3.02	17.17	0.20	3.43	480	25.00	0.47	28.90
Sep-99	390		5.32	3.38	18.00	0.20	3.60	449	25.00	0.46	29.06
Oct-99	336		4.58	3.55	16.26	0.20	3.25	419	25.00	0.38	28.63
Nov-99	349		4.76	3.74	17.79	0.20	3.56	388	25.00	0.39	28.95
Dec-99	356		4.86	3.03	14.74	0.20	2.95	357	25.00	0.29	28.24
Total	13,687	19,135.00	447.86		\$1,082.68		\$216.52		\$1,175.00	\$91.97	\$1,483.49

NOTE:

(A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-23527 AND 22729.

(B) - PRICE - REPRESENTS THE PRICES REPORTED TO THE GLO ON GLO-2 REPORTS FOR M-96731. THE PRICE FOR THE MONTHS OF APRIL 1995 THROUGH APRIL 1997 WERE NOT AVAILABLE AND WERE TAKEN FROM THE MONTH OF MAY 1997 (M-96731).

(C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: SCARPINATO-DENENA UNIT / MUSE-FAZZINO UNIT
 MINERAL FILE: 96731, 99298
 RRC#03-23219, 23484

ATTACHMENT IIC-1

Penalty Date
 2/6/01

AE: LWR
 Filename: Clayton William
 Date: 1/10/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Month	RRC Vented Gas W# 23484 (A)	RRC Production W# 23219 (A)	Tract Participation (2)x.018358	Tract Participation (3)x.016805	Total RRC Production (4) + (5)	Price (B)	Gross Value (6)X(7)	Royalty Decimal	Royalty Due (8)X(9)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (10)+(12)+(13)
Mar-97		490		8.23	8.23	2.36	19.41	0.25	4.85	1,363	25.00	2.08	31.93
Apr-97		2,440		41.00	41.00	2.36	96.67	0.25	24.17	1,332	25.00	10.12	59.29
May-97		4,100		68.90	68.90	2.36	162.43	0.25	40.61	1,302	25.00	16.60	82.21
Apr-98	1,482		27.21		27.21	2.76	75.09	0.25	18.77	967	25.00	5.60	49.37
May-98	5,512		101.19		101.19	2.64	267.14	0.25	66.79	937	25.00	19.28	111.07
Jun-98	3,734		68.55		68.55	2.18	149.39	0.25	37.35	906	25.00	10.40	72.75
Jul-98	4,314		79.20		79.20	2.62	207.72	0.25	51.93	875	25.00	13.93	90.86
Aug-98	3,168		58.16		58.16	2.18	126.78	0.25	31.70	845	25.00	8.19	64.89
Sep-98	2,236		41.05		41.05	2.01	82.51	0.25	20.63	814	25.00	5.12	50.75
Oct-98	2,360		43.32		43.32	2.60	112.64	0.25	28.16	784	25.00	6.71	59.87
Nov-98	1,870		34.33		34.33	2.53	86.85	0.25	21.71	753	25.00	4.95	51.66
Dec-98	729		13.38		13.38	2.38	31.85	0.25	7.96	722	25.00	1.74	34.70
Jan-99	1,411		25.90		25.90	2.06	53.36	0.25	13.34	694	25.00	2.78	41.12
Feb-99	1,628		29.89		29.89	1.95	58.28	0.25	14.57	663	25.00	2.89	42.46
Mar-99	1,820		33.41		33.41	1.80	60.14	0.25	15.04	633	25.00	2.84	42.88
Apr-99	1,686		30.95		30.95	2.09	64.81	0.25	16.20	602	25.00	2.89	44.09
May-99	1,360		24.97		24.97	2.69	67.16	0.25	16.79	572	25.00	2.83	44.62
Jun-99	1,615		29.65		29.65	2.52	74.71	0.25	18.68	541	25.00	2.96	46.64
Jul-99	1,649		30.27		30.27	2.62	79.34	0.25	19.84	510	25.00	2.94	47.78
Aug-99	1,662		30.51		30.51	3.02	92.27	0.25	23.07	480	25.00	3.19	51.26
Sep-99	1,562		28.68		28.68	3.38	96.98	0.25	24.25	449	25.00	3.11	52.36
Oct-99	1,681		30.86		30.86	3.55	109.47	0.25	27.37	419	25.00	3.24	55.61
Nov-99	1,582		29.04		29.04	3.74	108.49	0.25	27.12	388	25.00	2.93	55.05
Dec-99	1,150		21.11		21.11	3.03	64.06	0.25	16.02	357	25.00	1.57	42.59
Total	44,211	7,030	811.63	118.14	929.76		\$2,347.55		\$586.92		\$600.00	\$138.89	\$1,325.81

NOTE:

(A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-23219, 23484.

(B) - PRICE - REPRESENTS THE PRICES REPORTED TO THE GLO ON GLO-2 REPORTS FOR M-96731. THE PRICE FOR THE MONTHS OF MARCH 1997 AND APRIL 1997 WERE NOT AVAILABLE AND WERE TAKEN FROM THE MONTH OF MAY 1997 (M-96731).

(C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: ELY UNIT
 MINERAL FILE: 96731
 RRC#03-23332

ATTACHMENT IIC-2

Penalty Date
 2/6/01

AE: LWR
 Filename: Clayton William
 Date: 1/10/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 23332 (A)	Tract Participation (4)x.005390	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Aug-97	420	2.26	2.44	5.51	0.225	1.24	1,210	25.00	0.47	26.71
Sep-97	2,412	13.00	2.82	36.66	0.225	8.25	1,179	25.00	3.04	36.29
Oct-97	2,539	13.69	2.82	38.60	0.225	8.69	1,149	25.00	3.11	36.80
Nov-97	1,480	7.98	3.90	31.14	0.225	7.01	1,118	25.00	2.44	34.45
Dec-97	1,525	8.22	3.07	25.27	0.225	5.69	1,087	25.00	1.92	32.61
Jan-98	1,430	7.71	2.77	21.33	0.225	4.80	1,059	25.00	1.58	31.38
Feb-98	976	5.26	2.24	11.77	0.225	2.65	1,028	25.00	0.84	28.49
Mar-98	1,489	8.03	2.48	19.89	0.225	4.48	998	25.00	1.38	30.86
Apr-98	1,464	7.89	2.76	21.78	0.225	4.90	967	25.00	1.46	31.36
May-98	1,355	7.30	2.64	19.27	0.225	4.34	937	25.00	1.25	30.59
Jun-98	1,146	6.18	2.18	13.47	0.225	3.03	906	25.00	0.84	28.87
Jul-98	1,050	5.66	2.62	14.85	0.225	3.34	875	25.00	0.90	29.24
Aug-98	1,073	5.78	2.18	12.60	0.225	2.84	845	25.00	0.73	28.57
Sep-98	862	4.65	2.01	9.35	0.225	2.10	814	25.00	0.52	27.62
Oct-98	903	4.87	2.60	12.66	0.225	2.85	784	25.00	0.68	28.53
Nov-98	821	4.43	2.53	11.21	0.225	2.52	753	25.00	0.57	28.09
Dec-98	441	2.38	2.38	5.66	0.225	1.27	722	25.00	0.28	26.55
Jan-99	665	3.58	2.06	7.37	0.225	1.66	694	25.00	0.35	27.01
Feb-99	531	2.86	1.95	5.58	0.225	1.26	663	25.00	0.25	26.51
Mar-99	478	2.58	1.80	4.64	0.225	1.04	633	25.00	0.20	26.24
Apr-99	778	4.19	2.09	8.77	0.225	1.97	602	25.00	0.35	27.32
May-99	656	3.54	2.69	9.52	0.225	2.14	572	25.00	0.36	27.50
Jun-99	734	3.96	2.52	9.98	0.225	2.25	541	25.00	0.36	27.61
Jul-99	810	4.37	2.62	11.45	0.225	2.58	510	25.00	0.38	27.96
Aug-99	464	2.50	3.02	7.56	0.225	1.70	480	25.00	0.24	26.94
Sep-99	866	4.67	3.38	15.79	0.225	3.55	449	25.00	0.46	29.01
Oct-99	700	3.77	3.55	13.37	0.225	3.01	419	25.00	0.36	28.37
Nov-99	703	3.79	3.74	14.16	0.225	3.19	388	25.00	0.35	28.54

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: ELY UNIT
 MINERAL FILE: 96731
 RRC#03-23332

ATTACHMENT IIC-2

Penalty Date
 2/6/01

AE: LWR
 Filename: Clayton William
 Date: 1/10/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 23332 (A)	Tract Participation (4)x.005390	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Dec-99	515	2.78	3.03	8.44	0.225	1.90	357	25.00	0.19	27.09
Total	29,286	157.88		\$427.65		\$96.25		\$725.00	\$25.86	\$847.11

NOTE:

- (A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-23332.
- (B) - PRICE - REPRESENTS THE PRICES REPORTED TO THE GLO ON GLO-2 REPORTS FOR M-96731.
- (C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

File No. 97515 15
Billing
FME
Date Filed: 1-10-00
Jerry E. Patterson, Commissioner
By _____

Texas General
Land Office



David Dewhurst
Commissioner

December 1, 2000

CERTIFIED MAIL 7000 0520 0023 2503 5086

CLAYTON WILLIAMS ENERGY, INC.
SIX DESTA DRIVE
SUITE 3000
MIDLAND, TEXAS 79705

RE: Notice of non-payment on State Leases
(M-96387, 96579, 96731, 97515, 99298)

Dear Sir or Madam:

The Energy Inspections Division of the Texas General Land Office has completed a limited review of the above referenced lease operated by Clayton Williams, Inc. Through this review, it was determined that \$6,691.20 is due for various production periods starting in February 1995 through December 1999. This amount is comprised of \$1,313.97 in royalty, \$4,950.00 in penalty and \$427.23 in interest, which has been computed through December 31, 2000, in accordance with Section 52.131 of the Texas Natural Resources Code.

The following documents are attached in support of our findings:

- A brief summary of findings (Attachment I);
- Schedules supporting royalty, penalty and interest calculations (Attachment II/IIA, IIB, IIC& IID), and;
- Procedures used for assessment of penalties and interest (Attachment III).

To ensure your company remains in good standing with the General Land Office, please respond to this notice within 25 days of the above date. If your records reflect this royalty has been paid, please provide us with documentation of payments made and remittance dates. Payment of this notice should be submitted separately from monthly royalty payments you may be remitting. In order to ensure proper credit, your payment should be mailed to my attention along with a copy of this letter.

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

512-463-5001

Clayton Williams, Inc.
December 1, 2000
Page 2

This notice in no way precludes the General Land Office from pursuing any claim or remedy related to this royalty payment. Additionally, this notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Natural Resources Code and, consequently, does not preclude the General Land Office from conducting further examinations of this or other leases operated and/or reported by Clayton Williams, Inc. or from examining these or other issues and time periods in a future inspection of your books, accounts, reports or other records.

If you have any questions, please call John Cantu, Regional Inspections Manager, at (512) 475-1439 to discuss details of findings or Landia Robinson, Accounts Examiner, at (512) 475-1490 to discuss payment and production/royalty reports.

Sincerely,



Michael W. Dunn, Director
Energy Inspections Division
Energy Resources

MD/lr

CC: John Cantu
Regional Inspections Manager
Energy Resources
(512) 475-1439
e-mail: john.cantu@glo.state.tx.us

ATTACHMENT I
REVIEW SUMMARY

State Lease M-096387, 96579, 96731, 97515, 99298

During a routine field inspection conducted on Clayton Williams, Inc. well#'s22650, 23104, 23219/23332, 22729/23527, 23484 it was determined that gas has been vented rather than sending it down a pipeline for processing. This vented gas has not been reported nor paid to the GLO.

State Leases M-96387, 96371, 97515, 99298 lease agreements Section 3(b) reads:

ROYALTIES: As royalty Lessee covenants and agrees: (b) To pay lessor on gas and casinghead gas produced... the market value, at the mouth of the well...

State Lease M-96579 lease agreement section 3 reads:

PRODUCTION ROYALTIES: Upon production of oil and/or gas, the lessee agrees to pay or cause to be paid..., (b)...royalty on any gas (including flared gas)...100% of the gross production or the comparable quality...

We have concluded that royalty revenue is due in the following amount.

Royalty	Penalty	Interest	Total
\$1,313.97	\$4,950.00	\$427.23	\$6,691.20

(See attachment II/IIA, IIB, IIC, IID for supporting calculations)

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 VENTED GAS
 GIDDINGS (AUSTIN CHALK-3) FIELD

ATTACHMENT II

AE: LWR
 Filename: Clayton Williams
 Date: 11/30/00

SUMMARY

Lease Name	Mineral File	Royalty Due	Penalty	Interest	Additional Royalty Due
Nigliazzo-Scamardo Unit	96579	\$329.61	\$1,475.00	\$155.99	\$1,960.60
Friddell OI Unit	97515	\$84.67	\$975.00	\$25.43	\$1,085.10
Scarpinato-Denena Unit & Muse- Fazzino Unit	96731 & 99298	\$586.92	\$600.00	\$131.76	\$1,318.68
Ely Unit	96731	\$96.25	\$725.00	\$24.67	\$845.92
Hudson-Destefano Unit	96387	\$216.52	\$1,175.00	\$89.38	\$1,480.90
Total		\$1,313.97	\$4,950.00	\$427.23	\$6,691.20

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: NIGLIAZZO-SCAMARDO
 MINLERAL FILE : 96579
 RRC#03-22650

ATTACHMENT IIA

Penalty Date
 12/31/00

AE: LWR
 Filename: Clayton Williams
 Date: 11/30/00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 22650 (A)	Tract Participation .0107254 (2) X .0107254	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Feb-95	745	7.99	2.36	18.84	1.000	18.84	2,087	25.00	12.56	56.40
Mar-95	787	8.44	2.36	19.90	1.000	19.90	2,057	25.00	13.07	57.97
Apr-95	658	7.06	2.36	16.64	1.000	16.64	2,026	25.00	10.76	52.40
May-95	509	5.46	2.36	12.87	1.000	12.87	1,996	25.00	8.20	46.07
Jun-95	312	3.35	2.36	7.90	1.000	7.90	1,965	25.00	4.95	37.85
Jul-95	775	8.31	2.36	19.59	1.000	19.59	1,934	25.00	12.08	56.67
Aug-95	210	2.25	2.36	5.30	1.000	5.30	1,904	25.00	3.21	33.51
Sep-95	300	3.22	2.36	7.59	1.000	7.59	1,873	25.00	4.53	37.12
Oct-95	220	2.36	2.36	5.56	1.000	5.56	1,843	25.00	3.26	33.82
Nov-95	270	2.90	2.36	6.84	1.000	6.84	1,812	25.00	3.94	35.78
Dec-95	300	3.22	2.36	7.59	1.000	7.59	1,781	25.00	4.30	36.89
Jan-96	270	2.90	2.36	6.84	1.000	6.84	1,752	25.00	3.81	35.65
Feb-96	220	2.36	2.36	5.56	1.000	5.56	1,721	25.00	3.04	33.60
Mar-96	290	3.11	2.36	7.33	1.000	7.33	1,691	25.00	3.93	36.26
Apr-96	240	2.57	2.36	6.06	1.000	6.06	1,660	25.00	3.19	34.25
May-96	170	1.82	2.36	4.29	1.000	4.29	1,630	25.00	2.22	31.51
Jun-96	240	2.57	2.36	6.06	1.000	6.06	1,599	25.00	3.07	34.13
Jul-96	270	2.90	2.36	6.84	1.000	6.84	1,568	25.00	3.39	35.23
Aug-96	300	3.22	2.36	7.59	1.000	7.59	1,538	25.00	3.69	36.28
Sep-96	300	3.22	2.36	7.59	1.000	7.59	1,507	25.00	3.61	36.20
Oct-96	285	3.06	2.36	7.21	1.000	7.21	1,477	25.00	3.36	35.57
Nov-96	271	2.91	2.36	6.86	1.000	6.86	1,446	25.00	3.13	34.99
Dec-96	270	2.90	2.36	6.84	1.000	6.84	1,415	25.00	3.05	34.89
Jan-97	288	3.09	2.36	7.28	1.000	7.28	1,387	25.00	3.18	35.46
Feb-97	280	3.00	2.36	7.07	1.000	7.07	1,356	25.00	3.01	35.08
Mar-97	310	3.32	2.36	7.83	1.000	7.83	1,326	25.00	3.26	36.09
Apr-97	155	1.66	2.36	3.91	1.000	3.91	1,295	25.00	1.59	30.50
May-97	240	2.57	2.36	6.06	1.000	6.06	1,265	25.00	2.40	33.46
Jun-97	210	2.25	2.57	5.78	1.000	5.78	1,234	25.00	2.23	33.01

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: NIGLIAZZO-SCAMARDO
 MINLERAL FILE : 96579
 RRC#03-22650

ATTACHMENT IIA

Penalty Date
 12/31/00

AE: LWR
 Filename: Clayton Williams
 Date: 11/30/00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 22650 (A)	Tract Participation .0107254 (2) X .0107254	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Jul-97	140	1.50	2.41	3.62	1.000	3.62	1,203	25.00	1.36	29.98
Aug-97	30	0.32	2.44	0.78	1.000	0.78	1,173	25.00	0.29	26.07
Sep-97	154	1.65	2.82	4.65	1.000	4.65	1,142	25.00	1.66	31.31
Oct-97	112	1.20	2.82	3.38	1.000	3.38	1,112	25.00	1.17	29.55
Nov-97	99	1.06	3.90	4.14	1.000	4.14	1,081	25.00	1.39	30.53
Dec-97	143	1.53	3.07	4.70	1.000	4.70	1,050	25.00	1.53	31.23
Jan-98	116	1.24	2.77	3.43	1.000	3.43	1,022	25.00	1.09	29.52
Feb-98	78	0.84	2.24	1.88	1.000	1.88	991	25.00	0.58	27.46
Mar-98	137	1.47	2.48	3.64	1.000	3.64	961	25.00	1.08	29.72
Apr-98	98	1.05	2.76	2.90	1.000	2.90	930	25.00	0.83	28.73
May-98	110	1.18	2.64	3.12	1.000	3.12	900	25.00	0.86	28.98
Jun-98	112	1.20	2.18	2.62	1.000	2.62	869	25.00	0.70	28.32
Jul-98	99	1.06	2.62	2.78	1.000	2.78	838	25.00	0.71	28.49
Aug-98	96	1.03	2.18	2.25	1.000	2.25	808	25.00	0.55	27.80
Sep-98	109	1.17	2.01	2.35	1.000	2.35	777	25.00	0.55	27.90
Oct-98	79	0.85	2.60	2.21	1.000	2.21	747	25.00	0.50	27.71
Nov-98	91	0.98	2.53	2.48	1.000	2.48	716	25.00	0.54	28.02
Dec-98	118	1.27	2.38	3.02	1.000	3.02	685	25.00	0.62	28.64
Jan-99	40	0.43	2.06	0.89	1.000	0.89	657	25.00	0.17	26.06
Feb-99	98	1.05	1.95	2.05	1.000	2.05	626	25.00	0.38	27.43
Mar-99	83	0.89	1.80	1.60	1.000	1.60	596	25.00	0.28	26.88
Apr-99	112	1.20	2.09	2.51	1.000	2.51	565	25.00	0.42	27.93
May-99	93	1.00	2.69	2.69	1.000	2.69	535	25.00	0.42	28.11
Jun-99	92	0.99	2.52	2.49	1.000	2.49	504	25.00	0.36	27.85
Jul-99	52	0.56	2.62	1.47	1.000	1.47	473	25.00	0.20	26.67
Aug-99	96	1.03	3.02	3.11	1.000	3.11	443	25.00	0.39	28.50
Sep-99	94	1.01	3.38	3.42	1.000	3.42	412	25.00	0.40	28.82
Oct-99	68	0.73	3.55	2.59	1.000	2.59	382	25.00	0.28	27.87
Nov-99	113	1.21	3.74	4.52	1.000	4.52	351	25.00	0.43	29.95

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: NIGLIAZZO-SCAMARDO
 MINERAL FILE : 96579
 RRC#03-22650

ATTACHMENT IIA

Penalty Date
 12/31/00

AE: LWR
 Filename: Clayton Williams
 Date: 11/30/00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 22650 (A)	Tract Participation .0107254 (2) X .0107254	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Dec-99	83	0.89	3.03	2.70	1.000	2.70	320	25.00	0.23	27.93
Total	12,640	135.58		\$329.61		\$329.61		\$1,475.00	\$155.99	\$1,960.60

NOTE:

(A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-22650.

(B) - PRICE - REPRESENTS THE PRICES REPORTED TO THE GLO ON GLO-2 REPORTS FOR M-96731. THE PRICE FOR THE MONTHS OF FEBRUARY 1995 THROUGH APRIL 1997 WERE NOT AVAILABLE AND WERE TAKEN FROM THE MONTH OF MAY 1997 (M-96731)

(C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: FRIDDELL OL UNIT
 MINERAL FILE : 97515
 RRC#03-23104

ATTACHMENT IIB

Penalty Date
 12/31/00

AE: LWR
 Filename: Clayton Williams
 Date: 11/30/00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 23104 (A)	Tract Participation .0107663 (2) x .0107663	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Oct-96	310	3.34	2.36	7.87	0.166667	1.31	1,477	25.00	0.61	26.92
Nov-96	845	9.10	2.36	21.45	0.166667	3.58	1,446	25.00	1.63	30.21
Dec-96	660	7.11	2.36	16.75	0.166667	2.79	1,415	25.00	1.24	29.03
Jan-97	610	6.57	2.36	15.48	0.166667	2.58	1,387	25.00	1.13	28.71
Feb-97	353	3.80	2.36	8.96	0.166667	1.49	1,356	25.00	0.64	27.13
Mar-97	560	6.03	2.36	14.21	0.166667	2.37	1,326	25.00	0.99	28.36
Apr-97	285	3.07	2.36	7.23	0.166667	1.21	1,295	25.00	0.49	26.70
May-97	450	4.84	2.36	11.42	0.166667	1.90	1,265	25.00	0.75	27.65
Jun-97	460	4.95	2.57	12.72	0.166667	2.12	1,234	25.00	0.82	27.94
Jul-97	1,160	12.49	2.41	30.15	0.166667	5.03	1,203	25.00	1.89	31.92
Aug-97	800	8.61	2.44	21.00	0.166667	3.50	1,173	25.00	1.28	29.78
Sep-97	767	8.26	2.82	23.29	0.166667	3.88	1,142	25.00	1.38	30.26
Oct-97	614	6.61	2.82	18.64	0.166667	3.11	1,112	25.00	1.08	29.19
Nov-97	684	7.36	3.90	28.74	0.166667	4.79	1,081	25.00	1.61	31.40
Dec-97	599	6.45	3.07	19.82	0.166667	3.30	1,050	25.00	1.08	29.38
Jan-98	584	6.29	2.77	17.40	0.166667	2.90	1,022	25.00	0.92	28.82
Feb-98	507	5.46	2.24	12.21	0.166667	2.04	991	25.00	0.63	27.67
Mar-98	400	4.31	2.48	10.67	0.166667	1.78	961	25.00	0.53	27.31
Apr-98	572	6.16	2.76	17.00	0.166667	2.83	930	25.00	0.81	28.64
May-98	486	5.23	2.64	13.81	0.166667	2.30	900	25.00	0.64	27.94
Jun-98	446	4.80	2.18	10.46	0.166667	1.74	869	25.00	0.46	27.20
Jul-98	449	4.83	2.62	12.68	0.166667	2.11	838	25.00	0.54	27.65
Aug-98	431	4.64	2.18	10.12	0.166667	1.69	808	25.00	0.42	27.11
Sep-98	406	4.37	2.01	8.79	0.166667	1.47	777	25.00	0.35	26.82
Oct-98	383	4.12	2.60	10.72	0.166667	1.79	747	25.00	0.40	27.19
Nov-98	401	4.32	2.53	10.92	0.166667	1.82	716	25.00	0.39	27.21
Dec-98	250	2.69	2.38	6.41	0.166667	1.07	685	25.00	0.22	26.29
Jan-99	427	4.60	2.06	9.47	0.166667	1.58	657	25.00	0.31	26.89
Feb-99	320	3.45	1.95	6.72	0.166667	1.12	626	25.00	0.21	26.33
Mar-99	350	3.77	1.80	6.78	0.166667	1.13	596	25.00	0.20	26.33
Apr-99	334	3.60	2.09	7.53	0.166667	1.26	565	25.00	0.21	26.47
May-99	323	3.48	2.69	9.35	0.166667	1.56	535	25.00	0.24	26.80

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: FRIDDELL OL UNIT
 MINERAL FILE : 97515
 RRC#03-23104

ATTACHMENT IIB

Penalty Date
 12/31/00

AE: LWR
 Filename: Clayton Williams
 Date: 11/30/00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 23104 (A)	Tract Participation .0107663 (2) x .0107663	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Jun-99	265	2.85	2.52	7.19	0.166667	1.20	504	25.00	0.18	26.38
Jul-99	370	3.98	2.62	10.44	0.166667	1.74	473	25.00	0.24	26.98
Aug-99	333	3.59	3.02	10.84	0.166667	1.81	443	25.00	0.23	27.04
Sep-99	285	3.07	3.38	10.38	0.166667	1.73	412	25.00	0.20	26.93
Oct-99	271	2.92	3.55	10.35	0.166667	1.73	382	25.00	0.18	26.91
Nov-99	263	2.83	3.74	10.58	0.166667	1.76	351	25.00	0.17	26.93
Dec-99	285	3.07	3.03	9.31	0.166667	1.55	320	25.00	0.13	26.68
Total	18,298	197.00		\$507.86		\$84.67		\$975.00	\$25.43	\$1,085.10

NOTE:

(A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-23104.

(B) - PRICE - REPRESENTS THE PRICES REPORTED TO THE GLO ON GLO-2 REPORTS FOR M-96731. THE PRICE FOR THE MONTHS OF OCTOBER 1996 THROUGH APRIL 1997 WERE NOT AVAILABLE AND WERE TAKEN FROM THE MONTH OF MAY 1997 (M-96731)

(C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: SCARPINATO-DENENA UNIT / MUSE-FAZZINO UNIT
 MINERAL FILE: 96731, 99298
 RRC#03-23219, 23484

ATTACHMENT IIC-1

Penalty Date
 12/31/00

AE: LWR
 Filename: Clayton William
 Date: 11/30/00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Month	RRC Vented Gas W# 23484 (A)	RRC Production W# 23219 (A)	Tract Participation (2)x.018358	Tract Participation (3)x.016805	Total RRC Production (4) + (5)	Price (B)	Gross Value (6)X(7)	Royalty Decimal	Royalty Due (8)X(9)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (10)+(12)+(13)
Mar-97		490		8.23	8.23	2.36	19.41	0.25	4.85	1,326	25.00	2.02	31.87
Apr-97		2,440		41.00	41.00	2.36	96.67	0.25	24.17	1,295	25.00	9.82	58.99
May-97		4,100		68.90	68.90	2.36	162.43	0.25	40.61	1,265	25.00	16.10	81.71
Apr-98	1,482		27.21		27.21	2.76	75.09	0.25	18.77	930	25.00	5.37	49.14
May-98	5,512		101.19		101.19	2.64	267.14	0.25	66.79	900	25.00	18.47	110.26
Jun-98	3,734		68.55		68.55	2.18	149.39	0.25	37.35	869	25.00	9.95	72.30
Jul-98	4,314		79.20		79.20	2.62	207.72	0.25	51.93	838	25.00	13.30	90.23
Aug-98	3,168		58.16		58.16	2.18	126.78	0.25	31.70	808	25.00	7.81	64.51
Sep-98	2,236		41.05		41.05	2.01	82.51	0.25	20.63	777	25.00	4.87	50.50
Oct-98	2,360		43.32		43.32	2.60	112.64	0.25	28.16	747	25.00	6.37	59.53
Nov-98	1,870		34.33		34.33	2.53	86.85	0.25	21.71	716	25.00	4.69	51.40
Dec-98	729		13.38		13.38	2.38	31.85	0.25	7.96	685	25.00	1.64	34.60
Jan-99	1,411		25.90		25.90	2.06	53.36	0.25	13.34	657	25.00	2.62	40.96
Feb-99	1,628		29.89		29.89	1.95	58.28	0.25	14.57	626	25.00	2.72	42.29
Mar-99	1,820		33.41		33.41	1.80	60.14	0.25	15.04	596	25.00	2.66	42.70
Apr-99	1,686		30.95		30.95	2.09	64.81	0.25	16.20	565	25.00	2.69	43.89
May-99	1,360		24.97		24.97	2.69	67.16	0.25	16.79	535	25.00	2.63	44.42
Jun-99	1,615		29.65		29.65	2.52	74.71	0.25	18.68	504	25.00	2.73	46.41
Jul-99	1,649		30.27		30.27	2.62	79.34	0.25	19.84	473	25.00	2.70	47.54
Aug-99	1,662		30.51		30.51	3.02	92.27	0.25	23.07	443	25.00	2.91	50.98
Sep-99	1,562		28.68		28.68	3.38	96.98	0.25	24.25	412	25.00	2.81	52.06
Oct-99	1,681		30.86		30.86	3.55	109.47	0.25	27.37	382	25.00	2.91	55.28
Nov-99	1,582		29.04		29.04	3.74	108.49	0.25	27.12	351	25.00	2.60	54.72
Dec-99	1,150		21.11		21.11	3.03	64.06	0.25	16.02	320	25.00	1.37	42.39
Total	44,211	7,030	811.63	118.14	929.76		\$2,347.55		\$586.92		\$600.00	\$131.76	\$1,318.68

NOTE:

(A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-23219, 23484.

(B) - PRICE - REPRESENTS THE PRICES REPORTED TO THE GLO ON GLO-2 REPORTS FOR M-96731. THE PRICE FOR THE MONTHS OF MARCH 1997 AND APRIL 1997 WERE NOT AVAILABLE AND WERE TAKEN FROM THE MONTH OF MAY 1997 (M-96731).

(C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: ELY UNIT
 MINERAL FILE: 96731
 RRC#03-23332

ATTACHMENT IIC-2

Penalty Date
 12/31/00

AE: LWR
 Filename: Clayton Williarr
 Date: 11/30/00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 23332 (A)	Tract Participation (4)x.005390	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Aug-97	420	2.26	2.44	5.51	0.225	1.24	1,173	25.00	0.45	26.69
Sep-97	2,412	13.00	2.82	36.66	0.225	8.25	1,142	25.00	2.94	36.19
Oct-97	2,539	13.69	2.82	38.60	0.225	8.69	1,112	25.00	3.01	36.70
Nov-97	1,480	7.98	3.90	31.14	0.225	7.01	1,081	25.00	2.36	34.37
Dec-97	1,525	8.22	3.07	25.27	0.225	5.69	1,050	25.00	1.85	32.54
Jan-98	1,430	7.71	2.77	21.33	0.225	4.80	1,022	25.00	1.52	31.32
Feb-98	976	5.26	2.24	11.77	0.225	2.65	991	25.00	0.81	28.46
Mar-98	1,489	8.03	2.48	19.89	0.225	4.48	961	25.00	1.33	30.81
Apr-98	1,464	7.89	2.76	21.78	0.225	4.90	930	25.00	1.40	31.30
May-98	1,355	7.30	2.64	19.27	0.225	4.34	900	25.00	1.20	30.54
Jun-98	1,146	6.18	2.18	13.47	0.225	3.03	869	25.00	0.81	28.84
Jul-98	1,050	5.66	2.62	14.85	0.225	3.34	838	25.00	0.86	29.20
Aug-98	1,073	5.78	2.18	12.60	0.225	2.84	808	25.00	0.70	28.54
Sep-98	862	4.65	2.01	9.35	0.225	2.10	777	25.00	0.50	27.60
Oct-98	903	4.87	2.60	12.66	0.225	2.85	747	25.00	0.64	28.49
Nov-98	821	4.43	2.53	11.21	0.225	2.52	716	25.00	0.54	28.06
Dec-98	441	2.38	2.38	5.66	0.225	1.27	685	25.00	0.26	26.53
Jan-99	665	3.58	2.06	7.37	0.225	1.66	657	25.00	0.33	26.99
Feb-99	531	2.86	1.95	5.58	0.225	1.26	626	25.00	0.23	26.49
Mar-99	478	2.58	1.80	4.64	0.225	1.04	596	25.00	0.18	26.22
Apr-99	778	4.19	2.09	8.77	0.225	1.97	565	25.00	0.33	27.30
May-99	656	3.54	2.69	9.52	0.225	2.14	535	25.00	0.33	27.47
Jun-99	734	3.96	2.52	9.98	0.225	2.25	504	25.00	0.33	27.58
Jul-99	810	4.37	2.62	11.45	0.225	2.58	473	25.00	0.35	27.93
Aug-99	464	2.50	3.02	7.56	0.225	1.70	443	25.00	0.21	26.91
Sep-99	866	4.67	3.38	15.79	0.225	3.55	412	25.00	0.41	28.96
Oct-99	700	3.77	3.55	13.37	0.225	3.01	382	25.00	0.32	28.33
Nov-99	703	3.79	3.74	14.16	0.225	3.19	351	25.00	0.31	28.50

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: ELY UNIT
 MINERAL FILE: 96731
 RRC#03-23332

ATTACHMENT IIC-2

Penalty Date
 12/31/00

AE: LWR
 Filename: Clayton Willian
 Date: 11/30/00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Month	RRC Vented Gas W# 23332 (A)	Tract Participation (4)x.005390	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Dec-99	515	2.78	3.03	8.44	0.225	1.90	320	25.00	0.16	27.06
Total	29,286	157.88		\$427.65		\$96.25		\$725.00	\$24.67	\$845.92

NOTE:

- (A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-23332.
- (B) - PRICE - REPRESENTS THE PRICES REPORTED TO THE GLO ON GLO-2 REPORTS FOR M-96731.
- (C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: HUDSON-DESTEFANO
 MINERAL FILE: 96387
 RRC#03-22729, 23527

ATTACHMENT IID

Penalty Date
 12/31/00

AE: LWR
 Filename: Clayton Williar
 Date: 11/30/00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Month	RRC Vented Gas W# 23527 (A)	RRC Vented Gas W# 22729 (A)	Tract Participation 0.013645 (2) x (.013645)	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Apr-95		5,708	77.89	2.36	183.61	0.20	36.72	2,026	25.00	23.75	85.47
Jun-95		2,467	33.66	2.36	79.36	0.20	15.87	1,965	25.00	9.94	50.81
Sep-95		1,766	24.10	2.36	56.81	0.20	11.36	1,873	25.00	6.77	43.13
Oct-95		1,534	20.93	2.36	49.35	0.20	9.87	1,843	25.00	5.79	40.66
Nov-95		1,192	16.26	2.36	38.34	0.20	7.67	1,812	25.00	4.42	37.09
Dec-95		706	9.63	2.36	22.71	0.20	4.54	1,781	25.00	2.57	32.11
Jan-96		403	5.50	2.36	12.96	0.20	2.59	1,752	25.00	1.44	29.03
Feb-96		141	1.92	2.36	4.54	0.20	0.91	1,721	25.00	0.50	26.41
Mar-96		775	10.57	2.36	24.93	0.20	4.99	1,691	25.00	2.68	32.67
Apr-96		230	3.14	2.36	7.40	0.20	1.48	1,660	25.00	0.78	27.26
May-96		330	4.50	2.36	10.62	0.20	2.12	1,630	25.00	1.09	28.21
Jun-96		300	4.09	2.36	9.65	0.20	1.93	1,599	25.00	0.98	27.91
Jul-96		310	4.23	2.36	9.97	0.20	1.99	1,568	25.00	0.99	27.98
Aug-96		310	4.23	2.36	9.97	0.20	1.99	1,538	25.00	0.97	27.96
Sep-96		300	4.09	2.36	9.65	0.20	1.93	1,507	25.00	0.92	27.85
Oct-96		285	3.89	2.36	9.17	0.20	1.83	1,477	25.00	0.85	27.68
Nov-96		271	3.70	2.36	8.72	0.20	1.74	1,446	25.00	0.79	27.53
Dec-96		250	3.41	2.36	8.04	0.20	1.61	1,415	25.00	0.72	27.33
Jan-97		177	2.42	2.36	5.69	0.20	1.14	1,387	25.00	0.50	26.64
Feb-97		227	3.10	2.36	7.30	0.20	1.46	1,356	25.00	0.62	27.08
Mar-97		342	4.67	2.36	11.00	0.20	2.20	1,326	25.00	0.92	28.12
May-97		340	4.64	2.36	10.94	0.20	2.19	1,265	25.00	0.87	28.06
Sep-97		187	2.55	2.82	7.20	0.20	1.44	1,142	25.00	0.51	26.95
Oct-97		171	2.33	2.82	6.58	0.20	1.32	1,112	25.00	0.46	26.78
Nov-97		218	2.97	3.90	11.61	0.20	2.32	1,081	25.00	0.78	28.10
Dec-97		118	1.61	3.07	4.95	0.20	0.99	1,050	25.00	0.32	26.31
Jan-98		39	0.53	2.77	1.47	0.20	0.29	1,022	25.00	0.09	25.38
Feb-98		38	0.52	2.24	1.16	0.20	0.23	991	25.00	0.07	25.30
Jun-98	1,376		18.78	2.18	40.92	0.20	8.18	869	25.00	2.18	35.36

CLAYTON WILLIAMS
 PRODUCTION ANALYSIS
 GIDDINGS (AUSTIN CHALK-3) FIELD
 LEASE NAME: HUDSON-DESTEFANO
 MINERAL FILE: 96387
 RRC#03-22729, 23527

ATTACHMENT IID

Penalty Date
 12/31/00

AE: LWR
 Filename: Clayton Williar
 Date: 11/30/00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Month	RRC Vented Gas W# 23527 (A)	RRC Vented Gas W# 22729 (A)	Tract Participation 0.013645 (2) x (.013645)	Price (B)	Gross Value (3)X(4)	Royalty Decimal	Royalty Due (5)X(6)	Number of Days Late	Penalty (C)	Interest (C)	Additional Royalty Due (7)+(9)+(10)
Jul-98	1,757		23.97	2.62	62.88	0.20	12.58	838	25.00	3.22	40.80
Aug-98	1,480		20.19	2.18	44.02	0.20	8.80	808	25.00	2.17	35.97
Sep-98	1,301		17.75	2.01	35.68	0.20	7.14	777	25.00	1.69	33.83
Oct-98	1,110		15.15	2.60	39.38	0.20	7.88	747	25.00	1.78	34.66
Nov-98	831		11.34	2.53	28.69	0.20	5.74	716	25.00	1.24	31.98
Dec-98	628		8.57	2.38	20.39	0.20	4.08	685	25.00	0.84	29.92
Jan-99	464		6.33	2.06	13.04	0.20	2.61	657	25.00	0.51	28.12
Feb-99	418		5.70	1.95	11.12	0.20	2.22	626	25.00	0.41	27.63
Mar-99	418		5.70	1.80	10.27	0.20	2.05	596	25.00	0.36	27.41
Apr-99	661		9.02	2.09	18.89	0.20	3.78	565	25.00	0.63	29.41
May-99	501		6.84	2.69	18.39	0.20	3.68	535	25.00	0.58	29.26
Jun-99	479		6.54	2.52	16.47	0.20	3.29	504	25.00	0.48	28.77
Jul-99	416		5.68	2.62	14.88	0.20	2.98	473	25.00	0.41	28.39
Aug-99	416		5.68	3.02	17.17	0.20	3.43	443	25.00	0.43	28.86
Sep-99	390		5.32	3.38	18.00	0.20	3.60	412	25.00	0.42	29.02
Oct-99	336		4.58	3.55	16.26	0.20	3.25	382	25.00	0.35	28.60
Nov-99	349		4.76	3.74	17.79	0.20	3.56	351	25.00	0.34	28.90
Dec-99	356		4.86	3.03	14.74	0.20	2.95	320	25.00	0.25	28.20
Total	13,687	19,135.00	447.86		\$1,082.68		\$216.52		\$1,175.00	\$89.38	\$1,480.90

NOTE:

- (A) - RRC VOLUME- REPRESENTS THE VENTED GAS PRODUCTION REPORTED TO THE RRC WELL ID#03-23527 AND 22729.
- (B) - PRICE - REPRESENTS THE PRICES REPORTED TO THE GLO ON GLO-2 REPORTS FOR M-96731. THE PRICE FOR THE MONTHS OF APRIL 1995 THROUGH APRIL 1997 WERE NOT AVAILABLE AND WERE TAKEN FROM THE MONTH OF MAY 1997 (M-96731).
- (C) - SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES" FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

File No. ~~97515~~ 97515 16
Billing - Clayton Williams Energy
FME
Date Filed: 12-1-00
Jerry E. Patterson, Commissioner
By _____



MF 097515



Keep This Copy

OIL AND GAS DIVISION ORDER

Clayton Williams Energy, Inc.
6 Desta Drive, Suite 1875
Midland, TX 79705
(432) 682-6324

Property Name and Number: Friddell OL Unit #1 and Unit #2 / 29303-001 and 29303-002

Date: March 7, 2012

Operator: Clayton Williams Energy, Inc

Effective Date: Date of First Production

County/State: Burleson County, Texas

Legal Description: 1,289.386 - acre unit out of the David Clark League, A-11, the George Green Survey, A-126 and the E. Swearingen League, A-58, Burleson County, Texas, more fully described in the Declaration of Unit recorded in Volume 258, Page 167, Oil and Gas Lease Records, Burleson County, Texas.

Owner No.	Owner Name and Address	Decimal Interest	Type of Interest
2901	The Commissioner of the General Land Office 200 East 12th Street Austin, TX 78711	0.00179439	RI
		1/6 x 13.882/1289.386	

The undersigned certifies the ownership of the decimal interest in production or proceeds as described above payable by Clayton Williams Energy, Inc. (hereinafter referred to as "CWEI").

CWEI shall be notified, in writing, of any change in ownership, decimal interest, or payment address. All such changes shall be effective the first day of the month following receipt of such notice.

The undersigned agrees to indemnify and hold CWEI harmless from all liability resulting from payments made to the undersigned in accordance with the division of interest claimed herein by the undersigned, including but not limited to attorney fees or judgments in connection with any suit that affects the undersigned's interest to which CWEI is made a party. The undersigned agrees to indemnify and reimburse CWEI any amount attributable to an interest to which the undersigned is not entitled.

CWEI may accrue proceeds until the total amount equals \$100.00, or pay at the end of the calendar year, whichever occurs first, or as required by applicable state statute.

This Division Order does not amend any lease or operating agreement between the undersigned and the lessee or operator or any other contracts for the purchase of oil or gas.

In addition to the terms and conditions of this Division Order, the undersigned and CWEI may have certain statutory rights under the laws of the state in which the property is located.

Owner(s) Signature(s): _____
The Commissioner of the General Land Office
Printed Name: _____
Title: _____

Owner SS/TIN: _____ Daytime Phone: _____


Federal Law requires you to furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 28% tax withholding and will not be refunded by Clayton Williams Energy, Inc.

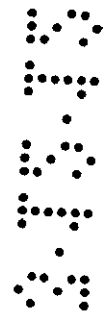
File No. 097515

DIVISION ORDER

Date Filed: 02/12/12

Jerry E. Patterson, Commissioner

By 



01511



Sign and Return This Copy

OIL AND GAS DIVISION ORDER

Clayton Williams Energy, Inc.
6 Desta Drive, Suite 1875
Midland, TX 79705
(432) 682-6324

MF ME097515

UNIT# 2544

Property Name and Number: Friddell OL Unit #2 / 29303-002 Date: August 8, 2011
Operator: Clayton Williams Energy, Inc Effective Date: Date of First Production
County/State: Burleson County, Texas
Legal Description: 1,289.386 - acre unit out of the David Clark League, A-11, the George Green Survey, A-126 and the E. Swearingen League, A-58, Burleson County, Texas, more fully described in the Declaration of Unit recorded in Volume 258, Page 167, Oil and Gas Lease Records, Burleson County, Texas.

Table with 4 columns: Owner No., Owner Name and Address, Decimal Interest, Type of Interest. Row 1: 2901, The Commissioner of the General Land Office, 200 East 12th Street, Austin, TX 78711, 0.00179440, RI

The undersigned certifies the ownership of the decimal interest in production or proceeds as described above payable by Clayton Williams Energy, Inc. (hereinafter referred to as "CWEI").

CWEI shall be notified, in writing, of any change in ownership, decimal interest, or payment address. All such changes shall be effective the first day of the month following receipt of such notice.

The undersigned agrees to indemnify and hold CWEI harmless from all liability resulting from payments made to the undersigned in accordance with the division of interest claimed herein by the undersigned, including but not limited to attorney fees or judgments in connection with any suit that affects the undersigned's interest to which CWEI is made a party. The undersigned agrees to indemnify and reimburse CWEI any amount attributable to an interest to which the undersigned is not entitled.

CWEI may accrue proceeds until the total amount equals \$100.00, or pay at the end of the calendar year, whichever occurs first, or as required by applicable state statute.

This Division Order does not amend any lease or operating agreement between the undersigned and the lessee or operator or any other contracts for the purchase of oil or gas.

In addition to the terms and conditions of this Division Order, the undersigned and CWEI may have certain statutory rights under the laws of the state in which the property is located.

Owner(s) Signature(s):
The Commissioner of the General Land Office
Printed Name:
Title:

Owner SS/TIN: Daytime Phone:

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 28% tax withholding and will not be refunded by Clayton Williams Energy, Inc.



CLAYTON WILLIAMS ENERGY, INC.

August 9, 2011

Re: CWEI Property No. 29303-002 / Friddell OL Unit #2
Burleson County, Texas

Dear Interest Owners:

Enclosed please find the OIL AND GAS DIVISION ORDER for the above captioned well which is operated by Clayton Williams Energy, Inc. This division order is effective with First Production dated September 9, 2010.

The purpose of the division order is to provide information about your ownership and obtain a certification from you that you are the correct person to whom payments for this interest should be made:

1. Please review your decimal interest and confirm your payment address.
2. Please furnish and/or verify your Social Security or Tax Identification Number. Without your correct tax identification number, we have to withhold and pay 28% of your money to the Internal Revenue Service.
3. Please sign and return one fully executed copy of the attached DIVISION ORDER to the Division Order Department, at the address shown below. The second copy is for your records. A self-addressed envelope is enclosed for your convenience.

Your owner number is your identifying number with our company. Please refer to this number when making inquiries about payments on your interest. Should you have any questions concerning this matter, please feel free to contact me at the number below or at etaylor@claytonwilliams.com.

This division order conforms to the Model Form Division Order approved by the National Association of Division Order Analysts.

Sincerely,

A handwritten signature in cursive script that reads 'Ellen M. Taylor'.

Ellen M. Taylor
Division Order Analyst

Enclosures

emt:DivisionOrders/cvletters/FriddellOL#Unit2.BurlesonCoTx
copy: R. Peacock / M. Sykes / C.Green / D. Braden
K.E. Andrews & Company

File No. 097515

DIVISION ORDER

Date Filed: 08/15/11
Jerry E. Patterson, Commissioner

By 





Texas General Land Office
 George P. Bush, Commissioner
 1700 North Congress Avenue
 Austin, Texas 78701-1495

STATE RIGHT OF WAY and/or COUNTY ROAD UNIT DESIGNATION

OPERATOR INFORMATION

Contact Name Herschel Sanders Phone (713) 255-9317
 Name of Pooled Unit Lewis EF Unit
 Operator of Pooled Unit Wildhorse Resources Management Co., LLC County Burleson
 Effective Date of Unit Declaration: 9/29/2017

SROW/CO. ROAD LEASE(S) IN UNIT

SROW/CoRd Lease MF No.	Lease Date	Term	Royalty	Total Acreage in SROW/CoRd Lease	SROW/CoRd Lease Acreage in Unit
SH 21 / MF 097515	9/3/1996	3 years	0.166667	13.882	8.427

Total SROW Acreage in Unit: 8.427000
 Total CoRd Acreage in Unit: _____
 Total Private Acreage in Unit: 465.357000
 Total Unit Acreage: 473.784

State Roads Royalty Revenue Interest in Unit: 0. 0 0 2 9 6 4 4 **4**

County Roads Royalty Revenue Interest in Unit: 0. _____

◆ Attach a plat showing the pooled unit outline, unit well(s) location, and SROW & CoRd lease tracts ◆

Type of Mineral Pooled: Oil Gas Oil & Gas
 Pooled Interval: All Depths Top Depth _____ Base Depth _____
 If pooling a Formation(s) please list Formation Name: Eagle Ford
 RRC Field Name(s): Giddings (Eagle Ford)

UNIT WELLS

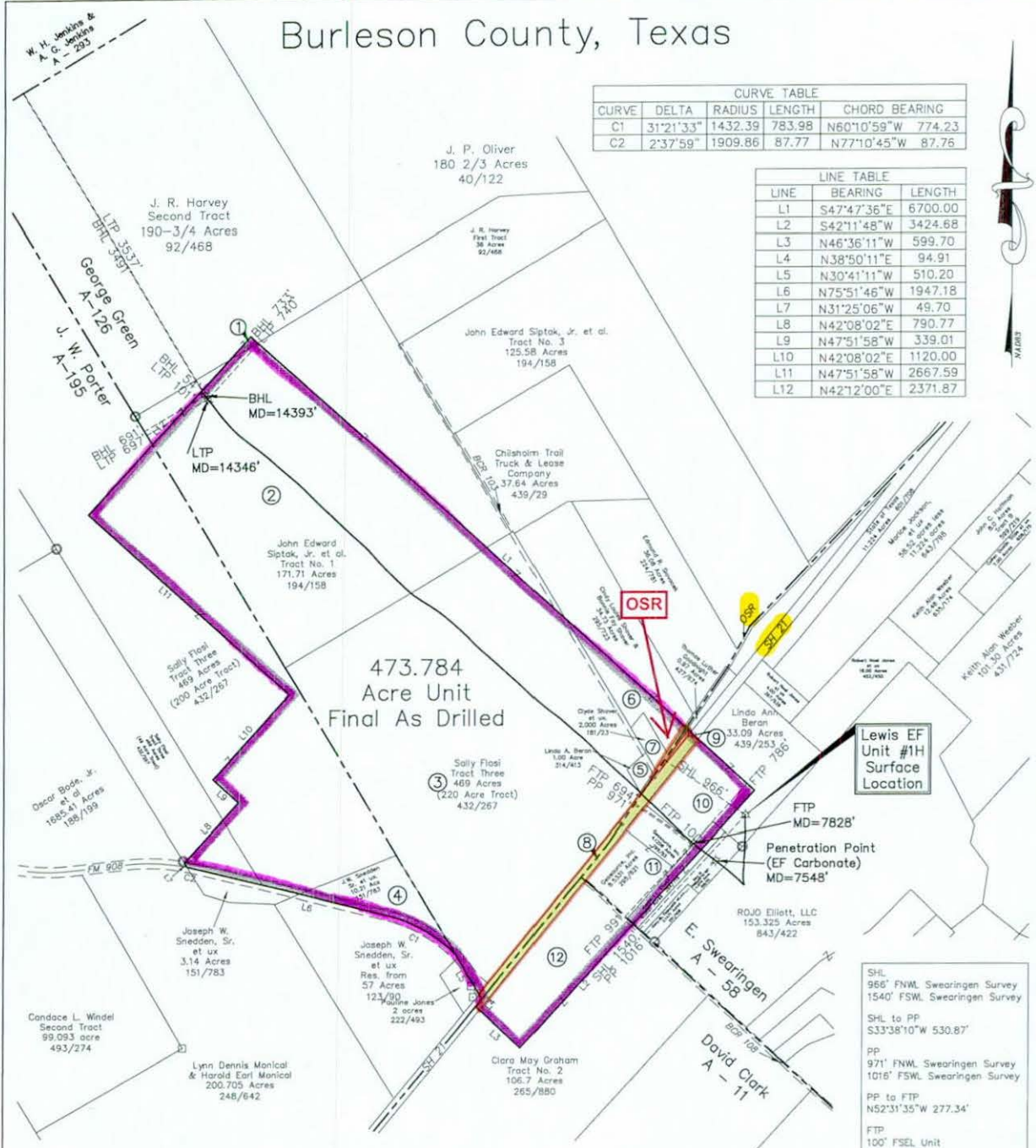
API # 42-051-34048 RRC ID# 03-827361
 API # _____ RRC ID# first production 9/1/17
 API # _____ RRC ID# _____
 API # _____ RRC ID# _____

Unit 9833

Burleson County, Texas

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	CHORD BEARING
C1	31°21'33"	1432.39	783.98	N60°10'59"W 774.23
C2	2°37'59"	1909.86	87.77	N77°10'45"W 87.76

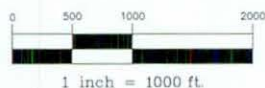
LINE TABLE		
LINE	BEARING	LENGTH
L1	S47°47'36"E	6700.00
L2	S42°11'48"W	3424.68
L3	N46°36'11"W	599.70
L4	N38°50'11"E	94.91
L5	N30°41'11"W	510.20
L6	N75°51'46"W	1947.18
L7	N31°25'06"W	49.70
L8	N42°08'02"E	790.77
L9	N47°51'58"W	339.01
L10	N42°08'02"E	1120.00
L11	N47°51'58"W	2667.59
L12	N42°12'00"E	2371.87



The acreages shown above within the outlined unit are deed acres and do not reflect the actual surveyed unit acreages. The table below shows the actual surveyed unit acreages.

Tract	Name	Deed	Acreage
1	J. R. Harvey	92/468	0.318 acres
2	John Edward Siptak, Jr. et al.	194/158	119.176 acres
3	Sally Fiosi	432/267	273.621 acres
4	J. W. Snedden	151/783	10.580 acres
5	Linda A. Beran	314/413	1.250 acres
6	Cindy Louise Shaver & Bonnie Fay Shaver	295/723	7.242 acres
7	Clyde Shaver et ux.	181/23	1.942 acres
8	State of Texas		8.427 acres
9	Thomas Luther Goodnight	427/674	0.239 acres
10	Linda Ann Beran	439/253	12.803 acres
11	Geosource, Inc. et al.	284/714 295/621 299/83	15.633 acres
12	Clara May Graham	265/880	22.553 acres
Total			473.784 acres

Survey Notes:
 1) Bearings, coordinates and Geodetic positions are Grid NAD 83, Texas Coordinate System Central Zone.
 2) Reference is hereby made to a description attached hereto and made a part hereof.
 3) Title work provided by: Wildhorse Resources Mngt Co, LLC



Surveyed in February 2017.

William E. Weiser
 William E. Weiser
 Professional Land Surveyor
 Number 4428

WILDHORSE RESOURCES MNGT CO, LLC	Lewis EF Unit #1H	473.784 Acre Unit Final As Drilled
Weiser Becker Surveyors, P. C., FN 10015700	By: STW	Date: 07/25/18
198 N.Manse Ave Giddings, Texas 78942 979-542-4444	Scale: 1" = 1000'	Book: 599
	Rev:	File#6939 final osdrill.dwg
		WO # 6939

WILDHORSE RESOURCES MANAGEMENT CO., LLC
(LEWIS EF UNIT)
UNIT DESIGNATION

STATE OF TEXAS }
 }
COUNTY OF BURLESON } KNOW ALL MEN BY THESE PRESENTS:

THAT, the undersigned, being the owners of undivided interests in and to the oil and gas leasehold estate under and by virtue of certain valid and subsisting Oil, Gas and Mineral Leases listed in Exhibit "A" attached hereto and made a part hereof for all purposes (the "Leases"), and affecting the tracts of land in Burleson County, Texas, therein described, by virtue of the authority conferred by the terms of said Leases and all amendments thereto, limited as set forth in Exhibit "A" thereof, do hereby POOL, CONSOLIDATE, COMBINE, and UNITIZE the lands covered by such Leases and the Leases, insofar and only insofar as they cover production from the "Eagle Ford Formation." As used herein the Eagle Ford Formation shall mean the stratigraphic equivalent of the following interval, hereby deemed to be one and the same formation: from the base of the Austin Chalk formation at a measured depth of 8,734 feet to the top of the Buda limestone formation at a measured depth of 9,156 feet, as shown on the reference log dated January 22, 1982 for the Anna Unit #1 Well, API # 42-051-32062 dated located in Burleson County, Texas. The undersigned do hereby POOL, CONSOLIDATE, COMBINE, and UNITIZE the Leases and lands covered by such Leases as hereinabove set out only insofar as they cover production from the Leases and lands set out on Exhibit "B" attached hereto (the "Unit Acreage") and do hereby POOL, CONSOLIDATE, COMBINE, and UNITIZE the royalties, working interests, overriding royalties, production payments, and other interests pertaining to the Unit Acreage and the production therefrom, insofar, and only insofar, as the lands and Leases and other interests cover and include all oil, gas, condensate, distillate, and all other hydrocarbons of whatsoever nature, kind or character (whether in liquid, gaseous, or vaporous state) and gas rights as hereinabove defined, (the "Pooled Interests"), in and under such Unit Acreage to form a single pooled unit known as the Wildhorse Resources Management Co., LLC. "LEWIS EF UNIT" (hereinafter the "Unit"), containing 473.784 acres, for the production of the Pooled Interests.

The production of the Pooled Interests from a well located on any part of the Unit Acreage shall constitute production of such products from all of the lands and Leases covering the Unit Acreage and minerals owned by the undersigned contained in the Unit. Drilling or reworking operations, or other operations conducted on any of the Leases or lands located on or covering the Unit Acreage for the production of the Pooled Interests covered hereby shall constitute such operations for the production of Pooled Interests on all the Leases and lands included within the Unit.

All oil, gas, condensate, distillate, and other hydrocarbon products (whether in liquid, gaseous, or vaporous state) produced from any well on the Unit shall be allocated proportionately among all of the tracts within the Unit, in the proportion that the number of acres in each of such tracts which are included in the Unit bears to the total number of acres in such Unit, and all working interests, royalties, overriding royalties, production payment interests, or other interests in the production from the Unit shall be computed on the basis of their respective interests in the production allocated to the tract or tracts in which they own an interest.

It is the intention of the undersigned to include, and it hereby includes in said Unit, all lands and Leases in which the undersigned now owns an interest, either legal or equitable, covering said Unit and any additional lands, Lease or Leases which may be hereafter acquired by the undersigned, or any of the working interest owners, covering all or any part of the Unit Acreage during the time the Unit remains in effect. This instrument shall not be considered an invitation or offer to the owner of

any unleased mineral interest in lands within the Unit Acreage to unitize such interest other than pursuant to an oil and gas lease to the undersigned, nor shall this instrument be construed as an invitation or offer to the owner of any oil and gas lease or interest in lands within the unit herein described (other than the undersigned) to pool said lease or interest without the written consent and agreement of the undersigned.

Exhibit "A" attached hereto may be amended from time to time so as to correct any error or add thereto any additional oil, gas and mineral lease covering or affecting any part of the unitized area. Any such amendment shall be evidenced by an instrument in writing and signed by all of the undersigned, or their successors or assigns, and duly filed for record in the Office of the County Clerk of Burleson County, Texas. This Unit Designation is made subject to the declarants' rights at any time to amend the Unit or to alter the size of the Unit by eliminating, surrendering, or releasing any of the acreage included herein or by adding additional acreage thereto, such rights to be exercised by a declaration and placing of record an instrument identifying and describing the acreage to be eliminated, released, or added to the Unit.

Unless otherwise stated below, the Unit hereby created shall become effective when a copy of this designation is filed for record in Burleson County, Texas, and shall remain in force for so long thereafter as there is a well on the Unit Acreage capable of producing oil, gas and hydrocarbons produced in association therewith, or until changed by later supplemental or amended unit designation filed by the leasehold or working interest owners of the Unit or their successors or assigns. In the event a dry hole is drilled on said land or production of oil, gas, or other hydrocarbons from a well drilled on the Unit Acreage ceases, then the Unit shall remain in force and effect for such time as is authorized in any of the oil, gas and mineral leases in the Unit.

[Remainder of page intentionally left blank]

This instrument may be executed in multiple counterparts, each of which shall constitute an original and all of which, when construed together, shall constitute but one and the same instrument. The executed signature and acknowledgement pages of each counterpart may be joined together with a single copy of the body hereof for recording purposes.

EXECUTED effective this 29th day of September, 2017.

WHE AcqCo., LLC
By: Wildhorse Resource Development Corporation, its
Sole member

By: *[Signature]*
JOE W. JUDD
Vice President, Eagle Ford Land

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

Before me, the undersigned a Notary Public, in and for said County and State on this 19 day of December, 2017, personally appeared JOE W. JUDD, known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be Vice President, Eagle Ford Land, of Wildhorse Resource Development Corporation, Sole member of **WHE AcqCo., LLC**, a Delaware limited liability company, and acknowledged to me that he executed the instrument for the purposes and consideration therein expressed and as the act and deed of the corporation.

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

[Signature]
Notary Public

My Commission expires:
March 15, 2018



EXHIBIT "A"

(Attached to and made a part of that certain Unit Designation for the Wildhorse Resource Management Co., LLC Lewis EF Unit)

	Lessor	Lessee	Date	Vol.*	Page*
1	Lurae Harvey	Clayton Williams Energy, Inc.	12/19/2012	905 1011 1074	272 682 428
2	John Edward Siptak, Jr.	Clayton Williams Energy, Inc.	11/7/2006	704 803 994	23 22 673
3	Bettye Carolyn Siptak Tolar	Clayton Williams Energy, Inc.	11/7/2006	704 803 994	31 20 669
4	Steven Charles Siptak	Clayton Williams, Energy, Inc.	11/7/2006	704 804 994	35 474 667
5	James Franklin Siptak	Clayton Williams Energy, Inc.	11/7/2006	707 804 994	70 456 671
6	James F. Siptak, John E. Siptak, and Steven C. Siptak	Clayton Williams Energy, Inc.	2/20/1996	249** Amdt 518 600 600 600	20 182 730 734 725
7	Bettye Carolyn Siptak Tolar, also known as Bettie Carolyn Siptak Tolar	Clayton Williams Energy, Inc.	2/20/1996	249** Amdt 518 600	103 184 727
8	Clint Lewis et ux, Helen Lewis; Sally Flosi	Clayton Williams, Energy, Inc.	1/31/1996	248**	333
9	Sally Flosi and Helen Davis Lewis	Clayton Williams, Energy, Inc.	1/14/2005	654	578
10	Linda A. Beran	Clayton Williams, Energy, Inc.	7/11/1996	254**	246
11	Cathy Harvey Johnson	Clayton Williams, Energy, Inc.	2/23/1996	249**	363
12	Clyde M. Shaver et ux, Georgie F. Shaver; Cindy Louise Shaver See & Bonnie Fay Hejl	Clayton Williams, Energy, Inc.	2/22/1996	248**	770
13	Clyde M. Shaver et ux, Georgie F. Shaver	Clayton Williams Energy, Inc.	2/24/1996	249**	36
14	Commissioner of the General Land Office of the State of Texas	Clayton Williams, Inc	9/3/1996	258**	142
15	Thomas Luther Goodnight, also known as Thomas L. Goodnight and T.L. Goodnight	Clayton Williams Energy, Inc.	1/22/1996	247**	755
16	Clara May Ray f/k/a Clara May Graham	Clayton Williams Energy, Inc.	2/26/1996	249**	774
17	Clara May Ray f/k/a Clara May Graham	Clayton Williams, Energy, Inc.	2/9/2005	657 Amdt 793 1000	175 857 471
18	Linda Ann Beran	Clayton Williams Energy, Inc.	8/6/1996	255**	61

* All recording references are to the Official Public Records of Burleson County, Texas unless noted otherwise.

** Indicates recorded in the Oil and Gas Lease Records of Burleson County, Texas.

EXHIBIT B

STATE OF TEXAS

Doc 00008474 Bk OR Vol 1126 Pg 392

COUNTY OF BURLESON

UNIT DESCRIPTION

Lewis EF Unit

BEING a **473.784 acre** unit, part of the David Clark Survey, Abstract 11, the E. Swearingen Survey, Abstract 58, the George Green Survey, Abstract 126, and the J. W. Porter Survey, Abstract 195, Burleson County, Texas, and consisting of the following tracts:

Tract 1: 0.318 acres being part of a 190-3/4 acre Second Tract described in a deed to J. R. Harvey recorded in volume 92, page 468 of the Deed Records of Burleson County, Texas;

Tract 2: 119.176 acres being part of a 171.71 acre Tract No. 1 described in a deed to John Edward Siptak, Jr. et al. recorded in volume 194, page 158 of the Deed Records of Burleson County, Texas;

Tract 3: 273.621 acres being part of a 469 acre Tract Three described in a deed to Sally Flosi recorded in volume 432, page 267 of the Deed Records of Burleson County, Texas;

Tract 4: 10.580 acres being all of a 10.21 acre tract described in a deed to J. W. Snedden, et ux. recorded in volume 151, page 783 of the Deed Records of Burleson County, Texas;

Tract 5: 1.250 acres being all of a 1.00 acre tract described in a deed to Linda A. Beran recorded in volume 314, page 413 of the Deed Records of Burleson County, Texas;

Tract 6: 7.242 acres being part of a 34.73 acre tract described in a deed to Cindy Louise Shaver and Bonnie Fay Shaver recorded in volume 295, page 723 of the Deed Records of Burleson County, Texas;

Tract 7: 1.942 acres being all of a 2.000 acre tract described in a deed to Clyde Shaver et ux. recorded in volume 181, page 23 of the Deed Records of Burleson County, Texas;

Tract 8: 8.427 acres being part of Old San Antonio Road (OSR) and part of the original 100-foot-wide right-of-way of State Highway 21 as conveyed to the State of Texas;

Tract 9: 0.239 acres being part of a 0.97 acre tract described in a deed to Thomas Luther Goodnight recorded in volume 427, page 674 of the Deed Records of Burleson County, Texas;

Tract 10: 12.803 acres being part of a 33.09 acre tract described in a deed to Linda Ann Beran recorded in volume 439, page 253 of the Deed Records of Burleson County, Texas;

Tract 11: 15.633 acres being all of an 8.5331 acre tract described in a deed to Geosource, Inc. recorded in volume 295, page 621, all of a 4.1208 acre tract described in a deed to Geosource, Inc. recorded in volume 299, page 83, and part of a 4.3621 acre tract described in a deed to Herbert L. Elliott recorded in volume 284, page 714, all of the Deed Records of Burleson County, Texas;

Tract 12: 22.553 acres being part of a 106.7 acre Tract No. 2 described in a deed to Clara May Graham recorded in volume 265, page 880 of the Deed Records of Burleson County, Texas.

Said **473.784 acre** unit being more particularly described as follows:

BEGINNING at a point within said 190-3/4 acre Harvey Second Tract for the North corner hereof; said point bears South 53 deg. 58 min. 45 sec. East 3507.92 feet from a 5/8 inch rebar found in the Northeast line of said Porter Survey, for the South corner of the W. H. Jenkins & A. G. Jenkins Survey, Abstract 293, the West corner of said Green Survey, the West corner of said 190-3/4 acre Harvey Second Tract and reference hereof;

THENCE across said 190-3/4 acre Harvey Second Tract, **South 47 deg. 47 min. 36 sec. East** at 91.83 feet passing a point in the Northwest line of said 171.71 acre Siptak Tract No. 1, the Southeast line of said 190-3/4 acre Harvey Second Tract, continuing across said 171.71 acre Siptak Tract No. 1 at 3130.97 feet passing a point in a Northwest line of said 469 acre Flosi Tract Three, the Southeast line of said 171.71 acre Siptak Tract No. 1, continuing across said 469 acre Flosi Tract Three at 4179.52 feet passing a point in the Northeast margin of Burleson County Road 103, the Southeast line of said 34.73 acre Shaver tract, a Northwest line of said 469 acre Flosi Tract Three, continuing across said 34.73 acre Shave tract at 5768.13 feet passing a point in the Northwest margin of OSR, the Easterly Southeast line of said 34.73 acre Shaver tract, continuing across OSR at 5788.32 feet passing a point in the Northwest line of said Swearingen Survey, the Southeast line of said Green Survey, at 5808.52 feet passing a point in the Northwest line of said 0.97 acre Goodnight tract, the Southeast margin of OSR, continuing across said 0.97 acre Goodnight tract at 5849.75 feet passing a point in the Northwest margin of said State Highway 21 tract, the Southeast line of said 0.97 acre Goodnight tract, continuing across said State Highway 21 tract at 5949.92 feet passing a point in the Northwest line of said 33.09 acre Beran tract, the Southeast line of said State Highway 21 tract, continuing across said 33.09 acre Beran tract a total distance of **6700.00 feet** to a point for the East corner hereof; said point bears North 12 deg. 15 min. 24 sec. East 556.44 feet from a 1/2 inch rebar

found in the Northwest line of a 153.325 acre tract described in a deed to ROJO Elliott, LLC recorded in volume 843, page 422, for the East corner of a 4.3179 acre tract described in a deed to Gary W. Franzetti et ux. recorded in volume 258, page 65, the Easterly South corner of said 33.09 acre Beran tract and reference hereof;

THENCE continuing across said 33.09 acre Beran tract, **South 42 deg. 11 min. 48 sec. West** at 496.01 feet passing a point in the Northeast line of said 4.3621 acre Elliott tract, the Easterly Southwest line of said 33.09 acre Beran tract, continuing across said 4.3621 acre Elliott tract at 1777.29 feet passing a point within the margins of Burleson County Road 108, in the Northeast line of said Clark Survey, the Southwest line of said Swearingen Survey, the Northeast line of said 106.7 acre Graham Tract No. 2, the Southwest line of said 4.3621 acre Elliott tract, continuing across said 106.7 acre Graham Tract No. 2 a total distance of **3424.68 feet** to a point for the South corner hereof; said point bears South 51 deg. 43 min. 07 sec. West 1683.35 feet from a 1/2 inch rebar found in the Northwest margin of said Burleson County Road 108, at the South occupation corner of a 2.1471 acre tract described in a deed to Gary W. Franzetti et ux. recorded in volume 251, page 406, the West occupation corner of said 153.325 acre ROJO Elliott tract, for reference hereof;

THENCE continuing across said 106.7 acre Graham Tract No. 2, **North 46 deg. 36 min. 11 sec. West** at 549.65 feet passing a point in the Southeast line of said State Highway 21 tract, the Northwest line of said 106.7 acre Graham Tract No. 2, continuing across said State Highway 21 tract a total distance of **599.70 feet** to a point in the Southeast line of said Porter Survey, the Northwest line of said Clark Survey, for the Southerly West corner hereof; said point bears South 16 deg. 35 min. 39 sec. East 97.44 feet from a concrete right-of-way marker found for reference hereof;

THENCE continuing across said State Highway 21 tract, with the Southeast line of said Porter Survey, the Northwest line of said Clark Survey, **North 38 deg. 50 min. 11 sec. East 94.91 feet** to a point for the South corner of said Green Survey, the East corner of said Porter survey and an interior corner hereof; said point bears South 40 deg. 00 min. 33 sec. East 165.34 feet from a concrete right-of-way marker found for reference hereof;

THENCE continuing across said State Highway 21 tract, with the Northeast line of said Porter Survey, the Southwest line of said Green Survey, **North 30 deg. 41 min. 11 sec. West** at 53.48 feet passing a point within the margins of FM Highway 908, in the Northwest line of said State Highway 21 tract, for the East corner of a 2 acre tract described in a deed to Pauline Jones recorded in volume 222, page 493, a South corner of said 469 acre Flosi Tract Three, continuing within the margins of said FM Highway 908, the Northeast line of said 2 acre Jones tract, a Southwest line of said 469 acre Flosi Tract Three at 469.74 feet passing a point for an East corner of the residue from a

57 acre tract described in a deed to Joseph W. Snedden, Sr. et ux. recorded in volume 123, page 90, continuing with the Northeast line of said 57 acre Snedden tract a total distance of **510.20 feet** to a point for the Southeast corner of said 10.21 acre Snedden tract, a Northeast corner of the residue from said 57 acre Snedden tract and an interior corner hereof; said point bears South 42 deg. 41 min. 36 sec. West 2476.39 feet from a 3/8 inch rebar found for the West corner of said 1.00 acre Beran tract, an interior corner of said 469 acre Flosi Tract Three and reference hereof;

THENCE continuing within the margins of said FM Highway 908, with the Northeast line of the residue from said 57 acre Snedden tract, the Southwest line of said 10.21 acre Snedden tract with a curve to the left with the following curve data: **Radius = 1432.39 feet, Delta = 31 deg. 21 min. 33 sec., Arc length = 783.98 feet and Chord bearing and distance = North 60 deg. 10 min. 59 sec. West 774.23 feet** to a point for the Point of Tangency of said curve to the left, continuing **North 75 deg. 51 min. 46 sec. West** at 889.61 feet passing a point for the East corner of a 3.14 acre tract described in a deed to Joseph W. Snedden, Sr. et ux. recorded in volume 151, page 783, a South corner of said 469 acre Flosi Tract Three, the West corner of said 10.21 acre Snedden tract, the North corner of the residue from said 57 acre Snedden tract, continuing with the Northeast line of said 3.14 acre Snedden tract, a Southwest line of said 469 acre Flosi Tract Three a total distance of **1947.18 feet** to a point for the Point of Curvature of a curve to the left, continuing with said curve to the left with the following curve data: **Curve Length = 87.77 feet, Delta = 2 deg. 37 min. 59 sec., Radius = 1909.86 feet and Chord bearing and distance = North 77 deg. 10 min. 45 sec. West 87.76 feet** to a point for a Southeast corner of a 1685.41 acre tract described in a deed to Oscar Bode, Jr. et al. recorded in volume 188, page 199, a Northeast corner of a 200.705 acre tract described in a deed to Lynn Dennis Monical and Harold Earl Monical recorded in volume 248, page 642, the Northwest corner of said 3.14 acre Snedden tract, a Southwest corner of said 469 acre Flosi Tract Three and a Southwest corner hereof; said point bears North 01 deg. 14 min. 29 sec. East 1799.26 feet from a 4-inch by 4-inch concrete monument found for reference hereof;

THENCE continuing within the margins of said FM Highway 908, with a Northeast line of said 1685.41 acre Bode tract, a Southwest line of said 469 acre Flosi Tract Three, **North 31 deg. 25 min. 06 sec. West 49.70 feet** to a point for a West corner hereof; said point bears South 31 deg. 25 min. 06 sec. East 21.40 feet from a 5/8 inch rebar found in the Northeast margin of said FM Highway 908, at a Southeast occupation corner of said 1685.41 acre Bode tract, a Southwest occupation corner of said 469 acre Flosi Tract Three, for reference hereof;

THENCE across said 469 acre Flosi Tract Three as follows:
North 42 deg. 08 min. 02 sec. East 790.77 feet to a point,
North 47 deg. 51 min. 58 sec. West 339.01 feet to a point,

North 42 deg. 08 min. 02 sec. East 1120.00 feet to a point; said point bears South 57 deg. 26 min. 41 sec. East 2716.55 feet from a 5/8 inch rebar found for an interior corner of said 469 acre Flosi Tract Three for reference hereof;

North 47 deg. 51 min. 58 sec. West 2667.59 feet to a point for the Northerly West corner hereof; said point bears South 25 deg. 07 min. 15 sec. West 1078.32 feet from a stone found for reference hereof;

THENCE continuing across said 469 acre Flosi Tract Three, **North 42 deg. 12 min. 00 sec. East** at 932.90 feet passing a point in the Southwest line of said Green Survey, the Northeast line of said Porter Survey, the Southwest line of said 171.71 acre Siptak Tract No. 1, a Northeast line of said 469 acre Flosi Tract Three, continuing across said 171.71 acre Siptak Tract No. 1 at 2070.39 feet passing a point in the Southeast line of said 190-3/4 acre Harvey Second Tract, the Northwest line of said 171.71 acre Siptak Tract No. 1, continuing across said 190-3/4 acre Harvey Second Tract a total distance of **2371.87 feet** to the **PLACE OF BEGINNING** and containing **473.784 acres** of land.

Bearings and distances are Grid, NAD 83, Texas State Plane Coordinate System, Central Zone. Reference is hereby made to a plat attached hereto and made a part hereof.

I hereby certify that this description is an accurate representation of an on the ground survey completed in February 2017.



William E. Weiser

William E. Weiser
Professional Land Surveyor
Number 4428

Date of Signature: 11-17-17

Anna L. Schielack
Burleson County Clerk

Dec 14, 2017

STATE OF TEXAS COUNTY OF BURLESON
I hereby certify that this instrument
was filed on the date and time
stamped herein by me and was duly
recorded in the volume and page of
the named records of
Burleson County
As stamped herein by me.

Sharon R Burgess

Receipt Number - 119036

Amount 58.00

Document Number: 00008474

As an Official Public Records

On: Dec 14, 2017 at 03:51P

Filed for Record in
Burleson County

19


File No. MF097515

Burleson County

Buckslip Unit 9833 "Lewis EF Unit"

Date Filed: 5/1/19

George P. Bush, Commissioner

By 

March 30, 2020

State of Texas
Attn: Mary Beth Barnstone
Texas General Land Office, Energy Resources Division
1700 N Congress Avenue
Austin, TX 78701-1496

Re: ST/TX - MF 109310 and ST/TX – MF 97515
Burleson County, Texas

Dear Ms. Barnstone:

WHE AcqCo., LLC wishes to enter into the enclosed Production Sharing Agreement to provide certainty in allocating royalties and encourage further development of your oil and gas interest by drilling horizontal well(s) that will traverse portions of multiple pooled units, one or more of which contain all or a portion of your oil and gas interest under the subject lease.

Please find enclosed a plat depicting the pooled units and/or lease tracts and existing wells and a check in the amount of \$500.00 for the processing fee.

Assuming the enclosed Production Sharing Agreement meets your approval, please execute it before a notary public and return it to the undersigned. Should you have any questions or concerns, please feel free to contact the undersigned at (405) 935-2468 or by email at kenna.clapp@chk.com.

Best regards,


Kenna Clapp

Enclosures

File No. MF097515

Burleson County

Letter from Chesapeake

Date Filed: 7/31/20


George P. Bush, Commissioner

By M. B. Bamstone


CHESAPEAKE OPERATING LLC.
P.O Box 18496, Oklahoma City, Ok 73154-0496
(877)245-1427

20707808

DATE ISSUE: March 12, 2020
CHECK NUMBER: 6027210
AMOUNT PAID: \$500.00
INQUIRIES: www.chk.com/suppliers



COMMISSIONER OF TX GENERAL LAND
OFFICE
1700 N CONGRESS AVE STE 935
AUSTIN TX 78701-1496



VENDOR NO: 30003011

DATE	INVOICE NUMBER	DOCUMENT NUMBER	DESCRIPTION	GROSS AMOUNT	BACKUP W/H	NET AMOUNT
03/11/2020	031120B	1900065958	REQUIRED APPLICATION FEE	500.00	0.00	500.00

TOTAL FOR CHECK:

\$500.00

CHESAPEAKE OPERATING LLC.
P.O Box 18496, Oklahoma City, Ok 73154-0496
(877)245-1427

20707808

DATE ISSUE: March 12, 2020
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OFFICE
1700 N CONGRESS AVE STE 935
AUSTIN TX 78701-1496

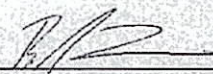
VENDOR NO: 30003011

DATE	INVOICE NUMBER	DOCUMENT NUMBER	DESCRIPTION	GROSS AMOUNT	BACKUP W/H	NET AMOUNT
03/11/2020	031120B	1900065958	REQUIRED APPLICATION FEE	500.00	0.00	500.00

TOTAL FOR CHECK:

121
~~X~~ \$500.00

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND WITH VOID PAINTOGRAPH

CHESAPEAKE OPERATING, LLC PO Box 18496, Oklahoma City, OK 73154-0496 (877)245-1427	CHECK NUMBER 6027210 March 12, 2020 VOID AFTER 90 DAYS	20707808 88-99 1113
PAY TO THE COMMISSIONER OF TX GENERAL LAND ORDER OF OFFICE 1700 N CONGRESS AVE STE 935 AUSTIN TX 78701-1496		CHECK AMOUNT \$500.00
*** FIVE HUNDRED Dollars ***		
JP Morgan Chase Bank, N.A.		 NO THIRD PARTY ENDORSEMENTS

THIS DOCUMENT HAS A THERMOCHROMIC INK WITH A TRUE WATERMARK. HOLD TO LIGHT TO VIEW.

⑈0006027210⑈

File No. MF 097515

Burleson County

Fee

Date Filed: 7/31/20

By George P. Bush, Commjssioner
mrbarnstork





MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

TIME SENSITIVE: Action Required by: (May 13, 2020)

DATE: April 29, 2020

TO: Commissioner Bush

FILE COPY

FROM: Mary Beth Barnstone

SUBJECT: HROW Unit Production Sharing Agreement for signature

.....
SUMMARY: Attached for your approval and signature are duplicate originals of a Production Sharing Agreement for a State highway right-of-way (“HROW”) Unit.

DETAILS: This agreement will allow the operator of the HROW Unit to drill horizontal wells that cross the lease or units if pooled and existing private leases and/or units in the area and to allocate the production from said wells as provided in the agreement. This is a practice that is commonly used to facilitate the drilling of horizontal wells across existing units or leases that do not allow pooling. The GLO has previously participated in these types of agreements. This agreement has been reviewed and approved by Energy Resources staff and the Legal Services Division.

Document Name	Recipient
Production Sharing Agreement North Flippin Unit HROW Unit 8867 State Leases M-109310 & MF097515 Burlson County, Texas	Chesapeake Exploration, LLC

Recommendation: Please sign and return to Mary Beth Barnstone in Energy Resources (3-6818).

Attachment: Two Production Sharing Agreements

Thru: Ken Mills

File No. MF097515

Burleson County

Memo to Commissioner

Date Filed: 7/31/20

By George P. Bush, Commissioner
MB Bamstone

FILE



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

July 16, 2020

Ms. Kenna Clapp
Chesapeake Energy Corporation
6100 N. Western Avenue
Oklahoma City, OK 73118

FILE COPY

Re: Production Sharing Agreement
North Flippin Unit - GLO Unit 8867
State HROW Leases M-109310 & M-097515
Burleson County, Texas

Dear Ms. Clapp,

Enclosed is a duplicate original of the above referenced Production Sharing Agreement (“PSA”) that has been executed by George P. Bush, Commissioner of the Texas General Land Office. We have retained an original of the PSA for our files.

Please provide our office with a recorded copy of the PSA if it is going to be recorded as soon as it is available.

Additionally, after a Sharing Well is drilled, please provide our office with the “Productive Drainhole Length/Allocation Factor” information and let us know what our participation in the well is going to be so we can get our lease records set up for the payment of royalties on the Sharing Well.

Thank you for your assistance with this matter, if you have any questions or need anything further, please feel free to call.

Sincerely,

Mary Beth Barnstone
Geotech / Landman
Energy Resources
Texas General Land Office
Direct number: (512)463-6818
Email: mary.barnstone@glo.texas.gov

Enclosure

File No. MF097515
Burleson County
letter to Chesapeake
Date Filed: 7/31/20
George P. Bush, Commissioner
By: MB Barnstork

FILED
09 31 20

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

PRODUCTION SHARING AGREEMENT

STATE OF TEXAS)
) KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF BURLESON)

The undersigned party ("Interest Owner") and WHE AcqCo., LLC enter into this Production Sharing Agreement ("Agreement") on the terms set forth herein.

WHEREAS, Interest Owner owns an interest in, to, or covering those lands included in and embraced by the geographical boundaries of the North Flippin Unit ("Pooled Unit"), said Pooled Unit having been formed by that certain Declaration of Pooled Unit dated effective as of May 26, 2017, and recorded in Volume 1098, Page 175, of the Official Records of Burleson County, Texas, and any subsequent corrections or amendments thereto, covering 554.746 acres of land; and

WHEREAS, the Pooled Unit includes Interest Owner's leased mineral interest described in that certain Pooling Agreement for the North Flippin Unit, M-109310 – GLO Unit No. 8867 filed for record September 18, 2008, in Volume 759, Page 603 and M-97515 filed of record February 4, 1997, in Volume 258, Page 142 of the Records of Burleson County, Texas, (hereinafter referred to as the "Pooling Agreement"), and which Pooling Agreement governs the Interest Owner's interest in the Pooled Unit; and

WHEREAS, WHE AcqCo., LLC is the current owner of the Pooling Agreement included in the Pooled Unit, and Chesapeake Operating, L.L.C. ("Operator") is the current operator of the Pooled Unit; and

WHEREAS, Interest Owner and WHE AcqCo., LLC desire to encourage further development of the Pooled Unit by the drilling of one or more Horizontal Wells to:

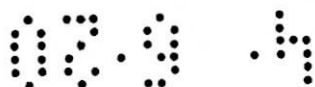
- (a) prevent physical and economic waste and the drilling of unnecessary wells, and to increase the ultimate recovery of oil or gas from the Pooled Unit; and
- (b) protect the correlative rights of all interest owners so that each may receive a fair share of the oil or gas production in and under the Pooled Unit; and

WHEREAS, the Horizontal Well or wells contemplated by this Agreement may traverse a portion of the lands covered by the Pooling Agreement and included in the Pooled Unit, and other lands that are not included in the Pooled Unit; and

WHEREAS, Interest Owner and WHE AcqCo., LLC have agreed that a basis for sharing and allocating the proceeds of production of Hydrocarbons from each such Horizontal Well should be established.

NOW THEREFORE, the undersigned Interest Owner, for One Dollar (\$1.00), and the recitals, promises, performances, payments, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby agree to the following:

- (1) For purposes of this Agreement the following definitions apply:



- (a) **"Horizontal Well"** is any well with one or more drainholes with a horizontal displacement of at least one hundred feet (100') within the Field Interval.
 - (b) **"Field Interval"** for purposes of this Agreement is the correlative geologic interval that has been defined or recognized by the Railroad Commission of Texas as the interval for the field in which the Horizontal Well is to be completed.
 - (c) **"Horizontal Drainhole"** is that portion of the Horizontal Well drilled within the Field Interval.
 - (d) **"Take Point"** is any point along the Horizontal Drainhole where Hydrocarbons could enter the wellbore from the Field Interval and be produced.
 - (e) **"Productive Drainhole Length"** is the horizontal length of the wellbore path that begins at the first Take Point of a Horizontal Well and runs along the actual surveyed wellbore path to the last Take Point.
 - (f) **"Sharing Well"** is a Horizontal Well in which a portion of Productive Drainhole Length is located under the Pooled Unit, and another portion or portions are located under one or more other tracts of land, including lands that may be included in one or more pooled units other than the Pooled Unit, or covered by oil, gas, and mineral interests other than those included in the Pooling Agreement.
 - (g) **"Allocation Factor"** is a fraction, the numerator of which is equal to the length of that portion of the Productive Drainhole Length of a Sharing Well that lies under the Pooled Unit, and the denominator of which is equal to the Productive Drainhole Length of a Sharing Well.
 - (h) **"Lateral Line Allocation Factor"** is a fraction, the numerator of which is equal to the length of that portion of the Productive Drainhole Length of a Sharing Well that lies on or within one hundred feet (100') of a common unit boundary of the Pooled Unit in which Interest Owner owns, and the denominator being the total length of the Productive Drainhole Length of a Sharing Well and said fraction shall then be multiplied by fifty percent (50%).
 - (i) **"Hydrocarbons"** are oil, gas condensate, casinghead gas, the respective constituent elements, and all by-products thereof that may be produced from a well permitted by the Railroad Commission of Texas.
- (2) Interest Owner shall share in the proceeds of Hydrocarbons produced and saved from each Sharing Well on the basis of Interest Owner's ownership interest in the Pooled Unit payable pursuant to the terms and provisions of the Pooling Agreement covering Interest Owner's interest, multiplied by the Allocation Factor.
- (3) Notwithstanding the above, in the event a Sharing Well is drilled reasonably parallel to and lying on or within one hundred feet (100') of the boundary line of the Pooled Unit and adjacent lands (common unit boundary), Interest Owner shall share in each Sharing Well on the basis of such Interest Owner's ownership in the Pooled Unit, multiplied by the Lateral Line Allocation Factor. However, in the event a Sharing Well extends beyond 100' from the common unit boundary line, then that portion of the Productive Drainhole Length of such Sharing Well which is beyond one hundred feet (100') shall be allocated proportionally and one hundred percent (100%) of that portion of such Sharing Well extending beyond one hundred feet (100') will be allocated to the lands that are encroached by the actual Productive Drainhole Length.
- (4) Operations on or the production of Hydrocarbons from a Sharing Well shall be treated as if they were actual operations on, or production from, the pooled minerals of the Pooling Agreement and the Pooled Unit pursuant to the terms and provisions of the Pooling



Agreement and shall be deemed sufficient to maintain the Pooling Agreement in full force and effect pursuant to the terms and provisions thereof.

- (5) Interest Owner grants WHE AcqCo., LLC the authority to conduct operations to drill, operate and produce Hydrocarbons from one or more Sharing Wells. Operator shall have reasonable use of the surface and subsurface of the lands covered by the pooled minerals of the Pooling Agreement to conduct operations for the exploration, drilling, and production of each Sharing Well and the transportation and marketing of Hydrocarbons produced therefrom.
- (6) Hydrocarbons produced from a Sharing Well shall not create any offset obligation, whether express or implied, and as to each Sharing Well drilled, this Agreement shall be deemed to constitute complete protection of Interest Owner's correlative rights. This Agreement affects only the production of Hydrocarbons from a Sharing Well, and in no way affects ownership in the production of Hydrocarbons produced from other wells drilled or to be drilled whose wellbore is located solely within the Pooled Unit.
- (7) The provisions of the Pooling Agreement, agreements, division orders, transfer orders, and declarations of pooled unit covering or affecting the pooled minerals of the Pooling Agreement and the lands covered thereby within the Pooled Unit are hereby amended to the extent necessary to make such instruments and agreements conform to the provisions herein, but not otherwise.
- (8) This Agreement shall become effective if and when a memorandum of this Agreement is duly executed and filed of record by WHE AcqCo., LLC, in Burleson County, Texas, and thereafter shall remain in effect for so long as a Sharing Well is operated in conformity with the terms and provisions of the Pooling Agreement, unless sooner terminated by Operator as hereinafter provided.
- (9) Operator, at its option, may terminate this Agreement by filing a Notice of Termination in the public records of Burleson County, Texas; provided that Operator may not terminate this Agreement as long as a Sharing Well is producing in paying quantities.
- (10) In addition to the foregoing, the undersigned Interest Owner does hereby RATIFY, ADOPT, and CONFIRM the Pooled Unit and the Pooling Agreement subject to the same terms and conditions provided for therein, as same may have been previously amended, or amended herein.
- (11) This instrument may be executed in multiple counterparts, each of which shall be given the same effect as the execution of an original instrument. Failure of any party hereto to execute a counterpart shall not render this instrument ineffective as to any other party hereto who does execute a counterpart thereof, but shall be binding upon each executing party and its, his or her heirs, legal representatives, successors and assigns. The executed counterparts may be combined into one or more instruments for recordation, by combining



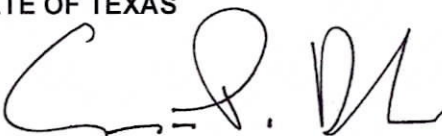
the signature pages and acknowledgments, and the executing parties agree that such instruments shall be treated and given effect for all purposes as a single instrument.


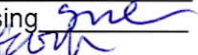


EXECUTED by each party on the date shown for each such party's acknowledgement, but effective as provided for hereinabove.

INTEREST OWNER:

STATE OF TEXAS

Date Executed: 7/9/2020

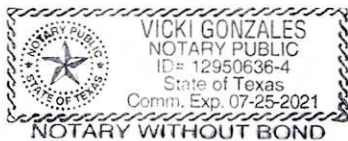
By: 
George P. Bush
Commissioner, General Land Office

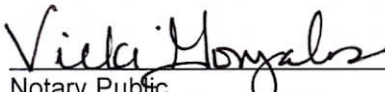
Approved:
content 
min. leasing 
legal 
executive 

ACKNOWLEDGMENT

STATE OF TEXAS)
) SS:
COUNTY OF TRAVIS)

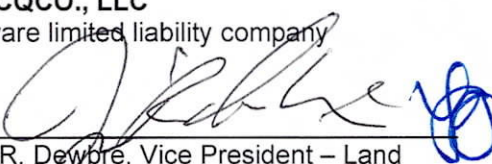
This instrument was acknowledged before me on this 9 day of July, 2020, by George P. Bush, Commissioner of **State of Texas** General Land Office.




Notary Public
My Commission Expires: 7/25/2021

WHE ACQCO., LLC

a Delaware limited liability company

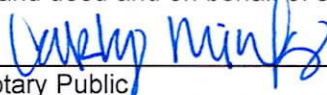
By: 
Jim R. Dewbre, Vice President – Land
Brazos Valley Longhorn, L.L.C., Sole Member

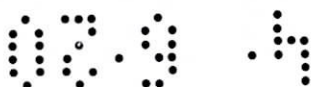
ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) SS:
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on this, 31ST day of March, 2020, by Jim R. Dewbre, Vice President - Land of Brazos Valley Longhorn, L.L.C., a Delaware limited liability company, Sole Member of **WHE ACQCO., LLC**, as the act and deed and on behalf of such company.




Notary Public



File No. MFO97515
Burleson County
PSA for Unit 8867
Date Filed: 7/31/20
By George P. Bush, Commissioner
mB Bannstone





Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 10694

GENERAL INFORMATION

Name of Well: Beran HCX2 A #2H (alloc) API # 42-051-34286
 Name of Operator: CHESAPEAKE OPERATING, L.L.C. RRC # 03-855714
 Operator Contact Person: Kenna Clapp Phone: 405-935-2468
 County: Burleson

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rylty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
HROW	9833/MF097515	9996	3790	0.00296444	0.16666700	0.00674382	0.00112397
Totals:						0.00674382	0.00112397
Effective Date:	<u>8/25/2019</u>						State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any:

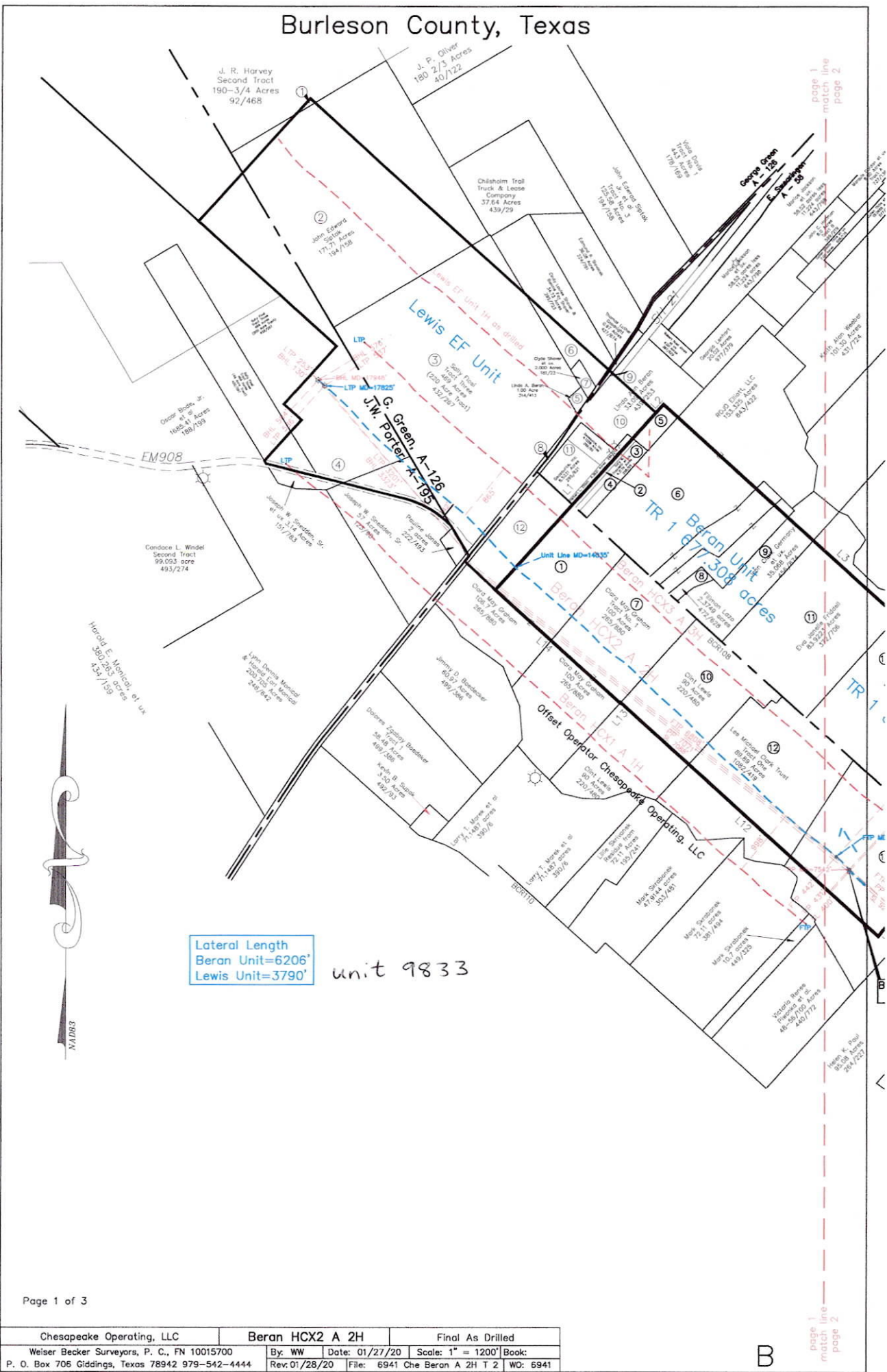
Comments: iNut crosses Unit 9833. Well spud 8/25/2019. Final, as-drilled plat received on 3/10/2020, PSA received 4/2/2020.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: [Signature] Alamo updated by: [Signature] WI updated by: [Signature]
 RAM approval by: VD GIS updated by: [Signature]

Burleson County, Texas



Lateral Length
 Beran Unit=6206'
 Lewis Unit=3790'

unit 9833

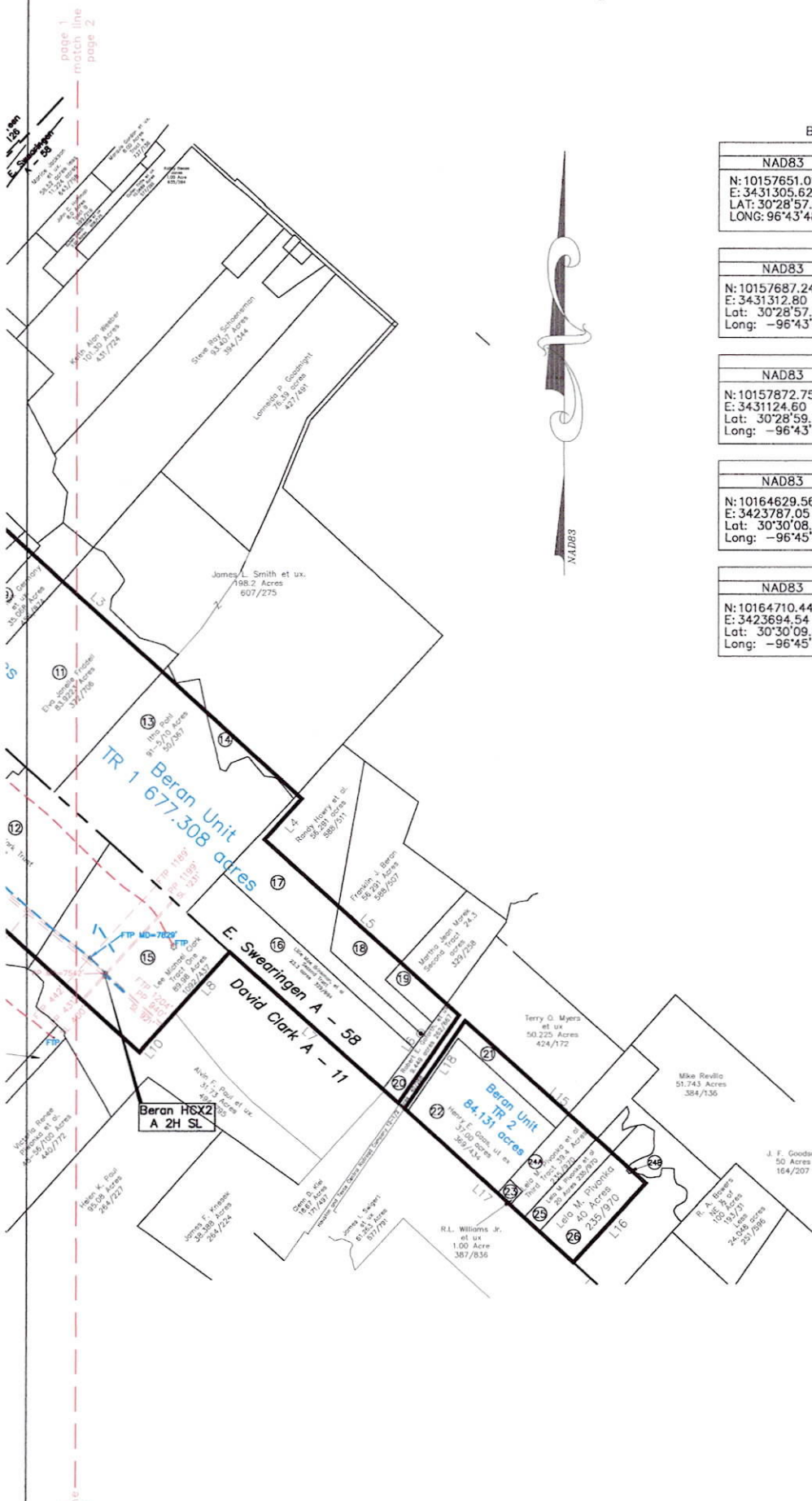
Chesapeake Operating, LLC	Beran HX2 A 2H	Final As Drilled
Weiser Becker Surveyors, P. C., FN 10015700	By: WW Date: 01/27/20 Scale: 1" = 1200' Book:	
P. O. Box 706 Giddings, Texas 78942 979-542-4444	Rev: 01/28/20 File: 6941 Che Beran A 2H T 2	WO: 6941

B

page 1
match line
page 2

page 1
match line
page 2

Burleson County, Texas



Beran HX2 A 2H

SHL	
NAD83	NAD27
N: 10157651.01 E: 3431305.62 LAT: 30°28'57.539" LONG: 96°43'48.981"	N: 315068.31 E: 3134827.94 LAT: 30.482443° LONG: 96.730018°

PP	
NAD83	NAD27
N: 10157687.24 E: 3431312.80 Lat: 30°28'57.895" Long: -96°43'48.885"	N: 315104.54 E: 3134835.12 Lat: 30.482542° Long: -96.729992°

FTP	
NAD83	NAD27
N: 10157872.75 E: 3431124.60 Lat: 30°28'59.790" Long: -96°43'50.967"	N: 315290.05 E: 3134646.93 Lat: 30.483069° Long: -96.730570°

LTP	
NAD83	NAD27
N: 10164629.56 E: 3423787.05 Lat: 30°30'08.983" Long: -96°45'12.300"	N: 322046.80 E: 3127309.50 Lat: 30.502289° Long: -96.753161°

BHL	
NAD83	NAD27
N: 10164710.44 E: 3423694.54 Lat: 30°30'09.813" Long: -96°45'13.327"	N: 322127.68 E: 3127216.99 Lat: 30.502520° Long: -96.753447°

Surface Location
921' FSEL Beran Unit
400' FSFL Beran Unit
1231' FNEL Clark Survey
7088' FNWL Clark Survey
SL to PP
N11°12'53"E 36.94'
PP
940' FSEL Beran Unit
431' FSFL Beran Unit
1199' FNEL Clark Survey
7071' FNWL Clark Survey
PP to FTP
N45°24'51"W 264.26'
FTP
1204' FSEL Beran Unit
442' FSFL Beran Unit
1189' FNEL Clark Survey
6808' FNWL Clark Survey
FTP to LTP
N47°21'34"W 9974.68'
LTP
253' FNWL Lewis Unit
586' FSFL Lewis Unit
537' FNEL Porter Survey
3201' FEC Porter Survey
LTP to BHL
N48°50'10"W 122.88'
BHL
130' FNWL Lewis Unit
584' FSFL Lewis Unit
576' FNEL Porter Survey
3323' FEC Porter Survey

Burleson County, Texas

Beran Unit

Tract	Name	Deed	Acreage
1	Clara May Graham	265/880	39.743 acres
2	Herbert L. Elliott	284/714	1.716 acres
3	Gary W. Franzetti, et ux	258/65	4.335 acres
4	Gary W. Franzetti, et ux	251/406	2.180 acres
5	Linda Ann Beran	439/253	4.141 acres
6	Rojo Elliot, LLC	843/422	88.662 acres
7	Clara May Graham	265/880	50.967 acres
8	Filiman Lazo, et ux	472/628	2.483 acres
9	John Clark Germany, et ux	456/874	26.376 acres
10	Clint Lewis	220/480	51.246 acres
11	Elva Janelle Friddell	372/706	72.926 acres
12	Lee Michael Clark Trust	1082/419	66.529 acres
13	Itha Pahl	50/367	93.204 acres
14	James L. Smith, et ux	607/275	4.516 acres
15	Lee Michael Clark	1092/437	68.457 acres
16	Lillie Mae Brinkman, et al	329/694	45.849 acres
17	Raymond Howry, et al	588/511	29.630 acres
18	Franklin J. Beran	588/507	12.708 acres
19	Martha Jean Marek	329/258	4.898 acres
20	Robert E. Gofarth, et ux	262/667	6.742 acres
21	Terry O. Myers, et ux	424/172	9.697 acres
22	Henry E. Goss, et ux	369/434	37.531 acres
23	R.L. Williams Jr., et ux	268/815	1.058 acres
24A	Lela M. Pivonka, et al	235/970	12.081 acres
24B	Lela M. Pivonka, et al	235/970	0.069 acres
25	Lela M. Pivonka, et al	235/970	7.398 acres
26	Lela M. Pivonka, et al	235/970	16.297 acres
Total			761.439 acres

Beran Unit

LINE TABLE		
LINE	BEARING	LENGTH
L1	N 42°11'48" E	3424.68
L2	N 42°12'00" E	162.03
L3	S 47°48'00" E	6794.84
L4	S 42°08'02" W	669.10
L5	S 47°53'46" E	3165.46
L6	S 34°32'06" W	1291.60
L7	N 48°04'56" W	2733.66
L8	S 42°09'45" W	985.70
L9	S 42°28'36" W	439.13
L10	S 41°37'16" W	109.67
L11	S 36°59'47" W	93.31
L12	N 47°41'21" W	4994.96
L13	S 42°10'52" W	11.00
L14	N 47°48'56" W	2412.67
L15	S 47°53'46" E	2938.08
L16	S 42°21'02" W	1291.93
L17	N 47°38'58" W	2762.32
L18	N 34°31'44" E	1291.28

Lewis EF Unit

Tract	Name	Deed	Acreage
1	J. R. Harvey	92/468	0.318 acres
2	John Edward Siptak, Jr. et al.	194/158	119.176 acres
3	Sally Flosi	432/267	273.621 acres
4	J. W. Snedden	151/783	10.580 acres
5	Linda A. Beran	314/413	1.250 acres
6	Cindy Louise Shaver & Bonnie Fay Shaver	295/723	7.242 acres
7	Clyde Shaver et ux.	181/23	1.942 acres
8	State of Texas		8.427 acres
9	Thomas Luther Goodnight	427/674	0.239 acres
10	Linda Ann Beran	439/253	12.803 acres
11	Geosource, Inc. et al.	284/714 295/621 299/83	15.633 acres
12	Clara May Graham	265/880	22.553 acres
Total			473.784 acres

Lewis EF Unit

LINE TABLE		
LINE	BEARING	LENGTH
L1	S47°47'36"E	6700.00
L2	S42°11'48"W	3424.68
L3	N46°36'11"W	599.70
L4	N38°50'11"E	94.91
L5	N30°41'11"W	510.20
L6	N75°51'46"W	1947.18
L7	N31°25'06"W	49.70
L8	N42°08'02"E	790.77
L9	N47°51'58"W	339.01
L10	N42°08'02"E	1120.00
L11	N47°51'58"W	2667.59
L12	N42°12'00"E	2371.87

Lewis EF Unit

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	CHORD BEARING
C1	31°21'33"	1432.39	783.98	N60°10'59"W 774.23
C2	2°37'59"	1909.86	87.77	N77°10'45"W 87.76

Survey Notes:

- Bearings, coordinates and Geodetic positions are Grid NAD 83, Texas Coordinate System Central Zone.
- Surface Location is S28°33'W 4.35 miles from Caldwell, Texas. (Intersection of HWY 21 & HWY 36)
Elev: 366.9' ground
"Frenstat" Quad.
- Title work provided by:
Chesapeake Operating, LLC



Staked in June, 2019.

William E. Weiser
William E. Weiser
Professional Land Surveyor
Number 4428

Chesapeake Operating, LLC	Beran HCX2 A 2H	Final As Drilled
Weiser Becker Surveyors, P. C., FN 10015700	By: WW	Date: 01/27/20
P. O. Box 706 Giddings, Texas 78942 979-542-4444	Rev: 01/28/20	File: 6941 Che Beran A 2H T 2
	Scale: 1" = 1200'	Book: WO: 6941

iNut 10694

42-051-34286

03-855714

spud 8/25/19

Giddings (Eagleford)

crosses Unit 9833

[EXTERNAL] Beran wells

Kenna Clapp <kenna.clapp@chk.com>

PSA rec'd 4/2/20

Tue 3/10/2020 9:23 AM

To: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>

Cc: John Byford <John.Byford@chk.com>; Carly Minks <carly.minks@chk.com>; Cory Smith <cory.smith@chk.com>

4 attachments (3 MB)

Beran HCX1 A 1H_rev final as drilled plat_1-27-2020.pdf; Beran HCX2 A 2H_final as drilled plat_1-28-2020.pdf; Beran HCX3 A 3H_final as drilled plat_2-3-2020.pdf; Beran HCX6 B 3H_final as drilled plat_2-3-2020.pdf;

Classification: DC-Internal

Hi Mary,

We have recently started producing the four wells below, in which the GLO owns an interest through several pooling agreements and leases.

Beran HCX1 A 1H: M-119721, M-97515, and M-119723

Beran HCX2 A 2H: M-97515

Beran HCX3 A 3H: M-97515

Beran HCX6 B 3H: M-97515 and MF-109310

I would like to make sure everyone has the necessary documentation to verify interest.

Does your group have the unit agreement memos for the Beran? I have also attached the as-drilled plats for your reference.

Property Name	API	County	CHK Well #
BERAN HCX1 A 1H	4205134284	BURLESON	714523
BERAN HCX2 A 2H	4205134286	BURLESON	714524
BERAN HCX3 A 3H	4205134285	BURLESON	714525
BERAN HCX6 B 3H	4205134289	BURLESON	714527

Please let me know if there is any additional information you need from me.

Thank you,


Kenna Clapp

Staff Landman

Chesapeake Energy Corporation

Office: 405-935-2468

Email: kenna.clapp@chk.com

 Chesapeake logo

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File No. MF097515

Burleson County

iNut 10694 package

Date Filed: 7/31/20

George P. Bush, Commissioner

By mB Baunstone



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 10695

GENERAL INFORMATION

Name of Well: Beran HCX3 A #3H (alloc) API # 42-051-34285
 Name of Operator: CHESAPEAKE OPERATING, L.L.C. RRC # 03-855713
 Operator Contact Person: Kenna Clapp Phone: 405-935-2468
 County: Burleson

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rylty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
HROW	9833/MF097515	10671	3781	0.00296444	0.16666700	0.00630224	0.00105037
Totals:						0.00630224	0.00105037
Effective Date:	<u>8/23/2019</u>						State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any:

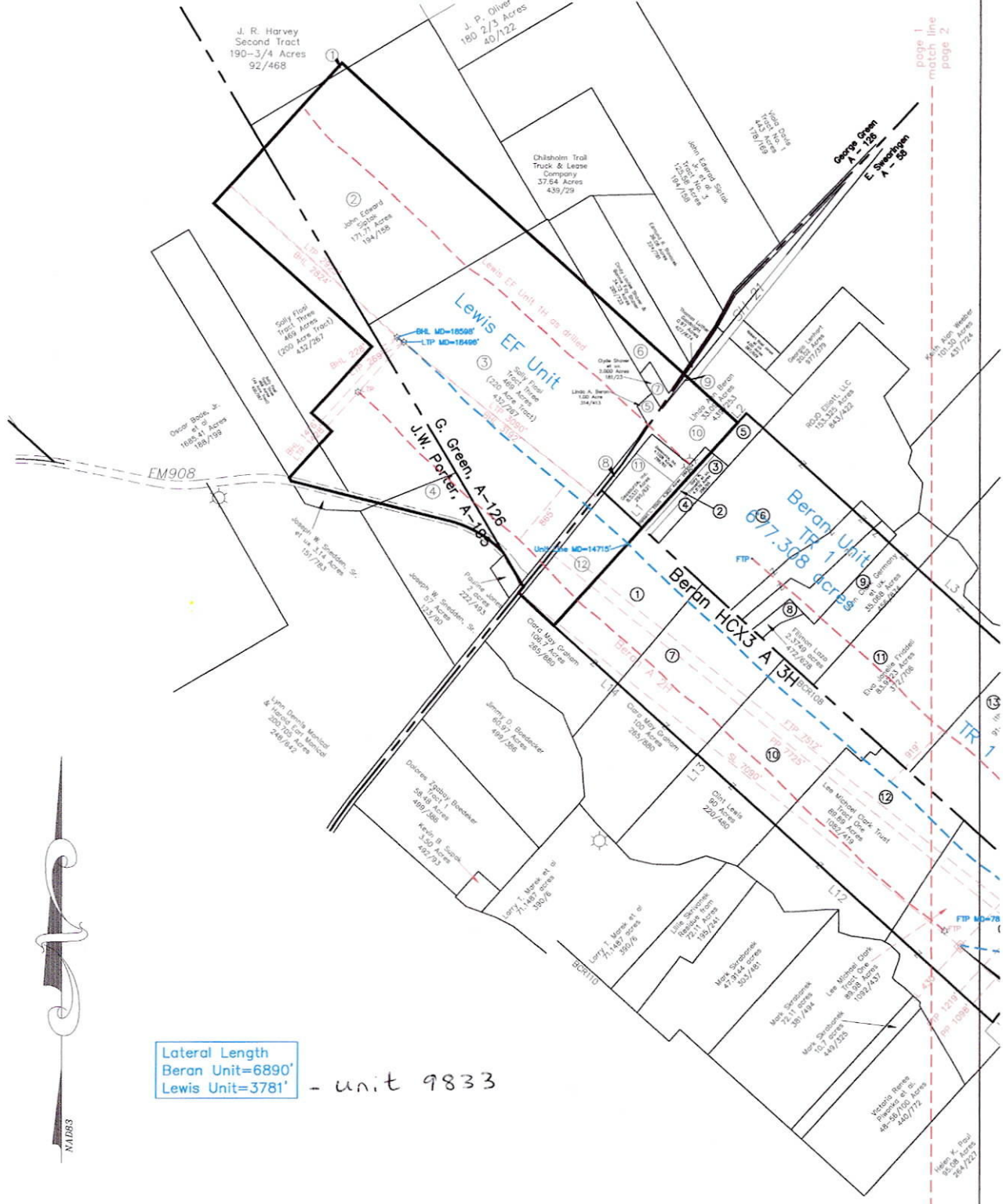
Comments: iNut crosses Unit 9833. Well spud 8/23/2019. Final, as-drilled plat received on 3/10/2020, PSA received 4/2/2020.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: *MB* Alamo updated by: *MB* WI updated by: *MB*
 RAM approval by: *VD* GIS updated by: *JK*

Burleson County, Texas



Lateral Length
 Beran Unit=6890'
 Lewis Unit=3781' - unit 9833

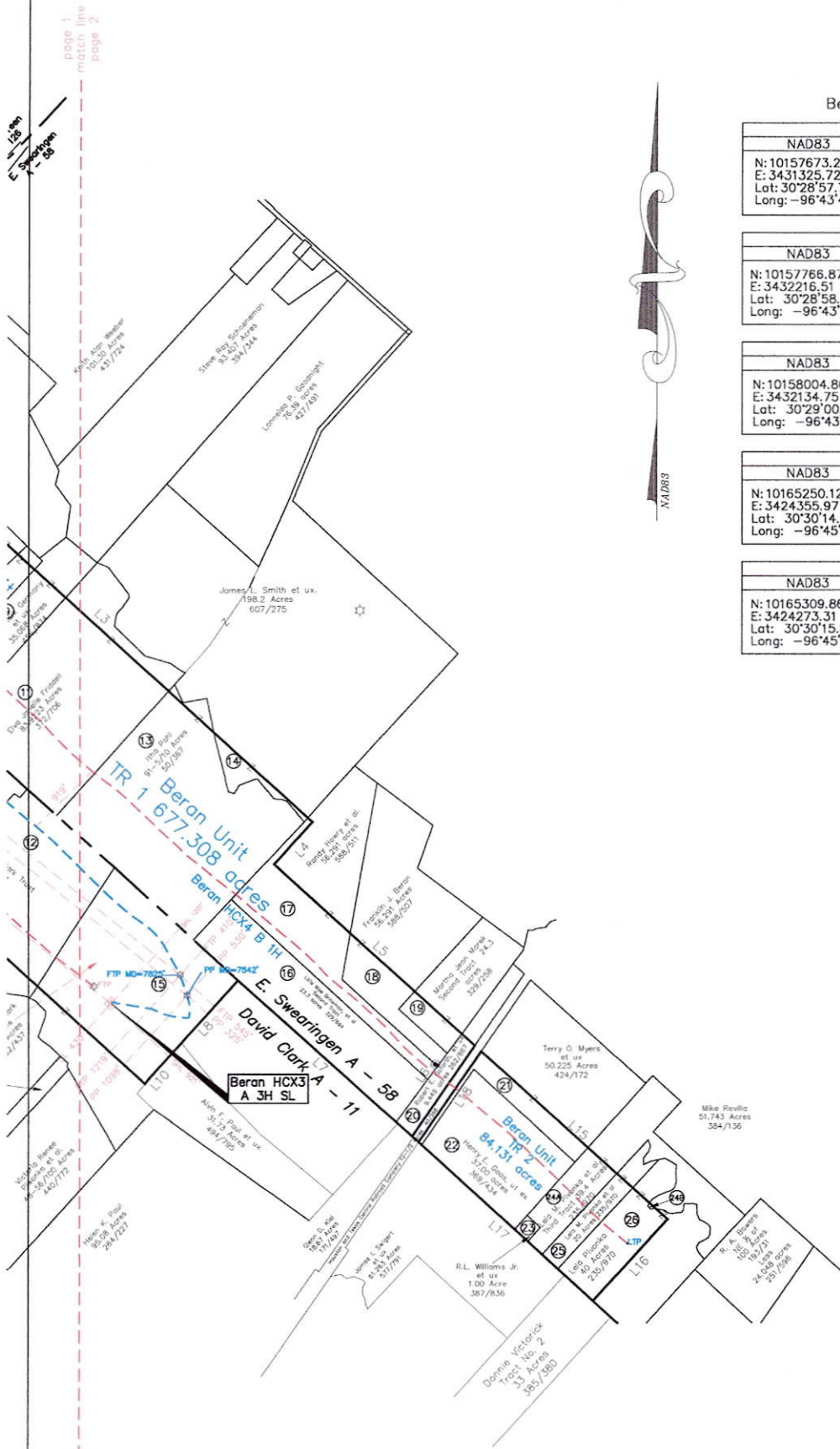
B

Chesapeake Operating, LLC	Beran HCX3 A 3H	Final As Drilled
Weiser Becker Surveyors, P. C., FN 10015700	By: WW	Date: 01/28/20
P. O. Box 706 Giddings, Texas 78942 979-542-4444	Rev: 02/03/20	Scale: 1" = 1200' WO # 6941
	File: 6941	Che Beran A 3H Final As Drill

page 1
 match line
 page 2

page 1
 match line
 page 2

Burleson County, Texas



Beran HX3 A 3H

SHL	
NAD83	NAD27
N: 10157673.28 E: 3431325.72 Lat: 30°28'57.752" Long: -96°43'48.743"	N: 315090.58 E: 3134848.04 Lat: 30.482503° Long: -96.729952°

PP	
NAD83	NAD27
N: 10157766.87 E: 3432216.51 Lat: 30°28'58.393" Long: -96°43'38.533"	N: 315184.18 E: 3135738.82 Lat: 30.482681° Long: -96.727116°

FTP	
NAD83	NAD27
N: 10158004.80 E: 3432134.75 Lat: 30°29'00.773" Long: -96°43'39.379"	N: 315422.10 E: 3135657.06 Lat: 30.483342° Long: -96.727351°

LTP	
NAD83	NAD27
N: 10165250.12 E: 3424355.97 Lat: 30°30'14.941" Long: -96°45'05.571"	N: 322667.37 E: 3127878.41 Lat: 30.503945° Long: -96.751292°

BHL	
NAD83	NAD27
N: 10165309.86 E: 3424273.31 Lat: 30°30'15.559" Long: -96°45'06.494"	N: 322727.11 E: 3127795.75 Lat: 30.504116° Long: -96.751549°

Beran HX3 A 3H

- Surface Location
- 921' FSEL Beran Unit
- 430' FSWL Beran Unit
- 1201' FNEL Clark Survey
- 7090' FNWL Clark Survey
- SL to PP
- N84°00'07"E 895.70'
- PP
- 325' FSEL Beran Unit
- 1098' FSWL Beran Unit
- 530' FNEL Clark Survey
- 7725' FNWL Clark Survey
- PP to FTP
- N18°57'54"W 251.58'
- FTP
- 545' FSEL Beran Unit
- 1219' FSWL Beran Unit
- 410' FNEL Clark Survey
- 7512' FNWL Clark Survey
- FTP to LTP
- N47°02'01"W 10630.34'
- LTP
- 1428' FSWL Lewis Unit
- 2925' FNWL Lewis Unit
- 269' FSWL Green Survey
- 3090' FSEL Green Survey
- LTP to BHL
- N54°08'42"W 101.99'
- BHL
- 1416' FSWL Lewis Unit
- 2824' FNWL Lewis Unit
- 228' FSWL Green Survey
- 3192' FSEL Green Survey

Burleson County, Texas

Beran Unit

The acreages shown on the page 1 and 2 within the outlined unit are deed acres and do not reflect the actual surveyed unit acreages. The table below shows the actual surveyed unit acreages.

Tract	Name	Deed	Acreage
1	Clara May Graham	265/880	39.743 acres
2	Herbert L. Elliott	284/714	1.716 acres
3	Gary W. Franzetti, et ux	258/65	4.335 acres
4	Gary W. Franzetti, et ux	251/406	2.180 acres
5	Linda Ann Beran	439/253	4.141 acres
6	Rojo Elliot, LLC	843/422	88.662 acres
7	Clara May Graham	265/880	50.967 acres
8	Filiman Lazo, et ux	472/628	2.483 acres
9	John Clark Germany, et ux	456/874	26.376 acres
10	Clint Lewis	220/480	51.246 acres
11	Elva Janelle Friddell	372/706	72.926 acres
12	Lee Michael Clark Trust	1082/419	66.529 acres
13	Itha Pohl	50/367	93.204 acres
14	James L. Smith, et ux	607/275	4.516 acres
15	Lee Michael Clark	1092/437	68.457 acres
16	Lillie Mae Brinkman, et al	329/694	45.849 acres
17	Raymond Howry, et al	588/511	29.630 acres
18	Franklin J. Beran	588/507	12.708 acres
19	Martha Jean Marek	329/258	4.898 acres
20	Robert E. Goforth, et ux	262/667	6.742 acres
21	Terry O. Myers, et ux	424/172	9.697 acres
22	Henry E. Gass, et ux	369/434	37.531 acres
23	R.L. Williams Jr., et ux	268/815	1.058 acres
24A	Lela M. Pivonka, et al	235/970	12.081 acres
24B	Lela M. Pivonka, et al	235/970	0.069 acres
25	Lela M. Pivonka, et al	235/970	7.398 acres
26	Lela M. Pivonka, et al	235/970	16.297 acres
Total			761.439 acres

Beran Unit

LINE TABLE		
LINE	BEARING	LENGTH
L1	N 42°11'48" E	3424.68
L2	N 42°12'00" E	162.03
L3	S 47°48'00" E	6794.84
L4	S 42°08'02" W	669.10
L5	S 47°53'46" E	3165.46
L6	S 34°32'06" W	1291.60
L7	N 48°04'56" W	2733.66
L8	S 42°09'45" W	985.70
L9	S 42°28'36" W	439.13
L10	S 41°37'16" W	109.67
L11	S 36°59'47" W	93.31
L12	N 47°41'21" W	4994.96
L13	S 42°10'52" W	11.00
L14	N 47°48'56" W	2412.67
L15	S 47°53'46" E	2938.08
L16	S 42°21'02" W	1291.93
L17	N 47°38'58" W	2762.32
L18	N 34°31'44" E	1291.28

Lewis EF Unit

The acreages shown above within the outlined unit are deed acres and do not reflect the actual surveyed unit acreages. The table below shows the actual surveyed unit acreages.

Tract	Name	Deed	Acreage
1	J. R. Harvey	92/468	0.318 acres
2	John Edward Siptak, Jr. et al.	194/158	119.176 acres
3	Sally Flosi	432/267	273.621 acres
4	J. W. Snedden	151/783	10.580 acres
5	Linda A. Beran	314/413	1.250 acres
6	Cindy Louise Shaver & Bonnie Fay Shaver	295/723	7.242 acres
7	Clyde Shaver et ux.	181/23	1.942 acres
8	State of Texas		8.427 acres
9	Thomas Luther Goodnight	427/674	0.239 acres
10	Linda Ann Beran	439/253	12.803 acres
11	Geosource, Inc. et al.	284/714 295/621 299/83	15.633 acres
12	Clara May Graham	265/880	22.553 acres
Total			473.784 acres

Survey Notes:

- 1) Bearings, coordinates and Geodetic positions are Grid NAD 83, Texas Coordinate System Central Zone.
- 2) Surface Location is S28°31'W 4.35 miles from Caldwell, Texas. (Intersection of HWY 21 & HWY 36) Elev: 368.8' ground "Frenstat" Quad.
- 3) Title work provided by: Chesapeake Operating, LLC

Beran HCX3 A 3H

SHL	
NAD83	NAD27
N: 10157673.28 E: 3431325.72 LAT: 30°28'57.752" LONG: 96°43'48.743"	N: 315090.58 E: 3134848.04 LAT: 30.482503" LONG: 96.729952"

FTP	
NAD83	NAD27
N: 10158431.50 E: 3431858.41 LAT: 30°29'05.083" LONG: 96°43'42.377"	N: 315848.81 E: 3135380.72 LAT: 30.484539" LONG: 96.728184"

LTP/BHL	
NAD83	NAD27
N: 10165308.20 E: 3424268.23 Lat: 30°30'15.544" Long: 96°43'06.552"	N: 322725.45 E: 3127790.67 Lat: 30.504112" Long: 96.751565"

Beran HCX3 A 3H

Surface Location
921' FSEL Beran Unit
430' FSWL Beran Unit
1201' FNEL Clark Survey
7090' FNWL Clark Survey

SL to PP/FTP
N35°05'24"E 926.64'

PP/FTP
1036' FSEL Beran Unit
1349' FSWL Beran Unit
282' FNEL Clark Survey
7030' FNWL Clark Survey

PP/FTP to LTP/BHL
N47°49'24"W 10242.06'

LTP/BHL
1412' FSWL Lewis Unit
2821' FNWL Lewis Unit
223' FSWL Green Survey
3195' FSEL Green Survey



Staked in June, 2019.

William E. Weiser
William E. Weiser
Professional Land Surveyor
Number 4428

B

Chesapeake Operating, LLC	Beran HCX3 A 3H	Final As Drilled
Weiser Becker Surveyors, P. C., FN 10015700	By: WW	Date: 01/28/20
P. O. Box 706 Giddings, Texas 78942 979-542-4444	Rev: 02/03/20	Scale: 1" = 1200' WD # 6941
		File: 6941 Che Beran A 3H Final As Drill

INut 10695

42-051-34285

03-855713

[EXTERNAL] Beran wells

Kenna Clapp <kenna.clapp@chk.com>

PSA rec'd 4/2/20

spud 8/23/19

Tue 3/10/2020 9:23 AM

To: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>

Cc: John Byford <John.Byford@chk.com>; Carly Minks <carly.minks@chk.com>; Cory Smith <cory.smith@chk.com>

Giddings (Eagleford)

4 attachments (3 MB)

Beran HCX1 A 1H_rev final as drilled plat_1-27-2020.pdf; Beran HCX2 A 2H_final as drilled plat_1-28-2020.pdf; Beran HCX3 A 3H_final as drilled plat_2-3-2020.pdf; Beran HCX6 B 3H_final as drilled plat_2-3-2020.pdf;

crosses Unit 9833

MF097515

Classification: DC-Internal

Hi Mary,

We have recently started producing the four wells below, in which the GLO owns an interest through several pooling agreements and leases.

Beran HCX1 A 1H: M-119721, M-97515, and M-119723

Beran HCX2 A 2H: M-97515

Beran HCX3 A 3H: M-97515

Beran HCX6 B 3H: M-97515 and MF-109310

I would like to make sure everyone has the necessary documentation to verify interest.

Does your group have the unit agreement memos for the Beran? I have also attached the as-drilled plats for your reference.

Property Name	API	County	CHK Well #
BERAN HCX1 A 1H	4205134284	BURLESON	714523
BERAN HCX2 A 2H	4205134286	BURLESON	714524
BERAN HCX3 A 3H	4205134285	BURLESON	714525
BERAN HCX6 B 3H	4205134289	BURLESON	714527

Please let me know if there is any additional information you need from me.

Thank you,


Kenna Clapp

Staff Landman

Chesapeake Energy Corporation

Office: 405-935-2468

Email: kenna.clapp@chk.com

 Chesapeake logo

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File No. MF097515

Burleson County

iNwt 10695 package

Date Filed: 7/31/20

George P. Bush, Commissioner

By mB Baumstern



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 10696

GENERAL INFORMATION

Name of Well: Beran HCX6 B #3H (alloc) API # 42-051-34289
 Name of Operator: CHESAPEAKE OPERATING, L.L.C. RRC # 03-855742
 Operator Contact Person: Kenna Clapp Phone: 405-935-2468
 County: Burleson

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rylty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
HROW	8867/MF109310	12307	5747	0.00048238	0.20000000	0.00112628	0.00022526
HROW	8867/MF097515	12307	5747	0.00076792	0.16666700	0.00215157	0.00035860
Totals:						0.00327785	0.00058385
Effective Date:	<u>9/25/2019</u>						State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any:

Comments: iNut crosses Unit 8867. Well spud 9/25/2019. Final, as-drilled plat received on 3/10/2020, PSA received 4/2/2020.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: Alamo updated by: WI updated by:
 RAM approval by: GIS updated by:

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INU200001

Unit Number	10696	Effective Date	09/25/2019
Operator Name	Chesapeake Operating, L.L.C.	Unitized For	Oil And Gas
Customer ID	C000025243	Unit Term	
Unit Name	Beran HCX6 B #3H (alloc)	Old Unit Number	Inactive Status Date
County 1	Burleson	RRC District 1	03
County 2		RRC District 2	
County 3		RRC District 3	
County 4		RRC District 4	
Unit type	iNut		
State Net Revenue Interest	Oil 0.00058385		
State Part in Unit	0.00327785		
Unit Depth	Allow All Depths	Well	
From Depth		Formation	
To Depth		Participation Basis	Length of Lateral
		If Exclusions Apply:	See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF097515		0.000000	0.000000	0.00215157	O/G	0.16666700	0.00035860	No
MF109310		0.000000	0.000000	0.00112628	O/G	0.20000000	0.00022526	No

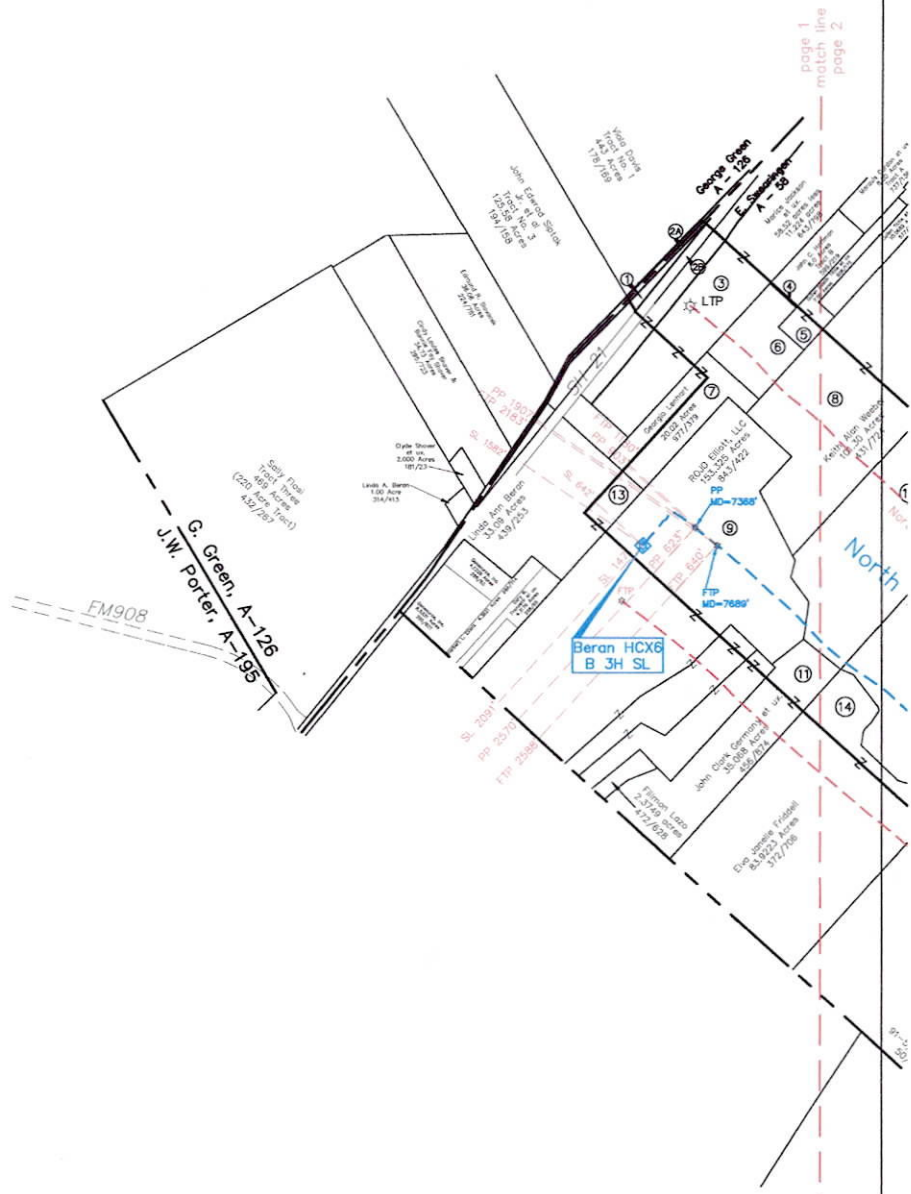
API Number
4205134289

Remarks:

iNut crosses Unit 8867. Well spud 9/25/2019. Final, as-drilled plat received on 3/10/2020, PSA received 4/2/2020.

Prepared By: _____ <i>mb</i>	Prepared Date: _____ 4/27/20
GLO Base Updated By: _____ <i>mb</i>	GLO Base Date: _____ 4/27/20
RAM Approval By: _____ <i>VP</i>	RAM Approval Date: _____ 4/27/20
GIS By: _____ <i>[Signature]</i>	GIS Date: _____ 02/02/2021
Well Inventory By: _____ <i>mb</i>	WI Date: _____ 4/27/20

Burleson County, Texas



Lateral Length
 North Flippin Unit = 5747'
 Flippin 133 Unit = 6560'

- unit 8867

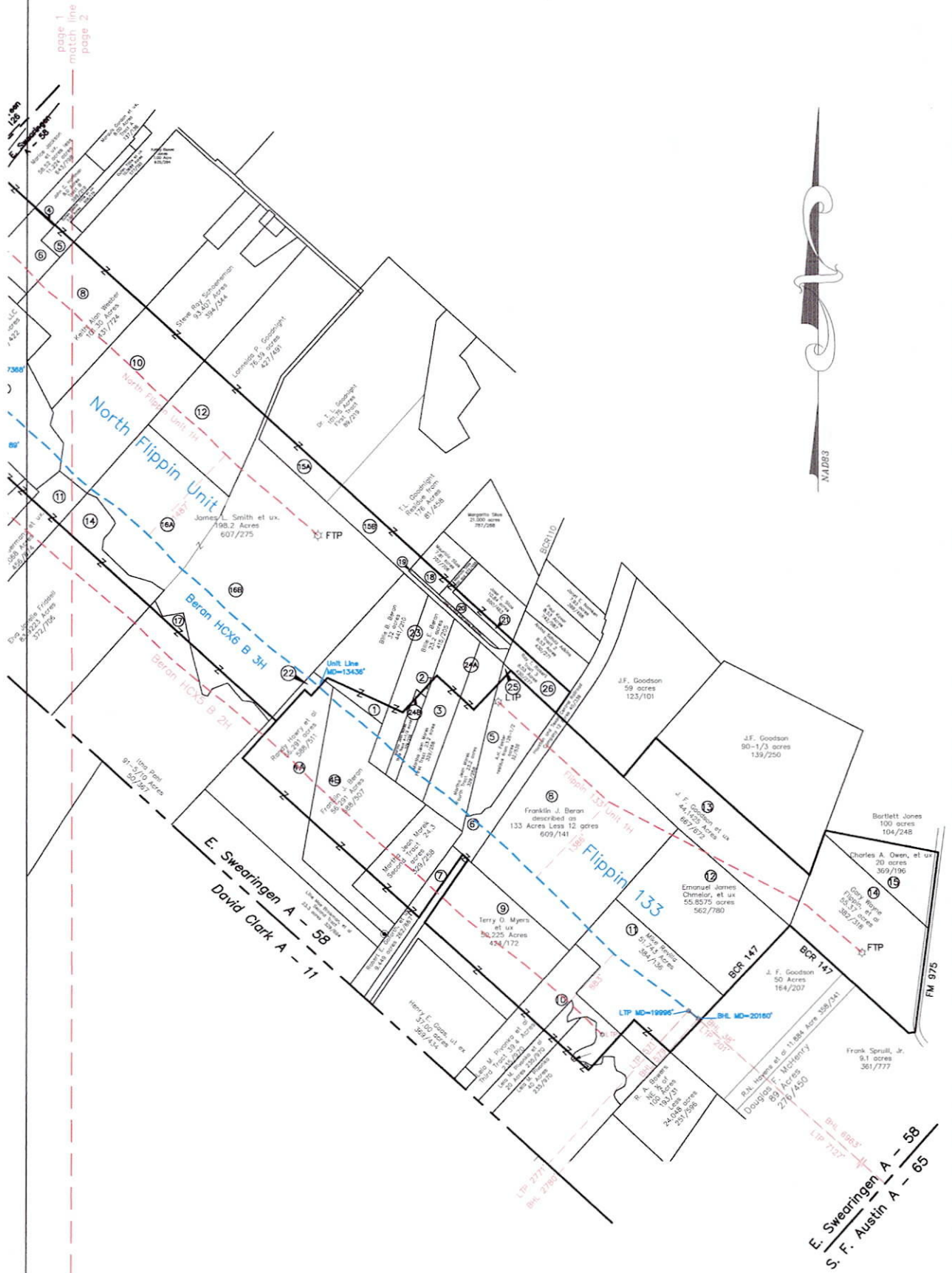
Chesapeake Operating, LLC	Beran HCX6 B 3H	Final As Drilled
Weiser Becker Surveyors, P. C., FN 10015700	By: WW Date: 01/29/20 Scale: 1" = 1200' WO: 6941	
P. O. Box 706 Giddings, Texas 78942 979-542-4444	Rev: 02/03/20 File: 6941 Che Beran B 3H Final As Drilled.dwg	

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 page 2

Burleson County, Texas



Chesapeake Operating, LLC	Beran HCX6 B 3H	Final As Drilled
Weiser Becker Surveyors, P. C., FN 10015700	By: WW	Date: 01/29/20
P. O. Box 706 Giddings, Texas 78942 979-542-4444	Rev: 02/03/20	File: 6941 Che Beran B 3H Final As Drilled.dwg
	Scale: 1" = 1200'	WO: 6941

Burleson County, Texas

Beran HCX6 B 3H

SHL	
NAD83	NAD27
N: 10164038.02 E: 3429219.21 Lat: 30°30'01.396" Long: -96°44'10.454"	N: 321455.28 E: 3132741.56 Lat: 30.500182° Long: -96.735983°

PP	
NAD83	NAD27
N: 10164215.96 E: 3429732.82 Lat: 30°30'02.992" Long: -96°44'04.520"	N: 321633.23 E: 3133255.16 Lat: 30.500825° Long: -96.734335°

FTP	
NAD83	NAD27
N: 10164042.32 E: 3429948.65 Lat: 30°30'01.205" Long: -96°44'02.118"	N: 321459.59 E: 3133470.99 Lat: 30.500129° Long: -96.733667°

LTP	
NAD83	NAD27
N: 10155930.11 E: 3439161.66 Lat: 30°28'37.986" Long: -96°42'19.883"	N: 313347.47 E: 3142683.83 Lat: 30.477012° Long: -96.705270°

BHL	
NAD83	NAD27
N: 10155826.90 E: 3439289.06 Lat: 30°28'36.924" Long: -96°42'18.466"	N: 313244.27 E: 3142811.23 Lat: 30.476717° Long: -96.704876°

Beran HCX6 B 3H

SHL 642' FNWL North Flippin Unit 147' FSWL North Flippin Unit 1582' FNWL Swearingen Survey 2091' FSWL Swearingen Survey
SHL to PP N70°53'30"E 543.56'
PP 903' FNWL North Flippin Unit 623' FSWL North Flippin Unit 2570' FSWL Swearingen Survey 1907' FNWL Swearingen Survey
PP to FTP S51°10'58"E 277.01'
FTP 1180' FNWL North Flippin Unit 640' FSWL North Flippin Unit 2588' FSWL Swearingen Survey 2183' FNWL Swearingen Survey
FTP to LTP S48°38'08"E 12275.48'
LTP 571' FSWL Flippin 133 Unit 201' FSEL Flippin 133 Unit 2771' FSWL Swearingen Survey 7127' FSEL Swearingen Survey
LTP to BHL S50°59'13"E 163.95'
BHL 579' FSWL Flippin 133 Unit 38' FSEL Flippin 133 Unit 2780' FSWL Swearingen Survey 6963' FSEL Swearingen Survey



Staked in June, 2019.

William E. Weiser
William E. Weiser
Professional Land Surveyor
Number 4428

Survey Notes:

- 1) Bearings, coordinates and Geodetic positions are Grid NAD 83, Texas Coordinate System Central Zone.
- 2) Surface Location is S43°26'W 3.6 miles from Caldwell, Texas. (Intersection of HWY 21 & HWY 36)
Elev. 392.8' ground
"Frenstat" Quad.
- 3) Title work provided by:
Chesapeake Operating, LLC

Chesapeake Operating, LLC	Beran HCX6 B 3H	Final As Drilled
Weiser Becker Surveyors, P. C., FN 10015700	By: WW Date: 01/29/20 Scale: 1" = 1200' WC: 6941	
P. O. Box 706 Giddings, Texas 78942 979-542-4444	Rev: 02/03/20 File: 6941 Che Beran B 3H Final As Drilled.dwg	

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Burleson County, Texas

North Flippin Unit

The acreages shown on prior page within the outlined unit are deed acres and do not reflect the actual surveyed unit acreages. The table below shows the actual surveyed unit acreages.

Tract	Name	Deed	Acreage
1	John Edward Siptak, Jr. et al.	194/158	1.379 acres
2A	State of Texas		1.338 acres
2B	State of Texas		2.556 acres
3	Marice Jackson	643/798	18.482 acres
4	John C. Hoffman	599/219	0.130 acres
5	Cullen Dustin Tittle et ux.	608/175	2.142 acres
6	Keith Alan Weeber	635/174	12.461 acres
7	Georgia Lenhart	977/379	10.845 acres
8	Keith Alan Weeber	431/724	42.388 acres
9	ROJO Elliott, LLC	843/422	64.816 acres
10	Steve Ray Schoeneman	394/344	54.550 acres
11	John Clark Germany et ux.	456/874	6.161 acres
12	Lonneida P. Goodnight	427/491	32.820 acres
13	Linda Ann Beran	439/253	3.508 acres
14	Grover Friddell et al.	372/706	11.478 acres
15A	Thomas Goodnight et ux.	89/219	8.605 acres
15B	Thomas Goodnight et ux.	81/458	12.631 acres
16A	James L. Smith	607/275	53.183 acres
16B	James L. Smith	607/275	138.645 acres
17	Edile Lightsey et vir	50/367	1.704 acres
18	Mauricio Silos	707/706	2.442 acres
19	Jose E. Silos	844/205	1.427 acres
20	Mauricio Silos	672/459	3.879 acres
21	Jose E. Silos	550/463	1.523 acres
22	Frank Beran	83/41	2.125 acres
23	Billie B. Beran	441/205 441/210	41.739 acres
24A	Martha Jean Marek	329/258	13.979 acres
24B	Martha Jean Marek	329/258	0.151 acres
25	A.H. Fgster	32/536	0.387 acres
26	Ray T. Rickert	430/277	7.272 acres
	Total		554.746 acres

FLIPPIN 133

Tract	Lessor	Lease	Deed	Area
1	Billie B. Bean	752/509	441/210, 415/205	8.453 acres
2	Billie B. Beran	752/509	441/210, 415/205	0.225 acres
3	Lillie Mae Brinkman	894/324	329/258, 329/333	57.181 acres
4A	Randy Howry, et al	251/252	76/56, 86/106, 82/404, 83/41, 588/511	24.596 acres
4B	Franklin J. Beran	251/252	76/56, 86/106, 82/404, 83/41, 588/507	43.428 acres
5	Marie Janacek Trcalek	899/402	32/536	23.609 acres
6	Union Pacific Railroad Company	938/769	40/266, 40/300, 74/449, 40/266, 40/339	12.287 acres
7	Elwood F. Hieden, et ux	791/172	262/667	4.406 acres
8	Franklin J. Beran	767/725	609/141	96.109 acres
9	Marjorie L. Kell	791/155	424/172	40.467 acres
10	Leia M. Pivonka	757/214	235/970	23.566 acres
11	Mike Revilla, et ux	756/389	384/136	47.927 acres
12	Daniel W. Junek	846/32	562/780	56.797 acres
13	Jesse Floyd Goodson	803/136	667/672	45.201 acres
14	Gary Wayne Flippin	384/318	382/318	56.879 acres
15	Charles A. Owen, et ux	847/247	369/196	18.869 acres
		Unit Total		560.000 Acres

iNut 10696

42-051-34289

[EXTERNAL] Beran wells

Kenna Clapp <kenna.clapp@chk.com>

PSA rec'd 4/2/20

03-855742

Tue 3/10/2020 9:23 AM

To: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>

spud 9/25/19

Cc: John Byford <John.Byford@chk.com>; Carly Minks <carly.minks@chk.com>; Cory Smith <cory.smith@chk.com>

Giddings (Eagleford)

4 attachments (3 MB)

Beran HCX1 A 1H_rev final as drilled plat_1-27-2020.pdf; Beran HCX2 A 2H_final as drilled plat_1-28-2020.pdf; Beran HCX3 A 3H_final as drilled plat_2-3-2020.pdf; Beran HCX6 B 3H_final as drilled plat_2-3-2020.pdf;

Classification: DCU-Internal

crosses Unit 8867
MF109310
MFO97515

Hi Mary,

We have recently started producing the four wells below, in which the GLO owns an interest through several pooling agreements and leases.

Beran HCX1 A 1H: M-119721, M-97515, and M-119723

Beran HCX2 A 2H: M-97515

Beran HCX3 A 3H: M-97515

Beran HCX6 B 3H: M-97515 and MF-109310

I would like to make sure everyone has the necessary documentation to verify interest.

Does your group have the unit agreement memos for the Beran? I have also attached the as-drilled plats for your reference.

Property Name	API	County	CHK Well #
BERAN HCX1 A 1H	4205134284	BURLESON	714523
BERAN HCX2 A 2H	4205134286	BURLESON	714524
BERAN HCX3 A 3H	4205134285	BURLESON	714525
BERAN HCX6 B 3H	4205134289	BURLESON	714527

Please let me know if there is any additional information you need from me.

Thank you,


Kenna Clapp

Staff Landman

Chesapeake Energy Corporation

Office: 405-935-2468

Email: kenna.clapp@chk.com

 Chesapeake logo

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File No. MF 097515

Burleson County

iNut 10696 packet

Date Filed: 7/31/20

By m Braunstone
George P. Bush, Commissioner



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 10703

GENERAL INFORMATION

Name of Well: Beran HCX2 A #1H (alloc) API # 42-051-34284
 Name of Operator: CHESAPEAKE OPERATING, L.L.C. RRC # 03-855711
 Operator Contact Person: Kenna Clapp Phone: 405-935-2468
 County: Burleson

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rylty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
HROW	9833/MF097515	9976	147	0.00296444	0.16666700	0.00026209	0.00004368
HROW	9658/MF119723	9976	4116	0.00107779	0.25000000	0.00177874	0.00044469
HROW	9656/MF119721	9976	5713	0.00348093	0.25000000	0.00797376	0.00199344
Totals:						0.01001459	0.00248181
Effective Date:	<u>8/27/2019</u>						State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any:

Comments: iNut crosses Units 9833, 9658 and 9656. Well spud 8/27/2019. Final, as-drilled plat received on 3/10/2020, PSA received 4/2/2020.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: mb Alamo updated by: mb WI updated by: mb
 RAM approval by: VD GIS updated by: JL

DO NOT DESTROY



Texas General Land Office UNIT AGREEMENT MEMO

INU200001

Unit Number 10703
Operator Name Chesapeake Operating, L.L.C. **Effective Date** 08/27/2019
Customer ID C000025243 **Unitized For** Oil And Gas
Unit Name Beran HCX1 A #1H (alloc) **Unit Term**
County 1 Burleson **RRC District 1** 03 **Old Unit Number** **Inactive Status Date**
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.00248181
State Part in Unit 0.01001459
Unit Depth Allow All Depths **Well**
From Depth **Formation**
To Depth **Participation Basis** **Length of Lateral**
If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF097515		0.000000	0.000000	0.00026209	O/G	0.16666700	0.00004368	No
MF119721		0.000000	0.000000	0.00797376	O/G	0.25000000	0.00199344	No
MF119723		0.000000	0.000000	0.00177874	O/G	0.25000000	0.00044469	No

Burleson County, Texas



Lateral Length
 Marek Unit=4116'
 Roy Unit=5713'
 Lewis Unit=147'

- Unit 9658
 - Unit 9656
 - Unit 9833

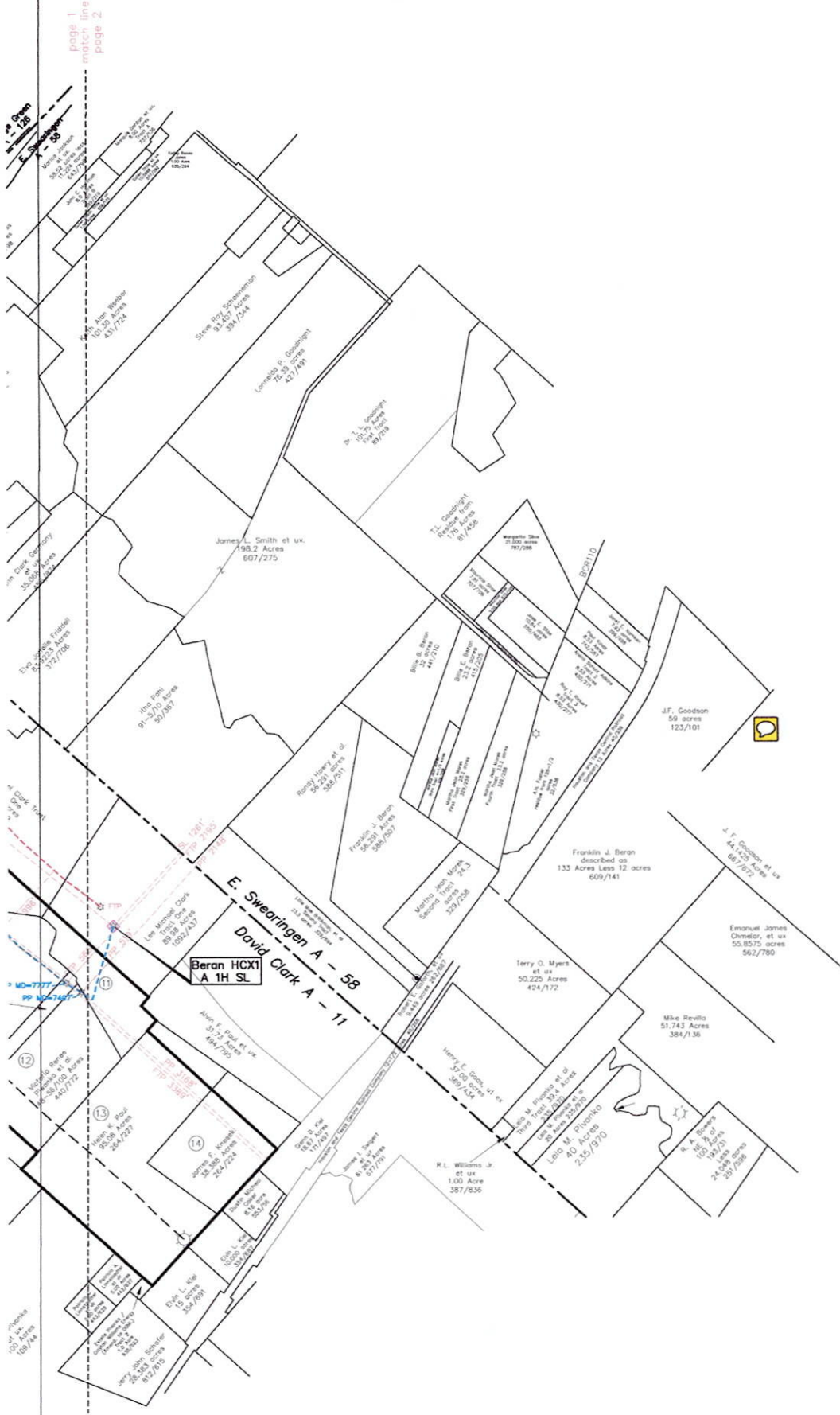
Chesapeake Operating, LLC	Beron HCX1 A 1H	Final As Drilled
Weiser Becker Surveyors, P. C., FN 10015700	By: WW	Date: 01/23/20 Scale: 1" = 1200' WO # 6941
P. O. Box 706 Ciddings, Texas 78942 979-542-4444	Rev: 01/27/20	File: 6941 Che Beron A 1H Final As Drill.dwg

C

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page 2

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Burleson County, Texas



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page 2

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page 2

C

Chesapeake Operating, LLC	Beran HCX1 A 1H	Final As Drilled
Weiser Becker Surveyors, P. C., FN 10015700	By: WW	Date: 01/23/20
P. O. Box 706 Giddings, Texas 78942 979-542-4444	Scale: 1" = 1200'	WO # 6941
	Rev: 01/27/20	File: 6941 Che Beran A 1H Final As Drill.dwg

Burleson County, Texas

Beran HCX1 A 1H

SHL	
NAD83	NAD27
N: 10157628.73 E: 3431285.52 LAT: 30°28'57.325" LONG: 96°43'49.219"	N: 315046.03 E: 3134807.85 LAT: 30.482384° LONG: 96.730084°

PP	
NAD83	NAD27
N: 10156794.84 E: 3430882.34 Lat: 30°28'49.204" Long: 96°43'54.133"	N: 314212.14 E: 3134404.67 Lat: 30.480128° Long: 96.731449°

FTP	
NAD83	NAD27
N: 10156908.73 E: 3430688.04 Lat: 30°28'50.393" Long: 96°43'56.310"	N: 314326.03 E: 3134210.38 Lat: 30.480458° Long: 96.732054°

LTP	
NAD83	NAD27
N: 10163509.85 E: 3423235.68 Lat: 30°29'58.081" Long: 96°45'19.011"	N: 320927.07 E: 3126758.14 Lat: 30.499261° Long: 96.755026°

BHL	
NAD83	NAD27
N: 10163591.09 E: 3423143.50 Lat: 30°29'58.914" Long: 96°45'20.034"	N: 321008.31 E: 3126665.96 Lat: 30.499492° Long: 96.755310°

Beran HCX1 A 1H

Surface Location
1261' FNEL Clark Survey
7087' FNWL Clark Survey

SL to PP
S25°48'13"W 926.25'

PP
3168' FSEL Marek Unit
519' FNEL Marek Unit
2148' FNEL Clark Survey
7296' FNWL Clark Survey

PP to FTP
N59°37'26"W 225.21'

FTP
3389' FSEL Marek Unit
565' FNEL Marek Unit
2195' FNEL Clark Survey
7073' FNWL Clark Survey

FTP to LTP
N48°27'58"W 9955.53'

LTP
256' FNWL Lewis Unit
2847' FSWL Ray Unit
1583' FNEL Porter Survey
2872' FSEL Porter Survey

LTP to BHL
N48°36'36"W 122.87'

BHL
133' FNWL Lewis Unit
2809' FSWL Ray Unit
2995' FSEL Porter Survey
1621' FNEL Porter Survey

Survey Notes:

- 1) Bearings, coordinates and Geodetic positions are Grid NAD 83, Texas Coordinate System Central Zone.
- 2) Surface Location is S28°34'W 4.36 miles from Caldwell, Texas. (Intersection of HWY 21 & HWY 36)
Elev: 366.2' ground
"Frenstat" Quad.
- 3) Title work provided by:
Chesapeake Operating, LLC



Staked in June, 2019.

William E. Weiser
William E. Weiser
Professional Land Surveyor
Number 4428

Chesapeake Operating, LLC	Beran HCX1 A 1H	Final As Drilled
Welsch Becker Surveyors, P. C., FN 10015700	By: WW	Date: 01/23/20
P. O. Box 706 Giddings, Texas 78942 979-542-4444	Rev: 01/27/20	File: 6941 Che Beran A 1H Final As Drill.dwg
	Scale: 1" = 1200'	WO # 6941

Burleson County, Texas

Marek EF Unit

The acreages shown within the outlined unit are deed acres and do not reflect the actual surveyed unit acreages. The table below shows the actual surveyed unit acreages.

Tract	Name	Deed	Acreage
1	State of Texas		2.501 acres
2	Ginger, Ltd.	883/380	75.698 acres
3	Mildred G. Piwonka Living Trust	530/562	59.065 acres
4	Leroy J. Kubelka et ux.	405/167	3.490 acres
5	Larry Ted Marek	449/322	8.597 acres
6	Larry T. Marek & Janette M. Hall	390/6	46.543 acres
7	Clara May Ray Charles Ray Clark et ux.	485/49 483/712	36.024 acres
8	Lillie Skrivanek	195/241	23.028 acres
9	Lee Michael Clark Trust	1082/419	23.407 acres
10	Mark Skrabanek	303/477 303/481 381/494 449/325	117.508 acres
11	Lee Michael Clark	1092/437	21.421 acres
12	Victoria Renee Piwonka et al.	440/772	42.632 acres
13	Helen K. Paul	264/227	90.266 acres
14	James F. Knesek	264/224	29.944 acres
	Total		580.124 acres

Ray EF Unit

The acreages shown above within the outlined unit are deed acres and do not reflect the actual surveyed unit acreages. The table below shows the actual surveyed unit acreages.

Tract	Name	Deed	Acreage
1	Candace L. Windel	493/274	101.499 acres
2	Lynn Dennis Monical, et al	248/642	205.696 acres
3	Joseph W. Snedden Sr., et ux	123/90, 151/783	47.554 acres
4	Pauline Jones	222/493	2.291 acres
5	State of Texas		8.341 acres
6	Ginger, Ltd.	883/380	16.555 acres
7	Dolores Zgaboy Boedeker	499/393	58.500 acres
8	Jimmy D. Boedeker	499/393	61.422 acres
9	Clara May Graham	265/880	29.001 acres
10	Kevin B. Supak, et ux	492/93	3.500 acres
11	Larry T. Marek, et ux	390/6	26.107 acres
12	Clara May Graham	265/880	38.584 acres
	Total		599.050 acres

Lewis EF Unit

The acreages shown above within the outlined unit are deed acres and do not reflect the actual surveyed unit acreages. The table below shows the actual surveyed unit acreages.

Tract	Name	Deed	Acreage
1	J. R. Harvey	92/468	0.318 acres
2	John Edward Siptak, Jr. et al.	194/158	119.176 acres
3	Sally Flosi	432/267	273.621 acres
4	J. W. Snedden	151/783	10.580 acres
5	Linda A. Beran	314/413	1.250 acres
6	Cindy Louise Shaver & Bonnie Fay Shaver	295/723	7.242 acres
7	Clyde Shaver et ux.	181/23	1.942 acres
8	State of Texas		8.427 acres
9	Thomas Luther Goodnight	427/674	0.239 acres
10	Linda Ann Beran	439/253	12.803 acres
11	Geosource, Inc. et al.	284/714 295/621 299/83	15.633 acres
12	Clara May Graham	265/880	22.553 acres
	Total		473.784 acres

Nut 10703

42-051-34284

03-855711

PSA rec'd 4/2/20

spud 8/27/2019

Giddings (Eagleford)

[EXTERNAL] Beran wells

Kenna Clapp <kenna.clapp@chk.com>

Tue 3/10/2020 9:23 AM

To: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>

Cc: John Byford <John.Byford@chk.com>; Carly Minks <carly.minks@chk.com>; Cory Smith <cory.smith@chk.com>

4 attachments (3 MB)

Beran HCX1 A 1H_rev final as drilled plat_1-27-2020.pdf; Beran HCX2 A 2H_final as drilled plat_1-28-2020.pdf; Beran HCX3 A 3H_final as drilled plat_2-3-2020.pdf; Beran HCX6 B 3H_final as drilled plat_2-3-2020.pdf;

Classification: DCL-internal

crosses Units 9833 M-097515
9658 M-119723
9656 M-119721

Hi Mary,

We have recently started producing the four wells below, in which the GLO owns an interest through several pooling agreements and leases.

Beran HCX1 A 1H: M-119721, M-97515, and M-119723

Beran HCX2 A 2H: M-97515

Beran HCX3 A 3H: M-97515

Beran HCX6 B 3H: M-97515 and MF-109310

I would like to make sure everyone has the necessary documentation to verify interest.

Does your group have the unit agreement memos for the Beran? I have also attached the as-drilled plats for your reference.

Property Name	API	County	CHK Well #
BERAN HCX1 A 1H	4205134284	BURLESON	714523
BERAN HCX2 A 2H	4205134286	BURLESON	714524
BERAN HCX3 A 3H	4205134285	BURLESON	714525
BERAN HCX6 B 3H	4205134289	BURLESON	714527

Please let me know if there is any additional information you need from me.

Thank you,

Kenna Clapp

Staff Landman

Chesapeake Energy Corporation

Office: 405-935-2468

Email: kenna.clapp@chk.com

 Chesapeake logo

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File No. MF 097515
Burleson County
iNut 10703 package
Date Filed: 7/31/20
By George P. Bush, Commissioner
MB Baumstark

March 30, 2020

State of Texas
Attn: Mary Beth Barnstone
Texas General Land Office, Energy Resources Division
1700 N Congress Avenue
Austin, TX 78701-1496

Re: ST/TX - MF 97515
Burleson County, Texas

Dear Ms. Barnstone:

WHE AcqCo., LLC wishes to enter into the enclosed Production Sharing Agreement to provide certainty in allocating royalties and encourage further development of your oil and gas interest by drilling horizontal well(s) that will traverse portions of multiple pooled units, one or more of which contain all or a portion of your oil and gas interest under the subject lease.

Please find enclosed a plat depicting the pooled units and/or lease tracts and existing wells and a check in the amount of \$500.00 for the processing fee.

Assuming the enclosed Production Sharing Agreement meets your approval, please execute it before a notary public and return it to the undersigned. Should you have any questions or concerns, please feel free to contact the undersigned at (405) 935-2468 or by email at Kenna.Clapp@chk.com.

Best regards,


Kenna Clapp

Enclosures

File No. MF 097515

Burleson County

Letter from Chesapeake

Date Filed: 9/18/20

George P. Bush, Commissioner

By MB Baustone



CHESAPEAKE OPERATING LLC.

P.O Box 18496, Oklahoma City, Ok 73154-0496

(877)245-1427

20707809

DATE ISSUE: March 12, 2020

CHECK NUMBER: 6027211

AMOUNT PAID: \$500.00

INQUIRIES: www.chk.com/suppliers

COMMISSIONER OF TX GENERAL LAND

OFFICE

1700 N CONGRESS AVE STE 935

AUSTIN TX 78701-1496

VENDOR NO: 30003011

DATE	INVOICE NUMBER	DOCUMENT NUMBER	DESCRIPTION	GROSS AMOUNT	BACKUP W/H	NET AMOUNT
03/11/2020	031120A	1900065960	REQUIRED APPLICATION FEE	500.00	0.00	500.00

TOTAL FOR CHECK:

121
X \$500.00

CHESAPEAKE OPERATING LLC.
P.O Box 18496, Oklahoma City, Ok 73154-0496
(877)245-1427

20707809

DATE ISSUE: March 12, 2020
CHECK NUMBER: 6027211
AMOUNT PAID: \$500.00
INQUIRIES: www.chk.com/suppliers

COMMISSIONER OF TX GENERAL LAND
OFFICE
1700 N CONGRESS AVE STE 935
AUSTIN TX 78701-1496

VENDOR NO: 30003011

DATE	INVOICE NUMBER	DOCUMENT NUMBER	DESCRIPTION	GROSS AMOUNT	BACKUP W/H	NET AMOUNT
03/11/2020	031120A	1900065960	REQUIRED APPLICATION FEE	500.00	0.00	500.00

TOTAL FOR CHECK: \$500.00

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND WITH VOID PANTOGRAPH

CHESAPEAKE OPERATING, LLC PO Box 18496, Oklahoma City, OK 73154-0496 (877)245-1427	CHECK NUMBER 6027211 March 12, 2020 VOID AFTER 90 DAYS	20707809 88-89 1113
PAY TO THE COMMISSIONER OF TX GENERAL LAND ORDER OF OFFICE 1700 N CONGRESS AVE STE 935 AUSTIN TX 78701-1496		CHECK AMOUNT \$500.00
*** FIVE HUNDRED Dollars ***		
JP Morgan Chase Bank, N.A.		NO THIRD PARTY ENDORSEMENTS

THE DOCUMENT HAS A THERMOCHROMIC INK WITH A TRUE WATERMARK. HOLD TO LIGHT TO VIEW.

⑈0006027211⑈

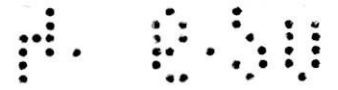
File No. MFO97515

Burleson County

Fee

Date Filed: 9/18/20

George P. Bush, Commissioner
By MB Baugster





MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

TIME SENSITIVE: Action Required by: (May 13, 2020)

FILE COPY

DATE: April 29, 2020

TO: Commissioner Bush

FROM: Mary Beth Barnstone

SUBJECT: HROW Unit Production Sharing Agreement for signature

.....

SUMMARY: Attached for your approval and signature are duplicate originals of a Production Sharing Agreement for a State highway right-of-way (“HROW”) Unit.

DETAILS: This agreement will allow the operator of the HROW Unit to drill horizontal wells that cross the lease or units if pooled and existing private leases and/or units in the area and to allocate the production from said wells as provided in the agreement. This is a practice that is commonly used to facilitate the drilling of horizontal wells across existing units or leases that do not allow pooling. The GLO has previously participated in these types of agreements. This agreement has been reviewed and approved by Energy Resources staff and the Legal Services Division.

Document Name	Recipient
Production Sharing Agreement Lewis EF Unit HROW Unit 9833 State Lease M- 119315 097515 Burleson County, Texas	Chesapeake Exploration, LLC

Recommendation: Please sign and return to Mary Beth Barnstone in Energy Resources (3-6818).

Attachment: Two Production Sharing Agreements

Thru: Ken Mills

File No. MF097515

Burleson County

Memo to Commissioner

Date Filed: 9/18/20

George P. Bush, Commissioner
By MB Banster

FILED



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

July 16, 2020

Ms. Kenna Clapp
Chesapeake Energy Corporation
6100 N. Western Avenue
Oklahoma City, OK 73118

Re: Production Sharing Agreement
Lewis EF Unit - GLO Unit 9833
State HROW Lease M-~~119515~~ 097515
Burlson County, Texas

FILE COPY

Dear Ms. Clapp,

Enclosed is a duplicate original of the above referenced Production Sharing Agreement ("PSA") that has been executed by George P. Bush, Commissioner of the Texas General Land Office. We have retained an original of the PSA for our files.

Please provide our office with a recorded copy of the PSA if it is going to be recorded as soon as it is available.

Additionally, after a Sharing Well is drilled, please provide our office with the "Productive Drainhole Length/Allocation Factor" information and let us know what our participation in the well is going to be so we can get our lease records set up for the payment of royalties on the Sharing Well.

Thank you for your assistance with this matter, if you have any questions or need anything further, please feel free to call.

Sincerely,

Mary Beth Barnstone
Geotech / Landman
Energy Resources
Texas General Land Office
Direct number: (512)463-6818
Email: mary.barnstone@glo.texas.gov

Enclosure

File No. MF097515

Burleson County

Letter to Chesapeake

Date Filed: 9/18/20

By George P. Bush, Commissioner
mB Banister

LIFE COPY

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

PRODUCTION SHARING AGREEMENT

STATE OF TEXAS)
) KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF BURLESON)

The undersigned party ("Interest Owner") and WHE AcqCo., LLC enter into this Production Sharing Agreement ("Agreement") on the terms set forth herein.

WHEREAS, Interest Owner owns an interest in, to, or covering those lands included in and embraced by the geographical boundaries of the Lewis EF Unit ("Pooled Unit"), said Pooled Unit having been formed by that certain Declaration of Pooled Unit dated effective as of September 29, 2017, and recorded in Volume 1125, Page 59, of the Official Records of Burleson County, Texas, and any subsequent corrections or amendments thereto, covering 473.784 acres of land; and

WHEREAS, the Pooled Unit includes Interest Owner's leased mineral interest described in that certain Pooling Agreement for the Lewis EF Unit, M-97515 – GLO Unit No. 9833 filed for record February 4, 1997, in Volume 258, Page 142 of the Records of Burleson County, Texas, (hereinafter referred to as the "Pooling Agreement"), and which Pooling Agreement governs the Interest Owner's interest in the Pooled Unit; and

WHEREAS, WHE AcqCo., LLC is the current owner of the Pooling Agreement included in the Pooled Unit, and Chesapeake Operating, L.L.C. ("Operator") is the current operator of the Pooled Unit; and

WHEREAS, Interest Owner and WHE AcqCo., LLC desire to encourage further development of the Pooled Unit by the drilling of one or more Horizontal Wells to:

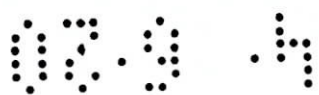
- (a) prevent physical and economic waste and the drilling of unnecessary wells, and to increase the ultimate recovery of oil or gas from the Pooled Unit; and
- (b) protect the correlative rights of all interest owners so that each may receive a fair share of the oil or gas production in and under the Pooled Unit; and

WHEREAS, the Horizontal Well or wells contemplated by this Agreement may traverse a portion of the lands covered by the Pooling Agreement and included in the Pooled Unit, and other lands that are not included in the Pooled Unit; and

WHEREAS, Interest Owner and WHE AcqCo., LLC have agreed that a basis for sharing and allocating the proceeds of production of Hydrocarbons from each such Horizontal Well should be established.

NOW THEREFORE, the undersigned Interest Owner, for One Dollar (\$1.00), and the recitals, promises, performances, payments, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby agree to the following:

- (1) For purposes of this Agreement the following definitions apply:



- (a) **"Horizontal Well"** is any well with one or more drainholes with a horizontal displacement of at least one hundred feet (100') within the Field Interval.
 - (b) **"Field Interval"** for purposes of this Agreement is the correlative geologic interval that has been defined or recognized by the Railroad Commission of Texas as the interval for the field in which the Horizontal Well is to be completed.
 - (c) **"Horizontal Drainhole"** is that portion of the Horizontal Well drilled within the Field Interval.
 - (d) **"Take Point"** is any point along the Horizontal Drainhole where Hydrocarbons could enter the wellbore from the Field Interval and be produced.
 - (e) **"Productive Drainhole Length"** is the horizontal length of the wellbore path that begins at the first Take Point of a Horizontal Well and runs along the actual surveyed wellbore path to the last Take Point.
 - (f) **"Sharing Well"** is a Horizontal Well in which a portion of Productive Drainhole Length is located under the Pooled Unit, and another portion or portions are located under one or more other tracts of land, including lands that may be included in one or more pooled units other than the Pooled Unit, or covered by oil, gas, and mineral interests other than those included in the Pooling Agreement.
 - (g) **"Allocation Factor"** is a fraction, the numerator of which is equal to the length of that portion of the Productive Drainhole Length of a Sharing Well that lies under the Pooled Unit, and the denominator of which is equal to the Productive Drainhole Length of a Sharing Well.
 - (h) **"Lateral Line Allocation Factor"** is a fraction, the numerator of which is equal to the length of that portion of the Productive Drainhole Length of a Sharing Well that lies on or within one hundred feet (100') of a common unit boundary of the Pooled Unit in which Interest Owner owns, and the denominator being the total length of the Productive Drainhole Length of a Sharing Well and said fraction shall then be multiplied by fifty percent (50%).
 - (i) **"Hydrocarbons"** are oil, gas condensate, casinghead gas, the respective constituent elements, and all by-products thereof that may be produced from a well permitted by the Railroad Commission of Texas.
- (2) Interest Owner shall share in the proceeds of Hydrocarbons produced and saved from each Sharing Well on the basis of Interest Owner's ownership interest in the Pooled Unit payable pursuant to the terms and provisions of the Pooling Agreement covering Interest Owner's interest, multiplied by the Allocation Factor.
- (3) Notwithstanding the above, in the event a Sharing Well is drilled reasonably parallel to and lying on or within one hundred feet (100') of the boundary line of the Pooled Unit and adjacent lands (common unit boundary), Interest Owner shall share in each Sharing Well on the basis of such Interest Owner's ownership in the Pooled Unit, multiplied by the Lateral Line Allocation Factor. However, in the event a Sharing Well extends beyond 100' from the common unit boundary line, then that portion of the Productive Drainhole Length of such Sharing Well which is beyond one hundred feet (100') shall be allocated proportionally and one hundred percent (100%) of that portion of such Sharing Well extending beyond one hundred feet (100') will be allocated to the lands that are encroached by the actual Productive Drainhole Length.
- (4) Operations on or the production of Hydrocarbons from a Sharing Well shall be treated as if they were actual operations on, or production from, the pooled minerals of the Pooling Agreement and the Pooled Unit pursuant to the terms and provisions of the Pooling Agreement.



Agreement and shall be deemed sufficient to maintain the Pooling Agreement in full force and effect pursuant to the terms and provisions thereof.

- (5) Interest Owner grants WHE AcqCo., LLC the authority to conduct operations to drill, operate and produce Hydrocarbons from one or more Sharing Wells. Operator shall have reasonable use of the surface and subsurface of the lands covered by the pooled minerals of the Pooling Agreement to conduct operations for the exploration, drilling, and production of each Sharing Well and the transportation and marketing of Hydrocarbons produced therefrom.
- (6) Hydrocarbons produced from a Sharing Well shall not create any offset obligation, whether express or implied, and as to each Sharing Well drilled, this Agreement shall be deemed to constitute complete protection of Interest Owner's correlative rights. This Agreement affects only the production of Hydrocarbons from a Sharing Well, and in no way affects ownership in the production of Hydrocarbons produced from other wells drilled or to be drilled whose wellbore is located solely within the Pooled Unit.
- (7) The provisions of the Pooling Agreement, agreements, division orders, transfer orders, and declarations of pooled unit covering or affecting the pooled minerals of the Pooling Agreement and the lands covered thereby within the Pooled Unit are hereby amended to the extent necessary to make such instruments and agreements conform to the provisions herein, but not otherwise.
- (8) This Agreement shall become effective if and when a memorandum of this Agreement is duly executed and filed of record by WHE AcqCo., LLC, in Burleson County, Texas, and thereafter shall remain in effect for so long as a Sharing Well is operated in conformity with the terms and provisions of the Pooling Agreement, unless sooner terminated by Operator as hereinafter provided.
- (9) Operator, at its option, may terminate this Agreement by filing a Notice of Termination in the public records of Burleson County, Texas; provided that Operator may not terminate this Agreement as long as a Sharing Well is producing in paying quantities.
- (10) In addition to the foregoing, the undersigned Interest Owner does hereby RATIFY, ADOPT, and CONFIRM the Pooled Unit and the Pooling Agreement subject to the same terms and conditions provided for therein, as same may have been previously amended, or amended herein.
- (11) This instrument may be executed in multiple counterparts, each of which shall be given the same effect as the execution of an original instrument. Failure of any party hereto to execute a counterpart shall not render this instrument ineffective as to any other party hereto who does execute a counterpart thereof, but shall be binding upon each executing party and its, his or her heirs, legal representatives, successors and assigns. The executed counterparts may be combined into one or more instruments for recordation, by combining



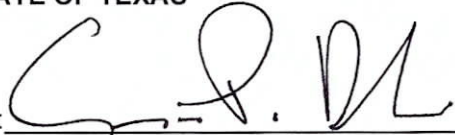
the signature pages and acknowledgments, and the executing parties agree that such instruments shall be treated and given effect for all purposes as a single instrument.





EXECUTED by each party on the date shown for each such party's acknowledgement, but effective as provided for hereinabove.

INTEREST OWNER:

STATE OF TEXAS

Date Executed: 7/9/2020

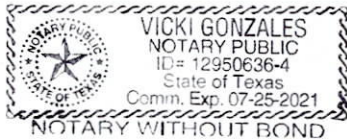
By: 
George P. Bush
Commissioner, General Land Office


Approved:
content 
min. leasing 
legal 
executive 

ACKNOWLEDGMENT

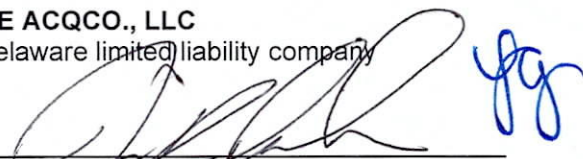
STATE OF TEXAS)
) SS:
COUNTY OF TRAVIS)

This instrument was acknowledged before me on this 9 day of July, 2020, by George P. Bush, Commissioner of **State of Texas** General Land Office.




Notary Public
My Commission Expires: 7/25/2021

WHE ACQCO., LLC
a Delaware limited liability company

By: 
Jim R. Dewbre, Vice President – Land
Brazos Valley Longhorn, L.L.C., Sole Member

ACKNOWLEDGMENT

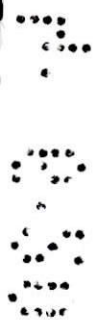
STATE OF OKLAHOMA)
) SS:
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on this, 31st day of March, 2020, by Jim R. Dewbre, Vice President - Land of Brazos Valley Longhorn, L.L.C., a Delaware limited liability company, Sole Member of **WHE ACQCO., LLC**, as the act and deed and on behalf of such company.




Notary Public

File No. MF 097515
Burleson County
PSA for Unit 9833
Date Filed: 9/18/20
George R. Bush, Commissioner
By: MB Banstone



Unit 9833
MFO97515

Chesapeake Operating, L.L.C.
Division Order
www.chk.com/owners



Venture Number:	163115	Owner Number:	10301042
Property Number	712377	Owner Name:	STATE OF TEXAS
Well Name:	LEWIS EF UNIT 1H	Date Prepared:	2/11/2020
Operator:	CHESAPEAKE	Effective Date:	10012017
County/State:	BURLESON/TX	Interest Type:	RI
Property Description:	SEC 12, SWEARINGEN EBIMELECK, A-58	Interest:	0.00296443
Product:	All Products		
Social Security or TIN:	ON FILE 051-34048		

The undersigned certifies the ownership of their decimal interest in production or proceeds, as described above, payable by Chesapeake Operating, L.L.C. (Payor).

Payor shall be notified, in writing, of any change in ownership, decimal interest or payment address. All such changes shall be effective the first day of month following receipt of such notice.

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$100.00, or pay annually, whichever occurs first, or as required by applicable state statute.

This Division Order does not amend any lease or operating agreement between the undersigned and the lessee or operator or any other contracts for the purchase of oil or gas.

In addition to the terms and conditions of this Division Order, the undersigned and Payor may have certain statutory rights under the laws of the state in which the property is located, including to request monthly payment of accrued proceeds greater than Ten dollars (\$10.00) (LA) or Twenty-five dollars (\$25.00) (OK) by written request to Payor.

CURRENT ACCOUNT ADDRESS		NEW ADDRESS	
Address	PO BOX 12873	Address	
City	AUSTIN	City	
State	TX	State	
Zip	78711-2873	Zip	
Phone	512-475-0428	Phone	
Email	VIVIAN.HERNANDEZ@GLO.TEXAS.GOV	Email	

Apply this address change to my: Check/Revenue Address Correspondence Address

Signature _____

Signature _____

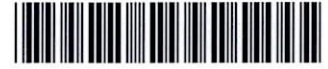
Social Security or Tax ID Number _____

Social Security or Tax ID Number _____

**Federal Law requires a Social Security or Tax Identification Number form to be on file with Payor.
Failure to comply will result in 24% tax withholding and will not be refundable by Payor.**

21420

TITLE REQUIREMENT





**Chesapeake Operating, L.L.C.
Division Order Instruction Sheet**

www.chk.com/owners

STATE OF TEXAS
PO BOX 12873
AUSTIN, TX 78711-2873

***ONLY sign and return the attached
Division Order if you need to update the
information noted below; if there are no
updates to your information, retain this
document for your records***

PLEASE READ OVER THIS INSTRUCTION SHEET CAREFULLY

Social Security Number or Taxpayer Identification Number

- Please verify that the Social Security or Tax Identification Number section in the upper left corner of the attached form indicates that a number is "ON FILE." If this field is blank then please provide a Social Security or Tax Identification Number in the signature block section at the bottom of the Division Order.
- Failure to furnish a Social Security or Tax Identification Number will result in 24% tax reduction to your payments in accordance with Title 26 of Section 3406 (a) (1) of the Internal Revenue Code, and any tax withheld will not be refundable by Chesapeake.

Address and Ownership Changes

- Please note any change of address directly on the Division Order in the address update section.
- If an additional or subsequent change of address is needed, please visit our website at www.chk.com and fill out the Change of Address form found under Owner Relations → Important Documents.
- If an ownership change needs to be made, please visit our website at www.chk.com and review the Ownership Change Guide found under Owner Relations → Ownership Changes. Original documents will not be returned; please send a COPY (or copies) of the documents requested.

Electronic Funds Transfer (Direct Deposit)

- If you would like to receive your funds by automatic deposit, please visit our website at www.chk.com and fill out the Direct Deposit form found under Owner Relations → Important Documents.

Signature Requirements

The Division Order ONLY needs to be signed and returned to Chesapeake if there is a change of address, change of ownership, or if a Social Security Number or Tax Identification Number needs to be provided. When signing under these circumstances, please follow these instructions:

- Sign exactly as shown on the Division Order. If your signature is different, please provide legal documentation authorizing the name change.
- Signatures by Agents, Attorneys-in-Fact, Guardians or Trustees must be verified by attaching a copy of the recorded legal evidence of the rights vested in the signatory party.
- In the event of multiple trustees/executors, all signatures are required unless documentation is provided evidencing authority to sign on behalf of all parties.
- An authorized official, with the name and title of the signing party printed beneath the signature, must execute for companies, corporations or partnerships.

CONTACT US

If you have any questions, please call us at 1-877-245-1427, or you can email us at contact@chk.com. Please have the following information ready when calling or emailing, so we can better assist you.

- Name and Owner Number
- County and State where Well is Located
- Well Name and Property Number

Return Forms with Updated Information to:

Chesapeake Operating, L.L.C.
Attn: Owner Relations
P.O. Box 18496
Oklahoma City, OK 73154-0496

Para solicitar una versión de este documento en español, llame al 1-877-245-1427



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

June 9, 2020

Patel Bindu
Division Order Analyst
Chesapeake Operating, LLC
P.O. Box 18496
Oklahoma City, OK 73154-0496

Re: State Lease No. MF097515 Lewis EF Unit 1H Unit 9833

Dear Mr. Bindu:

The Texas General Land Office (GLO) has received your Division Order for the referenced unit. This Division Order has been filed in the appropriate mineral file.

The payment of royalties attributable to state-owned mineral and royalty interests is set by contract and applicable statutes and rules. The execution of division orders may, in some cases, affect the manner in which such payments are made or calculated. Therefore, Title 31, §9.32, of the Texas Administrative Code specifies that GLO staff cannot execute a division order or bind the state to any terms contained within it.

Subject to applicable state law and the state's right to take its production in-kind, the GLO acquiesces to the sale of oil and gas in accordance with the terms and conditions set out in the oil and gas leases. If you have questions concerning this matter, please feel free to e-mail me at the address below my signature.

We look forward to being placed on pay status as soon as you are able to set up the wells in our RRAC system.

Thank you,

Vivian Zamora
Landman, Energy Resources
512-475-0428
512-475-1404 (fax)
vivian.zamora@glo.texas.gov

File No. MF097515

Burleson County

DIVISION ORDER

Date Filed: 7-2-2021

George P. Bush, Commissioner

By VR

Chesapeake Operating, L.L.C.
Division Order
www.chk.com/owners

9 Net 10694
 MFD 097515



Venture Number:	162264	Owner Number:	10301042
Property Number	714524	Owner Name:	STATE OF TEXAS
Well Name:	BERAN HCX2 A 2H	Date Prepared:	2/4/2020
Operator:	CHESAPEAKE 051-34286	Effective Date:	12272019
County/State:	BURLESON/TX	Interest Type:	RI
Property Description:	1237 ACRES; JOHN PORTER, A-195	Interest:	0.00112397
Product:	All Products		
Social Security or TIN:	ON FILE		

The undersigned certifies the ownership of their decimal interest in production or proceeds, as described above, payable by Chesapeake Operating, L.L.C. (Payor).

Payor shall be notified, in writing, of any change in ownership, decimal interest or payment address. All such changes shall be effective the first day of month following receipt of such notice.

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$100.00, or pay annually, whichever occurs first, or as required by applicable state statute.

This Division Order does not amend any lease or operating agreement between the undersigned and the lessee or operator or any other contracts for the purchase of oil or gas.

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CURRENT ACCOUNT ADDRESS		NEW ADDRESS	
Address	PO BOX 12873	Address	
City	AUSTIN	City	
State	TX	State	
Zip	78711-2873	Zip	
Phone	512-475-0428	Phone	
Email	VIVIAN.HERNANDEZ@GLO.TEXAS.GOV	Email	

Apply this address change to my: Check/Revenue Address Correspondence Address

Signature _____

Signature _____

Social Security or Tax ID Number _____

Social Security or Tax ID Number _____

Federal Law requires a Social Security or Tax Identification Number form to be on file with Payor. Failure to comply will result in 24% tax withholding and will not be refundable by Payor.

TITLE REQUIREMENT





Chesapeake Operating, L.L.C.
Division Order Instruction Sheet
www.chk.com/owners

STATE OF TEXAS
 PO BOX 12873
 AUSTIN, TX 78711-2873

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PLEASE READ OVER THIS INSTRUCTION SHEET CAREFULLY

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CONTACT US

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- Name and Owner Number
- County and State where Well is Located
- Well Name and Property Number

Return Forms with Updated Information to:

Chesapeake Operating, L.L.C.
 Attn: Owner Relations
 P.O. Box 18496
 Oklahoma City, OK 73154-0496

Para solicitar una versión de este documento en español, llame al 1-877-245-1427

Chesapeake Operating, L.L.C.
Division Order
www.chk.com/owners

input 10695
 MFD97515



Venture Number:	162039	Owner Number:	10301042
Property Number	714525	Owner Name:	STATE OF TEXAS
Well Name:	BERAN HCX3 A 3H	Date Prepared:	2/4/2020
Operator:	CHESAPEAKE 051-34285	Effective Date:	12272019
County/State:	BURLESON/TX	Interest Type:	RI
Property Description:	1237 ACRES; GEORGE GREEN, A-126	Interest:	0.00105037
Product:	All Products		
Social Security or TIN:	ON FILE		

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Payor may accrue proceeds until the total amount equals \$100.00, or pay annually, whichever occurs first, or as required by applicable state statute.

This Division Order does not amend any lease or operating agreement between the undersigned and the lessee or operator or any other contracts for the purchase of oil or gas.

In addition to the terms and conditions of this Division Order, the undersigned and Payor may have certain statutory rights under the laws of the state in which the property is located, including to request monthly payment of accrued proceeds greater than Ten dollars (\$10.00) (LA) or Twenty-five dollars (\$25.00) (OK) by written request to Payor.

CURRENT ACCOUNT ADDRESS		NEW ADDRESS	
Address	PO BOX 12873	Address	
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State	TX	State	
Zip	78711-2873	Zip	
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Email	VIVIAN.HERNANDEZ@GLO.TEXAS.GOV	Email	

Apply this address change to my: Check/Revenue Address Correspondence Address

Signature _____

Signature _____

Social Security or Tax ID Number _____

Social Security or Tax ID Number _____

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TITLE REQUIREMENT





TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

November 19, 2020

Patel Bindu
Division Order Analyst
Chesapeake Operating, L.L.C.
P.O. Box 18496
Oklahoma City, OK 73154-0496

Re: State Lease No. MF097515 Beran HCX2 A 2H iNut 10694 and Beran HCX3 A 3H iNut 10695

Dear Mr. Bindu:

The Texas General Land Office (GLO) has received your Division Orders for the referenced iNut(s). These Division Orders have been filed in the appropriate mineral file.

The payment of royalties attributable to state-owned mineral and royalty interests is set by contract and applicable statutes and rules. The execution of division orders may, in some cases, affect the manner in which such payments are made or calculated. Therefore, Title 31, §9.32, of the Texas Administrative Code specifies that GLO staff cannot execute a division order or bind the state to any terms contained within it.

Subject to applicable state law and the state's right to take its production in-kind, the GLO acquiesces to the sale of oil and gas in accordance with the terms and conditions set out in the oil and gas leases. If you have questions concerning this matter, please feel free to e-mail me at the address below my signature.

We look forward to being placed on pay status as soon as you are able to set up the wells in our RRAC system.

Thank you,


Vivian Zamora
Landman, Energy Resources
512-475-0428
512-475-1404 (fax)
vivian.zamora@glo.texas.gov

File No. MF 097515

Burleson County

DIVISION ORDER

Date Filed: 10-11-2021

George P. Bush, Commissioner

By VB

Chesapeake Operating, L.L.C.
Division Order
www.chk.com/owners

INut 10696
 ✓MF097515
 MF 109310



Venture Number:	162050	Owner Number:	10301042
Property Number	714527	Owner Name:	STATE OF TEXAS
Well Name:	BERAN HCX6 B 3H	Date Prepared:	2/4/2020
Operator:	CHESAPEAKE 051-34289	Effective Date:	12262019
County/State:	BURLESON/TX	Interest Type:	RI
Property Description:	1114.75 ACRES; EBIMELECK SWEARINGEN, A-58	Interest:	0.00058386
Product:	All Products		
Social Security or TIN:	ON FILE		

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Phone	512-475-0428	Phone	
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Signature _____

Signature _____

Social Security or Tax ID Number _____

Social Security or Tax ID Number _____

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TITLE REQUIREMENT





Chesapeake Operating, L.L.C.
Division Order Instruction Sheet
www.chk.com/owners

STATE OF TEXAS
 PO BOX 12873
 AUSTIN, TX 78711-2873

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PLEASE READ OVER THIS INSTRUCTION SHEET CAREFULLY

Social Security Number or Taxpayer Identification Number

- Please verify that the Social Security or Tax Identification Number section in the upper left corner of the attached form indicates that a number is "ON FILE." If this field is blank then please provide a Social Security or Tax Identification Number in the signature block section at the bottom of the Division Order.
- Failure to furnish a Social Security or Tax Identification Number will result in 24% tax reduction to your payments in accordance with Title 26 of Section 3406 (a) (1) of the Internal Revenue Code, and any tax withheld will not be refundable by Chesapeake.

Address and Ownership Changes

- Please note any change of address directly on the Division Order in the address update section.
- If an additional or subsequent change of address is needed, please visit our website at www.chk.com and fill out the Change of Address form found under Owner Relations → Important Documents.
- If an ownership change needs to be made, please visit our website at www.chk.com and review the Ownership Change Guide found under Owner Relations → Ownership Changes. Original documents will not be returned; please send a COPY (or copies) of the documents requested.

Electronic Funds Transfer (Direct Deposit)

- If you would like to receive your funds by automatic deposit, please visit our website at www.chk.com and fill out the Direct Deposit form found under Owner Relations → Important Documents.

Signature Requirements

The Division Order ONLY needs to be signed and returned to Chesapeake if there is a change of address, change of ownership, or if a Social Security Number or Tax Identification Number needs to be provided. When signing under these circumstances, please follow these instructions:

- Sign exactly as shown on the Division Order. If your signature is different, please provide legal documentation authorizing the name change.
- Signatures by Agents, Attorneys-in-Fact, Guardians or Trustees must be verified by attaching a copy of the recorded legal evidence of the rights vested in the signatory party.
- In the event of multiple trustees/executors, all signatures are required unless documentation is provided evidencing authority to sign on behalf of all parties.
- An authorized official, with the name and title of the signing party printed beneath the signature, must execute for companies, corporations or partnerships.

CONTACT US

If you have any questions, please call us at 1-877-245-1427, or you can email us at contact@chk.com. Please have the following information ready when calling or emailing, so we can better assist you.

- Name and Owner Number
- County and State where Well is Located
- Well Name and Property Number

Return Forms with Updated Information to:

Chesapeake Operating, L.L.C.
 Attn: Owner Relations
 P.O. Box 18496
 Oklahoma City, OK 73154-0496

Para solicitar una versión de este documento en español, llame al 1-877-245-1427



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

November 19, 2020

Patel Bindu
Division Order Analyst
Chesapeake Operating, L.L.C.
P.O. Box 18496
Oklahoma City, OK 73154-0496

Re: State Lease Nos. MF097515 and MF109310 Beran HCX6 B 3H iNut 10696

Dear Mr. Bindu:

The Texas General Land Office (GLO) has received your Division Order for the referenced unit. This Division Order has been filed in the appropriate mineral file(s).

The payment of royalties attributable to state-owned mineral and royalty interests is set by contract and applicable statutes and rules. The execution of division orders may, in some cases, affect the manner in which such payments are made or calculated. Therefore, Title 31, §9.32, of the Texas Administrative Code specifies that GLO staff cannot execute a division order or bind the state to any terms contained within it.

Subject to applicable state law and the state's right to take its production in-kind, the GLO acquiesces to the sale of oil and gas in accordance with the terms and conditions set out in the oil and gas leases. If you have questions concerning this matter, please feel free to e-mail me at the address below my signature.

We look forward to being placed on pay status as soon as you are able to set up the wells in our RRAC system.

Thank you,

Vivian Zamora
Landman, Energy Resources
512-475-0428
512-475-1404 (fax)
vivian.zamora@glo.texas.gov

File No. MF 097515

_____ County

DIVISION ORDER

Date Filed: 10/11/2021

George P. Bush, Commissioner

By VP

MF119721 MF119723
 ✓ MFO97515

Chesapeake Operating, L.L.C. INW 10703
Division Order
www.chk.com/owners

Well Number:	714523	Owner Number:	10301042
Well Name:	BERAN HCX1 A 1H	Owner Name:	STATE OF TEXAS
Operator:	CHESAPEAKE OPERATING, LLC.	Date Prepared:	03/05/2021
County/State:	BURLESON, TX	Effective Date:	01/05/2021
Production Type:	All Products	Interest Type:	RI
Social Security or TIN:	ON FILE 051-34284	Interest:	0.00248180

The undersigned certifies the ownership of their decimal interest in production or proceeds, as described above, payable by Chesapeake Operating, L.L.C. (Payor).

Payor shall be notified, in writing, of any change in ownership, decimal interest or payment address. All such changes shall be effective the first day of month following receipt of such notice.

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$25.00, or pay annually, whichever occurs first, or as required by applicable state statute.

This Division Order does not amend any lease or operating agreement between the undersigned and the lessee or operator or any other contracts for the purchase of oil or gas.

In addition to the terms and conditions of this Division Order, the undersigned and Payor may have certain statutory rights under the laws of the state in which the property is located, including to request monthly payment of accrued proceeds greater than Ten dollars (\$10.00) (LA) or Twenty-five dollars (\$25.00) (OK) by written request to Payor.

CURRENT ACCOUNT ADDRESS		NEW ADDRESS	
Address PO BOX 12873		Address	
City AUSTIN		City	
State TX	Zip 78711-2873	State	Zip
Phone 512-475-0428-0		Phone	
Email VIVIAN.HERNANDEZ@GLO.TEXAS.GOV		Email	

Apply this address change to my: Check/Revenue Address Correspondence Address

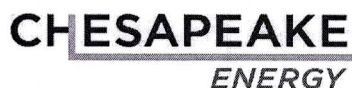
 Signature

 Social Security or Tax ID Number

 Signature

 Social Security or Tax ID Number

**Federal Law requires a Social Security or Tax Identification Number form to be on file with Payor.
 Failure to comply will result in 24% tax withholding and will not be refundable by Payor.**



**Chesapeake Operating, L.L.C.
Division Order Instruction Sheet**
www.chk.com/owners

STATE OF TEXAS
PO BOX 12873
AUSTIN, TX 78711-2873

***ONLY sign and return the attached
Division Order if you need to update the
information noted below; if there are no
updates to your information, retain this
document for your records***

Social Security Number or Taxpayer Identification Number

- Please verify that the Social Security or Tax Identification Number section in the upper left corner of the attached form indicates that a number is "ON FILE." If this field states "Provide SSN/TIN," then please provide a Social Security or Tax Identification Number in the signature block section at the bottom of the Division Order.
- Failure to furnish a Social Security or Tax Identification Number will result in 24% tax reduction to your payments in accordance with Title 26 of Section 3406 (a) (1) of the Internal Revenue Code, and any tax withheld will not be refundable by Chesapeake.

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- Signatures by Agents, Attorneys-in-Fact, Guardians or Trustees must be verified by attaching a copy of the recorded legal evidence of the rights vested in the signatory party.
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- An authorized official, with the name and title of the signing party printed beneath the signature, must execute for companies, corporations or partnerships.

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- Name and Owner Number
- County and State where Well is Located
- Well Name and Property Number

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Attn: Owner Relations
P.O. Box 18496
Oklahoma City, OK 73154-0496

Para solicitar una versión de este documento en español, llame al 1-877-245-1427



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

December 10, 2021

Patel Bindu
Division Order Analyst
Chesapeake Operating, Inc.
PO BOX 18496
Oklahoma City, OK 73154

Re: State Lease Nos. MF097515, MF119721 and MF119723 Beran HCX1 A 1H iNut 10703

Dear Mr. Bindu:

The Texas General Land Office (GLO) has received your Division Order for the referenced iNut. This Division Order has been filed in the appropriate mineral file(s).

The payment of royalties attributable to state-owned mineral and royalty interests is set by contract and applicable statutes and rules. The execution of division orders may, in some cases, affect the manner in which such payments are made or calculated. Therefore, Title 31, §9.32, of the Texas Administrative Code specifies that GLO staff cannot execute a division order or bind the state to any terms contained within it.

Subject to applicable state law and the state's right to take its production in-kind, the GLO acquiesces to the sale of oil and gas in accordance with the terms and conditions set out in the oil and gas leases. If you have questions concerning this matter, please feel free to e-mail me at the address below my signature.

We look forward to being placed on pay status as soon as you are able to set up the wells in our RRAC system.

Thank you,

Vivian Zamora
Landman, Energy Resources
512-475-0428
512-475-1404 (fax)
vivian.zamora@glo.texas.gov

File No. MFD97515

_____ County

Division Order

Date Filed: 12-15-2021

George P. Bush, Commissioner

By VG



December 30, 2024

Ms. Mary Beth Barnstone
Texas General Land Office
1700 North Congress Ave
Austin, TX 78701-1495
(512) 463-6521

**RE: Production Sharing Agreement
Novosad HCX1 1H
API No. 42-051-34395
Burlleson County, Texas**

Ms. Barnstone,

Please find enclosed in duplicate, a Production Sharing Agreement for the Novosad HCX1 1H well, API No. 42-051-34395 in Burlleson County, Texas, a copy of the final As-Drilled Plat, and check number 3555 in the amount of \$500.00 for the processing fee.

Please find pertinent information below:

State Lease Numbers: MF-119801, MF-097515

GLO Unit Numbers: 9836

Unit/Tract Name	Productive Drainhole Length	Allocation Factor
Holliday-Novosad EF Unit	34.0700	0.00269657
Lurae EF Unit	6,980.0900	0.55245920
Unit 9836 (Siptak EF Unit)	1,125.0500	0.08904530
Viola Davis E Unit	4,495.3700	0.35579893
	12,634.5800	1.00000000

Date of First Production: 12/05/2024

Please call me at 832-810-2699 or email me at rbaird@wildfire-energy.com if you have any questions or need any additional information.

Sincerely,
WildFire Energy LLC

Raleigh Baird
Sr. Landman

Enclosures:
Production Sharing Agreement form
Novosad HCX1 1H - As-Drilled Plat
Check # 3555 – \$500 PSA processing fee

38

File No. MF 097515

Burleson County

Letter from Operator

Date Filed: 9/30/25

Commissioner Dawn Buckingham, M.D.

By: AT

4
2
20

VENDOR
2046

CHECK DATE
12/30/24

3555

WildFire Energy Operating, LLC						
INVOICE NUMBER	INVOICE DATE	VOUCHER CODE	DESCRIPTION	DISCOUNT TAKEN	AMOUNT PAID	
74444	12/30/2024	241676		\$0.00	\$500.00	
TOTALS:				\$0.00	\$500.00	

25703316

THIS CHECK IS VOID WITHOUT A BLUE & RED BACKGROUND AND A WATERMARK - HOLD UP TO THE LIGHT TO VERIFY

WildFire Energy Operating, LLC
920 Memorial City Way, Suite 1400
Houston, Texas 77024

JPMorgan Chase Bank, NA
New York, NY

1-2/210

3555

DATE: 12/30/2024

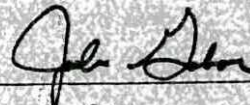
Five Hundred and 00/100 Dollars

\$ *****\$500.00

25703316

PAY
TO
THE
ORDER
OF

TEXAS GENERAL LAND OFFICE
1700 N CONGRESS AVE
AUSTIN, TX 78701-1495



CHECK IS PRINTED ON SECURITY PAPER WHICH INCLUDES A MICROPRINT BORDER & FLUORESCENT FIBERS

⑈0000003555⑈

39

File No. MF097515

County

Fee From Operator

Date Filed: 9/30/25

Commissioner Dawn Buckingham, M.D.

By: AT





MEMORANDUM

TEXAS GENERAL LAND OFFICE • COMMISSIONER DAWN BUCKINGHAM, M.D.

TIME SENSITIVE: Action Required by: (January 21, 2025)

DATE: December 31, 2024

TO: Commissioner Dawn Buckingham, M.D.

FROM: Mary Beth Barnstone

SUBJECT: HROW Unit Production Sharing Agreement for signature

.....

SUMMARY: Attached for your approval and signature are duplicate originals of a Production Sharing Agreement for a State highway right-of-way (“HROW”) Unit.

DETAILS: This agreement will allow the operator of the HROW Unit to drill horizontal wells that cross the lease or units if pooled and existing private leases and/or units in the area and to allocate the production from said wells as provided in the agreement. This is a practice that is commonly used to facilitate the drilling of horizontal wells across existing units or leases that do not allow pooling. The GLO has previously participated in these types of agreements. This agreement has been reviewed and approved by Energy Resources staff and the Legal Services Division.

Document Name	Recipient
Production Sharing Agreement Novosad HCX1 1HE HROW Unit 9836 State Leases M-097515 & M-119801 Burlson County, Texas	WildFire Energy Operating LLC

Recommendation: Please sign and return to Mary Beth Barnstone in Energy Resources (3-6818).

Attachment: Two Production Sharing Agreements

Thru: Caitlyn Bates

File No. MF 097515

Burleson County

Memo to Commissioner

Date Filed: 9/30/25

Commissioner Dawn Buckingham, M.D.

By: AT



TEXAS GENERAL LAND OFFICE
COMMISSIONER DAWN BUCKINGHAM, M.D.

January 23, 2025

Mr. Raleigh Baird
WildFire Energy Operating LLC
920 Memorial City Way
Suite 1400
Houston, Texas 77024

Re: Production Sharing Agreement
Novosad HCX1 1HE
HROW Unit 9836
State Leases M-097515 & M-119801
Burlleson County, Texas

Dear Mr. Baird,

Enclosed is a duplicate original of the above referenced Production Sharing Agreement (“PSA”) that has been executed by Dawn Buckingham, M.D., Commissioner of the Texas General Land Office. We have retained an original of the PSA for our files.

Please provide our office with a recorded copy of the PSA or a fully executed copy if it is not going to be recorded as soon as it is available. Additionally, after a Sharing Well is drilled, please provide our office with the “Productive Drainhole Length/Allocation Factor” information and let us know what our participation in the well is going to be so we can get our lease records set up for the payment of royalties on the Sharing Well.

Thank you for your assistance with this matter, if you have any questions or need anything further, please feel free to call.

Sincerely,

Mary Beth Barnstone
Geotech / Landman
Energy Resources
Texas General Land Office
Direct number: (512)463-6818
Email: mary.barnstone@glo.texas.gov

Enclosure

(41)

File No. MF 097515

Burleson County

Letter to Operator

Date Filed: 9/30/25

Commissioner Dawn Buckingham, M.D.

By: AT

PRODUCTION SHARING AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF BURLESON §

WITNESSETH:

Recitals

1. This Production Sharing Agreement (“**PSA**”) is executed as of **JANUARY _____, 2025** (the “**Execution Date**”) but effective as of the date of first production from the first Sharing Well drilled on the Lands (the “**Effective Date**”).
2. **THE STATE OF TEXAS** (“**Interest Owner**”) owns an interest in the leases, minerals, royalties and/or executive rights in or under the following described lands (the “**Lands**”):

5.94 acres, more or less, situated in the George Green Survey, A-126 and the Ebimeleck Swearingen Survey, A-58, Burleson County, Texas, and being more particularly described as unit tract 7 and 10 in that certain Unit Designation for the Siptak EF Unit, dated September 29, 2017, being filed of record at Volume 1122, Page 96 of the Official Public Records of Burleson County, Texas.
3. The Lands are covered by the following described documents:

That certain **Paid-Up Oil and Gas Lease No. MF-97515**, dated **September 3, 1996**, by and between the Commissioner of the General Land Office of the State of Texas, as Lessor, and Clayton Williams Energy, Inc., as Lessee, and recorded at Volume 258, Page 142 of the Official Public Records of Burleson County, Texas, and;

That certain **Pooling Agreement, Siptak EF Unit, M-119801 - GLO Unit No. 9836**, dated effective **September 29, 2017**, by and between the Commissioner of the General Land Office of the State of Texas and WHE AcqCo., LLC, and recorded on April 30, 2019, at Document Number 2019-2843 of the Official Public Records of Burleson County, Texas.
4. **WILDFIRE ENERGY OPERATING LLC** (“**Operator**”) owns all or a portion of the working interest in the Lease, insofar as the Lease cover the Lands, and will be operator of a Sharing Well.
5. As of the Execution Date, Operator has drilled, is drilling, or plans to drill the **Novosad HCX1 1H** well, API No. 42-051-34395, as a Sharing Well.

NOW, THEREFORE, for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Operator and Interest Owner hereby agree as follows:

1. The following definitions shall apply for purposes of this PSA:
 - a. “**Allocation Factor**” means a fraction, the numerator of which is equal to that portion of the Productive Drainhole Length lying within the Lands, and the denominator of which is the total Productive Drainhole Length.


- b. **“Eagle Ford Formation”** means the stratigraphic equivalent of the following interval, hereby deemed to be one and the same formation: from the base of the Austin Chalk formation at a measured depth of 8,734 feet to the top of the Buda limestone formation at a measured depth of 9,156 feet as shown on the reference log dated January 22, 1982 for the Anna Unit #1 Well, API #42-051-32062, located in Burleson County, Texas.
 - c. **“Horizontal Drainhole”** is the portion of a Sharing Well drilled within the Eagle Ford Formation.
 - d. **“Productive Drainhole Length”** is the horizontal length of the wellbore path that begins at the first Take Point of the Sharing Well and runs along the actually surveyed wellbore to the last Take Point.
 - e. **“Sharing Well”** means a horizontal well for which (i) the lateral displacement of the Productive Drainhole Length is greater than 100’ and (ii) that traverses the Lands and other lands.
 - f. **“Take Point”** is any point along a Horizontal Drainhole where oil and/or gas could enter the wellbore from the Eagle Ford Formation. For the sake of clarity, the first Take Point may be a different location than the penetration point and the last Take Point may be a location different than the terminus point.
2. Interest Owner shall share in the production of oil and gas from a Sharing Well, or proceeds from the sale of such production, on the basis of Interest Owner’s ownership interest in the Lands multiplied by the Allocation Factor. The production, or proceeds from the sale of production, allocated to the Lease from a Sharing Well shall be paid to Interest Owner in the Lands in the same manner as if such allocated share of production was produced entirely from the Lands (i.e., not pooled).
 3. Operations on or production from a Sharing Well shall be treated as if they were actual operations on, or production from, the Lands, provided that the production, or proceeds from the sale of production, from a Sharing Well shall be allocated to the Lease in accordance with the Allocation Factor set forth above.
 4. Production from any Sharing Well(s) drilled hereunder shall not create any offset obligation, whether express or implied, and as to each Sharing Well drilled, this PSA shall be deemed to constitute complete protection of Interest Owner’s correlative rights. This PSA only affects production from a Sharing Well drilled hereunder, and in no way does this PSA affect ownership under any other wells drilled or to be drilled which lie solely within the Lands and that are not Sharing Wells. In the event any Sharing Well shall be plugged back or recompleted in such manner that the well no longer falls within the definition of a Sharing Well, then such well shall no longer be considered a Sharing Well for purposes of this PSA and production and/or royalties attributable to production shall be allocated to Interest Owner in accordance with the terms of the Lease.

5. The provisions of the Lease and other agreements, division orders, transfer orders and pooling agreements, if any, covering or affecting the Lands and Lease are hereby amended to the extent necessary to make such instruments and agreements conform to the provisions herein, but not otherwise.
6. This PSA shall be effective as of the Effective Date and shall remain effective for so long as the Lease shall remain in force and effect, unless sooner terminated by Operator as provided for herein. Operator may terminate this PSA by filing a notice of termination to that effect in the records of Burleson County, Texas at any time that there is no Sharing Well on the Lands producing or capable of producing in paying quantities.
7. This PSA may be executed in multiple counterparts, each of which shall be given the same effect as the execution of an original instrument.
8. This PSA may not be amended or modified except by written agreement of the Operator and Interest Owner.

[Signature Page Follows]

Executed as of the Execution Date but effective for all purposes as of the Effective Date.

WILDFIRE ENERGY OPERATING LLC

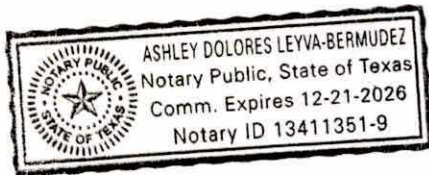
BY: 
Joel Johnson
Vice-President, Land

STATE OF TEXAS §

COUNTY OF HARRIS §

This foregoing instrument was acknowledged before me this 30th day of December, 2024, by Joel Johnson, Vice-President, Land for WildFire Energy Operating LLC, a Delaware limited liability company, on behalf of said limited liability company.

My Commission Expires:




NOTARY PUBLIC, STATE OF TEXAS

Date Executed: _____

STATE OF TEXAS

DAWN BUCKINGHAM, M.D.
Commissioner, General Land Office

Approved:
Leas. LB
Cont. [Signature]
Legal ca
DCC ap
CC 999

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me this _____ day of _____, 202__ by Dawn Buckingham, M.D., Commissioner, General Land Office.

NOTARY PUBLIC – State of Texas
My Commission Expires: _____

Date Executed: 01/14/2025

STATE OF TEXAS

D. Buckingham

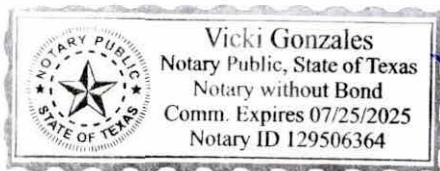
DAWN BUCKINGHAM, M.D.
Commissioner, General Land Office

Approved:
Leas. _____
Cont. _____
Legal _____
Exec. _____

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me this 14th day of Jan., 2025 by Dawn Buckingham, M.D., Commissioner, General Land Office.



Vicki Gonzales
NOTARY PUBLIC – State of Texas
My Commission Expires: 07/25/2025

I. & G.N.R.R. CO.
SURVEY

A-154
POINT OF BEGINNING
N: 333610.28
E: 3123211.88

Holliday
HCK6A 6H
Surface
Location
MD: 0'
SHL-FTP
S 28°51'38" W
412.10'

First Take
Point
MD: 7270.59'
FTP-LTP
S 39°43'37" E
12579.28'

JACOB WILCOX
SURVEY
A-255

0' 1000' 2000'



(SCALE: 1" = 1000')

LOCATION:
From SHL, Caldwell, Texas is
approximately 3.9 miles to
the Northeast.

LEGEND

Unit Line = Steel Rod Found As Noted



JACOB WILCOX
SURVEY
A-254

NANCY H McEWEN
SURVEY
A-176

JOHN HOLLIDAY
SURVEY
A-147

WI & AG JENKINS
SURVEY
A-293
CALLED LURAE EF UNIT
593.410 ACRES

HOLLIDAY-NOVOSAD
EF UNIT
471.198 ACRES

NOTE:

As-drilled data furnished by Wildfire Energy Operating LLC.

This exhibit is not a full and complete boundary survey and is not intended to meet the minimum standards of the Texas Board of Professional Land Surveying.

Bearings, distances, and acreage shown hereon are based on Grid North, State Plane Coordinate System, NAD 27, Texas South Central Zone.

All record information regarding ownership, deeds and other documents of record have been provided by Wildfire Energy Operating LLC.

All survey lines shown hereon are scaled location only.

AS-DRILLED PLAT
WILDFIRE ENERGY OPERATING LLC
NOVOSAD HCX1 1H
HOLLIDAY-NOVOSAD EF UNIT
471.198 ACRES
LURAE EF UNIT
CALLLED 593.410 ACRES
SIPTAK EF UNIT
CALLLED 417.801 ACRES
VIOLA DAVIS E UNIT No. 1
CALLLED 682.638 ACRES
NANCY H. McEWEN SURVEY, A-176
JOHN HOLLIDAY SURVEY, A-147
G. ERATH SURVEY, A-110
GEORGE GREEN SURVEY, A-126
WILLIAM A. TREMPER SURVEY, A-237
JACOB WILCOX SURVEY, A-255
I. G.N.R.R. CO. SURVEY, A-154
JACOB WILCOX SURVEY, A-254
WM & AG JENKINS SURVEY, A-293
BURLESON COUNTY, TEXAS

Job No.: 210942

Drawn By: BSZ

Sheet 1 of 3

Reviewed By: DWC

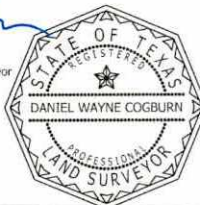
Prepared For:
Wildfire Energy Operating LLC

I, Daniel Wayne Cogburn, Registered Professional Land Surveyor, do hereby state the above plat to be true and correct to the best of my knowledge. This plat is not a full and complete boundary survey and is not intended to meet the minimum standards of the Texas Board of Professional Land Surveying.

For: Bowman Consulting Group LTD.

Daniel Wayne Cogburn

Daniel Wayne Cogburn
Registered Professional Land Surveyor
Texas Registration No. 6894
Date: December 19, 2024



Bowman

CENTRAL TEXAS | 5054 Franklin Ave., Ste. A, Waco, TX, 76710
254.776.1519 | TBPELS# 10120600

NOVOSAD HCX1 1H (LATERAL)
12694.58 (FTP-LTP)

GEORGE GREEN
SURVEY
A-126

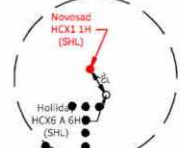
SIPTAK EF UNIT
CALLLED 417.801 ACRES

VIOLA DAVIS E UNIT No. 1
CALLLED 682.638 ACRES

G. ERATH SURVEY
A-110

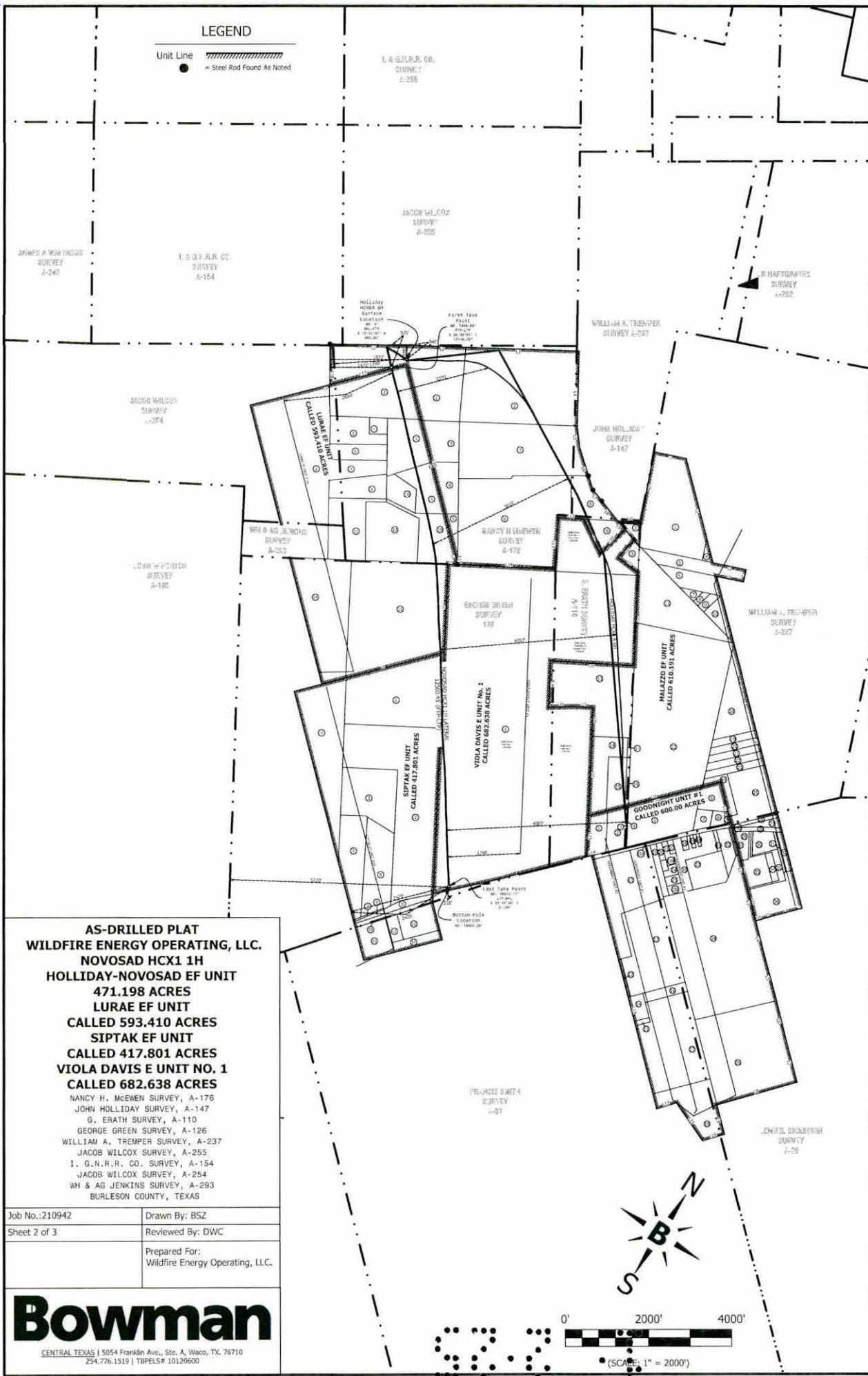
WILLIAM A. TREMPER
SURVEY
A-237
MALAZZO EF UNIT
CALLLED 610.191 ACRES

Last Take Point
MD: 19915.17'
LTP-BHL
S 35°16'46" E
21.08'
Bottom Hole
Location
MD: 19936.28'



LEGEND

Unit Line  = Steel Rod Found As Noted



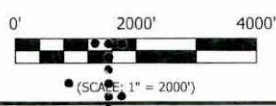
**AS-DRILLED PLAT
WILDFIRE ENERGY OPERATING, LLC.
NOVOSAD HCX1 1H
HOLLIDAY-NOVOSAD EF UNIT
471.198 ACRES
LURAE EF UNIT
CALLED 593,410 ACRES
SIPTAK EF UNIT
CALLED 417,801 ACRES
VIOLA DAVIS E UNIT NO. 1
CALLED 682,638 ACRES**

NANCY H. MCEWEN SURVEY, A-176
JOHN HOLLIDAY SURVEY, A-147
G. ERATH SURVEY, A-110
GEORGE GREEN SURVEY, A-126
WILLIAM A. TREMPER SURVEY, A-237
JACOB WILCOX SURVEY, A-255
I. G.N.R.R. CO. SURVEY, A-154
JACOB WILCOX SURVEY, A-254
WH & AG JENKINS SURVEY, A-293
BURLESON COUNTY, TEXAS

Job No.: 210942	Drawn By: BSZ
Sheet 2 of 3	Reviewed By: DWC
Prepared For: Wildfire Energy Operating, LLC.	

Bowman

CENTRAL TEXAS | 5054 Franklin Ave., Ste. A, Waco, TX. 76710
254-776-1519 | TBPELS# 10120600



SURFACE LOCATION: NOVOSAD HCX1 1H	
N.A.D. 1983 TX. CENTRAL ZONE LAT: 30°32'11.027" (LAT: 30.536396) LONG: 96°45'34.731" (LONG: 96.759647) N: 10176889.52 E: 3421429.82 ELEVATION: 464' MD: 0'	N.A.D. 1927 TX. CENTRAL ZONE LAT: 30°32'10.293" (LAT: 30.536192) LONG: 96°45'33.812" (LONG: 96.759392) N: 334306.96 E: 3124952.21 ELEVATION: 464' MD: 0'

PROPOSED LAST TAKE POINT	
N.A.D. 1983 TX. CENTRAL ZONE LAT: 30°30'29.240" (LAT: 30.508122) LONG: 96°44'08.824" (LONG: 96.735785) N: 10166854.01 E: 3429270.76 MD: 19915.17'	N.A.D. 1927 TX. CENTRAL ZONE LAT: 30°30'28.500" (LAT: 30.507917) LONG: 96°44'07.908" (LONG: 96.735530) N: 324271.32 E: 3132793.09 MD: 19915.17'

SURFACE LOCATION	
1837' FSWL HOLLIDAY-NOVOSAD EF UNIT 335' FSWL HOLLIDAY-NOVOSAD EF UNIT 1739' FSWL McEWEN SURVEY 340' FSWL McEWEN SURVEY	SHL TO FTP S 28°51'38" W 412.10'
1472' FSWL HOLLIDAY-NOVOSAD EF UNIT 535' FSWL HOLLIDAY-NOVOSAD EF UNIT	FTP TO LTP S 39°43'37" E 12579.28'
2429' FSWL SIPTAK EF UNIT 100' FSWL VIOLA DAVIS E UNIT 538' FSWL VIOLA DAVIS E UNIT	LTP TO BHL S 35°16'46" E 21.08'
2425' FSWL SIPTAK EF UNIT 79' FSWL VIOLA DAVIS E UNIT 5279' FSWL GREEN SURVEY 216' FSWL GREEN SURVEY	BHL TO BHL S 35°16'46" E 21.08'

PROPOSED FIRST TAKE POINT	
N.A.D. 1983 TX. CENTRAL ZONE LAT: 30°32'07.520" (LAT: 30.535422) LONG: 96°45'37.137" (LONG: 96.760316) N: 10176528.61 E: 3421230.91 MD: 7270.59'	N.A.D. 1927 TX. CENTRAL ZONE LAT: 30°32'06.785" (LAT: 30.535218) LONG: 96°45'36.218" (LONG: 96.760061) N: 333946.04 E: 3124753.30 MD: 7270.59'

PROPOSED BOTTOM HOLE LOCATION	
N.A.D. 1983 TX. CENTRAL ZONE LAT: 30°30'29.066" (LAT: 30.508074) LONG: 96°44'08.691" (LONG: 96.735748) N: 10166836.80 E: 3429282.93 MD: 19936.28'	N.A.D. 1927 TX. CENTRAL ZONE LAT: 30°30'28.326" (LAT: 30.507868) LONG: 96°44'07.776" (LONG: 96.735493) N: 324254.11 E: 3132805.26 MD: 19936.28'

NOVOSAD HCX1 1H PRODUCTION LATERAL LENGTH	
HOLLIDAY-NOVOSAD EF UNIT	34.07'
LURAE EF UNIT	6980.09'
SIPTAK EF UNIT	1125.05'
VIOLA DAVIS E UNIT	4495.37'
TOTAL	12634.58'

HOLLIDAY-NOVOSAD EF UNIT ACRES:

No.	Owner	Base Lease	Unit Acreage	Reference
1.	Clarice Ann Oggero	80.965 Ac.	81.008 Ac.	2024-1766
2.	Clarice Ann Oggero	117.998 Ac.	115.189 Ac.	2024-1766
3.	Anthony Ray McNICOLL & wife, Tracy Dee McNICOLL	17.398 Ac.	17.939 Ac.	250-807
4.	Ira T. May & wife, Leah B. May	15.012 Ac.	13.874 Ac.	248-29
5.	Ira T. May & wife, Leah B. May	3.806 Ac.	4.327 Ac.	248-29
6.	Patricia Novosad, Individually & as Independent Executor	125 Ac.	125.246 Ac.	2024-1765
7.	Robert Gasper Lemus	86.432 Ac.	86.465 Ac.	2024-1964
8.	Robert C. Ernst	17.1 Ac.	16.900 Ac.	143-288, 747-113, 770-199, 1027-814, 2020-344
9.	Thomas N. Novosad, III & Patricia Novosad	10.192 Ac.	10.253 Ac.	2024-2289

TOTAL: 471.198 Acres

LURAE EF UNIT CALLED ACRES:

No.	Owner	Base Deed	Called Unit Acreage	Reference
1.	Oscar Bode, Jr., et al.	1685.41 Ac.	130.893 Ac.	188-199
2.	John Balfest Oggero	250.14 Ac.	51.177 Ac.	287-764
3.	H. Glenn Hughes, et ux.	19.00 Ac.	16.084 Ac.	339-519
4.	Lyndell N. Johnson Jr., et ux.	3.00 Ac.	3.237 Ac.	403-900
5.	Anthony Ray McNICOLL, et ux.	24.349 Ac.	25.016 Ac.	411-16
6.	H. Glenn Hughes, et ux.	11.00 Ac.	11.205 Ac.	339-519
7.	James R. Hicks, et ux.	14.038 Ac.	14.251 Ac.	423-364
8.	John D. Meckel et ux.	15.965 Ac.	16.313 Ac.	360-166
9.	Richard M. Moody	35.00 Ac.	20.051 Ac.	456-308
10.	Billy Gene Cagle, Jr., et ux.	10.00 Ac.	10.310 Ac.	417-567
11.	Joe B. Yoane, et ux.	30.0182 Ac.	30.124 Ac.	367-493
12.	First State Bank of Dearyville, TX	38.466 Ac.	38.273 Ac.	376-465
13.	Leon Earl Teague, et ux.	26.00 Ac.	22.194 Ac.	495-700
14.	J. R. Harvey	190.75 Ac.	69.592 Ac.	92-468
15.	J. P. Oliver	180.66 Ac.	134.690 Ac.	40-122

TOTAL: Called 593.410 Ac.

SIPTAK EF UNIT CALLED ACRES:

No.	Owner	Base Deed	Called Unit Acreage	Reference
1.	J. R. Harvey	226.75 Ac.	91.285 Ac.	92-468
2.	John Edward Siptak, Jr. et al.	297.29 Ac.	177.613 Ac.	194-158
3.	Chesholm Trail Truck & Lease Co.	37.64 Ac.	38.238 Ac.	439-29
4.	Sally Floss	469.00 Ac.	3.503 Ac.	432-267
5.	Cindy Louise Shaver Bonnie Fay Shaver	34.73 Ac.	27.085 Ac.	295-423
6.	Edmund R. Slovacek	36.08 Ac.	32.625 Ac.	224-781
7.	Old San Antonio Road (OSR)	1.439 Ac.	4.073 Ac.	194-158
8.	John Edward Siptak, Jr. et al.	4.98 Ac.	1.154 Ac.	427-674
9.	Thomas Luther Goodnight	0.97 Ac.	4.501 Ac.	601-708
10.	State of Texas	11.224 Ac.	3.325 Ac.	643-798
11.	State of Texas	58.52 Ac.	11.171 Ac.	397-629
12.	Marice Jackson, et ux.	4.00 Ac.	4.062 Ac.	452-450
13.	Robert Noel Jones, et ux.	16.00 Ac.	5.148 Ac.	439-253
14.	Robert Noel Jones, et ux.	16.00 Ac.	12.639 Ac.	
15.	Linda Ann Beran	33.09 Ac.		

TOTAL: Called 417.801 Ac.

VIOLA DAVIS E UNIT #1 CALLED ACRES:

No.	Owner	Lease Deed	Base Deed	Called Unit Acreage
1.	Viola Davis	660/812	178/169	682.638 Ac.

TOTAL: Called 682.638 Ac.

**AS-DRILLED PLAT
WILDFIRE ENERGY OPERATING, LLC.
NOVOSAD HCX1 1H
HOLLIDAY-NOVOSAD EF UNIT
471.198 ACRES
LURAE EF UNIT
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NANCY H. McEWEN SURVEY, A-178
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BURLESON COUNTY, TEXAS

Job No.: 210942	Drawn By: BSZ
Sheet 3 of 3	Reviewed By: DWC
	Prepared For: Wildfire Energy Operating, LLC.

Bowman

CENTRAL TEXAS | 5054 Franklin Ave., Ste. A, Waco, TX. 76710
254.776.1519 | TBPES# 10120600

HOLLIDAY-NOVOSAD EF UNIT

LINE	BEARING	DISTANCE
L1	N 57°52'38" E	2135.53'
L2	N 58°43'01" E	1133.70'
L3	N 58°26'40" E	2733.21'
L4	S 31°54'34" E	1827.54'
L5	S 39°55'29" E	499.84'
L6	S 50°51'23" E	1068.48'
L7	S 71°47'55" E	339.20'
L8	S 71°47'39" E	610.66'
L9	S 73°07'10" E	280.01'
L10	S 12°47'35" W	829.59'
L11	N 58°44'15" W	923.18'
L12	S 59°48'06" W	606.84'
L13	S 28°46'17" E	1246.98'
L14	S 59°33'45" W	2334.44'
L15	N 31°46'54" W	34.43'
L16	N 47°47'53" W	4920.50'
L17	S 42°12'00" W	1904.75'
L18	N 33°21'45" W	981.64'

LURAE EF UNIT

LINE	BEARING	DISTANCE
L1	N 42°12'00" E	3885.82'
L2	S 47°48'00" E	4920.74'
L3	S 32°28'28" E	35.24'
L4	S 59°33'51" W	222.93'
L5	S 30°45'40" E	2137.25'
L6	S 42°12'00" W	3037.48'
L7	N 47°48'00" W	6931.63'

SIPTAK EF UNIT

LINE	BEARING	DISTANCE
L1	S 30°45'40" E	5998.37'
L2	S 38°42'52" W	8.60'
L3	S 47°48'00" E	964.41'
L4	S 42°12'00" W	1952.12'
L5	N 47°47'36" W	6700.00'
L6	N 42°12'00" E	3722.56'

VIOLA DAVIS E UNIT #1

LINE	BEARING	DISTANCE
L1	N 30°46'19" W	1249.12'
L2	N 59°49'57" E	644.29'
L3	S 58°57'53" E	926.68'
L4	N 12°47'49" E	829.79'
L5	N 73°07'23" W	279.91'
L6	N 59°49'57" E	574.27'
L7	S 29°24'35" E	612.24'
L8	N 72°41'46" W	226.11'
L9	S 08°12'24" W	564.99'
L10	S 86°10'16" E	597.67'
L11	S 31°01'53" E	2244.70'
L12	S 60°06'57" W	2009.99'
L13	S 31°07'39" E	1121.81'
L14	N 54°28'49" E	592.46'
L15	N 59°48'52" E	472.75'
L16	S 31°22'18" E	625.33'
L17	S 30°56'02" E	2981.54'
L18	S 42°34'52" W	1693.02'
L19	S 38°49'52" W	8.69'
L20	S 44°00'52" W	1727.85'
L21	N 30°45'40" W	7366.07'
L22	N 59°33'51" E	2557.63'

CURVE	RADIUS	ARC LENGTH	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	5764.58'	67.28'	103.45'	S 40°42'22" W	67.72'

Certificate Of Completion

Envelope Id: 688EEA81-F743-4974-BD30-FB3811132CF6	Status: Completed
Subject: Energy Resources: WildFire Unit 9836, and Units 8879 & 9718	
Source Envelope:	
Document Pages: 19	Signatures: 0
Certificate Pages: 2	Initials: 8
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Lindy Vasquez-Gordineer
Time Zone: (UTC-06:00) Central Time (US & Canada)	1700 Congress Ave
	Austin, TX 78701
	Lindy.Vasquez-Gordineer@glo.texas.gov
	IP Address: 204.65.210.132

Record Tracking

Status: Original	Holder: Lindy Vasquez-Gordineer	Location: DocuSign
12/31/2024 11:31:55 AM	Lindy.Vasquez-Gordineer@glo.texas.gov	

Signer Events

Chase Brockman
 chase.brockman@glo.texas.gov
 Security Level: Email, Account Authentication (None)

Signature



Signature Adoption: Pre-selected Style
 Using IP Address: 136.62.93.188

Timestamp

Sent: 12/31/2024 12:15:47 PM
 Viewed: 1/2/2025 8:15:52 AM
 Signed: 1/2/2025 8:16:17 AM

Electronic Record and Signature Disclosure: Not Offered via DocuSign

Caitlyn Bates
 caitlyn.bates@glo.texas.gov
 Security Level: Email, Account Authentication (None)



Signature Adoption: Pre-selected Style
 Using IP Address: 204.65.210.8

Sent: 1/2/2025 8:16:19 AM
 Viewed: 1/8/2025 1:51:16 PM
 Signed: 1/8/2025 4:57:33 PM

Electronic Record and Signature Disclosure: Not Offered via DocuSign

Adrian Piloto
 adrian.piloto@glo.texas.gov
 Senior Deputy Director
 Texas General Land Office
 Security Level: Email, Account Authentication (None)



Signature Adoption: Pre-selected Style
 Using IP Address: 172.226.28.20
 Signed using mobile

Sent: 1/8/2025 4:57:35 PM
 Viewed: 1/9/2025 12:57:54 AM
 Signed: 1/9/2025 12:58:10 AM

Electronic Record and Signature Disclosure: Not Offered via DocuSign

Jennifer G Jones
 jennifer.jones@glo.texas.gov
 Chief Clerk
 Security Level: Email, Account Authentication (None)



Signature Adoption: Pre-selected Style
 Using IP Address: 75.49.127.64
 Signed using mobile

Sent: 1/9/2025 12:58:12 AM
 Viewed: 1/9/2025 8:41:50 AM
 Signed: 1/9/2025 8:42:05 AM

Electronic Record and Signature Disclosure: Not Offered via DocuSign

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events Status Timestamp		
Certified Delivery Events Status Timestamp		
Carbon Copy Events Status Timestamp		
Caesare Peterson Caesare.Peterson@glo.texas.gov Texas General Land Office Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 12/31/2024 12:15:46 PM
Conroy Swan Conroy.Swan@glo.texas.gov Texas General Land Office Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 12/31/2024 12:15:46 PM
Mary Barnstone mary.barnstone@glo.texas.gov Texas General Land Office Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 1/9/2025 8:42:08 AM Viewed: 1/10/2025 8:16:26 AM
Witness Events Signature Timestamp		
Notary Events Signature Timestamp		
Envelope Summary Events Status Timestamps		
Envelope Sent	Hashed/Encrypted	12/31/2024 12:15:46 PM
Certified Delivered	Security Checked	1/9/2025 8:41:50 AM
Signing Complete	Security Checked	1/9/2025 8:42:05 AM
Completed	Security Checked	1/9/2025 8:42:08 AM
Payment Events Status Timestamps		

42

File No. MF 097515

Burleson County

PSA

Date Filed: 9/30/25

Commissioner Dawn Buckingham, M.D.

By: AT



Information for processing an Internal Non-Unit Transaction (iNut)
Length of Lateral

iNut No. 14045

GENERAL INFORMATION

Name of Well: Novosad HCX1 #1H (Alloc)

API # 42-051-34395

Name of Operator: WildFire Energy Operating LLC

RRC # 05-04481

Operator Contact Person: Raleigh Baird

Phone: (832) 810-2699

Counties: Burleson

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON PRODUCTIVE LATERAL LENGTH

Lease Type	Unit/Lease No	Total Lateral Length	Unit Lateral Length	Unit Royalty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
HROW	9836/MF119801	12,634.580	1,125.050	0.00056187	0.25000000	0.00020013	0.00005003
HROW	9836/MF097515	12,634.580	1,125.050	0.00199497	0.16666700	0.00106585	0.00017764
Totals:						0.00126598	0.00022767
Effective Date:	<u>9/20/2024</u>						State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any:

Comments: Allocation well traverses HROW Unit 9836. Well spud 9/20/2024. First production 10/2024. PSA & final, as-drilled plat received 12/31/2024.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: MB Alamo updated by: MB WI updated by: MB
 RAM approval by: VD GIS updated by: RC

DO NOT DESTROY



**Texas General Land Office
UNIT AGREEMENT MEMO**

INUT250001

Unit Number 14045
Operator Name Wildfire Energy Operating LLC **Effective Date** 09/20/2024
Customer ID C000087797 **Unitized For** Oil And Gas
Unit Name Novosad HCX1 #1H (Alloc) **Unit Term**
County 1 Burtleson **RRC District 1** 03 **Old Unit Number** **Inactive Status Date**
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.00022767
State Part in Unit 0.00126598
Unit Depth Allow All Depths **Well**
From Depth **Formation**
To Depth **Participation Basis** **Length of Lateral**
If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF097515		0.000000	0.000000	0.00106585	O/G	0.16666700	0.00017764	No
MF119801		0.000000	0.000000	0.00020013	O/G	0.25000000	0.00005003	No

API Number

4205134395

Remarks:

Allocation well traverses HROW Unit 9836. Well spud 9/20/2024. First production 10/2024. PSA & final, as-drilled plat received 12/31/2024.

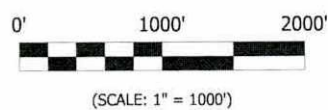
Prepared By: _____
GLO Base Updated By: _____
RAM Approval By: _____
GIS By: _____
Well Inventory By: _____

Prepared Date: 1/3/25
GLO Base Date: 1/3/25
RAM Approval Date: 1/3/25
GIS Date: 10/21/25
WI Date: 1/3/25

I. & G.N.R.R. CO.
SURVEY
A-154
POINT OF BEGINNING
N: 333610.28
E: 3123211.88

Holliday
HCK6A 6H
Surface
Location
MD: 0'
SHL-FTP
S 28°51'38" W
412.10'

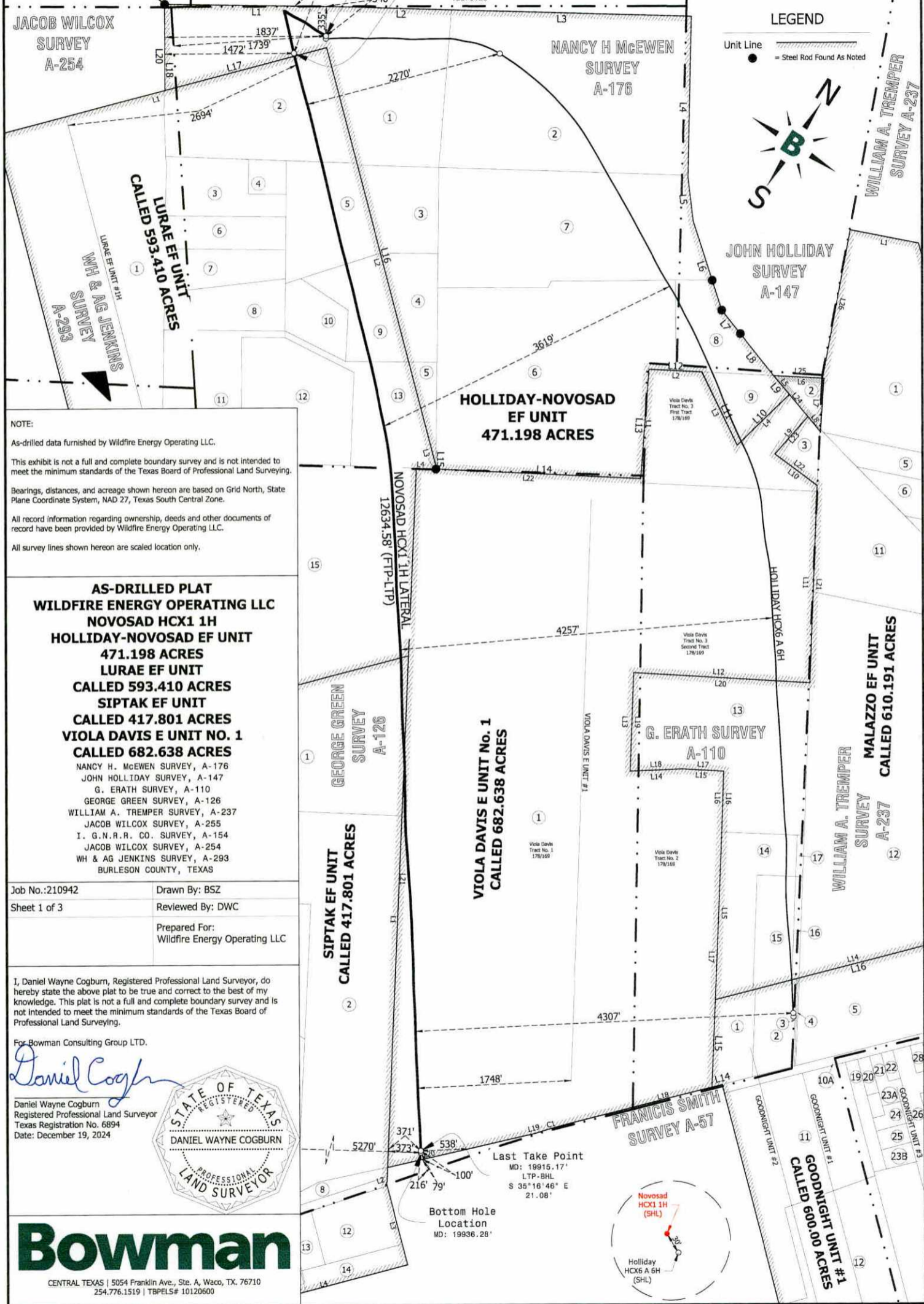
First Take
Point
MD: 7270.59'
FTP-LTP
S 39°43'37" E
12579.28'



LOCATION:
From SHL, Caldwell, Texas is
approximately 3.9 miles to
the Northeast.

LEGEND

Unit Line
● = Steel Rod Found As Noted



NOTE:
As-drilled data furnished by Wildfire Energy Operating LLC.
This exhibit is not a full and complete boundary survey and is not intended to meet the minimum standards of the Texas Board of Professional Land Surveying.
Bearings, distances, and acreage shown hereon are based on Grid North, State Plane Coordinate System, NAD 27, Texas South Central Zone.
All record information regarding ownership, deeds and other documents of record have been provided by Wildfire Energy Operating LLC.
All survey lines shown hereon are scaled location only.

AS-DRILLED PLAT
WILDFIRE ENERGY OPERATING LLC
NOVOSAD HCX1 1H
HOLLIDAY-NOVOSAD EF UNIT
471.198 ACRES
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BURLESON COUNTY, TEXAS

Job No.: 210942	Drawn By: BSZ
Sheet 1 of 3	Reviewed By: DWC
	Prepared For: Wildfire Energy Operating LLC

I, Daniel Wayne Cogburn, Registered Professional Land Surveyor, do hereby state the above plat to be true and correct to the best of my knowledge. This plat is not a full and complete boundary survey and is not intended to meet the minimum standards of the Texas Board of Professional Land Surveying.

For Bowman Consulting Group LTD.

Daniel Wayne Cogburn

Daniel Wayne Cogburn
Registered Professional Land Surveyor
Texas Registration No. 6894
Date: December 19, 2024

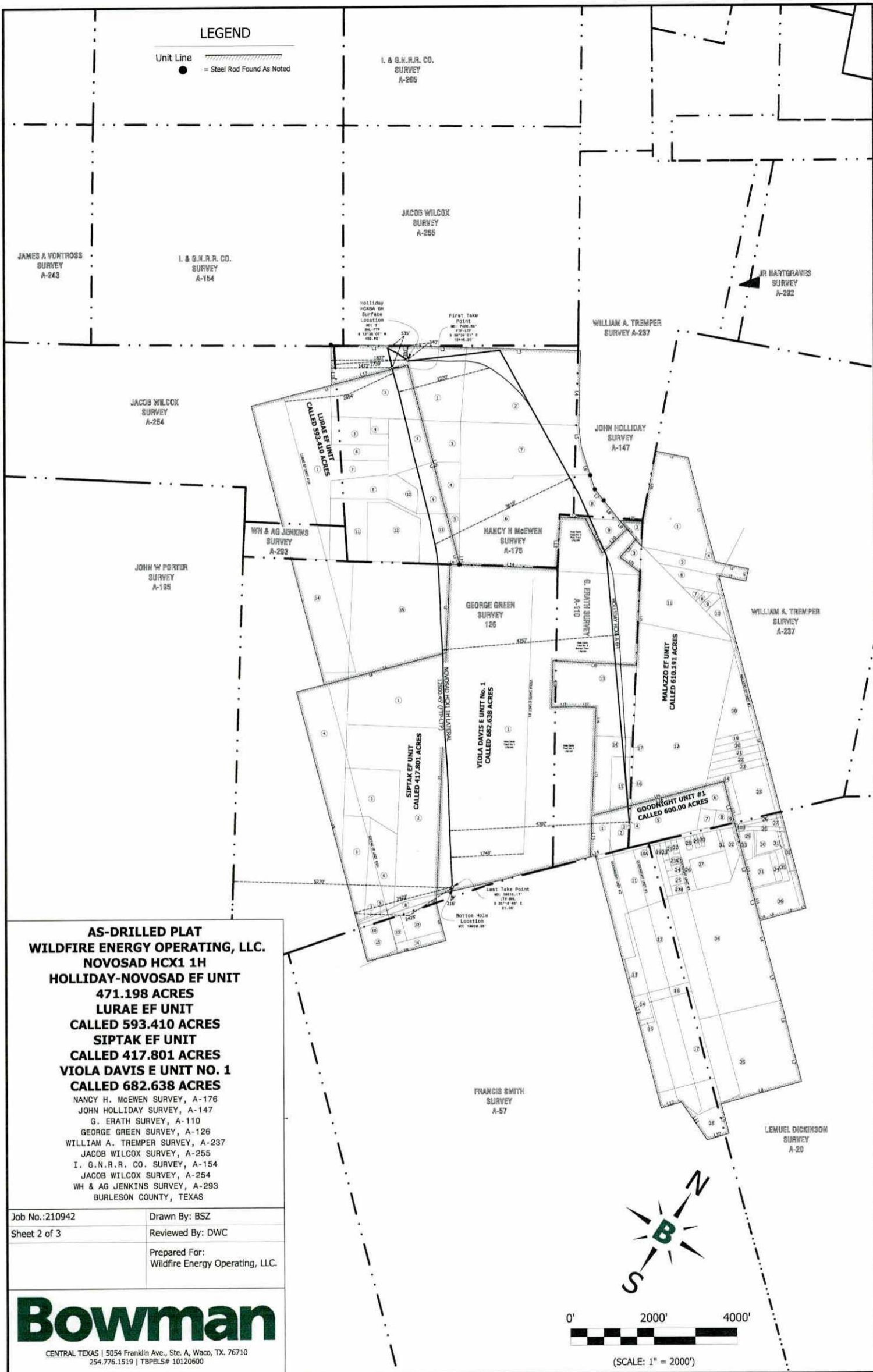


Bowman

CENTRAL TEXAS | 5054 Franklin Ave., Ste. A, Waco, TX. 76710
254.776.1519 | TBPELS# 10120600

LEGEND

Unit Line 
 ● = Steel Rod Found As Noted



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 I. G.N.R.R. CO. SURVEY, A-154
 JACOB WILCOX SURVEY, A-254
 WH & AG JENKINS SURVEY, A-293
 BURLESON COUNTY, TEXAS

Job No.:210942	Drawn By: BSZ
Sheet 2 of 3	Reviewed By: DWC
	Prepared For: Wildfire Energy Operating, LLC.

Bowman

CENTRAL TEXAS | 5054 Franklin Ave., Ste. A, Waco, TX. 76710
 254.776.1519 | TBPELS# 10120600



(SCALE: 1" = 2000')

SURFACE LOCATION: NOVOSAD HCX1 1H	
N.A.D. 1983 TX. CENTRAL ZONE LAT: 30°32'11.027" (LAT: 30.536396) LONG: 96°45'34.731" (LONG: 96.759647) N: 10176889.52 E: 3421429.82 ELEVATION: 464' MD: 0'	N.A.D. 1927 TX. CENTRAL ZONE LAT: 30°32'10.293" (LAT: 30.536192) LONG: 96°45'33.812" (LONG: 96.759392) N: 334306.96 E: 3124952.21 ELEVATION: 464' MD: 0'

PROPOSED FIRST TAKE POINT	
N.A.D. 1983 TX. CENTRAL ZONE LAT: 30°32'07.520" (LAT: 30.535422) LONG: 96°45'37.137" (LONG: 96.760316) N: 10176528.61 E: 3421230.91 MD: 7270.59'	N.A.D. 1927 TX. CENTRAL ZONE LAT: 30°32'06.785" (LAT: 30.535218) LONG: 96°45'36.218" (LONG: 96.760061) N: 333946.04 E: 3124753.30

PROPOSED LAST TAKE POINT	
N.A.D. 1983 TX. CENTRAL ZONE LAT: 30°30'29.240" (LAT: 30.508122) LONG: 96°44'08.824" (LONG: 96.735785) N: 10166854.01 E: 3429270.76 MD: 19915.17'	N.A.D. 1927 TX. CENTRAL ZONE LAT: 30°30'28.500" (LAT: 30.507917) LONG: 96°44'07.908" (LONG: 96.735530) N: 324271.32 E: 3132793.09

PROPOSED BOTTOM HOLE LOCATION	
N.A.D. 1983 TX. CENTRAL ZONE LAT: 30°30'29.066" (LAT: 30.508074) LONG: 96°44'08.691" (LONG: 96.735748) N: 10166836.80 E: 3429282.93 MD: 19936.28'	N.A.D. 1927 TX. CENTRAL ZONE LAT: 30°30'28.326" (LAT: 30.507868) LONG: 96°44'07.776" (LONG: 96.735493) N: 324254.11 E: 3132805.26

SURFACE LOCATION	
1837' FSWL HOLLIDAY-NOVOSAD EF UNIT 335' FNWL HOLLIDAY-NOVOSAD EF UNIT 1739' FSWL McEWEN SURVEY 340' FNWL McEWEN SURVEY	SHL TO FTP S 28°51'38" W 412.10'
FTP 1472' FSWL HOLLIDAY-NOVOSAD EF UNIT 535' FNWL HOLLIDAY-NOVOSAD EF UNIT	FTP TO LTP S 39°43'37" E 12579.28'
LTP 2429' FSWL SIPTAK EF UNIT 100' FSEL VIOLA DAVIS E UNIT 538' FSEL VIOLA DAVIS E UNIT	LTP TO BHL S 35°16'46" E 21.08'
BHL 2425' FSWL SIPTAK EF UNIT 79' FSEL VIOLA DAVIS E UNIT 5270' FSWL GREEN SURVEY 216' FSEL GREEN SURVEY	

NOVOSAD HCX1 1H PRODUCTION LATERAL LENGTH	
HOLLIDAY-NOVOSAD EF UNIT	34.07'
LURAE EF UNIT	6980.09'
SIPTAK EF UNIT	1125.05'
VIOLA DAVIS E UNIT	4495.37'
TOTAL	12634.58'

HOLLIDAY-NOVOSAD EF UNIT ACREAGES:

No.	Owner	Base Lease	Unit Acreage	Reference
1	Clarice Ann Oggero	80.965 Ac.	81.008 Ac.	2024-1766
2	Clarice Ann Oggero	117.998 Ac.	115.189 Ac.	2024-1766
3	Anthony Roy McNicolli & wife, Tracy Dee McNicolli	17.398 Ac.	17.936 Ac.	250-807
4	Ira T. May & wife, Leah B. May	15.012 Ac.	13.874 Ac.	248-29
5	Ira T. May & wife, Leah B. May	3.806 Ac.	4.327 Ac.	248-29
6	Patricia Novosad, Individually & as Independent Executor	125 Ac.	125.246 Ac.	2024-1765
7	Robert Gasper Lemon	86.432 Ac.	86.465 Ac.	2024-1964
8	Robert C. Ernst	17.1 Ac.	16.900 Ac.	143-288, 747-113, 770-199, 1027-814, 2020-344 2024-2289
9	Thomas N. Novosad, III & Patricia Novosad	10.192 Ac.	10.253 Ac.	

TOTAL: 471.198 Acres

LURAE EF UNIT CALLED ACREAGES:

No.	Owner	Base Deed	Called Unit Acreage	Reference
1.	Oscar Bode, Jr., et al.	1685.41 Ac.	130.893 Ac.	188-199
2.	John Batiest Oggero	250.14 Ac.	51.177 Ac.	287-764
3.	H. Glenn Hughes, et ux.	19.00 Ac.	16.084 Ac.	339-519
4.	Lyndell N. Johnson Jr., et ux.	3.00 Ac.	3.237 Ac.	403-800
5.	Anthony Ray McNicolli, et ux.	24.349 Ac.	25.016 Ac.	411-16
6.	H. Glenn Hughes, et ux.	11.00 Ac.	11.205 Ac.	339-519
7.	James R. Hicks, et ux.	14.038 Ac.	14.251 Ac.	423-364
8.	John D. Meckel et ux.	15.965 Ac.	16.313 Ac.	360-166
9.	Richard M. Moody	35.00 Ac.	20.051 Ac.	456-308
10.	Billy Gene Gage, Jr., et ux	10.00 Ac.	10.310 Ac.	417-567
11.	Joe B. Youree, et ux.	30.0182 Ac.	30.124 Ac.	367-493
12.	First State Bank of Deanville, Tx	38.466 Ac.	38.273 Ac.	376-465
13.	Leon Earl Teague, et ux.	26.00 Ac.	22.194 Ac.	495-700
14.	J. R. Harvey	190.75 Ac.	69.592 Ac.	92-468
15.	J. P. Oliver	180.66 Ac.	134.690 Ac.	40-122

TOTAL: Called 593.410 Ac.

SIPTAK EF UNIT CALLED ACREAGES:

No.	Owner	Base Deed	Called Unit Acreage	Reference
1.	J. R. Harvey	226.75 Ac.	91.285 Ac.	92-468
2.	John Edward Siptak, Jr. et al.	297.29 Ac.	177.613 Ac.	194-158
3.	Chisholm Trill Truck & Lease Co.	37.64 Ac.	38.238 Ac.	439-29
4.	Sally Floss	469.00 Ac.	3.503 Ac.	432-267
5.	Cindy Louise Shaver Bonnie Fay Shaver	34.73 Ac.	27.085 Ac.	295-423
6.	Edmund R. Slovacek	36.08 Ac.	32.625 Ac.	224-781
7.	Old San Antonio Road (OSR)		1.439 Ac.	
8.	John Edward Siptak, Jr. et al.	4.98 Ac.	4.073 Ac.	194-158
9.	Thomas Luther Goodnight	0.97 Ac.	1.154 Ac.	427-674
10.	State of Texas		4.501 Ac.	
11.	State of Texas	11.224 Ac.	3.325 Ac.	601-708
12.	Marice Jackson, et ux.	58.52 Ac.	11.171 Ac.	643-798
13.	Robert Noel Jones, et ux.	4.00 Ac.	4.002 Ac.	397-629
14.	Robert Noel Jones, et ux.	16.00 Ac.	5.148 Ac.	452-450
15.	Linda Ann Beran	33.09 Ac.	12.639 Ac.	439-253

TOTAL: Called 417.801 Ac.

VIOLA DAVIS E UNIT #1 CALLED ACREAGES:

No.	Owner	Lease Deed	Base Deed	Called Unit Acreage
1.	Viola Davis	660/812	178/169	682.638 Ac.

TOTAL: Called 682.638 Ac.

HOLLIDAY-NOVOSAD EF UNIT

LINE	BEARING	DISTANCE
L1	N 57°52'38" E	2135.55'
L2	N 58°43'01" E	1133.70'
L3	N 58°26'40" E	2733.21'
L4	S 31°54'34" E	1827.54'
L5	S 39°55'29" E	499.84'
L6	S 50°51'23" E	1068.48'
L7	S 71°47'55" E	339.20'
L8	S 71°47'39" E	610.66'
L9	S 73°07'10" E	280.01'
L10	S 12°47'35" W	829.59'
L11	N 58°44'15" W	923.18'
L12	S 59°48'06" W	606.84'
L13	S 28°46'17" E	1246.98'
L14	S 59°33'45" W	2334.44'
L15	N 31°46'54" W	34.43'
L16	N 47°47'53" W	4920.50'
L17	S 42°12'00" W	1904.75'
L18	N 33°21'45" W	981.64'

LURAE EF UNIT

LINE	BEARING	DISTANCE
L1	N 42°12'00" E	3885.82'
L2	S 47°48'00" E	4920.74'
L3	S 32°28'28" E	35.24'
L4	S 59°33'51" W	222.93'
L5	S 30°45'40" E	2137.25'
L6	S 42°12'00" W	3037.48'
L7	N 47°48'00" W	6931.63'

SIPTAK EF UNIT

LINE	BEARING	DISTANCE
L1	S 30°45'40" E	5998.37'
L2	S 38°49'52" W	8.60'
L3	S 47°48'00" E	964.41'
L4	S 42°12'00" W	1957.12'
L5	N 47°47'36" W	6700.00'
L6	N 42°12'00" E	3722.56'

VIOLA DAVIS E UNIT #1

LINE	BEARING	DISTANCE
L1	N 30°46'19" W	1249.12'
L2	N 59°49'57" E	644.29'
L3	S 58°57'53" E	926.68'
L4	N 12°47'49" E	829.79'
L5	N 73°07'23" W	279.91'
L6	N 59°49'57" E	574.27'
L7	S 29°24'35" E	612.24'
L8	N 72°41'46" W	226.11'
L9	S 08°12'24" W	564.99'
L10	S 86°10'16" E	597.67'
L11	S 31°01'53" E	2244.70'
L12	S 60°06'57" W	2009.99'
L13	S 31°07'39" E	1121.81'
L14	N 54°28'49" E	592.46'
L15	N 59°48'52" E	472.75'
L16	S 31°22'18" E	625.33'
L17	S 30°56'02" E	2981.54'
L18	S 42°34'52" W	1693.02'
L19	S 38°49'52" W	8.69'
L20	S 44°00'52" W	1727.85'
L21	N 30°45'40" W	7969.07'
L22	N 59°33'51" E	2557.63'

CURVE	RADIUS	ARC LENGTH	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	5764.58'	377.29'	03°45'00"	S 40°42'22" W	377.22'

**AS-DRILLED PLAT
WILDFIRE ENERGY OPERATING, LLC.
NOVOSAD HCX1 1H
HOLLIDAY-NOVOSAD EF UNIT
471.198 ACRES
LURAE EF UNIT
CALLED 593.410 ACRES
SIPTAK EF UNIT
CALLED 417.801 ACRES
VIOLA DAVIS E UNIT NO. 1
CALLED 682.638 ACRES**

NANCY H. McEWEN SURVEY, A-176
JOHN HOLLIDAY SURVEY, A-147
G. ERATH SURVEY, A-110
GEORGE GREEN SURVEY, A-126
WILLIAM A. TREMPER SURVEY, A-237
JACOB WILCOX SURVEY, A-255
I. G.N.R.R. CO. SURVEY, A-154
JACOB WILCOX SURVEY, A-254
WH & AG JENKINS SURVEY, A-293
BURLESON COUNTY, TEXAS

Job No.:210942

Drawn By: BSZ

Sheet 3 of 3

Reviewed By: DWC

Prepared For:
Wildfire Energy Operating, LLC.

Bowman

CENTRAL TEXAS | 5054 Franklin Ave., Ste. A, Waco, TX. 76710
254.776.1519 | TBPELS# 10120600

Unit 14045

42-051-34395

05-04481

spud 9/20/2024

Unit 9836

Siptak EF Unit Calculation						
Lease Number	Tract No.	Lease Acres In Unit	Total Unit Acres	Tract Participation	Lease Royalty	NRI of Lease In Unit
MF119801	7	0.9390	417.8010	0.00224748	0.25000000	0.00056187
MF097515	7,10	5.0010	417.8010	0.01196981	0.16666667	0.00199497
Totals		5.9400				0.00255684

Novosad HCX1 1H		
Unit	Lateral length	Tract Allocation FACTOR
Holliday-Novosad EF Unit	34.0700	0.00269657
Luræ EF Unit	6,980.0900	0.55245920
Siptak EF Unit	1,125.0500	0.08904530
Viola Davis E Unit	4,495.3700	0.35579893
	12,634.5800	1.00000000

Aguila Vado
(Eagleford)

first prod 10/2024

GLO's Allocated NRI in the Novosad HCX1 1H						
Lease Number	Unit	NRI of Lease In Unit		Allocation Factor		Allocated NRI of Lease
N/A	Holliday-Novosad EF Unit	0.00000000	x	0.00269657	=	0.00000000
N/A	Luræ EF Unit	0.00000000	x	0.55245920	=	0.00000000
MF119801;MF097515	Siptak EF Unit	0.00255684	x	0.08904530	=	0.00022767
N/A	Viola Davis E Unit	0.00000000	x	0.35579893	=	0.00000000
Totals		0.00255684		1.00000000		0.00022767

(43)

File No. MF 097515

Burleson County

INUT 14045-API-42-051-34395

Date Filed: 9/30/25

Commissioner Dawn Buckingham, M.D.

By: AT



Information for processing an Internal Non-Unit Transaction (iNut)
Length of Lateral

iNut No. 14045

GENERAL INFORMATION

Name of Well: Novosad HCX1 #1H (Alloc) amended

API # 42-051-34395

Name of Operator: WildFire Energy Operating LLC

RRC # 05-04481

Operator Contact Person: Raleigh Baird

Phone: (832) 810-2699

Counties: Burleson

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON PRODUCTIVE LATERAL LENGTH

Lease Type	Unit/Lease No	Total Lateral Length	Unit Lateral Length	Unit Royalty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease	
HROW	9836/MF119801	12,340.470	1,128.230	0.00056187	0.25000000	0.00020548	0.00005137	
HROW	9836/MF097515	12,340.470	1,128.230	0.00199497	0.16666700	0.00109434	0.00018239	
Totals:						0.00129982	0.00023376	
Effective Date:	<u>9/20/2024</u>						State Net Royalty Revenue in Well	

Name of Production Sharing Agreement, if any:

REVISED

Comments: Division Order received 3/14/2025. Revised final, as-drilled plat dated 12/30/2024 pulled from RRC website by V. Zamora on 9/26/2025 after being unable to contact Wildfire for verification of NRI.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: MB Alamo updated by: MB WI updated by: MB

RAM approval by: VD GIS updated by: RL

DO NOT DESTROY

Texas General Land Office UNIT AGREEMENT MEMO



INU250001

Unit Number 14045
Operator Name Wildfire Energy Operating LLC
Customer ID C000087797
Unit Name Novosad HCX1 #1H (Alloc) amended
County 1 Burleson **RRC District 1** 03
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.00023376
State Part in Unit 0.00129982
Unit Depth Allow All Depths
From Depth
To Depth
Well
Formation
Participation Basis Length of Lateral
If Exclusions Apply: See Remarks

Effective Date 09/20/2024
Unitized For Oil And Gas
Unit Term
Old Unit Number Inactive Status Date

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF097515		0.000000	0.000000	0.00109434	O/G	0.16666700	0.00018239	No
MF119801		0.000000	0.000000	0.00020548	O/G	0.25000000	0.00005137	No

API Number

4205134395

Remarks:

Prepared By: _____
GLO Base Updated By: _____
RAM Approval By: _____
GIS By: _____
Well Inventory By: _____

Prepared Date: _____
GLO Base Date: _____
RAM Approval Date: _____
GIS Date: _____
WI Date: _____

SURFACE LOCATION: NOVOSAD HCX1 1H	
N.A.D. 1983 TX. CENTRAL ZONE LAT: 30°32'11.027" (LAT: 30.536396) LONG: 96°45'34.731" (LONG: 96.759647) N: 10176889.52 E: 3421428.82 ELEVATION: 464' MD: 0'	N.A.D. 1927 TX. CENTRAL ZONE LAT: 30°32'10.293" (LAT: 30.536192) LONG: 96°45'33.812" (LONG: 96.759392) N: 334306.96 E: 3124852.21 MD: 0'

LAST TAKE POINT	
N.A.D. 1983 TX. CENTRAL ZONE LAT: 30°30'29.324" (LAT: 30.508145) LONG: 96°44'08.888" (LONG: 96.735802) N: 10166862.30 E: 3429284.89 MD: 19905'	N.A.D. 1927 TX. CENTRAL ZONE LAT: 30°30'28.584" (LAT: 30.507940) LONG: 96°44'07.572" (LONG: 96.735548) N: 324279.81 E: 3132787.22 MD: 19905'

SURFACE LOCATION	
1837' PSWL HOLLIDAY-NOVOSAD EF UNIT 335' PSWL HOLLIDAY-NOVOSAD EF UNIT 1739' PSWL McEWEN SURVEY 340' PSWL McEWEN SURVEY	SHL TO PP S 64°28'06" W 422.45'
PP 2431' PSWL HOLLIDAY-NOVOSAD EF UNIT 287' PSWL HOLLIDAY-NOVOSAD EF UNIT	PP TO FTP S 46°21'20" E 539.22'
FTP 3606' PSWL LURAE EF UNIT 816' PSWL HOLLIDAY-NOVOSAD EF UNIT	FTP TO LTP S 39°33'40" E 12287.59'
LTP 2431' PSWL SIPTAK EF UNIT 116' PSWL VIOLA DAVIS E UNIT 392' PSWL VIOLA DAVIS E UNIT	LTP TO BHL S 35°16'46" E 31.23'
BHL 2425' PSWL SIPTAK EF UNIT 79' PSWL VIOLA DAVIS E UNIT 3270' PSWL GREEN SURVEY 218' PSWL GREEN SURVEY	

PENETRATION POINT	
N.A.D. 1983 TX. CENTRAL ZONE LAT: 30°32'09.347" (LAT: 30.535930) LONG: 96°45'39.154" (LONG: 96.760876) N: 10176370.44 E: 3421048.82 MD: 6985.80'	N.A.D. 1927 TX. CENTRAL ZONE LAT: 30°32'08.612" (LAT: 30.535728) LONG: 96°45'38.236" (LONG: 96.760621) N: 334124.88 E: 3124571.01 MD: 6985.80'

BOTTOM HOLE LOCATION	
N.A.D. 1983 TX. CENTRAL ZONE LAT: 30°30'29.066" (LAT: 30.508074) LONG: 96°44'08.691" (LONG: 96.735748) N: 10166836.80 E: 3429282.93 MD: 19936.26'	N.A.D. 1927 TX. CENTRAL ZONE LAT: 30°30'28.326" (LAT: 30.507868) LONG: 96°44'07.776" (LONG: 96.735493) N: 324254.11 E: 3132805.26 MD: 19936.26'

FIRST TAKE POINT	
N.A.D. 1983 TX. CENTRAL ZONE LAT: 30°32'05.541" (LAT: 30.534872) LONG: 96°45'34.831" (LONG: 96.759675) N: 10176335.26 E: 3421438.86 MD: 7557'	N.A.D. 1927 TX. CENTRAL ZONE LAT: 30°32'04.806" (LAT: 30.534668) LONG: 96°45'33.912" (LONG: 96.759420) N: 333752.69 E: 3124961.25 MD: 7557'

LURAE EF UNIT PRODUCTION LATERAL LENGTH	
UNIT TRACT NUMBER	LENGTH
UT 2	993.84'
UT 5	1195.26'
UT 9	1145.50'
UT 13	1222.34'
UT 15	2173.26'
TOTAL	6730.20'

SIPTAK EF UNIT PRODUCTION LATERAL LENGTH	
UNIT TRACT NUMBER	LENGTH
UT 1	1128.23'
TOTAL	1128.23'

VIOLA DAVIS E UNIT PRODUCTION LATERAL LENGTH	
UNIT TRACT NUMBER	LENGTH
UT 1 (Tr. 1)	4482.04'
TOTAL	4482.04'

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TOTAL: 471.198 Acres

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TOTAL: Called 417.801 Ac.

VIOLA DAVIS E UNIT #1 CALLED ACREAGES:

No.	Owner	Lease Deed	Base Deed	Called Unit Acreage
L.	Viola Davis	660/812	178/169	682.638 Ac.

TOTAL: Called 682.638 Ac.

HOLLIDAY-NOVOSAD EF UNIT

LINE	BEARING	DISTANCE
L1	N 57°52'38" E	2135.55'
L2	N 58°43'01" E	1133.70'
L3	N 58°26'40" E	2733.21'
L4	S 31°54'34" E	1827.54'
L5	S 39°55'29" E	499.84'
L6	S 50°51'23" E	1066.48'
L7	S 71°47'55" E	339.20'
L8	S 71°47'39" E	610.66'
L9	S 73°07'10" E	280.01'
L10	S 12°47'35" W	829.59'
L11	N 58°44'15" W	923.18'
L12	S 59°48'06" W	606.84'
L13	S 28°46'17" E	1246.98'
L14	S 59°33'45" W	2334.44'
L15	N 31°46'54" W	34.43'
L16	N 47°47'53" W	4920.50'
L17	S 42°12'00" W	1904.75'
L18	N 33°21'45" W	981.64'

LURAE EF UNIT

LINE	BEARING	DISTANCE
L1	N 42°12'00" E	3885.82'
L2	S 47°48'00" E	4920.74'
L3	S 32°28'28" E	35.24'
L4	S 59°33'51" W	222.93'
L5	S 30°45'40" E	2137.25'
L6	S 42°12'00" W	3037.48'
L7	N 47°48'00" W	6931.63'

SIPTAK EF UNIT

LINE	BEARING	DISTANCE
L1	S 30°45'40" E	5998.37'
L2	S 38°49'52" W	8.60'
L3	S 47°48'00" E	964.41'
L4	S 42°12'00" W	1957.12'
L5	N 47°47'36" W	6700.00'
L6	N 42°12'00" E	3722.56'

VIOLA DAVIS E UNIT #1

LINE	BEARING	DISTANCE
L1	N 30°46'19" W	1249.12'
L2	N 59°49'57" E	644.29'
L3	S 58°57'53" E	926.68'
L4	N 12°47'49" E	829.79'
L5	N 73°07'23" W	279.91'
L6	N 59°49'57" E	574.27'
L7	S 29°24'35" E	612.24'
L8	N 72°41'46" W	226.11'
L9	S 08°12'24" W	564.99'
L10	S 86°10'16" E	597.67'
L11	S 31°01'53" E	2244.70'
L12	S 60°06'57" W	2009.99'
L13	S 31°07'39" E	1121.81'
L14	N 54°28'49" E	592.46'
L15	N 59°48'52" E	472.75'
L16	S 31°22'18" E	625.33'
L17	S 30°56'02" E	2981.54'
L18	S 42°34'52" W	1693.02'
L19	S 38°49'52" W	8.69'
L20	S 44°00'52" W	1727.85'
L21	N 30°45'40" W	7969.07'
L22	N 59°33'51" E	2557.63'

**AS-COMPLETED PLAT
WILDFIRE ENERGY OPERATING, LLC.
NOVOSAD HCX1 1H
HOLLIDAY-NOVOSAD EF UNIT
471.198 ACRES
LURAE EF UNIT
CALLED 593.410 ACRES
SIPTAK EF UNIT
CALLED 417.801 ACRES
VIOLA DAVIS E UNIT NO. 1
CALLED 682.638 ACRES**

NANCY H. McEWEN SURVEY, A-178
JOHN HOLLIDAY SURVEY, A-147
G. ERATH SURVEY, A-110
GEORGE GREEN SURVEY, A-126
WILLIAM A. TREMPER SURVEY, A-237
JACOB WILCOX SURVEY, A-255
I. G.N.R.R. CO. SURVEY, A-154
JACOB WILCOX SURVEY, A-264
WH & AG JENKINS SURVEY, A-293
BURLESON COUNTY, TEXAS

Job No.: 210942	Drawn By: BSZ
Sheet 3 of 3	Reviewed By: DWC
	Prepared For: Wildfire Energy Operating, LLC.



CURVE	RADIUS	ARC LENGTH	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	5764.58'	377.29'	03°45'00"	S 40°42'22" W	377.22'



RAILROAD COMMISSION OF TEXAS

Form W-2

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Approved
Date: 06/13/2025
Tracking No.: 334270

OIL WELL POTENTIAL TEST, COMPLETION OR RECOMPLETION REPORT,

OPERATOR INFORMATION table with columns for Operator, Name, and ID.

WELL INFORMATION table with columns for API, Well No., Lease, RRC Lease, Location, Latitude, Longitude, and direction from nearest town.

FILING INFORMATION table with columns for Purpose of, Type of, Well Type, Completion or Recompletion, Date, and Permit No.

COMPLETION INFORMATION table with columns for Spud, Date of first production, Date plug back, Number of producing wells, Distance to nearest well, Elevation, Total depth, Plug back depth, Rotation time, and Location of well.

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO. table with columns for Field & Reservoir, Gas ID or Oil Lease, Well No., and Prior Service Type.

PACKET: N/A

W2: N/A

FOR NEW DRILL OR RE-ENTRY, SURFACE CASING DEPTH DETERMINED BY:

GAU Groundwater Protection Determination **Depth** 3300.0 **Date** 09/04/2024
SWR 13 Exception **Depth**

INITIAL POTENTIAL TEST DATA FOR NEW COMPLETION OR RECOMPLETION

Date of	12/08/2024	Production	Flowing
Number of hours	24	Choke	12
Was swab used during this	No	Oil produced prior to	13400.00
PRODUCTION DURING TEST PERIOD:			
Oil	720.00	Gas	490
Gas - Oil	680	Flowing Tubing	950.00
Water	847		
CALCULATED 24-HOUR RATE			
Oil	720.0	Gas	490
Oil Gravity - API - 60.:	35.0	Casing	1402.00
Water	847		

CASING RECORD

<u>Ro</u>	<u>Type of Casing</u>	<u>Casing Size (in.)</u>	<u>Hole Size</u>	<u>Setting Depth</u>	<u>Multi - Stage</u>	<u>Multi - Stage Shoe</u>	<u>Cement Class</u>	<u>Cement Amoun</u>	<u>Slurry Volume (cu.)</u>	<u>Top of Cement (ft.)</u>	<u>TOC Determined By</u>
1	Surface	10 3/4	13 1/2	3449			TYPE 1	1675	2912.0	0	Circulated to Surface
2	Intermediate	7 5/8	9 7/8	7022			TYPE 1	780	1162.0	3000	Calculation
3	Tapered Production	5 1/2	6 3/4	6906			H	1735	2566.0	6000	Calculation
4	Tapered Production	5	6 3/4	19927			H	1735	2566.0	6000	Calculation

LINER RECORD

<u>Ro</u>	<u>Liner Size</u>	<u>Hole Size</u>	<u>Liner Top</u>	<u>Liner Bottom</u>	<u>Cement Class</u>	<u>Cement Amoun</u>	<u>Slurry Volume (cu.)</u>	<u>Top of Cement (ft.)</u>	<u>TOC Determined</u>
N/A									

TUBING RECORD

<u>Ro</u>	<u>Size (in.)</u>	<u>Depth</u>	<u>Size (ft.)</u>	<u>Packer Depth (ft.)/Type</u>
1	2 7/8	6815		6815 / AS1-X

PRODUCING/INJECTION/DISPOSAL INTERVAL

<u>Ro</u>	<u>Open hole?</u>	<u>From (ft.)</u>	<u>To (ft.)</u>
1	No	L1 7557	19905.0

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC.

Was hydraulic fracturing treatment Yes

Is well equipped with a downhole sleeve? No If yes, actuation pressure

Production casing test pressure (PSIG) Actual maximum pressure (PSIG) during
 hydraulic fracturing 11500 fracturing 6500

Has the hydraulic fracturing fluid disclosure been Yes

<u>Ro</u>	<u>Type of Operation</u>	<u>Amount and Kind of Material Used</u>	<u>Depth Interval (ft.)</u>
1	Fracture	SEE FRAC FOCUS	7557 19905

FORMATION RECORD

<u>Formations</u>	<u>Encountere</u>	<u>Depth TVD</u>	<u>Depth MD</u>	<u>Is formation</u>	<u>Remarks</u>
PECAN GAP	Yes	5528.0	5589.0	Yes	
POTH - DISPOSAL	No			No	DID NOT ENCOUNTER
WILCOX - DISPOSAL	No			No	DID NOT ENCOUNTER
AUSTIN CHALK - DISPOSAL	Yes	6298.0	6360.0	Yes	
EAGLEFORD	Yes	6841.0	6985.0	Yes	PRODUCTION ZONE
EDWARDS - DISPOSAL	No			No	NOT PENETRATED

Do the producing interval of this well produce H2S with a concentration in excess of 100 ppm No

Is the completion being downhole commingled No

REMARKS

RRC REMARKS

PUBLIC COMMENTS:

[RRC Staff 2025-05-14 14:49:55.625] EDL=12348 feet, max acres=960, AGUILA VADO (EAGLEFORD) oil well

CASING RECORD :

TUBING RECORD:

PRODUCING/INJECTION/DISPOSAL INTERVAL :

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :

POTENTIAL TEST DATA:

OPERATOR'S CERTIFICATION

Printed	Tony Villasana	Title:	WildFire Energy, LLC
Telephone	(832) 558-0100	Date	05/09/2025

Mary Barnstone

From: Mary Barnstone
Sent: Tuesday, June 10, 2025 4:56 PM
To: Raleigh Baird
Cc: Vivian Zamora
Subject: RE: Division Order Discrepancy - Novosad 1HE - Burleson County

Hi Raleigh,

Following up on the request, below from 3/14. I would like to get this resolved as soon as possible, please.

Thank you,

Mary Beth

Mary Beth Barnstone, Landman

Minerals Specialist III
Energy Resources Division
Texas General Land Office
Commissioner Dawn Buckingham, M.D.

1700 North Congress Ave. Suite 840
Austin, Texas 78701
(512)463-6818 direct
Mary.Barnstone@glo.texas.gov

Hours: Tuesday - Friday: 7:00am – 5:30pm

From: Mary Barnstone
Sent: Friday, March 14, 2025 1:52 PM
To: Raleigh Baird <RBaird@wildfire-energy.com>
Cc: Vivian Zamora <Vivian.Zamora@GLO.TEXAS.GOV>
Subject: Division Order Discrepancy - Novosad 1HE - Burleson County

Hi Raleigh.

The GLO received a Division Order for the Novosad 1HE allocation well on March 12th. The State NRI on the DO is **0.00023376**.

The information you provided on 12/31 show the State's NRI as **0.00022767**.

I have attached scans of both.

Perhaps there a new final plat available, or a different calculation method is being used?

Please send me updated plat and allocation information at your earliest convenience so that I can correct our records and prepare a new Memo for your royalty reporting group.

Thank you and have a great weekend!

Mary Beth

Mary Beth Barnstone, Landman

Minerals Specialist III
Energy Resources Division
Texas General Land Office
Commissioner Dawn Buckingham, M.D.

1700 North Congress Ave. Suite 840
Austin, Texas 78701
(512)463-6818 direct
Mary.Barnstone@glo.texas.gov

Hours: Tuesday, Thursday & Friday: 7:00am – 5:30pm (in office)
Wednesday: 7:00am – 5:30pm (remote)

From: Raleigh Baird <RBaird@wildfire-energy.com>
Sent: Friday, January 24, 2025 9:46 AM
To: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>
Subject: Re: [EXTERNAL] PSA - Holliday 6HE and Novosad 1HE - Burleson County

Great, thank you so much! I'll be on the lookout.

Raleigh Baird

From: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>
Sent: Friday, January 24, 2025 9:42:18 AM
To: Raleigh Baird <RBaird@wildfire-energy.com>
Subject: RE: [EXTERNAL] PSA - Holliday 6HE and Novosad 1HE - Burleson County

Good morning!

These went to the mailroom yesterday – you should have them Monday or Tuesday hopefully.

Thank you,

mb

Mary Beth Barnstone, Landman

Minerals Specialist III
Energy Resources Division
Texas General Land Office
Commissioner Dawn Buckingham, M.D.

1700 North Congress Ave. Suite 840
Austin, Texas 78701
(512)463-6818 direct
Mary.Barnstone@glo.texas.gov

Hours: Tuesday, Thursday & Friday: 7:00am – 5:30pm (in office)
Wednesday: 7:00am – 5:30pm (remote)

From: Raleigh Baird <RBaird@wildfire-energy.com>
Sent: Thursday, January 23, 2025 5:43 PM
To: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>
Subject: RE: [EXTERNAL] PSA - Holliday 6HE and Novosad 1HE - Burleson County

Hey Mary Beth,

Just checking in on the status of the PSA's for the subject wells.

Thanks,



Raleigh Baird
Senior Landman
O: (832) 810-
2699

From: Raleigh Baird
Sent: Tuesday, December 31, 2024 12:33 PM
To: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>
Subject: RE: [EXTERNAL] PSA - Holliday 6HE and Novosad 1HE - Burleson County

Excellent! Let me know if you run into any other issues.

Thanks and happy New Year!



Raleigh Baird
Senior Landman
O: (832) 810-
2699

From: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>
Sent: Tuesday, December 31, 2024 12:31 PM
To: Raleigh Baird <RBaird@wildfire-energy.com>
Subject: RE: [EXTERNAL] PSA - Holliday 6HE and Novosad 1HE - Burleson County

Yes – we agree! No worries at all 😊

Mary Beth Barnstone, Landman
Minerals Specialist III
Energy Resources Division
Texas General Land Office
Commissioner Dawn Buckingham, M.D.

1700 North Congress Ave. Suite 840
Austin, Texas 78701
(512)463-6818 direct
Mary.Barnstone@glo.texas.gov

Hours: Tuesday, Thursday & Friday: 7:00am – 5:30pm (in office)
Wednesday: 7:00am – 5:30pm (remote)

From: Raleigh Baird <RBaird@wildfire-energy.com>
Sent: Tuesday, December 31, 2024 12:26 PM
To: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>
Subject: RE: [EXTERNAL] PSA - Holliday 6HE and Novosad 1HE - Burleson County

Good catch! Sorry about that. I couldn't open the attachment you sent but attached is a corrected calculation sheet. Does it match what you show?

Thanks,



From: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>
Sent: Tuesday, December 31, 2024 12:10 PM
To: Raleigh Baird <RBaird@wildfire-energy.com>
Subject: RE: [EXTERNAL] PSA - Holliday 6HE and Novosad 1HE - Burleson County

Raleigh,

I made a correction on the Novosad. The original calculation did not include line H5 to reach the Total NRI for the Siptak Unit. Please see attach and let me know if you agree.

Thank you,

mb

Mary Beth Barnstone, Landman
Minerals Specialist III
Energy Resources Division
Texas General Land Office
Commissioner Dawn Buckingham, M.D.

1700 North Congress Ave. Suite 840
Austin, Texas 78701
(512)463-6818 direct
Mary.Barnstone@glo.texas.gov

Hours: Tuesday, Thursday & Friday: 7:00am – 5:30pm (in office)
Wednesday: 7:00am – 5:30pm (remote)

From: Raleigh Baird <RBaird@wildfire-energy.com>
Sent: Tuesday, December 31, 2024 11:33 AM
To: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>
Subject: RE: [EXTERNAL] PSA - Holliday 6HE and Novosad 1HE - Burleson County

Okay, great! I just wanted to make sure we don't incur penalties for late royalties but we have few weeks before the deadline, so no rush. I appreciate your help.

Thanks,



Raleigh Baird
Senior Landman
O: (832) 810-2699

From: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>
Sent: Tuesday, December 31, 2024 11:28 AM
To: Raleigh Baird <RBaird@wildfire-energy.com>
Subject: RE: [EXTERNAL] PSA - Holliday 6HE and Novosad 1HE - Burleson County

Hi Raleigh,

There is not a SLB meeting on the 5th, but HROW PSAs do not require SLB approval; we process them administratively. I will get them routed for execution and back to you as soon as possible. I will also get the allocation wells set up for reporting this week.

Thank you,

mb

Mary Beth Barnstone, Landman

Minerals Specialist III
Energy Resources Division
Texas General Land Office
Commissioner Dawn Buckingham, M.D.

1700 North Congress Ave. Suite 840
Austin, Texas 78701
(512)463-6818 direct
Mary.Barnstone@glo.texas.gov

Hours: Tuesday, Thursday & Friday: 7:00am – 5:30pm (in office)
Wednesday: 7:00am – 5:30pm (remote)

From: Raleigh Baird <RBaird@wildfire-energy.com>
Sent: Tuesday, December 31, 2024 11:23 AM
To: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>
Subject: RE: [EXTERNAL] PSA - Holliday 6HE and Novosad 1HE - Burleson County

Mary Beth,

Great! I went a head and mailed the PSA packets via FedEx overnight (Tracking ID: 771112577518) to you yesterday afternoon, so it might arrive today. Also, attached is a spreadsheet showing the GLO's royalty calculations for both wells. I know I'm getting this info to you a little late but do you think the PSA could be executed during the GLO's next meeting on the 5th?

Thanks,



Raleigh Baird
Senior Landman
O: (832) 810-
2699

From: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>
Sent: Tuesday, December 31, 2024 10:19 AM
To: Raleigh Baird <RBaird@wildfire-energy.com>
Subject: RE: [EXTERNAL] PSA - Holliday 6HE and Novosad 1HE - Burleson County

Hi Raleigh.

The PSAs look good – I will watch for the hard copies and get the new allocation wells set up for reporting.

Thank you,

mb

Mary Beth Barnstone, Landman

Minerals Specialist III
Energy Resources Division
Texas General Land Office
Commissioner Dawn Buckingham, M.D.

1700 North Congress Ave. Suite 840
Austin, Texas 78701
(512)463-6818 direct
Mary.Barnstone@glo.texas.gov

Hours: Tuesday, Thursday & Friday: 7:00am – 5:30pm (in office)
Wednesday: 7:00am – 5:30pm (remote)

From: Raleigh Baird <RBaird@wildfire-energy.com>
Sent: Monday, December 30, 2024 11:52 AM
To: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>
Subject: [EXTERNAL] PSA - Holliday 6HE and Novosad 1HE - Burleson County

Good afternoon, Mary Beth,

WildFire Energy recently drilled and completed the (i) Holliday HCX6 A 6HE and (ii) Novosad HCX1 1HE wells in Burleson County. Both wells are allocation wells and traverse GLO pooled mineral interests. Attached for your review are the documents listed below. If everything looks good, then I will get everything in the mail and over to the GLO asap.

- Draft Production Sharing Agreements for the (i) Holliday HCX6 A 6HE and (ii) Novosad HCX1 1HE wells
- As-Drilled plats for both wells
- GLO Unit No. 9836 (MF119801) Siptak EF Unit
- GLO Unit No. 9718 (MF119762) Malazzo EF Unit
- GLO Unit No. 8879 (MF119191) Goodnight EF Unit
- Recoded DPU for the Holliday-Novosad EF Unit

Thank you,



Raleigh Baird
Senior Landman

O: (832) 810-2699

E: RBaird@wildfire-energy.com

920 Memorial City Way, Ste 1400
Houston, TX 77024

www.wildfire-energy.com

Handwritten notes on the right side of the page, including a date "11/15/12" and a signature.

(44)

File No. MF 097515

Burleson County

Int 14045-REVISED-42-051-34395^{APP}

Date Filed: 9/30/25

Commissioner Dawn Buckingham, M.D.

By: AT



OIL & GAS DIVISION ORDER

MF119801 MFD97515

Date Prepared: February 28, 2025
 Operator: WildFire Energy, LLC
 920 Memorial City Way, Suite 1400
 Houston, TX 77024
 Owner Number: 20460
 Owner Name: TEXAS GENERAL LAND OFFICE
 Address: STEPHEN F AUSTIN BLDG 1700 N CONGRESS AVE
 AUSTIN, TX 78701-1495
 Property Name: (SEE EXHIBIT)
 Deck Suspense Reason: U - Unsigned Division Order
 Owner Suspense Reason: PO - Pending Other

Production: Oil Gas Other

The undersigned certifies the ownership of their decimal in production or proceeds as described above payable by **WildFire Energy, LLC (Payor)**.

Payor shall be notified, in writing, of any change in ownership, decimal interest, or payment address. All such changes shall be effective the first day of the month following receipt of such notice.

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned.

The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$100.00, or pay annually, whichever occurs first, or as required by applicable state statutes.

This Division Order does not amend any lease or operating agreement between the undersigned and the lessee or operator or any other contracts for the purchase of oil or gas.

In addition to the terms and conditions of this Division Order, the undersigned and Payor may have certain statutory rights under the laws of the state in which the property is located.

Owner(s):	Owner(s):
Print Name & Title: _____	Print Name & Title: _____
Owner(s) TID/SS NO: _____	Owner(s) TID/SS NO: _____
Owner(s) Email: _____	Owner(s) Email: _____
Owner(s) Phone: _____	Owner(s) Phone: _____
Owner(s) Signature: _____	Owner(s) Signature: _____

FEDERAL LAW REQUIRES YOU TO FURNISH YOUR SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER. FAILURE TO COMPLY WILL RESULT IN TAX WITHHOLDING IN ACCORDANCE WITH FEDERAL LAW, WHICH WILL NOT BE REFUNDABLE BY PAYOR.

Verified



NADOA Model Form Division Order (Adopted 9/95 – Amended 1/17)

OIL & GAS DIVISION ORDER

1 Net 14045

EXHIBIT

Product	Property Number	Property Name	County	Deck Suspense	Owner Suspense	Interest Type	Interest
GAS	23408	NOVOSAD HCX1 1H	BURLESON	U	PO	Royalty	0.00023376 ✓
OIL	23408	NOVOSAD HCX1 1H	BURLESON	U	PO	Royalty	0.00023376
PRODUCT	23408	NOVOSAD HCX1 1H	BURLESON	U	PO	Royalty	0.00023376

Owner(s):

Owner(s):

Print Name & Title: _____

Print Name & Title: _____

Owner(s) Signature: _____

Owner(s) Signature: _____

FEDERAL LAW REQUIRES YOU TO FURNISH YOUR SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER. FAILURE TO COMPLY WILL RESULT IN TAX WITHHOLDING IN ACCORDANCE WITH FEDERAL LAW, WHICH WILL NOT BE REFUNDABLE BY PAYOR.



20460 - TEXAS GENERAL LAND OFFICE

DEAR INTEREST OWNER:

- Enclosed, please find your Division Order in duplicate covering your interest in the well(s) referenced in the exhibit. Please return a signed copy to either:

Via Email At: OwnerRelations@WildFire-Energy.com
(FOR FASTER PROCESSING)

OR

Via Mail To: WildFire Energy, LLC
Attn: Owner Relations
920 Memorial City Way, Suite 1400
Houston, TX 77024

- Sign exactly as your name is shown on each Division Order. **If joint ownership, ALL Owners must sign.**
- Your interest will be placed in payment status upon receipt of your properly executed division order, completed and executed IRS W-9 and any additional documentation requested.
- Include the correct Social Security Number or Tax Identification Number on the IRS W9. Federal income tax law states 31% of proceeds must be withheld if a Social Security Number or Tax Identification Number is not provided.
- A WildFire ACH form has been enclosed should you elect to participate in having your check directly deposited into your checking or savings account. Return the completed form **AND** a void check or a letter from your banking institution, on bank letterhead, stating your name and listing your account and routing numbers.
- If you have questions regarding your interest, please contact Owner Relations at (832)-558-0500 or by email at OwnerRelations@WildFire-Energy.com. Please have the following information available to assist in response to your question(s):
 - i. Owner number
 - ii. Well name and/or property number
 - iii. Your telephone number
 - iv. Reason for the call
- Ownership Changes must be submitted in writing to the address above. Please include proper documentation confirming the changes such as a: Certificate of Merger, Deed, Will, Assignment, etc.
- If your address has changed, please obtain a Change of Address form from our website: www.WildFire-Energy.com/Owner-Relations/. You can mail a hard copy or email a copy of the form to the contact information shown above.

NOTE: Documents that convey interest must be recorded in the county in which the property is located prior to transfers being processed.

For any other owner relations inquiries please visit our webpage at www.WildFire-Energy.com/Owner-Relations/ or contact us via email at OwnerRelations@WildFire-Energy.com. The Owner Relations hotline is open Monday - Friday 10 AM to 3PM CST. All calls that come in outside normal operating hours will be returned in a timely manner in the order they were received. For faster response please direct all inquiries through our Owner Relations email.

-KEEP THIS INFORMATION FOR FUTURE REFERENCE-



TEXAS GENERAL LAND OFFICE
COMMISSIONER DAWN BUCKINGHAM, M.D.

September 29, 2025

Raleigh Baird
Senior Landman
WildFire Energy, LLC
920 Memorial City Way, Suite 1400
Houston, TX 77024

Re: State Lease Nos. MF097515 and MF119801 Novosad HCX1 1H iNut 14045

Dear Ms. Baird:

The Texas General Land Office (GLO) has received your Division Order for the referenced iNut. This Division Order has been filed in the appropriate mineral files.

The payment of royalties attributable to state-owned mineral and royalty interests is set by contract and applicable statutes and rules. The execution of division orders may, in some cases, affect the manner in which such payments are made or calculated. Therefore, Title 31, §9.32, of the Texas Administrative Code specifies that GLO staff cannot execute a division order or bind the state to any terms contained within it.

Subject to applicable state law and the state's right to take its production in-kind, the GLO acquiesces to the sale of oil and gas in accordance with the terms and conditions set out in the oil and gas leases. If you have questions concerning this matter, please feel free to e-mail me at the address below my signature.

We look forward to being put on pay status as soon as you are able to set up the wells in our RRAC system.

Thank you,

Vivian Zamora
Landman, Energy Resources
vivian.zamora@glo.texas.gov
512-475-0428

File No. MFO97515 _____

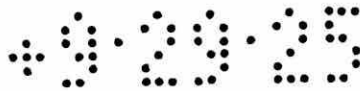
County

Division Order

Date Filed: 9/30/2025

Commissioner Dawn Buckingham, M.D.

By: VB



NADOA Model Form Division Order (Adopted 9/95 – Amended 1/17)

MFO97515
MF119801

OIL & GAS DIVISION ORDER

Date Prepared: September 19, 2025

Effective Date: (SEE EXHIBIT)

Operator: WildFire Energy, LLC
920 Memorial City Way, Suite 1400
Houston, TX 77024

Property Name: (SEE EXHIBIT)
Property Description: (SEE EXHIBIT)

Owner Number: **20460**
Owner Name: **TEXAS GENERAL LAND OFFICE**
Address: **STEPHEN F AUSTIN BLDG**
1700 N CONGRESS AVE
AUSTIN, TX 78701-1495

Production: Oil Gas Other

The undersigned certifies the ownership of their decimal in production or proceeds as described above payable by **WildFire Energy, LLC (Payor)**.

Payor shall be notified, in writing, of any change in ownership, decimal interest, or payment address. All such changes shall be effective the first day of the month following receipt of such notice.

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned.

The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$100.00, or pay annually, whichever occurs first, or as required by applicable state statutes.

This Division Order does not amend any lease or operating agreement between the undersigned and the lessee or operator or any other contracts for the purchase of oil or gas.

In addition to the terms and conditions of this Division Order, the undersigned and Payor may have certain statutory rights under the laws of the state in which the property is located.

FEDERAL LAW REQUIRES YOU TO FURNISH YOUR SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER. FAILURE TO COMPLY WILL RESULT IN TAX WITHHOLDING IN ACCORDANCE WITH FEDERAL LAW, WHICH WILL NOT BE REFUNDABLE BY PAYOR.



INlet 14045

NADOA Model Form Division Order (Adopted 9/95 – Amended 1/17)

OIL & GAS DIVISION ORDER

EXHIBIT

Effective Date	Product	Property Number	Property Name	County	Interest Type	Interest
1/1/2022	ALL	23408	NOVOSAD HCX1 1H	BURLESON	Royalty	0.00023376 ✓

Property Description:

Owner(s): 20460 - TEXAS GENERAL LAND OFFICE

Owner(s):

Print Name & Title: _____

Print Name & Title: _____

Owner(s) TID/SS NO: _____

Owner(s) TID/SS NO: _____

Owner(s) Email: _____

Owner(s) Email: _____

Owner(s) Phone: _____

Owner(s) Phone: _____

Owner(s) Signature: _____

Owner(s) Signature: _____

FEDERAL LAW REQUIRES YOU TO FURNISH YOUR SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER. FAILURE TO COMPLY WILL RESULT IN TAX WITHHOLDING IN ACCORDANCE WITH FEDERAL LAW, WHICH WILL NOT BE REFUNDABLE BY PAYOR.



TEXAS GENERAL LAND OFFICE
COMMISSIONER DAWN BUCKINGHAM, M.D.

October 8, 2025

Raleigh Baird
Senior Landman
WildFire Energy, LLC
920 Memorial City Way, Suite 1400
Houston, TX 77024

Re: State Lease Nos. MF097515 and MF119801 Novosad HCX1 1H iNut 14045

Dear Ms. Baird:

The Texas General Land Office (GLO) has received your Division Order for the referenced iNut. This Division Order has been filed in the appropriate mineral files.

The payment of royalties attributable to state-owned mineral and royalty interests is set by contract and applicable statutes and rules. The execution of division orders may, in some cases, affect the manner in which such payments are made or calculated. Therefore, Title 31, §9.32, of the Texas Administrative Code specifies that GLO staff cannot execute a division order or bind the state to any terms contained within it.

Subject to applicable state law and the state's right to take its production in-kind, the GLO acquiesces to the sale of oil and gas in accordance with the terms and conditions set out in the oil and gas leases. If you have questions concerning this matter, please feel free to e-mail me at the address below my signature.

We look forward to being put on pay status as soon as you are able to set up the wells in our RRAC system.

Thank you,

Vivian Zamora
Landman, Energy Resources
vivian.zamora@glo.texas.gov
512-475-0428

File No. ME 097515

County

Division Order

Date Filed: 10/13/2025

Commissioner Dawn Buckingham, M.D.

By: VR