

MF097877

Unit 2639
iNxt 14260

<i>State Lease</i>	<i>Control</i>	<i>Base File</i>	<i>County</i>
MF097877	65-902394		WASHINGTON

<i>Survey</i>	WASHINGTON COUNTY ROADS	
<i>Block</i>		
<i>Block Name</i>		
<i>Township</i>		
<i>Section/Tract</i>		
<i>Land Part</i>		
<i>Part Description</i>		
<i>Acres</i>	4.992	
<i>Depth Below</i>	<i>Depth Above</i>	<i>Depth Other</i>
0	0	
<i>Name</i>	UNION PACIFIC RESOURCES CO	
<i>Lease Date</i>	2/4/1997	
<i>Primary Term</i>	1 yrs	
<i>Bonus (\$)</i>	\$499.23	
<i>Rental (\$)</i>	\$0.00	
<i>Lease Royalty</i>	0.1800	

Leasing: JA

Analyst: _____

Maps: RL

GIS: MC



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



STATE LEASE

MF097877

2639

4.69 UNIT ACRES

- 0 - NON-UNIT ACRES

CONTROL	BASEFILE	COUNTY
65-902394	000 -	WASHINGTON /239

SURVEY : WASHINGTON COUNTY ROADS
BLOCK :
TOWNSHIP : 00
SECTION/TRACT:
PART :
ACRES : ~~4.99~~ 4.69 (per unit agreement)
DEPTH LIMITS : NO

Rentals:

M.T.

Lease

Admin:

DR.

Mineral

Maps:

GIS ~~794~~

LESSEE : UNION PACIFIC RESOURCES CO
LEASE DATE : Feb 04 1997
PRIMARY TERM : 1 yrs
BONUS (\$) : 499.23
RENTAL (\$) : 0.00
ROYALTY : 0.18000000
VAR ROYALTY :

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GENERAL LAND OFFICE

GARRY MAURO
COMMISSIONER

M-97877

MEMORANDUM

2-4-97

Docket #5

DATE: Jan. 29, 1997

TO: Linda Fisher / School Land Board

From: Drew Reid / Minerals Leasing

RE: Applications To Lease Highway Right-of-Way

- A) Applicant - Sonat Exploration Co.
Description - 19.038 ac. along St. Hwy. 63, situated
in the A.S. Droddy Sur., A-86 and in the J. Terry
Sur., A-423 in Newton Co.
Terms - \$100.00/Ac. Bonus, 1/4 Royalty, 1 Year
- B) Applicant - TI Energy Services, Inc.
Description - 12.895 ac. along St. Hwy. 175, situated
in the I.W. Burton Sur., A-3 in Henderson Co.
Terms- \$100/Ac. Bonus, 3/16 Roulalty, 2 Year,
\$10.00 Delay Rentals
- C) Applicant - UPRC
Description - 11.92 ac. along St. Hwy. 63 (8.4 ac.) and
St. Hwy 776 (3.52 ac.), situated in the P. Childress
Sur., A-102 in Jasper Co.
Terms - \$125.00/Ac. Bonus, 1/4 Royalty, 3 Years Paid-up
- D) Applicant - UPRC
Description - .8646 ac. along St. Hwy. 105, situated
in James Walker League., A-106 in Washington Co.
Terms - \$150.00/Ac. Bonus, 1/4 Royalty, 3 Year and
\$10.00 Delay Rentals
- E) Applicant - Chesapeake Operating, Inc.
Description - 1.558 ac. along Seeker Rd., situated
in the Nester Clay Sur., A-29 in Washington Co.
Terms - \$201.00/Ac. Bonus, 3/16 Royalty, 2 Years Paid-up
- F) Applicant - Sinclair Oil Corporation
Description - .5 ac. along Ranch Rd. 126, situated
in Sec. 311, Blk. 64, H&TC Ry. Co. Sur. in Nolan Co.
Terms - \$107.90/Ac. Bonus, 1/6 Royalty, 2 Years Paid-up

- G) Applicant - Sklar & Phillips Oil Co.
Description - 17.568 ac. along St. Hwy. 164, situated
in the J.N. Acosta League, A-1 in Limestone Co.
Terms - \$150.00/Ac. Bonus, 22% Royalty, 3 Years Paid-up
- H) Applicant - Kaiser-Frances Oil Co.
Description - 13.55 ac. along St. Hwy. 60, situated
in Sec. 70, Blk. 1, Gunter & Munson Sur. in
Hemphill Co.
Term - \$150.00/Ac. Bonus, 21.5% Royalty, 3 Years Paid-up
- I) Applicant - Mosbacher Energy Co.
Description - 23.6 ac. along St. Hwy. 281, situated
L.C. McGinnis Sur., A-287 in Live Oak Co.
Term - \$100.00/Ac. Bonus, 1/8 Royalty, 1 Year
- J) Applicant - John H. Young, Inc.
Description - 10.98 ac. along Co. Rd. 121, situated
in the George Duty League, A-41 in Fayette Co.
Term - \$150.00/Ac. Bonus, 1/5 Royalty, 2 Years Paid-up
- K) Applicant - UPRC
Description - 4.9923 ac. along an abandoned Co. Rd.,
situated in the B.L. Hanks Sur., A-53 in Washington Co.
Term - \$100.00/Ac. Bonus, 18% Royalty, 1 Year

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.

① MF 97877
ITEM App. to Bid
TO _____
FROM _____
DATE 1/29/97

The State of Texas



Austin, Texas

PAID-UP
OIL AND GAS LEASE NO. M-97877
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 Union Pacific Resources Co., whose address is , 801 Cherry St., Fort Worth, Texas 76102 hereinafter called "Lessee".

1. Lessor, in consideration of Four Hundred Ninety Nine and 23/100 Dollars (\$499.23), 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 Washington State of Texas, and is described as follows:

4.9923 acres of land, more or less, situated in said Washington 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 4.9923 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 one (1) year from February 4, 1997, 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 eighteen percent (18%) 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 eighteen percent (18%) 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, eighteen percent (18%) 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 eighteen percent (18%) 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;

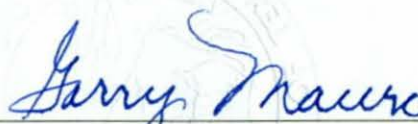
(e) no producer of food and fiber requires the natural gas or casinghead gas necessary to meet the existing needs of irrigation pumps and other machinery directly related to this production; and

(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 February 4, 1997.



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

Approved:

Energy: RT

Executive: SR

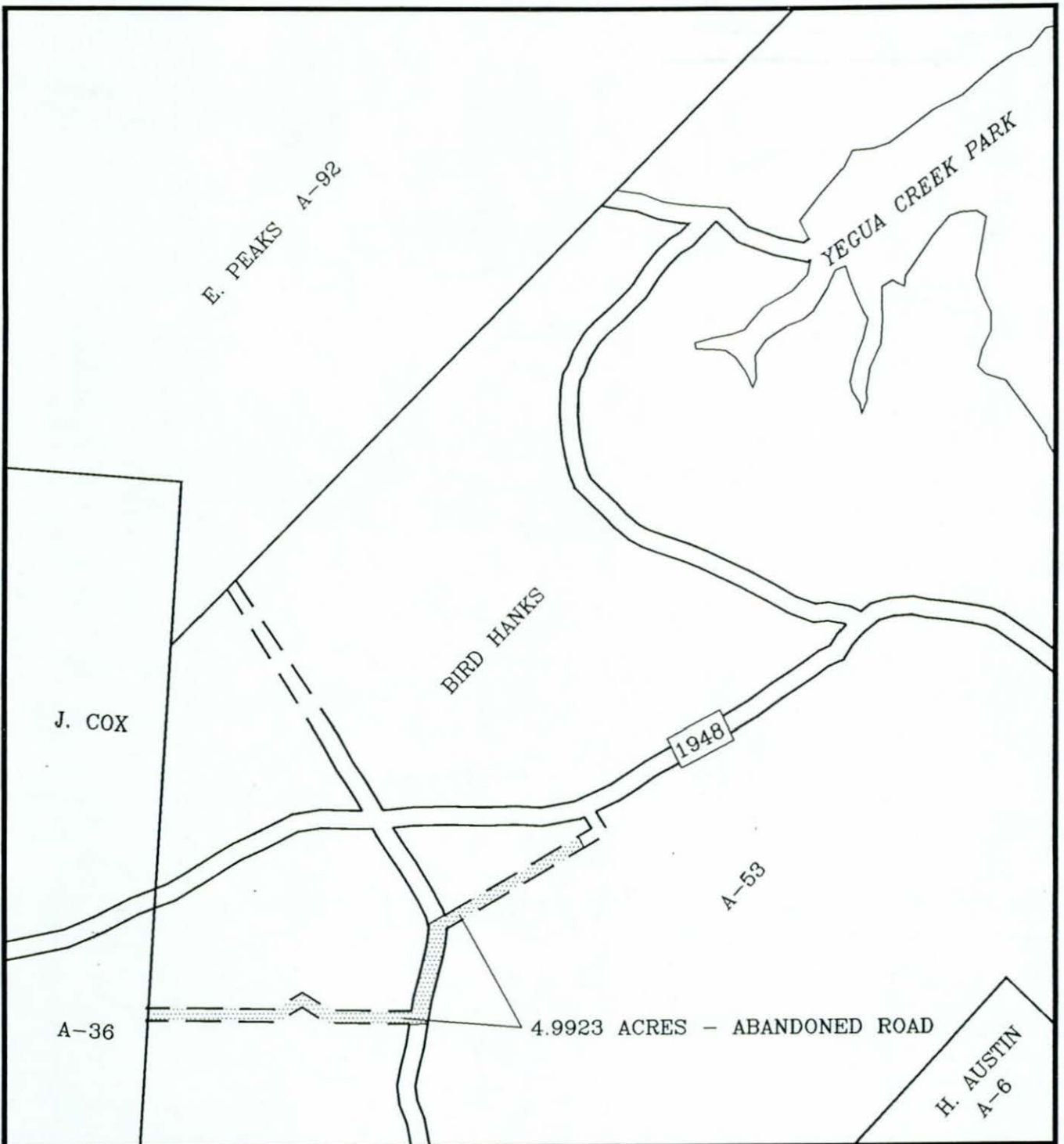


Exhibit "A"

Acreage to be Leased from the State of Texas in Washington County, Texas, being part of an abandoned Co. Rd.

4.9923 acres of land, more or less, situated in the B.L. Hanks Sur., A-53 in Washington County, Texas and being the same land described in the following Deed Recorded in the Deed Records of Washington County, Texas:

1. Deed dated 8/30/18 and recorded in V. 72, P. 279, to Washington County, Texas



ABRD4\RH\1-97

MAP SHOWING
PORTION OF AN ABANDONED ROAD
APPROXIMATELY 4.9923 ACRES
2 MILES WEST OF QUARRY
WASHINGTON COUNTY

(2) MF 97877
ITEM Lease
TO _____
FROM _____
DATE 2/4/97

JONES & ZWIENER, INC.
PROFESSIONAL LAND SERVICES
1300 MAIN STREET, SUITE 1920
HOUSTON, TEXAS 77002-6813

TEL (713) 650-0903
FAX (713) 650 3547

January 21, 1997

Texas General Land Office
Stephen F. Austin Building
1700 North Congress Ave.
Austin, Texas 78701-1495

ATTN: Mr. Drew Reid
Landman

Re: Application to Lease
4.9923 acres County Road
B. L. Hanks Survey, A-53
Washington County, Texas

Dear Mr. Reid:

Union Pacific Resources Company is interested in acquiring an Oil, Gas and Mineral Lease covering the above referenced tract of land in Washington County, Texas, for the purpose of drilling a horizontal well.

Enclosed are the following for your review:

1. Names and addresses of adjacent mineral owners.
2. A check for \$100.00 for processing.
3. Written Waiver of Statutory Notice.
4. Copies of adjacent leases.
5. A notarized Affidavit of consideration paid.
6. A Landman's Statement explaining the mineral ownership under the subject county road.
7. A plat depicting the subject tract.

Should you have any questions, or require further information, please call me at (409) 830-1110 or (713) 650-0903.

Sincerely,

Manning Reed
Manning Reed

cc: Carrie Rigas
Union Pacific Resources Company

RECEIVED
97 JAN 23 PM 3:14
ENERGY RESOURCES

M-97877
2.4.97

X 100⁰⁰

97024732

170

✓ Kenneth M. Reed

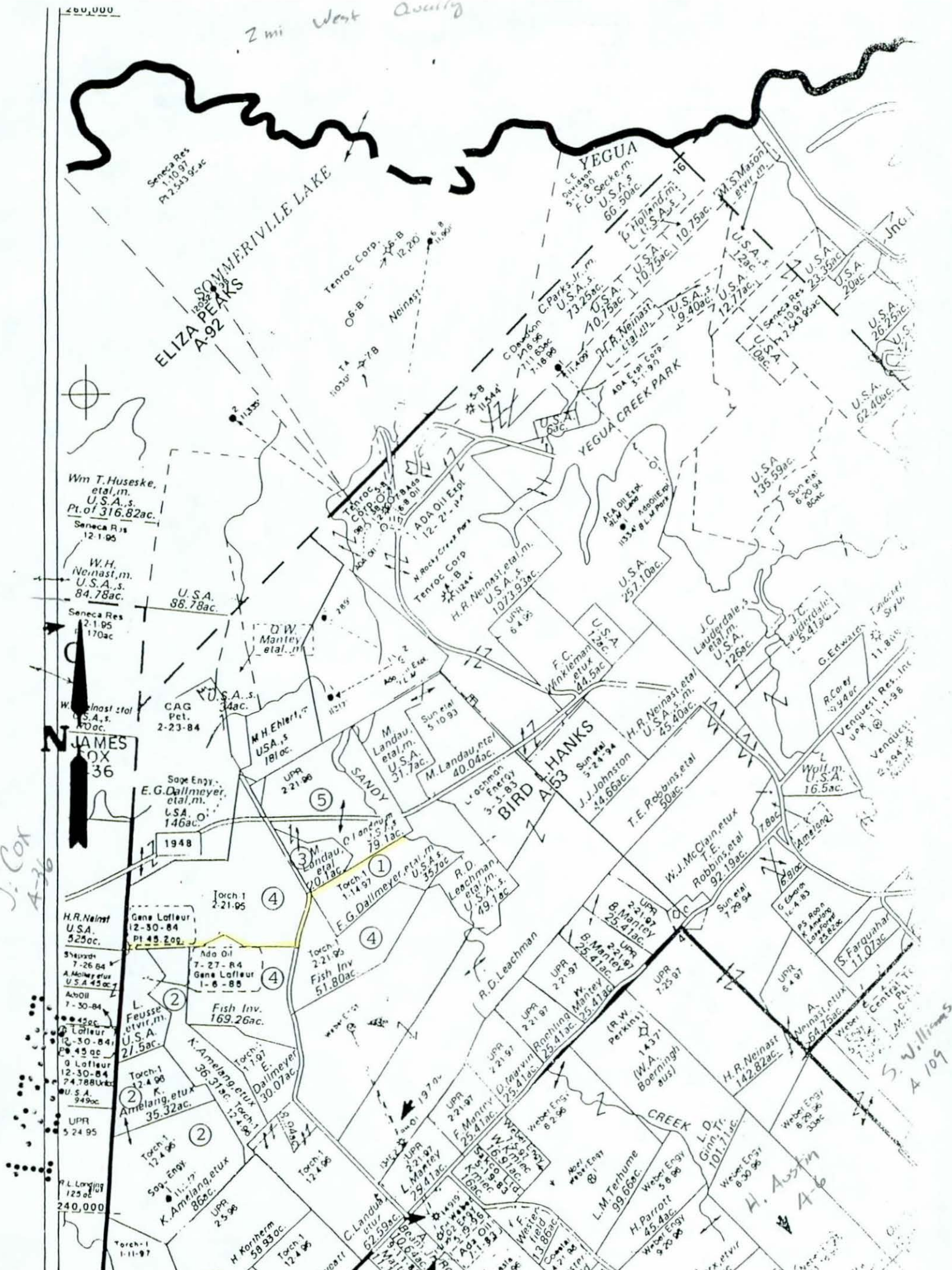
K
2/2/97



(3) MF 97877
ITEM Letter
FO _____
FROM _____
DATE 1/21/97



2 mi West Quarry



Proposed GLO Lease
4.9223 acres

B.C. HANKS Sur. A-53
 Washington Co.

> ABANDONED ROAD (NO NAME OR #)

J. Cox
 A-96

S. Williams
 A 109

JAMES
 COX
 36

CREEK

H. Austin
 A-6

(4.) MF 97877
ITEM PIAT
TO _____
FROM _____
DATE _____

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(2 - 1000000) 1000000

WAIVER OF STATUTORY NOTICE

STATE OF TEXAS

COUNTY OF WASHINGTON

WHEREAS, Union Pacific Resources Company of Fort Worth, Texas, proposes to exercise its preferential right to lease certain lands underneath an abandoned, unnamed, 30 foot wide road County Road, Washington County, Texas, and hereby waives the Statutory Notice of the intent of the State of Texas of lease of which it is entitled.

EXECUTED, this 21st day of January, 1997.

UNION PACIFIC RESOURCES COMPANY

By: Manning Reed
Manning Reed, agent

4537

⑤ MF 97877
ITEM Waiver
TO _____
FROM _____
DATE 1/21/97

4521

AFFIDAVIT OF FACT

STATE OF TEXAS

COUNTY OF WASHINGTON

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Manning Reed, to me well known to be a credible person, and who, after being by me duly sworn, on his oath did state:

I have been advised by Union Pacific Resources Company that the following mineral owners received the following consideration for their respective oil and gas leases, being:

Lessor: Erwin O. Dallmeyer et al
Lessee: C.A.G. Petroleum Corp.
Bonus per acre: \$100.00
Rental per acre: \$5.00
Term: Five (5) years from February 23, 1979
Royalty: 1/6
Recorded: Volume 376, Page 632

Lessor: Karl Andrew Amelang et al
Lessee: Torch-I Development Drilling Program Ltd.
Bonus per acre: \$55.00
Rental per acre: \$5.00
Term: Three (3) years from December 4, 1993
Extended to Five (5) years from said date
Royalty: 1/6
Recorded: Volume 731, Page 773

Lessor: Otto Charles Landua et al
Lessee: Union Pacific Resources Company
Bonus per acre: \$50.00
Rental per acre: Paid-up lease
Term: One (1) year from April 23, 1996
Royalty: 1/6
Recorded: Volume 822, Page 508

Lessor: Fish Investment LLC et al
Lessee: Union Pacific Resources Company
Bonus per acre: \$0.00
Rental per acre: \$0.00
Term: Six (6) months from October 28, 1996
Royalty: 18.0%
Recorded: Volume 846, Page 122 Memorandum

Lessor: Bureau of Land Management
Lessee: Caddis Resources, Inc.
Bonus per acre: \$78.55
Rental per acre: \$1.50 first five yrs., \$2.00 thereafter
Term: Ten (10) years from March 1, 1994
Royalty: 12.5%
Recorded: Volume 731, Page 762

END OF STATEMENT.

Manning Reed
MANNING REED, agent for Union
Pacific Resources Company

SUBSCRIBED AND SWORN TO BEFORE ME, this 21st day of January, 1997.



Verna Lammers
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF WASHINGTON

This instrument was acknowledged before me, this 21st day of January, 1997, by Manning Reed.

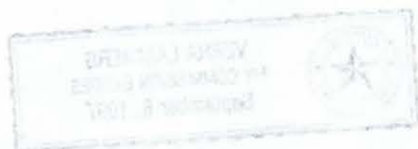
Verna Lammers
Notary Public, State of Texas



105

① MF 97877
ITEM Affidavit
TO _____
FROM _____
DATE 1/21/97

Handwritten notes:
7002
Hester Shuman



NAMES AND ADDRESSES OF ADJACENT MINERAL OWNERS:

- TRACT 1: 35.7 acres, Erwin O. Dallmeyer et al
Union Pacific Resources Company
P. O. Box 7
Fort Worth, Texas 76101
- TRACT 2: 161.6 acres, Karl Amelang et al
Union Pacific Resources Company
P. O. Box 7
Fort Worth, Texas 76101
- TRACT 3: 20.9 acres, Otto C. Landua
Union Pacific Resources Company
P. O. Box 7
Fort Worth, Texas 76101
- TRACT 4: 225.49 acres, Fish Investment LLC
Union Pacific Resources Company
P. O. Box 7
Fort Worth, Texas 76101
- TRACT 5: 100.6 acres, United States
Department of the Interior
Bureau of Land Management
Union Pacific Resources Company
P. O. Box 7
Fort Worth, Texas 76101



(7)

MF 97877
ITEM Mailing List
TO _____
FROM _____
DATE 1/21/97

4
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2
1

JONES & ZWIENER, INC.
PROFESSIONAL LAND SERVICES
1300 MAIN STREET, SUITE 1920
HOUSTON, TEXAS 77002-6813

TEL (713) 650-0903
FAX (713) 650 3547

January 21, 1997

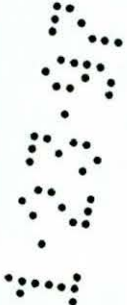
LANDMAN'S STATEMENT

In connection with the preparation of certain Oil, Gas and Mineral Leases for my client, Union Pacific Resources Company, I have reviewed the following: A Deed dated August 30, 1918 from Robert Landua et al to W. R. Ewing, County Judge of Washington County, Texas, acting for and in behalf of Washington County, Texas. A copy of said Deed is attached hereto for your examination.

The Deed listed above contains a granting clause which in my opinion unequivocally grants and conveys to Washington County, Texas, a fee simple interest in 10.02 acres in, on and under an unnamed County Road in the B. L. Hanks Survey, A-53, Washington County, Texas. Therefore, based on my review of the Deeds, it appears that fee simple title to the surface and mineral estate of the property is vested in Washington County, Texas, by virtue of said Deed.

END OF STATEMENT.


Manning Reed CPL



1046

respectively with interest from date at the rate of 8% per annum, until paid, interest due and payable annually, with the ^{usual} covenants that a failure to pay either note or any installment of interest when due shall mature all of said notes at once at the option of the owner thereof, and if placed in the hands of an attorney for collection, after maturity the ten per cent shall be added to the same as attorneys fees, have granted sold and conveyed, and by these presents, do grant, sell and convey, unto the said Martin Meleski, of Washington County, Texas, all of that certain tract of land situated Washington County, Texas, lying on the north side of Caney Creek in the Woellakey League, and described as follows, to wit:

Beginning in the center of Caney Creek from which point an ash tree marked T. bears N.23 W.8-1/2 Vs. another ash 8 inches in diameter marked A. bears N.17-1/2 E.10-2/5 vs. then N.1/2 W. with the west line of S.F. Adams 180 acre tract 2156-2/5 vs. to stake for corner, Then S.80 W.409 vs. to stake for N.W. corner of this tract and N.E. corner of a 151 acre tract belonging to Mrs. M.E. Armstrong. Then S.1/2 E. with said Armstrong line 1533 vs. to center of Caney Creek, from which point an elm marked X. bears N.17 W. 9 vs. another marked X. bears N.9 W. 11-2/5 vs. Then down Caney Creek thence N.74-1/2 E.280 feet. S.55-1/4 E.248 feet S.1/2 W. 527 feet, S.17 E.161 feet, S.24-1/4 E.100 feet, S.42 E.98 feet, S.56 E.99 feet, S.34 E.108 feet, S.23-1/4 E.278 feet S.55-3/4 E.168 feet S.88-1/2 E.134 feet, to the place of beginning, containing 130-1/8 acre of land, more or less.

To have and to hold the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said Martin Meleski, his heirs and assigns, forever, and I do hereby bind myself, my heirs, executors and administrators to warrant and forever defend, all and singular the said premises unto the said Martin Meleski, his heirs and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof.

But it is expressly agreed and stipulated that the Vendors lien is hereby retained against the above described property, premises and improvements, until the above described notes and all interest thereon are paid according to their face and tenor, effect and reading when this deed shall become absolute.

Witness my hand this the 1st day of October, A.D. 1918.

\$9.50 Rev.

MRS. L.A. TOTTENHAM.

THE STATE OF TEXAS.

WASHINGTON] Before me R.E. Pennington, a notary public in and for Washington County, Texas on this day personally appeared Mrs. L.A. Tottenham, a feme sole, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given Under my hand and seal of office, this the 1st day of October A.D. 1918.

R.E. PENNINGTON, NOTARY PUBLIC IN AND FOR
Washington County, Texas.

(seal)

Filed for record Oct-1, A.D. 1918 at 4 o'clock, --- P.M. GREEN MORGAN, C.C.C.W.C.

Recorded Oct-1, A.D. 1918 at 4:30 o'clock, --- P.M. BY A. J. Mendt Deputy.

DEED- CHAS. HEINE ET AL TO WASHINGTON COUNTY.

THE STATE OF TEXAS.

COUNTY OF WASHINGTON) KNOW ALL MEN BY THESE PRESENTS: That we, H.J. Heinast, F.W. Schuereberg, R.A. Schuereberg, Mrs. Mary Molke, a feme sole, Robert Landua, Chas.

Heine, Jewel Strucke, Louis Landua, Willis Landua & Alb. Landua of the County of Washington, and State of Texas, for and in consideration of the sum of Two Hundred & Forty three & 59/100 Dollars to us in hand paid by the Treasurer of Washington County, Texas, as follows:

72/279 DR

To H.J.Meinast, for 1-17/100 acres of the Jas.Cox League - - - - -	\$23.40
To F.W.Schuerenberg & R .A.Schuerenberg for 1-54/100 acres of the Jas. Cox League	30.80
To Mrs. Mary Molke for 31/100 of an a cre of the Jas.Cox League (by agreement-	50.00
To Robert Landua for 3/4 of an acre B.L.Hanks League- - - - -	15.00
To Chas. Heine for 2-1/3 acres " " - - - - -	46.60
To Millie Landua for Landua Heirs,for 2/3 acres " - - - - -	13.30
To Jewel Struke for 1-31/100 acres " - - - - -	26.20
To Louis Landua for 1-95/100 " - - - - -	39.30
	\$247.59

Have granted Sold and Conveyed and by these presents do Grant, Sell and Convey, unto the said W.R.Ewing, County Judge and acting for and in behalf of Washington County, Texas, of the County of Washington, and State of Texas, all that certain lot or parcel of land for public road purposes, lying and being situated in Washington Co. Texas, and part of th the Jas. Cox & B.L.Hanks, League, and described by the following field notes and plat hereto attached. Beginning at the S.W. corner of H.J.Meinast 704-7 acre tract in Mrs. Mary Molkes North line & where the roads will cross. Thence S.85 E. at 812 pass common corner of the Meinast and Schuerenberg tracts, on West side of Jordell creek, at 810 yrs. more to common corner of the Schuerenberg & Mrs. Mary Molke tracts in West line of the B.L. Hanks league taking 30 ft. road along the above line from lands owned by H.J.Meinast & F.W.&R.A.Schuerenberg at the creek however, as small piece of land is taken from Mrs. Mary Molke, starting at a point on the East side of the creek and in the Schuerenberg South line N.85 E. 682 yrs. from their corner in the Hanks West League line. Thence S. 72-1/2 W.27 varas to corner. Thence West 92 yrs. to North edge of a Mulberry stump on east bank of Jordoll creek. Thence N.54 W.35 yrs. to corner on a small elm tree in the line, thence with her North line S.85 crossing through the creek to the beginning containing 31/100 of an acre of land. Thence with sd Hanks & Jas. Cox League line N.5 E. about 12 yrs. to corner of Chas. Heine & Robert Landua tract. Thence with their line S.88-1/4 E.384 yrs. to N.E. corner of sd. Robert Landua tract. Chas. Landua to furnish land for the 30 ft. road from the Schuerenberg cor. in the League line to the last above corner. Said corner being also Jewel Struckes corner & in Chas. Heines South line. Thence N. 64-1/4 E. (taking the 30 ft. road from Chas. Heines land on north side this & the following lines called) 135 yrs. to corner. Thence S.61 E. 133 yrs. to corner in Heine & Jewel Struckes line. Thence with sd. line S.88-1/4 E. 180 yrs. here the road is widened to 60 feet on the North at 128 yrs. more to a Black Jack line tree on East side of a Deep Hollow. The road reduced to 30 ft. at 124 yrs. more Chas. Heines corner also a corner of Jewel Struckes tract. Thence with sd Struckes west line & East line of a 30 ft. road belonging to six heirs of Louis Landua deceased, N.3-1/2 W.89.6 yrs. to corner and N.18-3/4 E.255 yrs. to corner of Jewel Strucke & Otto Landus 100 acre tract. The 30 ft. road belonging to the Landua six heirs to be taken for this road on west side east two calls. Thence with Otto Landuas S.E. line and taking the 30ft. road from land owned by Jewel Struck S.E. side of the following line N.60-2/3 E. at 640 yrs. to point 36 yrs. from strucks corner in creek. Thence road to be 40ft. wide to sd. cor in the creek and continuing same course 72 yrs. more to corner of Otto Landua 100 acre tract and a corner of Louis Landus tract sd. road to continue 40 ft. along sd. line of 72 yrs. Thence N.30 W.135 yrs. & N.59 E.767 yrs. to corner of sd Otto Landuas 73-2/3 acre tract & corner of Louis Landua tract in the division line of the League the sd. Louis Landua to furnish land for the 30 ft. road along the last two lines as well as land for the 40 ft. road along the -line of 72 yrs. just before containing an area of 3.02 acres of ### the Jas. Cox League and 6-96/100 acres of the B.L.Hanks League, and 9-98/100 acres in all.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said W.R. King, Co. Judge & his successors in said office heirs and assigns forever. and we do hereby bind ourselves our heirs, executors and administrators to warrant and forever defend all and singular the said premises unto the said W.R. King, Co. Judge & his successors in said office, heirs and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof;

Each party hereto only warrants the title to the land owned by him & herein conveyed and not to any of the land herein conveyed but owned by other parties.

R.A. SCHUERENBERG.

F.W. SCHUERENBERG.

Witness our hands at Burton, Texas, this 30th day of August A.D. 1918.

JEWEL STRUCK.
ALBERT LANDUA.
WILLIE LANDUA
ROBERT LANDUA.
LOUIS LANDUA
CHAS. HEINE, her
MRS. MARY X MELKE.
mark
H.J. NEINAST.

THE STATE OF TEXAS.

COUNTY OF WASHINGTON: Before me, F.A. Homeyer, a Justice of the Peace and Ex-Officio Notary Public in and for Washington County, Texas, on this day personally appeared Jewel Struck, and Albert Landua and Willie Landua, and Robert Landua and Louis Landua, and Chas. Heine, known to me to be the persons whose names are subscribed to the foregoing instrument, and severally acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 30th day of August A.D. 1918.

(seal) F.A. HOMEYER, A J.P. & EX. OFFICIO NOTARY PUBLIC IN AND FOR
Washington County, Texas.

THE STATE OF TEXAS.

COUNTY OF WASHINGTON: Before me, F.A. Homeyer, a Justice of the Peace and Ex-Officio Notary Public in and for Washington County, Texas, on this day personally appeared Mrs. Mary Malke a feme sole, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 4th day of September A.D. 1918.

(seal) F.A. HOMEYER, J.P. AND EX. OFFICIO NOTARY PUBLIC
In and for Washington County, Texas.

THE STATE OF TEXAS.

COUNTY OF WASHINGTON: Before me, W.H. Bouldin, Clerk of the District Court of Washington County, Texas, on this day personally appeared F.W. Schuerenberg, R.A. Schuerenberg and H.J. Neinast, each of whom are personally known to me to be the persons whose names are subscribed to the above and foregoing instrument, and each of whom acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of said County at Brenham, this the 9th day of September, A.D. 1918.

(seal)

W.H. BOULDIN, CLERK OF THE DISTRICT COURT
WASHINGTON COUNTY, TEXAS.

Filed for record Oct. 2, A.D. 1918, at 9 O'clock, --- A.M. GREEN MORGAN, C.C.C. & C.

Recorded Oct. 3, A.D. 1918 at 1 O'clock, ----- P.M. BY W.J. Wendt Deputy.

8.

MF 97877
ITEM Landman's Statement
TO _____
FROM _____
DATE 1/21/97

555

POUND PRINTING & STATIONERY COMPANY
2325 FANNIN, HOUSTON, TEXAS 77002, (713) 659-3159

Producers 58 (7-69)
With 640 Acres Pooling Provision

OIL, GAS AND MINERAL LEASE

1977

THIS AGREEMENT made this 23 day of FEB, 1977, between
Edwin A. Dallmeyer & wife, Adilee Dallmeyer; Maxwell D. Wendt & wife; her
Robbins W. R. Wendt & Marie D. Wendt, A widow

lessor (whether one or more), whose address is: Burton, TEXAS
and C.A.G. Petroleum Corp., Lessee, WITNESSETH:

1. Lessor, in consideration of 412.00 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 WASHINGTON, State of TEXAS, and is described as follows:

See Exhibit "A" attached.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus, delay rental or other payment hereunder, said land shall be deemed to contain 134.50 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus and agrees to accept the delay rental as lump sum considerations for this lease and all rights and options hereunder.

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

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

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

Burton State Bank at BURTON TEXAS, or its successors, which shall continue as the depository, regardless of changes in ownership of delay rental, royalties, or other moneys, the sum of

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

376/632 DR

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

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

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

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

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but lessor agrees that lessee shall have the right at any time to pay or reduce same for lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not), or no interest therein, then the royalties, delay rental, and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not covered by lessor's lease) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether or not he or she is one of 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 the shut-in well provisions of paragraph 3 hereof, and lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, whether or not subsequently determined to be invalid or (2) any other cause, whether similar or dissimilar, (except financial beyond the reasonable control of lessee, the primary term and the delay rental provisions hereof shall be extended until the first anniversary date hereof occurring, ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

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

Erwin O. Dallmeier [Redacted] *W.R. Wendt* [Redacted]
Marie D. Longner [Redacted] *Maybelle Wendt* [Redacted]

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

Before me, the undersigned authority, on this day personally appeared Erwin O. Dallmeier and Marie D. Longner
 known to me to be the persons whose name is (are) subscribed to the foregoing instrument, and acknowledged to me that they executed the same as free act and deed for the purposes and consideration therein expressed.

Given under my hand and seal of office this 27th day of February, 1979.
 My Commission Expires _____
E. J. Muehlbard
 Notary Public in and for Washington County, State of Texas

STATE OF Texas INDIVIDUAL ACKNOWLEDGMENT—TEXAS OR NEW MEXICO
 COUNTY OF Washington

Before me, the undersigned authority, on this day personally appeared Marie D. Longner
 known to me to be the person whose name is (are) subscribed to the foregoing instrument, and acknowledged to me that she executed the same as free act and deed for the purposes and consideration therein expressed.

Given under my hand and seal of office this 27th day of February, 1979.
 My Commission Expires _____
E. J. Muehlbard
 Notary Public in and for Washington County, State of Texas

STATE OF LOUISIANA HUSBAND AND WIFE ACKNOWLEDGMENT—TEXAS OR NEW MEXICO
 COUNTY OF CADDO

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

Given under my hand and seal of office this 27 day of FEB, 1979.
 My Commission Expires _____
Vernon D. Adams
 Notary Public in and for CADDO County, State of LA

Oil, Gas and Sulphur
 This instrument was recorded on _____ day of _____, 19____, at _____ o'clock of the _____ day of _____, 19____.
 Produced by 88 (7-82) With 50 Acres Pool

SOMERVILLE RESERVOIR
WASHINGTON COUNTY, TEXAS

ERWIN O.

TRACT NO: 312-1

OWNER: William Dallmeyer, et al

ACREAGE: 146.00

A tract of land situated in the County of Washington, State of Texas, being part of the Bird L. Hanks Survey (A-53) and part of the Eliza Peaks Survey (A-92) and being more particularly described as follows, all bearings being referred to the Texas Plane Coordinate System, Central Zone:

FROM the corner common to the Stephen F. Austin Survey (A-7) and the Henry Austin Survey (A-6), situated in a southeasterly boundary line for said Hanks Survey, north $20^{\circ}51'$ west, 8150 feet to a Government marker for the point of beginning, said point of beginning being situated in the common line between the ~~William~~ ERWIN O. Dallmeyer, and the H. R. Neinast properties, same being the common line between said Hanks Survey and the James Cox Survey (A-36) and being located south $60^{\circ}15'$ west, 866.53 feet from a Government marker;

THENCE along the common line between said Dallmeyer property on the right and H. R. Neinast and the W. W. Neinast properties on the left, same being the common line between said Hanks and Peaks Surveys on the right and Cox Survey on the left, north $02^{\circ}40'$ east, 4713 feet to a point for the corner common to said Dallmeyer, W. W. Neinast, the Anita Neinast and the J. P. Neinast Estate properties, said point also being a re-entrant corner for said Peaks Survey and the northeast corner for said Cox Survey;

THENCE along the common line between said Dallmeyer and J. P. Neinast Estate properties, south $87^{\circ}20'$ east, 1367 feet to a point for the corner common to said Dallmeyer, J. P. Neinast Estate and the Wilburn Mantey, et al properties situated in the common line between said Hanks and Peaks Surveys;

THENCE along the common line between said Dallmeyer and Mantey properties as follows: south $13^{\circ}55'$ west, 869.40 feet to a point;

THENCE south $06^{\circ}20'$ west, 300 feet, more or less, to a point in the centerline of a slough, said point being a re-entrant corner for said Mantey property;

THENCE upstream with the meanders of the centerline for said slough in a southwesterly direction approximately 270 feet to a point for a re-entrant corner for said Dallmeyer property;

THENCE south $35^{\circ}50'$ east, 519 feet, more or less, to a point for a re-entrant corner for said Mantey property;

THENCE south $05^{\circ}50'$ east, 783 feet to a point for a re-entrant corner for said Dallmeyer property;

THENCE south $32^{\circ}34'$ east, 327.8 feet to a point for a re-entrant corner for said Dallmeyer property and the southernmost corner for said Mantey property;

(over)

Exhibit A-1

312-1

WASHINGTON COUNTY, TEXAS

TRACT NO: 312-2

OWNER: ^{ERWIND} ~~William~~ Dallmeyer, ^{et al} ACREAGE: 35.7

A tract of land situated in the County of Washington, State of Texas, being part of the Bird L. Hanks Survey (A-53) and being more particularly described as follows, all bearings being referred to the Texas Plane Coordinate System, Central Zone:

FROM the corner common to the Stephen F. Austin Survey (A-7) and the Henry Austin Survey (A-6) situated in a south-easterly boundary line for said Hanks Survey, north $15^{\circ}30'$ east, 7700 feet to a Government marker for the point of beginning, said point of beginning being situated in the common line between the ~~William~~ ^{ERWIND} Dallmeyer, ^{et al} property and the Robert D. Leachman, et ux property and being located south $64^{\circ}16'$ west, 281.12 feet from a Government marker;

THENCE north $73^{\circ}43'$ west, 479.85 feet to a Government marker;

THENCE south $49^{\circ}38'$ west, 1390.16 feet to a Government marker;

THENCE north $33^{\circ}09'$ west, 792.37 feet to a Government marker for a re-entrant corner for said ~~William~~ ^{ERWIND} Dallmeyer, ^{et al} property and the southernmost corner of the Otto Landua property;

THENCE along the common line between said Dallmeyer and Otto Landua properties north $58^{\circ}18'$ east, 1800 feet, more or less, to a point in the centerline of a creek, said point being the corner common to said Dallmeyer and Leachman properties;

THENCE along the common line between said Dallmeyer and Leachman properties as follows: downstream with the meanders of the centerline for said creek in an easterly direction, approximately 1300 feet to a point for the easternmost corner for said Dallmeyer property and a re-entrant corner for said Leachman property;

THENCE south $49^{\circ}10'$ west, 515 feet, more or less, to a point for a re-entrant corner for said Dallmeyer property;

THENCE south $29^{\circ}10'$ west, 308 feet to the point of beginning, containing 35.7 acres, more or less.

312-2

Exhibit A - 2

Reserving, however, to the Vendor, his heirs, successors,
and assigns, all oil and gas and other minerals in and under
said herein described lands, with full rights of ingress and
egress for exploration, development, production, and removal
of said oil and gas and other minerals, provided that the
said oil and gas and other minerals so reserved are subordi-
nated to the prior right of the United States to flood and
submerge the lands as may be necessary in the construction,
operation and maintenance of the Scoville Reservoir Project
provided that any exploration and development of such rights
shall be subject to Federal and State Laws with respect to
pollution of the waters of the Reservoir; provided further
that the District Engineer, U. S. Army Engineer District,
Fort Worth, or his duly authorized representative shall
approve, in furtherance of the exploration and/or develop-
ment of such reserved interest, the type of any structure
and/or appurtenances thereto now existing or to be erected
or constructed in connection with such exploration and/or
development, said structures and/or appurtenances thereto
not to be of a material determined to create floatable
debris.

EXHIBIT "B"

WASHINGTON COUNTY

TRACT NO: 312E-1 OWNER: *ERW, et al* William Dallmeyer, et al ACREAGE: 1.13

A tract of land situated in the County of Washington, State of Texas, being part of the Bird L. Hanks Survey (A-53) and being all that portion of the following described tract of land lying below elevation 263 feet, mean sea level, and being more particularly described as follows, all bearings being referred to the Texas Plane Coordinate System, Central Zone:

FROM the corner common to the Stephen F. Austin Survey (A-7) and the Henry Austin (A-6), situated in a southeasterly boundary line for said Hanks Survey north 03°58' west, 8520 feet to a Government marker for the point of beginning, said point of beginning being situated in the common line between the *ERW, et al* Dallmeyer and the Otto Landua property and being located north ... feet from a Government marker;

THENCE severing the lands of the subject owner along and with a contour having an elevation of 263 feet, mean sea level, in a general northwesterly and northeasterly direction the following approximate bearings and distances: north 73°00' west, 460 feet; north 46°00' east, 302 feet to a Government marker situated in the common line between said Dallmeyer and Landua properties;

THENCE departing from the severance line along said contour, along the common line between said Dallmeyer and Landua properties, south 32°34' east, 414.7 feet to the point of beginning, containing 1.39 acres, more or less;

the net area hereing described lying below elevation 263 feet, mean sea level, containing 1.13 acres, more or less.

W. Dallmeyer
et al

312E-1

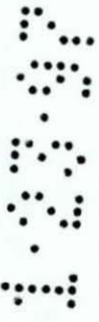


Exhibit A-1

E-1

WASHINGTON COUNTY, TEXAS

TRACT NO: 312E-2

OWNER: ^{ERWIND.} ~~William~~ Dallmeyer, et al

ACREAGE: 0.18

A tract of land situated in the County of Washington, State of Texas, being part of the Bird L. Hanks Survey (A-53) and being all that portion of the following described tract of land lying below elevation 263 feet, mean sea level, and being more particularly described as follows, all bearings being referred to the Texas Plane Coordinate System, Central Zone:

FROM the corner common to the Stephen F. Austin Survey (A-7) and the Henry Austin Survey (A-6) situated in a southeasterly boundary line for said Hanks Survey, north $20^{\circ}51'$ west, 8150 feet to a Government marker situated in the common line between the ~~William~~ ^{ERWIND.} Dallmeyer, et al and the H. R. Heinast properties, same being the common line between said Hanks Survey and the James Cox Survey (A-36) and being located south $60^{\circ}15'$ west, 866.53 feet from a Government marker;

THENCE south $02^{\circ}27'$ west, 328 feet to the point of beginning, said point of beginning being situated in said common line;

THENCE severing the lands of the subject owner along and with contour having an elevation of 263 feet, mean sea level, in a general southeasterly and southwesterly direction the following approximate bearings and distances: south $71^{\circ}00'$ east 232 feet; south $72^{\circ}00'$ west, 238 feet to a point in said common line;

THENCE departing from the severance line along said contour, along said common line, north $02^{\circ}27'$ east, 150 feet to the point of beginning, containing 0.38 acre, more or less;

The net area herein described lying below elevation 263 feet, mean sea level, containing 0.18 acre, more or less.

312E-2

EXHIBIT A - 2

E-2

TRACT NO: 312E-3

OWNER: ~~Walter~~ Dallmeyer, et al

ACREAGE: 0.38

A tract of land situated in the County of Washington, State of Texas, being part of the Bird L. Hanks Survey (A-53) and being all that portion of the following described tract of land lying below elevation 263 feet, mean sea level, and being more particularly described as follows, all bearings being referred to the Texas Plane Coordinate System, Central Zone:

FROM the corner common to the Stephen F. Austin Survey (A-7) and the Henry Austin (A-6) situated in a southeasterly boundary line for said Hanks Survey, north $20^{\circ}51'$ west, 8150 feet to a Government marker situated in the common line between the ~~Walter~~ Dallmeyer, et al and the H. R. Neinast properties, same being the common line between said Hanks Survey and the James Cox Survey (A-36);

THENCE along said common line south $02^{\circ}27'$ west, 1225.97 feet to a 30-inch oak tree for the point of beginning, said point of beginning being the corner common to said Dallmeyer and the Ben F. Kettler, et al properties;

THENCE along the common line between said Dallmeyer and Neinast properties, same being the common line between said Hanks and Cox Surveys, north $02^{\circ}27'$ east, 65 feet to a point;

THENCE severing the lands of the subject owner along and with a contour having an elevation of 263 feet, mean sea level, in a general northeasterly and southwesterly direction the following approximate bearings and distances: north $72^{\circ}00'$ east, 490 feet; south $26^{\circ}00'$ west, 230 feet to a Government marker situated in the common line between said Dallmeyer and Kettler properties and being located north $37^{\circ}01'$ west, 585.88 feet from a Government marker;

THENCE departing from the severance line along said contour, along the common line between said Dallmeyer and Kettler properties, south $88^{\circ}48'$ west, 363.71 feet to the point of beginning, containing 1.20 acres, more or less;

the net area herein described lying below elevation 263 feet, mean sea level, containing 0.38 acre, more or less.

312E-3

EXHIBIT A-3

E-3

TRACT NO: 312E-4

~~WILLIAM DALLMEYER, et al~~ *William Dallmeyer, et al*

ACREAGE: 0.92

A tract of land situated in the County of Washington, State of Texas, being part of the Bird L. Hanks Survey (A-53) and being more particularly described as follows, all bearings being referred to the Texas Plane Coordinate System, Central Zone:

FROM the corner common to the Stephen F. Austin Survey (A-7) and the Henry Austin Survey (A-6) situated in a southeasterly boundary line for said Hanks Survey, north $15^{\circ}30'$ east, 7700 feet to a Government marker situated in the common line between the ~~William Dallmeyer~~ *William Dallmeyer* property and the Robert D. Leachman, et ux property and being located south $64^{\circ}16'$ west, 281.12 feet from a Government marker;

THENCE north $73^{\circ}43'$ west, 72 feet to the point of beginning, said point of beginning being situated in a southerly boundary line for a tract of land designated as Tract No. 312-2 for Somerville Reservoir;

THENCE severing the lands of the subject owner along and with a contour having an elevation of 263 feet, mean sea level, in a general southwesterly and northwesterly direction the following approximate bearings and distances: south $28^{\circ}00'$ west, 385 feet; north $04^{\circ}00'$ west, 400 feet to a point in the southerly boundary line for said Tract No. 312-2;

THENCE departing from the severance line along said contour, along the southerly boundary line for said Tract No. 312-2, south $73^{\circ}43'$ east, 218 feet to the point of beginning, containing 0.94 acre, more or less,

the net area herein described lying below elevation 263 feet, mean sea level, containing 0.52 acre, more or less.

312E-4

Exhibit A-4

E-4

TRACT NO: 312E-5

OWNER: William Dallmeyer

A tract of land situated in the County of Washington, State of Texas, being part of the Bird L. Hanks Survey (A-53) and being all that portion of the following described tract of land lying below elevation 263 feet, mean sea level, and being more particularly described as follows, all bearings being referred to the Texas Plane Coordinate System, Central Zone:

FROM the corner common to the Stephen F. Austin Survey (A-7) and the Henry Austin Survey (A-6) situated in a southeasterly boundary line for said Hanks Survey, north 15°30' east, 7700 feet to a Government marker situated in the common line between the William Dallmeyer, et ux property and the Robert D. Leachman, et ux property and being located south 24°16' west, 281.12 feet from a Government marker;

THENCE north 73°43' west, 479.85 feet to a Government marker;

THENCE south 49°38' west, 430 feet to the point of beginning, said point of beginning being situated in a southeasterly boundary line for a tract of land designated as Tract No. 312-2 for Somerville Reservoir;

THENCE severing the lands of the subject owner along and with a contour having an elevation of 263 feet, mean sea level, in a general southeasterly and northwesterly direction the following approximate bearings and distances: south 57°00' east, 260 feet; south 19°00' east, 230 feet; north 56°00' west, 480 feet to a point in a southeasterly boundary line for said Tract No. 312-2;

THENCE departing from the severance line along said contour, along the southeasterly boundary line for said Tract No. 312-2, north 49°38' east, 140 feet to the point of beginning, containing 1.16 acres, more or less;

the net area herein described lying below elevation 263 feet, mean sea level, containing 0.59 acre, more or less.

Exhibit A - 5

E-5



FILED FOR RECORD ON THE 23 DAY OF APRIL A.D. 1979, AT 10:45 O'CLOCK A.M.
FILED RECORDED THIS THE 25 DAY OF April A.D. 1979, AT 8:25 O'CLOCK A.M.

GERTRUDE LEHRMANN, COUNTY CLERK
WASHINGTON COUNTY, TEXAS

BY Gale Huff DEPUTY

INSTRUMENT NO. 1407

ASSIGNMENT, BILL OF SALE AND CONVEYANCE OF INTEREST IN OIL AND GAS LEASE 7473

THE STATE OF TEXAS

COUNTY OF WASHINGTON

KNOW ALL MEN BY THESE PRESENTS:

For and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency are hereby acknowledged, NWH OPERATING, INC., 5530 Doe Run Lane, Brenham, Texas 77833, herein referred to as "Assignor" has SOLD, TRANSFERRED, ASSIGNED AND CONVEYED, and by these presents does SELL, TRANSFER, ASSIGN AND CONVEY unto UNION PACIFIC RESOURCES COMPANY, 801 Cherry Street, Fort Worth, Texas 76102 herein referred to as "Assignee", subject to the exceptions, conditions, reservations and limitations herein contained, all of the Assignor's right, title and interest in and to all Oil, Gas and Mineral Leases described on Exhibit "A" attached hereto, herein called "Leases", located in Washington County, in the Assignor's interest in and to: all oil and /or gas wells located on the lands covered by such Leases or on lands pooled therewith, all of the machinery, equipment and all of the personal property, whether surface or subsurface, including all easements, rights of access and appurtenances used or obtained in connection with the leasehold estate created by the Leases.

This Assignment shall be effective as of 7:00 a.m. on November 1, 1996 (the "Effective Date"), and Assignee shall be entitled to all proceeds of sale or oil and gas produced, and bear all responsibility, liability and expenses of operations incurred, after that date.

This Assignment is made subject to the following reservations, exceptions, conditions, limitations, terms and provisions.

1) All terms and provisions of , and the royalty reserved in, the Leases creating the leasehold estate assigned hereby, together with any assignment, agreements, or assignments thereof, prior to or executed in connection with the vesting of title in the Assignors to said Leases, which are of record prior to the effective date in the county where such Leases are located.

2) All other valid and subsisting royalties, overriding royalty interests, reversionary interests, production payments and other like burdens to which the Leases hereby conveyed and assigned are encumbered and which are of record prior to the effective date in the county where such Leases are located.

3) Letter Agreement dated October 30, 1996 between NWH Operating , Inc. and Sage Energy Company and Gas Purchase currently in effect as to such Leases.

4) Any reservations and restrictions filed of record prior to the effective date in the real property records of the County Clerk where the lands covered by the Leases are located, to the extent the same may be of force and effect to such lands and leases.

5)a. Assignor shall be responsible for all costs, expenses, losses, claims, damages, demands, lawsuits and liabilities pertaining to the Leases and wells and the Operation thereof including without limitation, any Environmental Claim, which shall mean a third party (including private parties, governmental agencies, and employees) action, lawsuit, claim, or proceeding relating to the leases and wells which seeks to impose liability for (i) noise; (ii) pollution or contamination of the air, surface water, groundwater or land; (iii) solid, gaseous, or liquid waste generation, handling, treatment, storage, disposal or transportation; (iv) exposure to hazardous or toxic substances, or (v) noncompliance with any environmental law or regulation promulgated by any federal, state, or local regulatory or administrative agency, board, or authority including, but not limited to, compliance with the Clean Air Act, the Clean Water Act, the Resource Conservation Recovery Act ("RCRA"), the Comprehensive Environmental Response Compensation and Liability Act, and the Toxic Substance Control Act, associated with or arising out of operations conducted prior to the Effective Date, no

matter when asserted. Assignor shall defend, indemnify and hold Assignee, its Successors and assigns, harmless from any breach of the foregoing covenant.

5)b. Assignee shall be responsible for all of the items referred to in the preceding subparagraph to the extent that they arise out of or pertain to operations conducted after the Effective Date including, without limitation, the obligation to plug and abandon the well in accordance with controlling statutes, rules, and regulations. Assignee shall defend, indemnify, and hold Assignor harmless from any breach of the foregoing covenant.

6)This Assignment is made without warranty of title, express or implied, but with full subrogation and substitution in and to all of Assignor's actions in warranty.

7)All of the exceptions, reservations, conditions, limitations, terms and provisions of the Assignment shall be considered covenants running with the lands and Leases herein described and conveyed and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

8)Any or all personal property assigned hereby is sold and transferred by Assignor to Assignee "AS IS" and "WHERE IS" WITH ALL FAULTS AND DEFECTS, WITHOUT RECOURSE BY ASSIGNEE, ITS SUCCESSORS AND/OR ASSIGNS, AGAINST ASSIGNOR, AND WITHOUT COVENANT, REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS, IMPLIED, OR STATUTORY; AND WITHOUT LIMITATION OF THE GENERALITY OF THE IMMEDIATELY PRECEDING CLAUSE, ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES (a) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (b) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE AND (c) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS.

EXECUTED this 27 day of November, 1996, but effective as of the EFFECTIVE DATE.

NWH OPERATING, INC.

By: Nelson W Hampton
Nelson W. Hampton

STATE OF TEXAS
COUNTY OF WASHINGTON

This instrument was acknowledged before me on November 27, 1996, by Nelson W. Hampton of NWH OPERATING, INC.



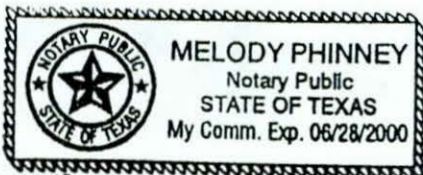
Verna Lammers
Notary Public

UNION PACIFIC RESOURCES COMPANY

By: Carolyn J. Dux
Attorney-in-Fact

STATE OF TEXAS
COUNTY OF TARRANT

This instrument was acknowledged before me on November 9, 1996, by Carolyn J. Dux, Attorney-in-Fact of UNION PACIFIC RESOURCES COMPANY a Delaware corporation, on behalf of said corporation.



Melody Phinney
Notary Public

EXHIBIT "A"

Attached to and made a part of that certain Assignment, Bill of Sale and Conveyance effective November 1, 1996, from NWH Operating, Inc. to Union Pacific Resources Company.

Dallmeyer #1
Washington County, Texas

Leases:

- 1. Oil, Gas and Mineral Lease dated February 23, 1979 from Edwin O. Dallmeyer, et al, as Lessors, to CAG Petroleum Corp., as Lessee, recorded in Volume 376, Page 632 of the Deed Records of Washington County, Texas.

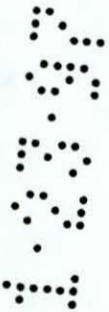
FILED
 AT 1:50 P.M.
 DEC 13 1996 LOR
 Beth A. Rothermel
 BETH ROTHERMEL
 COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on:



DEC 16 1996
 Beth A. Rothermel
 Beth Rothermel, County Clerk
 Washington County, Texas



EXTENSION OF OIL, GAS AND MINERAL LEASE

STATE OF TEXAS ~
~
COUNTY OF WASHINGTON ~

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS, Union Pacific Resources Company, whose address is 801 Cherry Street, Fort Worth, Texas 76102, Adams Resources Exploration Corporation, Gary W. Rollins, Henry B. Tippie, John W. Rollins, Sr., Estate of O. Wayne Rollins and R. Randall Rollins, hereinafter referred to as "Lessee", whether one or more, is the present owner of that certain Oil, Gas and Mineral Lease, dated December 4, 1993, from Karl Andrew Amelang, Julia Amelang Brewster and Kathleen Adele Amelang Seger, Lessors, to Torch-I Development Drilling Program, Ltd., Lessee, recorded in Volume 731, Page 773, Official Records of Washington County, Texas, hereinafter referred to as "Lease"; and

WHEREAS, the Lease covers the following described lands located in Washington County, Texas, to-wit:

161.60 acres, more or less, part of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in that Deed dated September 3, 1980 from Karl J. Amelang and wife, Julia M. Amelang to Karl Andrew Amelang, Trustee, recorded in Volume 401, Page 83 of the Deed Records of Washington County, Texas.

WHEREAS, the owner(s) of the rights of the Lessor(s) under the Lease, hereinafter referred to as "Lessor", whether one or more, and Lessee desire to amend the Lease and extend the primary term thereof in the manner set out below.

NOW, THEREFORE, in consideration of Ten Dollars and No Cents (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned, as Lessor, does hereby revive said Lease and, as revived, amend and extend the primary term, as follows:

The primary term set out in Paragraph 2 of said Lease is hereby changed from three (3) years to five (5) years from December 4, 1993.

For the same consideration recited above, the Lessor does hereby revive the Lease and, as amended, does presently grant, lease and let all of the lands above-described to Lessee, subject to and under all the terms and provisions of said Lease; and such Lease is expressly affirmed, ratified and declared to be effective and binding for all purposes as of the date hereof. Lessor hereby further declares that said Lease, as amended, in all its terms and provisions is and remains a valid and subsisting Oil, Gas and Mineral Lease, and declares that said Lease is binding upon the Lessor, and Lessor's successors and assigns. The undersigned further agrees that no delay rental payment is required for the extended term of the lease.

In the event of conflict between the terms of the original Lease and the terms of this Extension, the terms of this extension shall control.

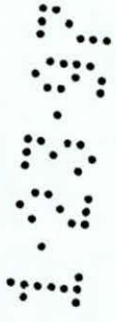
EXECUTED this the 23 day of December, 1996.

LESSOR:


KARL ANDREW AMELANG


JULIA AMELANG BREWSTER


KATHLEEN ADELE AMELANG SEGER



STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on the 18th day of December, 1996, by Karl Andrew Amelang.



Deborah D. Dunn
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on the 18th day of December, 1996, by Julia Amelang Brewster.



Deborah D. Dunn
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on the 23rd day of December, 1996, by Kathleen Adele Amelang Seger.



Michelle Lea Jaynes
Notary Public, State of Texas

FILED
AT 4:00 P.M.
JAN - 8 1997 *BD*
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on JAN 09 1997



Beth A. Rothermel
Beth Rothermel, County Clerk
Washington County, Texas

ANDREW-713-575-9488

468-6700 EXT. 128 OFF.

713-467-5758

VOI 731 PAGE 773

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

TEXAS STANDARD FORM

FOUND PRINTING & STATIONERY COMPANY
2325 FANNIN, HOUSTON, TEXAS 77002 (713) 639-3139

OIL, GAS AND MINERAL LEASE

2516

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

Karl Andrew Amelang, a single man; Julia Amelang Brewster, a married woman
dealing in her separate property; Kathleen Adele Amelang Seger, a married
woman dealing in her separate property

Lessor (whether one or more), whose address is: 14719 Mesita Houston, Texas 77083
and TORCH - I DEVELOPMENT DRILLING PROGRAM LTD. 1221 Lamar, Suite 1600; Houston, Texas 77010, Lessee, WITNESSETH:

1. Lessor, in consideration of Ten and other Valuable Consideration (\$10.00) 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 Washington, State of Texas, and is described as follows:

161.60 acres, more or less, part of the B. L. Hanks Survey, Abstract No. 53, Washington County, Texas; being more particularly described in that certain Deed dated September 3, 1980 from Karl J. Amelang and wife, Julia M. Amelang to Karl Andrew Amelang, Trustee, recorded in Volume 401, Page 83 of the Deed Records of Washington County, Texas.

SEE ADDENDUM 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, delay rental or other payment hereunder, said land shall be deemed to contain 161.60 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus and agrees to accept the delay rental as lump sum 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 years from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

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

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

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

Bank at P. O. BOX 4444 HOUSTON TEXAS 77210

or its successors, which shall continue as the depository, regardless of changes in ownership of delay rental, royalties, or other moneys, the sum of \$ 808.00 which shall operate as delay rental and cover the privilege of deferring operations for one year from said date. In like manner and upon like payments or tenders, operations may be further deferred for like periods of one year each during the primary term. If at any time that lessee pays or tenders delay rental, royalties, or other moneys, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender such rental, royalties, or other moneys, in the manner herein specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as payment may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to lessor or to a depository bank on or before the last date for payment. Said delay rental shall be apportionable as to said land on an acreage basis, and a failure to make proper payment or tender of delay rental as to any portion of said land or as to any interest therein shall not affect this lease as to any portion of said land or as to any interest therein as to which proper payment or tender is made. Any payment or tender which is made in an attempt to make proper payment, but which is erroneous in whole or in part as to parties, amounts, or depository shall nevertheless be sufficient to prevent termination of this lease and to extend the time within which operations may be conducted in the same manner as though a proper payment had been made; provided, however, lessee shall correct such error within thirty (30) days after lessee has received written notice thereof from lessor. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest. If this lease is so released as to all minerals and horizons under a portion of said land, the delay rental and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the acreage released bears to the acreage which was covered by this lease immediately prior to such release.

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

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

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

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

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

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

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

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

ACKNOWLEDGEMENT

STATE OF
COUNTY OF

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

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

ACKNOWLEDGEMENT

STATE OF
COUNTY OF

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF
COUNTY OF

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

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

Product 2575 (2/87)
100% (40) Acres Pooling Provision
Oil, Gas and Mineral Lease

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

ADDENDUM

Attached to and made a part of that certain Oil, Gas and Mineral Lease dated December 4, 1993, between Karl Andrew Amelang, a single man; Julia Amelang Brewster, a married woman dealing in her separate property; Kathleen Adele Amelang Seger, a married woman dealing in her separate property, as Lessor, and TORCH - 1 DEVELOPMENT DRILLING PROGRAM LTD., as Lessee, covering 161.60 acres, more or less, out of the B. L. Hanks Survey, Abstract No. 53, Washington County, Texas.

12. All royalties payable hereunder shall be based upon one-sixth (1/6) of production and wherever the fraction "one-eighth" (1/8) occurs in Paragraph 3 of this lease form, the fraction "one-sixth (1/6) is hereby substituted therefor.

13. It is expressly understood and provided that this lease covers oil and gas only, along with the products and by-products thereof, but this lease does not cover any other minerals of any type.

14. Without Lessor's written consent, Lessee is prohibited from using the surface of the herein described property for any purpose, and Lessee shall have no right of ingress or egress thereto for any purpose whatsoever.

15. Notwithstanding anything herein contained to the contrary, Lessee shall have the right, but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a Horizontal Completion (as defined herein below) shall not exceed forty (40) acres plus a maximum tolerance of ten percent (10%); the unit formed for the production of a gas or gaseous substances which is not a Horizontal Completion shall not exceed three hundred twenty (320) acres, plus a maximum tolerance of ten percent (10%), as to depths from the surface down to and including 10,000 feet below the surface and shall not exceed six hundred forty (640) acres, plus a maximum tolerance of ten percent (10%), as to depths deeper than 10,000 feet below the surface; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having the jurisdiction to do so. For the purposes herein, the term "Horizontal Completion" will be defined the same as in the Texas Railroad Commission Rule 86 "Horizontal Drainhole Well" (ie. as "any well that is developed with one or more horizontal drainholes having a horizontal displacement of at least one hundred feet"). Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority.

16. After the expiration of the primary term, this lease can be maintained in force and effect as to all non-developed acreage only so long as no more than one hundred eighty (180) days elapse between the completion or abandonment of one well and the commencement of drilling operations on another.

17. Two years after the end of the primary term hereof or one hundred eighty (180) days after completion of any well being drilled at the end of said two (2) years after the end of the primary term, or continuous development operations have ceased, whichever occurs later, this lease shall automatically expire as to all depths lying deeper than 100 feet below the stratigraphic equivalent of the base of the deepest formation found capable of producing in paying quantities.

18. It is expressly agreed and provided that this lease cannot be held, maintained nor extended under and by virtue of the shut-in gas well provision of this lease for a term beyond



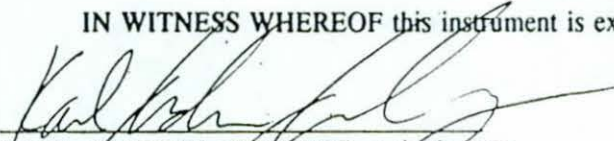
the primary term than three (3) consecutive years immediately thereafter, or for shorter terms at various intervals not to exceed in the aggregate three (3) years in all; provided, however, such well or wells may be temporarily shut-in at any time for mechanical reasons or to negotiate new gas contracts, construct surface facilities, which may include a gas processing plant, or under other such similar circumstances.

19. All royalty payments on actual production shall be due within 60 days after the end of the month in which the sale of such production occurred, except that the initial payment shall be due within 120 days after the end of the month of the first sale of production. Should Lessee default in such payment, if Lessee does not remedy the default within 15 days after Lessor notifies Lessee of the default in writing, Lessor shall be entitled to interest at the rate of eight percent (8%) per annum beginning with the 16th day after sending said notice, which interest shall accumulate until the default is remedied. In no event shall said interest rate exceed any maximum lawful rate permitted by law. Said notice to Lessee shall be deemed given when sent to Lessee by certified mail to its address first shown above.

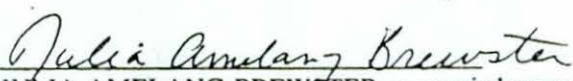
20. In the event a portion of the herein leased premises is pooled or unitized with other land so as to form a pooled unit or units, operations on or production from such unit or units will maintain this lease in force only as to the land included in such unit or units. This lease may be maintained in force as to any of the land covered hereby and not included in such unit or units in any manner provided herein, including proportionate delay rental payments computed in the proportion that the leased area outside of the unit or units bears to the total acreage contained in this lease. If at or after the end of the primary term, this lease is being maintained as to a part of the lands by operations on or production from a pooled unit or units embracing lands covered situated in such unit or units and as to which the lease is not being maintained by operations or production, Lessee shall have the right to maintain the lease as to such land by delay rental payments exactly as if it were during the primary term, provided that the lease may not be so maintained in force by rental payments for a period in excess of two (2) years beyond the end of the primary term.

21. All the terms and provisions hereof shall be binding upon and inure to the benefit of Lessor and Lessee, and their respective heirs, legal representatives, agents, employees, executors and assigns.

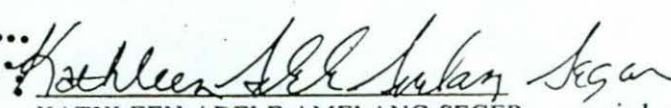
IN WITNESS WHEREOF this instrument is executed on the date first above written.



KARL ANDREW AMELANG, a single man

Social Security No. 


JULIA AMELANG BREWSTER, a married woman dealing in her separate property

Social Security No. 


KATHLEEN ADELE AMELANG SEGER, a married woman dealing in her separate property

Social Security No. 



THE STATE OF TEXAS
COUNTY OF HARRIS

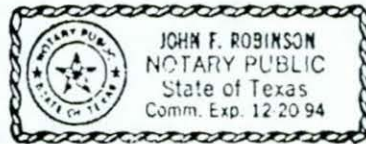
This instrument was acknowledged before me this 22ND day of DECEMBER, 1993,
by KARL ANDREW AMELANG.



John F. Robinson
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

THE STATE OF TEXAS
COUNTY OF HARRIS

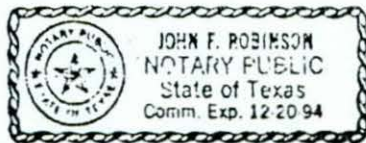
This instrument was acknowledged before me this 22ND day of DECEMBER, 1993,
by JULIA AMELANG BREWSTER.



John F. Robinson
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

THE STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me this 22ND day of DECEMBER, 1993,
by KATHLEEN ADELE AMELANG SEGER.



John F. Robinson
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

FILED
AT 1:10 P.M.
APR 18 1994
Gertrude Lehmann
GERTRUDE LEHMANN
COUNTY CLERK, WASHINGTON COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the
date and at the time affixed hereon by me and was duly
RECORDED in the volume and page of the OFFICIAL RECORDS
of Washington County, Texas, as stamped hereon by me on



APR 27 1994
Gertrude Lehmann
Gertrude Lehmann, County Clerk
Washington County, Texas

RECORDED
INDEXED
APR 27 1994
COUNTY CLERK
WASHINGTON COUNTY, TEXAS

ASSIGNMENT AND BILL OF SALE

4197

STATE OF TEXAS §
 §
 COUNTY OF WASHINGTON §

This Assignment and Bill of Sale ("*Assignment*") is executed and delivered by Nuevo Energy Company, a Delaware corporation ("*Assignor*"), to Union Pacific Resources Company, a Delaware corporation ("*Assignee*").

Assignor, for valuable considerations, the receipt and sufficiency of which are hereby acknowledged, does by these presents GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER and DELIVER unto Assignee all of the interest of Assignor in and to the following properties, other than the Excluded Assets (the "*Properties*"):

A. **Oil and Gas Properties.** All leasehold interests or operating rights (including any extensions or renewals of such leases), overriding royalties, net profits interests, production payments, carried interests, rights of recoupment and other interests relating to the oil and gas estate included in or relating to the units or pooled areas for the Wells described on Exhibit A and the PUDs described on Exhibit A, and the undeveloped acreage described in Exhibit A (the "*Oil and Gas Properties*").

B. **Wells.** All oil, condensate or natural gas wells and water and other types of injection wells located on the Oil and Gas Properties, whether producing, operating, shut-in, or temporarily abandoned.

C. **Severed Substances.** All severed crude oil, natural gas, casinghead gas, drip gasoline, natural gasoline, petroleum, natural gas liquids, condensate, products, liquids and other hydrocarbons and other minerals or materials of every kind and description produced from the Oil and Gas Properties and either (a) in storage tanks on the Effective Date, or (b) sold on or after the Effective Date (the "*Substances*").

D. **Equipment.** All platforms, wellhead equipment, flow lines and other tangible personal property and fixtures or physical facilities of every type and description located on or appurtenant to the Oil and Gas Properties.

E. **Information and Data.** All title opinions, lease and land files, filings with and reports to regulatory agencies, gas and sales contract files, division order files, seismic data, well file information and logs and other books, files and records to the extent that they are directly related to Oil and Gas Properties and the transfer thereof is not prohibited by existing contractual obligations.

F. **Contracts.** All contracts and arrangements that directly relate to the Properties and the production, storage, treatment, transportation, processing, purchase, sale, disposal or other disposition of Substances therefrom, and any and all amendments, ratifications or extensions of the foregoing, (the "*Contracts*").

G. **Permits.** All easements, rights of way, leases, franchises, licenses, permits, approvals, consents, certificates and other authorizations, and other rights granted by governmental authorities and all certificates of convenience or necessity, immunities, privileges, grants and other rights, that relate to the Properties or the ownership or operation of any thereof, including, without limitation, the permits described in the Exhibit.

As used herein, "*Excluded Assets*" means (a) all trade credits and all accounts, instruments and general intangibles (as such terms are defined in the Texas Uniform Commercial Code) attributable to the Properties with respect to any period of time prior to the Effective Date; (b) all claims and causes of action of Assignor with respect to any of the Excluded Assets; (c) all rights and interests of Assignor (i) under any policy or agreement of insurance or indemnity, (ii) under any bond, or (iii)

to any insurance or condemnation proceeds or awards arising, in each case, from acts, omissions or events, or damage to or destruction of property, occurring prior to the Effective Date; (d) all Substances produced and sold from the Oil and Gas Properties with respect to all periods prior to the Effective Date, together with all proceeds from or of such Substances; (e) claims of Assignor for refunds of or loss carry forwards with respect to (i) production or any other taxes attributable to any period prior to the Effective Date, (ii) income or franchise taxes, or (iii) any taxes attributable to the Excluded Assets; (f) all amounts due or payable to Assignor as adjustments to insurance premiums related to the Properties with respect to any period prior to the Effective Date; (g) all proceeds, income or revenues (and any security or other deposits made) attributable to (i) the Properties for any period prior to the Effective Date, or (ii) any Excluded Assets; (h) all personal computers and associated peripherals and all radio and telephone equipment; (i) all of Assignor's proprietary computer software, patents, trade secrets, copyrights, names, trademarks, logos and other intellectual property; (j) all of Assignor's interpretations of geological and geophysical data; (k) all documents and instruments of Assignor that may be protected by an attorney-client privilege; and (l) all audit rights arising under any of the Contracts or otherwise with respect to any period prior to the Effective Date or to any of the Excluded Assets.

TO HAVE AND TO HOLD all and singular the Properties, together with all rights, titles, interests, estates, remedies, powers and privileges thereunto appertaining unto Assignee and their respective successors, legal representatives and assigns forever, subject to the Permitted Encumbrances (as defined in the Agreement for Purchase and Sale dated as of June 27, 1996, between Assignee and Assignor (the "Agreement")). Assignor hereby binds itself, its successors, legal representatives and assigns, to warrant and forever defend the Properties unto Assignee, their respective successors, legal representatives and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Assignor, but not otherwise.


In accordance with the terms of the Agreement, Assignee has assumed certain obligations and liabilities. A complete description of the obligations of Assignee are contained in the Agreement, and all such obligations are binding on the successors and assigns of Assignee.

This Assignment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Assignment.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed on this, the 27 day of June, 1996. This Assignment shall be effective at 7:00 a.m. at the location of the Properties on January 1, 1996 (the "Effective Date").

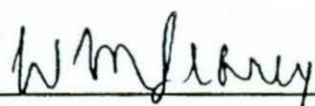

ASSIGNOR:

NUEVO ENERGY COMPANY

By: 
 Name: Willard I. Boss, Jr.
 Title: Vice President

ASSIGNEE:

UNION PACIFIC RESOURCES COMPANY

By: 
 Name: W. M. Searcy
 Title: Attorney-in-Fact 

Address of Assignor:
 1221 Lamar, Suite 1600
 Houston, Texas 77010

Address of Assignee:
 801 Cherry Street
 Fort Worth, Texas 76102

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on June 27, 1996, by Willard I. Boss, Jr., Vice President of Nuevo Energy Company, a Delaware corporation, on behalf of said corporation.



K. D. Christian
Notary Public in and for
The State of Texas
Name: K. D. Christian
My Commission Expires: 11-08-98

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on June 27, 1996, by W. M. Searcy, Attorney-in-Fact for Union Pacific Resources Company, a Delaware corporation, on behalf of said corporation.

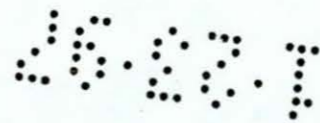


Notary Public in and for
The State of Texas
Name: Lynn Krailo
My Commission Expires: _____



EXHIBIT A

WELL NAME	NUMBER	OPERATOR	DOCUMENT	LESSOR/GRANTOR	LESSEE/GRANTEE	DOCUMENT DATE	VOL/PG	FOOTNOTE	COUNTY	STATE
BADKE #1-H	25009100	ADAMS RESOURCES EXPLORATION	LEASE	TED ELO BADKE, ET UX	STEPHEN R. WEST	7/19/93	704/51		WASHINGTON	TX
BADKE #1-H	25009100	ADAMS RESOURCES EXPLORATION	LEASE	OSCAR DIETRICH, ET AL	STEPHEN R. WEST	7/19/93	707/828		WASHINGTON	TX
BADKE #1-H	25009100	ADAMS RESOURCES EXPLORATION	LEASE	WLFRED O. DIETRICH, ET UX	STEPHEN R. WEST	7/19/93	707/824		WASHINGTON	TX
BADKE #1-H	25009100	ADAMS RESOURCES EXPLORATION	LEASE	HAROLD MEINECKE	STEPHEN R. WEST	7/19/93	709/189		WASHINGTON	TX
BADKE #1-H	25009100	ADAMS RESOURCES EXPLORATION	LEASE	HOWARD G. SOMMERFELD, ET UX	CHARLIE HUDSON & ASSOCIATES, INC.	9/20/93	713/809		WASHINGTON	TX
BOECKER #1-H	25009613	ADAMS RESOURCES EXPLORATION	LEASE	JEFFREY D. BOECKER, ET UX	ROGER A. SOAPE, INC.	9/24/93	713/338		WASHINGTON	TX
BOECKER #1-H	25009613	ADAMS RESOURCES EXPLORATION	LEASE	DON BOECKER, ET UX	ROGER A. SOAPE, INC.	9/24/93	713/342		WASHINGTON	TX
BOECKER #1-H	25009613	ADAMS RESOURCES EXPLORATION	LEASE	GARY MICHAEL SEABACK	NUOVO ENERGY COMPANY	7/14/94	743/086		WASHINGTON	TX
BOECKER #1-H	25009613	ADAMS RESOURCES EXPLORATION	LEASE	ANDREW W. PETERSON, ET UX	TORCH-I DEVELOPMENT DRILLING PROGRAM LTD.	1/18/94	730/49		WASHINGTON	TX
BRYAN #1-H	25010379	ADAMS RESOURCES EXPLORATION	LEASE	LILLIAN BRYAN RUSS	CHARLIE HUDSON & ASSOCIATES, INC.	7/8/93	711/335		WASHINGTON	TX
BRYAN #1-H	25010379	ADAMS RESOURCES EXPLORATION	LEASE	DAVID RAY BRYAN	CHARLIE HUDSON & ASSOCIATES, INC.	8/17/93	711/327		WASHINGTON	TX
BRYAN #1-H	25010379	ADAMS RESOURCES EXPLORATION	LEASE	DIANA BRYAN WELLMAN	CHARLIE HUDSON & ASSOCIATES, INC.	8/17/93	711/331		WASHINGTON	TX
BRYAN #1-H	25010379	ADAMS RESOURCES EXPLORATION	LEASE	M.M. CONE, ET UX	CHARLIE HUDSON & ASSOCIATES, INC.	8/5/93	711/062		WASHINGTON	TX
BRYAN #1-H	25010379	ADAMS RESOURCES EXPLORATION	LEASE	DAN J. MORAN, ET UX	CHARLIE HUDSON & ASSOCIATES, INC.	7/15/93	711/318		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	IRVIN ASHORN ET UX LAURA KETTLER ASHORN	KIMBALL PRODUCTION COMPANY	5/24/83	450/100		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	AMENDMENT	IRVIN ASHORN ET UX LAURA KETTLER ASHORN	KIMBALL PRODUCTION COMPANY	8/8/84	475/304		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	ANNA BRACKEN, A WADOW	KIMBALL PRODUCTION COMPANY	11/30/83	481/227		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	PETER G. BYRD, JR. ET ALS	KIMBALL PRODUCTION COMPANY	11/30/83	481/231		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	ESTATE OF LETITIA BYRD ET ALS	KIMBALL PRODUCTION COMPANY	11/30/83	481/229		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	REFILED	ESTATE OF LETITIA BYRD ET ALS	KIMBALL PRODUCTION COMPANY	11/30/83	489/091		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	ROBBIE HAHN ET ALS	KIMBALL PRODUCTION COMPANY	3/24/83	448/101		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	PETER G. BYRD, JR., ET ALS	KIMBALL PRODUCTION COMPANY	10/21/83	458/588		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	AMENDMENT	PETER G. BYRD, JR., ET ALS	KIMBALL PRODUCTION COMPANY	12/15/83	481/225		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	BOOKER T. DANIELS, SR.	KIMBALL PRODUCTION COMPANY	9/28/84	487/875		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	JIMMY E. DOWNEY	KIMBALL PRODUCTION COMPANY	9/28/84	487/879		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	EDGAR DANIELS	KIMBALL PRODUCTION COMPANY	9/28/84	487/877		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	WILLIE L. MANN	KIMBALL PRODUCTION COMPANY	9/19/84	486/541		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	JOHN D. DANIELS	KIMBALL PRODUCTION COMPANY	9/19/84	486/539		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	CHARLIE DANIELS	KIMBALL PRODUCTION COMPANY	9/19/84	486/534		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	ELNORA SMITH	KIMBALL PRODUCTION COMPANY	9/19/84	486/543		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	FRANKIE DANIELS BY ELNORA SMITH, GDN	KIMBALL PRODUCTION COMPANY	9/19/84	486/536		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	BOOKER T. DANIELS, JR., ET UX CORNELIA	KIMBALL PRODUCTION COMPANY	7/2/84	479/785		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	WILLIE L. MANN	KIMBALL PRODUCTION COMPANY	7/12/84	479/783		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	J. H. FREEMAND ET UX, MARION	KIMBALL PRODUCTION COMPANY	6/3/83	480/899		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	CHARLES ETTA JACKSON ET AL	KIMBALL PRODUCTION COMPANY	11/30/83	481/234		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	LOUIS MERRITT ET UX, MILDRED	KIMBALL PRODUCTION COMPANY	11/30/83	481/237		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	BERTHINA TATE	W.S. HOUSTON, TRUSTEE	5/1/80	362/801		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	BENNY DANIELS	KIMBALL PRODUCTION COMPANY	11/4/85	523/219		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	JULIUS HAZEL BYRD PAYNE	KIMBALL PRODUCTION COMPANY	10/12/84	489/404		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	LOUISE ADDICKS	BAKER EXPLORATION COMPANY	5/5/95	784/237		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	HERBERT TAPPE, ET ALS	BAKER EXPLORATION COMPANY	4/20/95	782/278		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	R.E. JONES ET ALS	BAKER EXPLORATION COMPANY	3/14/95	778/503		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	BILLY CARL BOYD ET ALS	BAKER EXPLORATION COMPANY	3/14/95	778/506		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	JIM SEARS, IND. EX. EST. ELIZABETH BEAL ET AL	BAKER EXPLORATION COMPANY	3/9/95	778/510		WASHINGTON	TX



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WELL NAME	NUMBER	OPERATOR	DOCUMENT	LESSOR/GRANTOR	LESSEE/GRANTEE	DOCUMENT DATE	VOL/PG	FOOTNOTE	COUNTY	STATE
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	DAVID ALLEN SCHWARZE	BAKER EXPLORATION COMPANY	3/23/94	749/596		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	SUZANNE SCHWARZE HANNATH	BAKER EXPLORATION COMPANY	3/23/94	734/796		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	DOUGLAS RAY SCHWARZE	BAKER EXPLORATION COMPANY	3/23/94	734/799		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	CINDY LOU SCHWARZE HORNY	BAKER EXPLORATION COMPANY	3/23/94	734/787		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	MARY ANN SCHWARZE BARKER	BAKER EXPLORATION COMPANY	3/23/94	734/791		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	CONNIE WOOD	BAKER EXPLORATION COMPANY	3/23/94	734/783		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	LINDEN CRAIG BINGHAM	BAKER EXPLORATION COMPANY	3/7/94	734/780		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	WILLIAM H. BINGHAM	BAKER EXPLORATION COMPANY	3/7/94	734/777		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	GARY K. BINGHAM	BAKER EXPLORATION COMPANY	3/7/94	734/786		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	JERRY W. BINGHAM	BAKER EXPLORATION COMPANY	3/7/94	734/771		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	JOHN N. BINGHAM	BAKER EXPLORATION COMPANY	3/7/94	734/774		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	JUDGE M. GIBON TRUST ANATIONS BANK TRUSTEE	BAKER EXPLORATION COMPANY	3/24/93	695/486		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	JOHN H. BAKER, III - TRUSTEE	BAKER EXPLORATION COMPANY	11/11/94	759/105		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	FIRST BAPTIST CHURCH, DECATUR	BAKER EXPLORATION COMPANY	4/11/95	792/411		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	REFILED	FIRST BAPTIST CHURCH, DECATUR	BAKER EXPLORATION COMPANY	3/4/96	FILE 1541		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	LEASE	JIM M. SEARS, INDIVIDUALLY & TRUSTEE	BAKER EXPLORATION COMPANY	9/25/95	811/585		WASHINGTON	TX
BYRD UNIT #1	25011301	BEXCO OPERATING, INC.	REFILED	JIM M. SEARS, INDIVIDUALLY & TRUSTEE	BAKER EXPLORATION COMPANY	3/4/96	FILE 1540		WASHINGTON	TX
HOUSTON CORP #1 UNIT	25006584	BEXCO OPERATING, INC.	LEASE	HOUSTON CORPORATION	SALTGRASS EXPLORATION, INC.	8/22/90	629/397		WASHINGTON	TX
HOUSTON CORP #1 UNIT	25006584	BEXCO OPERATING, INC.	AMENDMENT	HOUSTON CORPORATION	SALTGRASS EXPLORATION, INC.	8/22/90	644/577		WASHINGTON	TX
HOUSTON CORP #1 UNIT	25006584	BEXCO OPERATING, INC.	AMENDMENT	HOUSTON CORPORATION	SALTGRASS EXPLORATION, INC.	8/22/90	675/776		WASHINGTON	TX
HOUSTON CORP #1 UNIT	25006584	BEXCO OPERATING, INC.	AMENDMENT	HOUSTON CORPORATION	SALTGRASS EXPLORATION, INC.	8/22/90	688/636		WASHINGTON	TX
KETTLER UNIT #1	25010513	BEXCO OPERATING, INC.	LEASE	FREDDIE DAHMANN	BAKER EXPLORATION COMPANY	3/24/94	734/806		WASHINGTON	TX
KETTLER UNIT #1	25010513	BEXCO OPERATING, INC.	LEASE	CHARLES DAHMANN	BAKER EXPLORATION COMPANY	3/24/94	734/818		WASHINGTON	TX
KETTLER UNIT #1	25010513	BEXCO OPERATING, INC.	LEASE	JOHNNIE DAHMANN, JR.	BAKER EXPLORATION COMPANY	3/24/94	734/759		WASHINGTON	TX
KETTLER UNIT #1	25010513	BEXCO OPERATING, INC.	LEASE	MELVIN DAHMANN	BAKER EXPLORATION COMPANY	3/24/94	734/812		WASHINGTON	TX
KETTLER UNIT #1	25010513	BEXCO OPERATING, INC.	LEASE	BURREL GRAVES, JR. ET UX	SALT GRASS EXPLORATION, INC.	3/15/93	695/482		WASHINGTON	TX
KETTLER UNIT #1	25010513	BEXCO OPERATING, INC.	LEASE	CALEB C. GRAVES ET UX	SALT GRASS EXPLORATION, INC.	3/15/93	695/697		WASHINGTON	TX
KETTLER UNIT #1	25010513	BEXCO OPERATING, INC.	LEASE	D. C. HEWETT, JR.	SALT GRASS EXPLORATION, INC.	3/15/93	694/367		WASHINGTON	TX
KETTLER UNIT #1	25010513	BEXCO OPERATING, INC.	LEASE	FRITZ Q. JAEHNE ET UX	SALT GRASS EXPLORATION, INC.	3/12/93	685/484		WASHINGTON	TX
KETTLER UNIT #1	25010513	BEXCO OPERATING, INC.	LEASE	DOUGLAS R. KETTLER ET UX	SALT GRASS EXPLORATION, INC.	2/20/92	668/641		WASHINGTON	TX
KETTLER UNIT #1	25010513	BEXCO OPERATING, INC.	LEASE	CHESTER LEE MAJORS ET UX	BAKER EXPLORATION COMPANY	4/21/94	734/825		WASHINGTON	TX
KETTLER UNIT #1	25010513	BEXCO OPERATING, INC.	LEASE	STANLEY W. SHIPNESS ET UX	SALT GRASS EXPLORATION, INC.	11/15/88	597/524		WASHINGTON	TX
KETTLER UNIT #1	25010513	BEXCO OPERATING, INC.	LEASE	OTTO Q. LEHRMANN ET UX	BAKER EXPLORATION COMPANY	11/7/94	759/474		WASHINGTON	TX
KETTLER UNIT #1	25010513	BEXCO OPERATING, INC.	LEASE	R. KETTLER & CO. DAIRY ET AL	SALT GRASS EXPLORATION, INC.	2/4/92	664/311		WASHINGTON	TX
KETTLER UNIT #1	25010613	BEXCO OPERATING, INC.	LEASE	CARL J. SCHWARTZ ET UX, GLORIA	SALT GRASS EXPLORATION, INC.	2/17/93	691/809		WASHINGTON	TX
KETTLER UNIT #1	25010513	BEXCO OPERATING, INC.	LEASE	SARAH RANDLE ET AL	BAKER EXPLORATION COMPANY	2/23/95	774/385		WASHINGTON	TX
KETTLER UNIT #1	25010513	BEXCO OPERATING, INC.	LEASE	JOE L. MOORE ET UX	BAKER EXPLORATION COMPANY	2/23/95	774/382		WASHINGTON	TX
SCHAWA 1-H	25010939	TORCH OPERATING COMPANY	LEASE	ALVIN A. SCHAWA, ET UX	NUEVO ENERGY COMPANY	7/22/94	743/597		WASHINGTON	TX
SCHAWA 1-H	25010939	TORCH OPERATING COMPANY	LEASE	ALVIN A. SCHAWA, ET UX	J. KAY BUCHANAN, TRUSTEE	11/20/92	684/142		WASHINGTON	TX
SCHAWA 1-H	25010939	TORCH OPERATING COMPANY	REFILED	ALVIN A. SCHAWA, ET UX	J. KAY BUCHANAN, TRUSTEE		686/348		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	THOMAS EDWARD NOYES ET UX	BAKER EXPLORATION COMPANY	2/21/95	774/391		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	ROSCO GRAVES	BAKER EXPLORATION COMPANY	2/28/95	775/07		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	GUS GRAVES	BAKER EXPLORATION COMPANY	2/28/95	775/04		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	FRANK GRAVES	BAKER EXPLORATION COMPANY	2/28/95	775/01		WASHINGTON	TX

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EXHIBIT A

WELL NAME	NUMBER	OPERATOR	DOCUMENT	LESSOR/GRANTOR	LESSEE/GRANTEE	DOCUMENT DATE	VOL/PAGE	FOOTNOTE	COUNTY	STATE
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	PAINTBRUSH HILL FARMS, LTD	BAKER EXPLORATION COMPANY	2/28/95	774/388		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	BESSIE NANCE	BAKER EXPLORATION COMPANY	2/28/95	775/22		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	GEORGE WOOLEY NOYES	BAKER EXPLORATION COMPANY	2/21/95	776/226		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	JOYCE OLIVER	BAKER EXPLORATION COMPANY	2/28/95	775/19		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	MARY ANN BURTON	BAKER EXPLORATION COMPANY	2/28/95	775/18		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	CLINT GRAVES	BAKER EXPLORATION COMPANY	2/28/95	775/10		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	LOIS GRAVES	BAKER EXPLORATION COMPANY	2/28/95	776/13		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	ARTIS RICHARDSON	JACK E. HAVARD	4/17/80	393/142		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	ARTIS RICHARDSON - GUARDIAN	JACK E. HAVARD	4/17/80	393/145		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	CLARENCE RICHARDSON, JR. ETUX	JACK E. HAVARD	4/2/80	393/149		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	ELLA O. RICHARDSON	JACK E. HAVARD	4/2/80	393/152		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	GOODNESS RICHARDSON	JACK E. HAVARD	4/2/80	393/155		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	NOEL RICHARDSON	JACK E. HAVARD	4/2/80	393/158		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	THELMA RICHARDSON POPE	JACK E. HAVARD	4/2/80	393/573		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	ALONZA R. RICHARDSON ETUX	JACK E. HAVARD	4/2/80	393/676		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	DWIGHT RICHARDSON ETUX	JACK E. HAVARD	4/17/80	393/679		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	GAYLON RICHARDSON ETUX	JACK E. HAVARD	4/17/80	393/682		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	MARCUS R. RICHARDSON	JACK E. HAVARD	4/17/80	393/685		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	GODFREY RICHARDSON ETALS	DOV AMIR AND LOUIS ERLICH	9/10/80	401/303		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	REGINALD RICHARDSON ETALS	DOV AMIR AND LOUIS ERLICH	12/17/83	465/891		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	STEPHANIE RICHARDSON	DOV AMIR AND LOUIS ERLICH	1/12/84	472/802		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	EST. OF DOMINIC FRANCHOT VENTERS	DOV AMIR AND LOUIS ERLICH	3/5/84	467/838		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	JOE L. MOORE ETUX LON MOORE	BAKER EXPLORATION COMPANY	2/23/95	774/382		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	STANLEY W. SHIPNES ETUX	SALT GRASS EXPLORATION, INC.	11/15/85	597/251		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	GLADYS HALL	BAKER EXPLORATION COMPANY	4/8/95	784/524		WASHINGTON	TX
SHIPNES UNIT # 1	25010946	BEXCO OPERATING, INC.	LEASE	LUCAS HICKS	BAKER EXPLORATION COMPANY	4/8/95	783/802		WASHINGTON	TX

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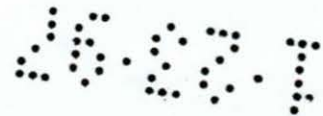


EXHIBIT "A"

LESSOR	LESSEE	LEASE DATE	RECORDING REFERENCE	COUNTY	STATE
BULL CREEK PROSPECT					
WASHINGTON COUNTY, TEXAS					
Robert A. Schaff	Charlie Hudson & Assoc.	07/07/93	711/399	Washington	Texas
Byron H. Schaff	Charlie Hudson & Assoc.	07/07/93	711/404	Washington	Texas
Byron H. Schaff	Charlie Hudson & Assoc.	07/07/93	711/408	Washington	Texas
Byron H. Schaff	Charlie Hudson & Assoc.	07/07/93	711/412	Washington	Texas
Chase F. Schaff	Charlie Hudson & Assoc.	07/07/93	711/417	Washington	Texas
Chase F. Schaff	Charlie Hudson & Assoc.	07/07/93	711/422	Washington	Texas
Robert A. Schaff	Charlie Hudson & Assoc.	07/27/93	711/434	Washington	Texas
Bryon H. Schaff	Charlie Hudson & Assoc.	07/27/93	711/438	Washington	Texas
Chase F. Schaff	Charlie Hudson & Assoc.	07/27/93	711/442	Washington	Texas
Doris Seilheimer, Gdn	Charlie Hudson & Assoc.	07/28/93	711/446	Washington	Texas
Alvine Rosenbaum	Charlie Hudson & Assoc.	07/28/93	711/450	Washington	Texas
Alfred C. Boeker, Jr.	Charlie Hudson & Assoc.	07/29/93	711/454	Washington	Texas
Dorothy J. Giese	Charlie Hudson & Assoc.	07/13/93	711/462	Washington	Texas
Wiston S. Thiltgen	Charlie Hudson & Assoc.	07/22/93	711/466	Washington	Texas
Thos. Wm. Thiltgen	Charlie Hudson & Assoc.	07/22/93	711/471	Washington	Texas
Helen L. Thiltgen	Charlie Hudson & Assoc.	07/22/93	711/476	Washington	Texas
Harold J. Fincher	Charlie Hudson & Assoc.	09/01/93	711/613	Washington	Texas
Janet Kelm, et al	P & M Leasing	07/19/93	707/728	Washington	Texas
Lawrence Goldberg	P & M Leasing	07/19/93	707/725	Washington	Texas
Glen R. Linke, et ux	P & M Leasing	07/19/93	707/722	Washington	Texas
Myrtle Guelker	P & M Leasing	07/19/93	707/674	Washington	Texas
Alma E. Quebe et al	P & M Leasing	07/19/93	707/640	Washington	Texas
Peggy G. Kicke	P & M Leasing	07/19/93	707/659	Washington	Texas
Chester R. Lucherk	P & M Leasing	07/21/93	707/703	Washington	Texas
Marcus L. Broesche	P & M Leasing	07/21/93	707/665	Washington	Texas
H.C. Homeyer, et ux	Charlie Hudson & Assoc.	10/18/93	725/140	Washington	Texas
Lymous, Guyton	Charlie Hudson & Assoc.	10/20/93	725/144	Washington	Texas
Lionel Guyton	Charlie Hudson & Assoc.	10/21/93	725/148	Washington	Texas
Ella Mae Goina, et al	Charlie Hudson & Assoc.	10/21/93	725/152	Washington	Texas
William A. Newton, et al	Charlie Hudson & Assoc.	09/30/93	725/160	Washington	Texas
Rubie Ellen Black	Charlie Hudson & Assoc.	10/20/93	725/156	Washington	Texas
Henry Bredthauer et ux	Charlie Hudson & Assoc.	10/19/93	725/164	Washington	Texas
Donna B. Winkelmann	Charlie Hudson & Assoc.	10/19/93	725/168	Washington	Texas
Celeste Engelbrecht	Charlie Hudson & Assoc.	11/02/93	725/172	Washington	Texas
Walter S. McMeans	Charlie Hudson & Assoc.	01/16/93	725/177	Washington	Texas
Ellen L. Verner	Charlie Hudson & Assoc.	10/14/93	725/181	Washington	Texas
Minnie J. Hudgen	Torch-I Development Drilling	11/17/93	725/136	Washington	Texas
Minnie Zorn et al	Torch-I Development Drilling	11/29/93	725/131	Washington	Texas
Mary Jane Zorn	Torch-I Development Drilling	11/29/93	725/126	Washington	Texas
George Scogin	Torch-I Development Drilling	11/29/93	725/121	Washington	Texas
Patsy Kaelin, et al	Torch-I Development Drilling	11/29/93	725/115	Washington	Texas
Gerald Ricks	Torch-I Development Drilling	11/29/93	725/110	Washington	Texas
Bernice Wiggins et al	Torch-I Development Drilling	12/08/93	725/106	Washington	Texas
Charlene Clay et al	Torch-I Development Drilling	11/17/93	725/102	Washington	Texas
Charles W. Ripple	Torch-I Development Drilling	12/23/93	725/098	Washington	Texas
Grover L. Williams	Torch-I Development Drilling	12/30/93	725/093	Washington	Texas
Ricky Ripple et al	Torch-I Development Drilling	12/23/93	725/089	Washington	Texas
Geneva Conally	Torch-I Development Drilling	11/17/93	734/11	Washington	Texas
Robert Kloecker et ux	Torch-I Development Drilling	01/22/94	734/15	Washington	Texas
Eleen Shepard et al	Torch-I Development Drilling	01/04/94	734/19	Washington	Texas
Garland Shepard	Torch-I Development Drilling	11/17/93	734/24	Washington	Texas
Bertha Green	Torch-I Development Drilling	11/17/93	734/28	Washington	Texas
John Jackson	Torch-I Development Drilling	02/07/94	734/32	Washington	Texas
Erma Jackson	Torch-I Development Drilling	02/05/94	734/476	Washington	Texas
Minnie Jackson Hudgen	Torch-I Development Drilling	02/04/94	734/36	Washington	Texas

LESSOR	LESSEE	LEASE DATE	RECORDING REFERENCE	COUNTY	STATE
J.H. "Bob" Steele	Torch-I Development Drilling	03/12/94	734/40	Washington	TEXAS
Sterling Jackson	Torch-I Development Drilling	02/03/94	734/44	Washington	TEXAS
Larry Carroll	Torch-I Development Drilling	02/15/94	730/831	Washington	TEXAS
Charles R. Carroll	Torch-I Development Drilling	07/20/94	746/331	Washington	TEXAS
James Bullard, et ux	Torch-I Development Drilling	01/12/94	734/48	Washington	TEXAS
James Bullard, et ux	Torch-I Development Drilling	01/12/94	734/52	Washington	TEXAS
Joe B. Jackson	Torch-I Development Drilling	03/09/94	731/467	Washington	TEXAS
Ida Jackson Smith	Torch-I Development Drilling	03/09/94	734/56	Washington	TEXAS
Beverly Cash	Torch-I Development Drilling	02/15/94	734/64	Washington	TEXAS
Betty Bullard	Torch-I Development Drilling	01/12/94	734/76	Washington	TEXAS
Gilbert Jackson	Torch-I Development Drilling	03/09/94	731/778	Washington	TEXAS
Ader Jackson Price	Torch-I Development Drilling	03/17/94	734/60	Washington	TEXAS
Madlyn Hadnott	Torch-I Development Drilling	02/15/94	734/68	Washington	TEXAS
Joseph Patel Willis	Torch-I Development Drilling	02/15/94	734/72	Washington	TEXAS

CLAY PROSPECT
WASHINGTON COUNTY, TEXAS

Dan J. Moran, et ux	Charlie Hudson & Assoc.	07/15/93	711/318	Washington	TEXAS
First Christian Church	Charlie Hudson & Assoc.	08/06/93	711/323	Washington	TEXAS
David Ray Byron	Charlie Hudson & Assoc.	06/17/93	711/327	Washington	TEXAS
Diana Bryan Wellman	Charlie Hudson & Assoc.	06/17/93	711/331	Washington	TEXAS
Lillian Bryan Russ	Charlie Hudson & Assoc.	07/08/93	711/335	Washington	TEXAS
M.M. Cone	Charlie Hudson & Assoc.	08/05/93	711/362	Washington	TEXAS
Johnson & Lindley Inc. et al	Charlie Hudson & Assoc.	07/22/93	713/601	Washington	TEXAS
Stephen T. James et ux, Mary Sue	Nuevo Energy Company	08/09/94	753/771	Washington	TEXAS
William B. Preece, et ux, Margie N.	Nuevo Energy Company	08/24/94	750/07	Washington	TEXAS
James Reese Jones, et al	Nuevo Energy Company	08/19/94	750/11	Washington	TEXAS
HLJ Inc.	Nuevo Energy Company	09/02/94	753/775	Washington	TEXAS
Johnson & Lindley Inc, et al	Nuevo Energy Company	11/01/94	760/615	Washington	TEXAS

COW CREEK PROSPECT
WASHINGTON COUNTY, TEXAS

Elwood Oevermann	P & M Leasing Svc.	07/30/93	711/458	Washington	TEXAS
Travis J. Oevermann	P & M Leasing Svc.	08/02/93	711/481	Washington	TEXAS
Franklin Sommer et ux	P & M Leasing Svc.	08/04/93	711/485	Washington	TEXAS
Wilber Woleben	P & M Leasing Svc.	08/11/93	711/489	Washington	TEXAS
J.D. Sommer	P & M Leasing Svc.	08/11/93	711/493	Washington	TEXAS
Ronnie Stanley	P & M Leasing Svc.	08/09/93	711/497	Washington	TEXAS
Shirley D. Thorpe	P & M Leasing Svc.	08/16/93	711/501	Washington	TEXAS
Jerry L. Morrison	P & M Leasing Svc.	08/21/93	711/505	Washington	TEXAS
Gus Paul Dracger	P & M Leasing Svc.	08/16/93	711/509	Washington	TEXAS
C. Bredthauer et al	P & M Leasing Svc.	08/28/93	711/513	Washington	TEXAS
Ruben O. Schulz	P & M Leasing Svc.	09/02/93	711/517	Washington	TEXAS
Richard P. Wegner	P & M Leasing Svc.	07/01/93	707/714	Washington	TEXAS
Lillian W. Beohl	P & M Leasing Svc.	07/01/93	707/706	Washington	TEXAS
Edward F. Wegner	P & M Leasing Svc.	07/01/93	707/709	Washington	TEXAS
Harris G. Johnston	P & M Leasing Svc.	07/09/93	707/695	Washington	TEXAS
Lydia Ann Heins	P & M Leasing Svc.	07/09/93	707/692	Washington	TEXAS
Norman Prenzler	P & M Leasing Svc.	07/09/93	707/689	Washington	TEXAS
Herbert Nienstedt	P & M Leasing Svc.	07/09/93	707/686	Washington	TEXAS
T.W. Wimberly	P & M Leasing Svc.	07/09/93	707/683	Washington	TEXAS
Lanell Neinst	P & M Leasing Svc.	07/09/93	707/680	Washington	TEXAS
Herman F. Lange, Sr.	P & M Leasing Svc.	07/09/93	707/637	Washington	TEXAS
Daniel Chas. Kunkle	P & M Leasing Svc.	07/12/93	797/677	Washington	TEXAS
Anglo F. Jimenez	P & M Leasing Svc.	07/12/93	707/725	Washington	TEXAS

LESSOR	LESSEE	LEASE DATE	RECORDING REFERENCE	COUNTY	STATE
Annie Maud Avis	P & M Leasing Svc.	07/17/93	707/656	Washington	Texas
Samuel T. Russell	P & M Leasing Svc.	07/17/93	707/650	Washington	Texas
Otto Blum et ux	P & M Leasing Svc.	07/17/93	707/647	Washington	Texas
Charles D. Harmel	P & M Leasing Svc.	07/19/93	707/671	Washington	Texas
Leon Dallmeyer	P & M Leasing Svc.	07/19/93	707/668	Washington	Texas
Alfred Maass	P & M Leasing Svc.	07/19/93	707/653	Washington	Texas
Edward A. Wegner	P & M Leasing Svc.	07/19/93	707/662	Washington	Texas
Carl Detering et al	Torch-I Development Drilling	12/22/93	725/57	Washington	Texas
Detering Investments	Torch-I Development Drilling	12/22/93	725/63	Washington	Texas
Janet M. Parse, Individually & Ind.	Nuevo Energy Company	06/29/94	744/203	Washington	Texas
Janet M. Parse, Individually & Ind.	Nuevo Energy Company	06/29/94	744/198	Washington	Texas
Julia Mary Eidman	Nuevo Energy Company	06/29/94	744/183	Washington	Texas
Gibson Gayle, Jr.	Nuevo Energy Company	06/29/94	744/188	Washington	Texas
Robert M. Welch, Jr.	Nuevo Energy Company	06/29/94	744/193	Washington	Texas
FOUR MILE CREEK PROSPECT					
WASHINGTON COUNTY, TEXAS					
Bruce Williams, et ux	Roger A. Soape, Inc.	09/23/93	713/346	Washington	Texas
Scott W. Hollingsworth	Roger A. Soape, Inc.	10/03/93	713/350	Washington	Texas
Burney Gerland, et al	Roger A. Soape, Inc.	10/12/93	717/454	Washington	Texas
Donnie Ray Gerland	Roger A. Soape, Inc.	10/12/93	717/462	Washington	Texas
Janice Gerland Vance	Roger A. Soape, Inc.	10/12/93	717/458	Washington	Texas
Julie Ann Gerland Turrentine	Roger A. Soape, Inc.	10/12/93	717/450	Washington	Texas
Francis R. Tiemann	Roger A. Soape, Inc.	10/27/93	717/465	Washington	Texas
Bobby Louis Bredthauer, et ux	Roger A. Soape, Inc.	09/29/93	717/445	Washington	Texas
Don S. Coleman, et ux	Torch-I Development Drilling	11/24/93	720/371	Washington	Texas
Robert A. Penison	Torch-I Development Drilling	01/28/94	730/53	Washington	Texas
GAYHILL PROSPECT					
WASHINGTON COUNTY, TEXAS					
Evelyn Popp	Roger A. Soape, Inc.	07/07/93	710/851	Washington	Texas
Fred Buerger, Jr.	Roger A. Soape, Inc.	07/07/93	710/848	Washington	Texas
Delores Zander	Roger A. Soape, Inc.	07/07/93	710/857	Washington	Texas
Carolyn Marie Meyer	Roger A. Soape, Inc.	07/07/93	710/854	Washington	Texas
Joseph G. Klingsporn	Roger A. Soape, Inc.	07/09/93	710/869	Washington	Texas
Ella Dueterhoeft	Roger A. Soape, Inc.	07/13/93	710/863	Washington	Texas
V.C. Kieke	Roger A. Soape, Inc.	07/13/93	710/866	Washington	Texas
Eather Mae Fischer et vir	Roger A. Soape, Inc.	07/15/93	710/875	Washington	Texas
Sons of Herman Lodge	Roger A. Soape, Inc.	07/15/93	710/869	Washington	Texas
James R. Smith et ux	Roger A. Soape, Inc.	07/29/93	710/878	Washington	Texas
Lois E. Hugo	Roger A. Soape, Inc.	07/30/93	710/881	Washington	Texas
Mack Hamilton	Roger A. Soape, Inc.	08/03/93	710/888	Washington	Texas
Jay S. Handley et ux	Roger A. Soape, Inc.	08/14/93	710/885	Washington	Texas
Dennis Landgraf et ux	Roger A. Soape, Inc.	08/27/93	713/829	Washington	Texas
Ross Lee Martella, et ux	Roger A. Soape, Inc.	09/20/93	710/892	Washington	Texas
Erculiani Interbau Luzern AG, Inc.	Roger A. Soape, Inc.	08/24/93	713/334	Washington	Texas
William H. Nienast, et al	Roger A. Soape, Inc.	09/27/93	717/438	Washington	Texas
William H. Nienast, et al	Roger A. Soape, Inc.	09/27/93	717/441	Washington	Texas
Anita Elaine Delaney, et vir	Roger A. Soape, Inc.	09/27/93	717/443	Washington	Texas
Jerry L. Hamaker, et ux	Roger A. Soape, Inc.	07/16/93	717/436	Washington	Texas
William H. Nienast, et ux	Roger A. Soape, Inc.	09/27/93	720/353	Washington	Texas
Dario G. Talamantes, et ux	Roger A. Soape, Inc.	10/28/93	720/359	Washington	Texas
Booker T. Hogan, Jr., et ux	Roger A. Soape, Inc.	11/22/93	720/367	Washington	Texas
Johnna Reinauer Chamberlain	Torch-I Development Drilling	03/10/94	734/98	Washington	Texas
Edward Figgs, et ux, Lillian V. Figgs	Nuevo Oil Company	06/28/94	743/200	Washington	Texas

EXHIBIT "A"

LESSOR	LESSEE	LEASE DATE	RECORDING REFERENCE	COUNTY	STATE
Jessie J. Figgs, et ux, Myrtle Figgs	Nuevo Oil Company	06/21/94	743/203	Washington	Texas
Clarence E. Wehmeyer et ux	Nuevo Oil Company	07/04/94	743/209	Washington	Texas
Robert J. Figgs, et ux	Nuevo Oil Company	07/04/94	743/206	Washington	Texas
Mary Carl Tomlinson Barbisch	Nuevo Energy Company	07/29/94	744/111	Washington	Texas
William T. Ilfrey et ux, Susan Ilfrey	Nuevo Oil Company	07/04/94	744/208	Washington	Texas
Steve Austin Lane, et ux Luanna	Nuevo Oil Company	07/08/94	744/211	Washington	Texas
Beulah Burke Vincent, a widow	Nuevo Oil Company	08/10/94	751/796	Washington	Texas
Raymond E. Bentke, et ux	Nuevo Oil Company	08/02/94	747/26	Washington	Texas
Terrell D. Hood, et ux	Nuevo Oil Company	07/08/94	746/276	Washington	Texas
Aless Meyer	Nuevo Oil Company	07/09/94	747/23	Washington	Texas
Ike J. Roznowski, et ux, Martha T.	Nuevo Oil Company	08/15/94	747/493	Washington	Texas
Dorothy Ladewig, et al	Nuevo Energy Company	08/25/94	753/781	Washington	Texas
Bernice Figgs, et al	Nuevo Energy Company	12/15/94	762/590	Washington	Texas
Clarice Figgs Bratton	Nuevo Energy Company	12/15/94	762/587	Washington	Texas
Edna A. Bassel, Ind. & as Ind. Exec.	Nuevo Energy Company	12/15/94	762/585	Washington	Texas
Bernard C. Richardson	Nuevo Energy Company	12/15/94	762/914	Washington	Texas

**GREENVINE PROSPECT
WASHINGTON COUNTY, TEXAS**

Elroy E. Makowaky, et ux	K. Stevenson Trustee	07/02/93	704/559	Washington	Texas
Edward J. Schulte, et ux	K. Stevenson Trustee	07/12/93	704/584	Washington	Texas
Willie E. Mertz, et ux	K. Stevenson Trustee	07/13/93	704/587	Washington	Texas
Melvin W. Bentke, et ux	K. Stevenson Trustee	07/12/93	704/550	Washington	Texas
Mary R. Gall, et vir	K. Stevenson Trustee	07/12/93	704/564	Washington	Texas
Rosa W. Vick, et ux	K. Stevenson Trustee	07/12/93	704/591	Washington	Texas
W. B. McEvoy, et ux	K. Stevenson Trustee	07/12/93	704/595	Washington	Texas
Robert Deckard, et ux	K. Stevenson Trustee	07/15/93	704/690	Washington	Texas
Michael J. Smith, et ux	K. Stevenson Trustee	07/24/93	709/014	Washington	Texas
Harvey J. Ebert, et ux	K. Stevenson Trustee	07/24/93	709/010	Washington	Texas
Samuel R. Bennett, et ux	K. Stevenson Trustee	07/24/93	709/021	Washington	Texas
George Ahlhardt, Jr. et al	K. Stevenson Trustee	07/24/93	709/001	Washington	Texas
Harvey J. Ebert, et ux	K. Stevenson Trustee	07/29/93	709/006	Washington	Texas
Terry R. Roemer, et ux	K. Stevenson Trustee	07/29/93	709/018	Washington	Texas
B. Hunter Lofin et ux	K. Stevenson Trustee	07/24/93	714/512	Washington	Texas
Herbert Honerkamp et al	K. Stevenson Trustee	09/02/93	714/516	Washington	Texas
Fred C. Leonard III et ux	K. Stevenson Trustee	09/02/93	714/520	Washington	Texas
George B Strong and David Davis	K. Stevenson Trustee	02/03/94	727/295	Washington	Texas
Gadd's Wittjen et ux	K. Stevenson Trustee	01/27/94	727/284	Washington	Texas
Deborah Buchanon	K. Stevenson Trustee	01/22/94	727/286	Washington	Texas
Bora Jo Cummins et al	K. Stevenson Trustee	08/25/93	727/301	Washington	Texas

**LONGPOINT PROSPECT
WASHINGTON COUNTY, TEXAS**

Roger G. Darley et ux	Roger A. Soape, Inc.	07/08/93	711/1	Washington	Texas
Roger G. Darley et ux	Roger A. Soape, Inc.	07/08/93	711/5	Washington	Texas
O.C. Landua	Roger A. Soape, Inc.	07/09/93	711/11	Washington	Texas
Luther Utesch et al	Roger A. Soape, Inc.	07/19/93	711/15	Washington	Texas
Charles T. Zimmerman	Roger A. Soape, Inc.	07/23/93	711/19	Washington	Texas
David A. Blakey et ux	Roger A. Soape, Inc.	09/23/93	713/356	Washington	Texas
W.H. Kiel, Jr. et ux	Roger A. Soape, Inc.	09/23/93	713/354	Washington	Texas
Terrance Kourthauer, et al	Roger A. Soape, Inc.	09/23/93	713/360	Washington	Texas
Billy Gene Bryant, et ux	Torch-I Development Drilling	12/01/93	730/27	Washington	Texas
James W. Alexander, et ux	Torch-I Development Drilling	01/06/94	724/292	Washington	Texas
Lyle D. Kirts, et ux	Torch-I Development Drilling	01/12/94	730/57	Washington	Texas
Roger D. Weyand	Torch-I Development Drilling	01/13/94	724/321	Washington	Texas

LESSOR	LESSEE	LEASE DATE	RECORDING REFERENCE	COUNTY	STATE
Florence Smith	Torch-I Development Drilling	01/16/94	724/296	Washington	Texas
Donald Hohlt, et ux	Torch-I Development Drilling	01/16/94	724/301	Washington	Texas
Charles E. Hohlt, et ux	Torch-I Development Drilling	01/16/94	724/306	Washington	Texas
Bruce David Hohlt	Torch-I Development Drilling	01/16/94	724/311	Washington	Texas
Michael Ray Hohlt	Torch-I Development Drilling	01/16/94	724/316	Washington	Texas
Harold William Hohlt	Torch-I Development Drilling	01/16/94	730/31	Washington	Texas
Weldon Hohlt, et ux	Torch-I Development Drilling	01/16/94	730/36	Washington	Texas
David T. Hohlt, et ux	Torch-I Development Drilling	01/16/94	730/41	Washington	Texas
Russell Heidemann, et ux	Torch-I Development Drilling	01/25/94	730/61	Washington	Texas
Garland A. Schilke, et ux	Torch-I Development Drilling	01/26/94	730/65	Washington	Texas
Alice Korthauer	Torch-I Development Drilling	02/07/94	730/74	Washington	Texas
Lonnie Rosenbaum, et ux	Charlie Hudson & Assoc. Inc.	09/11/93	711/268	Washington	Texas
Travis L. Rosenbaum, et ux	Charlie Hudson & Assoc. Inc.	09/10/93	711/272	Washington	Texas
Doris Ann Seilheimer, et vir	Charlie Hudson & Assoc. Inc.	09/10/93	711/276	Washington	Texas
Travis L. Rosenbaum, et ux	Charlie Hudson & Assoc. Inc.	09/10/93	711/280	Washington	Texas
Doris Ann Seilheimer, et vir	Charlie Hudson & Assoc. Inc.	09/10/93	711/284	Washington	Texas
St. Paul Lutheran Church	Torch-I Development Drilling	02/28/94	731/462	Washington	Texas
Gaines L. Davis	Torch-I Development Drilling	02/02/94	730/78	Washington	Texas
R. Randall Rash et ux	Torch-I Development Drilling	04/16/94	741/352	Washington	Texas

NIXON LAKE PROSPECT

WASHINGTON COUNTY, TEXAS

Otto H. Oevermann	Charlie Hudson & Assoc.	08/28/93	711/288	Washington	Texas
Natalie O. Ginn	Charlie Hudson & Assoc.	08/28/93	711/292	Washington	Texas
Charlie W. Oevermann	Charlie Hudson & Assoc.	08/28/93	711/296	Washington	Texas
Rose Lee Kenjura	Charlie Hudson & Assoc.	08/28/93	711/300	Washington	Texas
August G. Oevermann	Charlie Hudson & Assoc.	08/28/93	711/304	Washington	Texas
Harold E. Oevermann	Charlie Hudson & Assoc.	08/28/93	711/308	Washington	Texas
Valeria Oevermann	Charlie Hudson & Assoc.	08/28/93	711/312	Washington	Texas
Howard G. Sommerfeld	Charlie Hudson & Assoc.	09/20/93	713/609	Washington	Texas
James Hutton Nobles	Remington Exploration	08/17/93	712/85	Washington	Texas
Oscar Dietrich et ux	Stephen R. West	07/19/93	707/828	Washington	Texas
Wilfred O. Dietrich	Stephen R. West	07/19/93	707/824	Washington	Texas
Harold Meinecke	Stephen R. West	07/19/93	709/189	Washington	Texas
Ted Elmo Badke et ux	Stephen R. West	07/19/93	704/61	Washington	Texas

QUARRY PROSPECT

WASHINGTON COUNTY, TEXAS

Jeffrey D. Boecker, et ux	Roger A. Soape, Inc.	09/24/93	713/338	Washington	Texas
Don Boecker, et ux	Roger A. Soape, Inc.	09/24/93	713/342	Washington	Texas
Iris McDuffie Stephans	Torch-I Development Drilling	12/01/93	724/262	Washington	Texas
Karl Andrew Amelang, et al	Torch-I Development Drilling	12/04/93	731/773	Washington	Texas
Robert H. Sweatt, et ux	Torch-I Development Drilling	12/04/93	732/458	Washington	Texas
Adelino Landua	Torch-I Development Drilling	12/04/93	732/468	Washington	Texas
Royce Alan Landua	Torch-I Development Drilling	12/04/93	735/668	Washington	Texas
Dennis Paul Landua	Torch-I Development Drilling	12/04/93	732/464	Washington	Texas
Erwin C. Dallmeyer, et ux	Torch-I Development Drilling	01/07/94	734/74	Washington	Texas
Erwin C. Dallmeyer, et ux	Torch-I Development Drilling	01/07/94	724/270	Washington	Texas
Neville Dallmeyer, et ux	Torch-I Development Drilling	01/07/94	724/266	Washington	Texas
Waldo Nienstedt, et ux	Torch-I Development Drilling	01/11/94	724/252	Washington	Texas
Ray Allen Nienstedt, et ux	Torch-I Development Drilling	01/11/94	724/257	Washington	Texas
Waldine Wickel, et vir	Torch-I Development Drilling	01/11/94	724/274	Washington	Texas
Raymond Steinbach, et ux	Torch-I Development Drilling	01/11/94	724/279	Washington	Texas
Kathleen Fuchs, et vir	Torch-I Development Drilling	01/11/94	724/288	Washington	Texas
Don W. Steinbach, et ux	Torch-I Development Drilling	01/11/94	724/283	Washington	Texas

LESSOR	LESSEE	LEASE DATE	RECORDING REFERENCE	COUNTY	STATE
Marilyn C. Sager	Torch-I Development Drilling	01/14/94	730/23	Washington	Texas
Andrew W. Peterson, et ux	Torch-I Development Drilling	01/18/94	730/49	Washington	Texas
William W. Wendt, et ux	Torch-I Development Drilling	01/29/94	730/115	Washington	Texas
Stephan F. Wendt	Torch-I Development Drilling	01/29/94	731/454	Washington	Texas
Vivian Wendt Langhorst	Torch-I Development Drilling	01/29/94	731/458	Washington	Texas
Marie D. Langer	Torch-I Development Drilling	01/22/94	734/480	Washington	Texas
Marilyn D. Sager	Torch-I Development Drilling	03/04/94	732/454	Washington	Texas
Gary Michael Seaback	Nuevo Energy Company	07/14/94	743/366	Washington	Texas
John D. Garner et ux	Nuevo Energy Company	07/28/94	748/702	Washington	Texas

SANDY HILL PROSPECT
WASHINGTON COUNTY, TEXAS

Leo Allen Rogge, et ux	Nuevo Energy Company	10/17/94	757/612	Washington	Texas
John D. Sanders, et ux	Nuevo Energy Company	10/25/94	757/623	Washington	Texas
John D. Sanders	Nuevo Energy Company	10/27/94	757/621	Washington	Texas
Donald Thomas, Sr.	Nuevo Energy Company	10/27/94	757/615	Washington	Texas
Mattie M. F. Marshall, et al	Nuevo Energy Company	10/07/94	826/433	Washington	Texas
Alzena Marie Rogers	Nuevo Energy Company	10/21/94	757/617	Washington	Texas
Marjorie Mayes	Nuevo Energy Company	10/21/94	762/910	Washington	Texas
Dana Lynn Downs	Nuevo Energy Company	10/11/94	766/324	Washington	Texas
Neal Amundson et ux, Shirley	Nuevo Energy Company	10/13/94	762/907	Washington	Texas

FILED

AT 12:40 P.M.
JUL 10 1998 *Stu*

Beth A. Rothermel

BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on

JUL 11 1998



Beth A. Rothermel
Beth Rothermel, County Clerk
Washington County, Texas

THIS LEASE AGREEMENT is made effective the 23rd day of April, 1996,between OTTO CHARLES LANDUA, a single man and EVELYN KOEHLER and husband, OTTO F. KOEHLERas Lessor (whether one or more), whose address is 4320 Old Waco Road, Temple, Texas 76502,and UNION PACIFIC RESOURCES COMPANY, as Lessee,whose address is P. O. Box 7, Fort Worth, Texas 76502. All printed

portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. Description. Lessor, in consideration of TEN AND OTHER GOOD AND VALUABLE CONSIDERATION

of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial

gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in _____

Washington County, Texas, to-wit:94.57 acres of land, more or less, part of the BIRD L. HAWKS SURVEY, A-53, Washington County, Texas and being the same land more particularly described by the following two (2) tracts of land, to-wit:**TRACT 1:** 20.90 acres of land, more or less, and being all of that certain 100.00 acres tract of land more fully described in that certain Deed dated March 28, 1917 from Edward Landua to Otto Landua as recorded in Volume 70, Page 417 of the Deed Records of Washington County, Texas, SAVE AND EXCEPT; 79.10 acres of land, more or less, being the same land described in a Deed, dated January 26, 1965 from Mamie Landua, et al to United States of America as recorded in Volume 257, Page 402 of the Deed Records of Washington County, Texas.**TRACT 2:** 73.67 acres of land, more or less, being the same land described in that certain Deed, dated July 6, 1946 from Charles Landua, et al to Mamie Landua as recorded in Volume 149, Page 636 of the Deed Records of Washington County, Texas.This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 94.57 acres, whether it actually comprises more or less.2. Term of Lease. This lease shall be in force for a primary term of one (1) years from the effective date hereof, and for as long thereafter as a covered mineral is produced in paying quantities from the leased premises or this lease is otherwise maintained in effect pursuant to the provisions hereof.3. Royalty. Royalties on covered minerals produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's field separator facilities, the royalty shall be one-sixth (1/6) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead posted price prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for product of similar grade and gravity less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, (b) for gas (including casinghead gas) and allcovered minerals, the royalty shall be one-sixth (1/6) of the net proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and (c) if during or after the primary term one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee for a period of 90 consecutive days, then Lessee may pay shut-in royalty of one dollar per acre of land then covered by this lease, such payment to be made to Lessor on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in and it shall be considered that such well is producing in paying quantities for all purposes hereof during any period for which such shut-in royalty is tendered; provided that if this lease is otherwise being maintained by the payment of rentals or by operations, or if a well or wells on the leased premises is producing in paying quantities, no shut-in royalty shall be due until the end of the 90-day period next following the end of the rental period or the cessation of such operations or production, as the case may be. Lessee shall have free use of oil, gas, water, and other substances produced from said land, except water from Lessor's wells or ponds, for all operations hereunder, and Lessor's royalty shall be computed after deducting any so used.4. Operations. If, after expiration of the primary term, Lessee drills a dry hole on the leased premises or if all production of covered minerals should permanently cease from any cause either voluntary or involuntary (and if this lease is not otherwise being maintained), this lease shall remain in effect if Lessee commences drilling, reworking or other operations on the leased premises within 90 days thereafter. If, at or after expiration of the primary term, this lease is not otherwise being maintained but Lessee is then engaged in drilling, reworking or other operations calculated to obtain or restore production from the leased premises, this lease shall remain in effect so long as such operations are conducted with no cessation of more than 90 consecutive days and, if such operations result in the production of a covered mineral, as long thereafter as there is production from the leased premises. After production has been established on the leased premises, Lessee shall drill such additional wells as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or (b) protect the leased premises from uncompensated drainage by a well producing a covered mineral in paying quantities located within 330 feet of and draining the leased premises. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.5. Pooling. Lessee shall have the continuing and recurring right, but not the obligation, to pool all or any part of the leased premises or interest therein with any other lands, leases or interests, as to any or all depths or zones, and as to any or all covered minerals, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently explore, develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands, leases or interests. A unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for an oil well which is a horizontal completion or a gas well shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that larger units may be formed for an oil well or a gas well, whether or not horizontally completed, in order to conform to any well spacing or density pattern permitted by any governmental authority having jurisdiction over such matters. The terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or by regulations of the governmental authority which has jurisdiction over such matters. The term "horizontal completion" shall mean an oil well or a gas well in which the horizontal component of the completion interval exceeds 100 feet in length. Lessee may pool or combine land covered by this lease or any portions thereof, as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with units formed as to any other stratum or strata, and oil units need not conform as to area with gas units. To exercise its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit, and the effective date of pooling shall be the date of filing unless provided otherwise in such declaration, Lessee wholly at its option may exercise its authority to pool either before or after commencing operations for or completing an oil or gas well on lands lying within a unit and any unit may include, but is not required to include, lands or leases upon which a well producing or capable of producing oil or gas in paying quantities has theretofore been completed, or upon which operations have theretofore been commenced. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises, regardless of whether such production was secured or such drilling or reworking operations were commenced before or after the execution of this lease or the instrument designating the pooled unit, shall be treated for all purposes (except the payment of royalties on production from the pooled unit) as if they were production, drilling or reworking operations on the leased premises and references herein to production from or operations on the leased premises shall be deemed to include production from or operations on any portion of such pooled unit; provided that if after creation of a pooled unit a well is drilled on land within the unit area (other than the leased premises) which well is not classified as the type of well for which the unit was created (oil, gas or other minerals as the case may be), such well shall be considered a dry hole for purposes of applying the additional drilling and reworking provisions hereof. If a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, with respect to all lands which are included within the unit (other than the lands on which the well is located), the date of such reclassification shall be considered as the date of cessation of production for purposes of applying the provisions of this lease covering additional drilling and reworking. The production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent that such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder; and Lessee shall, without the joinder of Lessor, have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority, or court order, or when to do so would, in the judgment of Lessee, promote the conservation of covered minerals in and under and that

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED APRIL 23, 1996 BETWEEN OTTO CHARLES LANDUA, A SINGLE MAN AND EVELYN KOEHLER AND HUSBAND, OTTO F. KOEHLER, AS LESSORS AND UNION PACIFIC RESOURCES COMPANY AS LESSEE:

12. The payment or tender of any shut-in royalty may be made in currency, or by check or by draft, deposited in the U. S. Mail addressed to Lessor or delivered to same on or before the due date.

13. It is expressly understood that there is excepted and reserved to Lessor, and accordingly not covered by this lease, the production of coal, lignite or other surface minerals in or under the leased premises.

14. It is agreed and understood that no surface operations may be conducted, and no new roads, pipelines or sites may be built on the surface of the leased premises herein without the express prior written consent of Lessor, which consent can be withheld. It is agreed that Lessee shall have no rights of ingress or access to surface of the herein leased premises for any purpose whatsoever. It is further understood and agreed that Lessee shall have the right to drill and operate directional wells through and under said land, irrespective of the bottom hole locations of such wells. To this end, Lessor hereby grants Lessee a subsurface easement for all purposes associated with such directional wells.

15. It is hereby agreed between Lessor and Lessee that no well shall be drilled within four hundred (400) feet of any residence or two hundred (200) feet of any barn now on said premises without Lessor's consent.

16. If, at the end of the primary term of this lease, a portion or portions of the land herein leased is pooled or unitized with other lands so as to form a pooled unit or units, operations on or production from such unit or units will maintain this lease in force only as to land included in such unit or units. Any land not so held by production or operations at the end of the primary term of this lease shall revert to the Lessor free and clear of the terms of this lease, with the exception that in the event Lessee is, at the end of the primary term, engaged in drilling a well on the land herein under lease, that such entire lease shall remain in force and effect so long as continuous drilling operations are being conducted on said property, and such continuous drilling operations shall be construed to mean that no more than ninety (90) days shall elapse between the completion or abandonment as a dry hole of any oil and/or gas well and the commencement of operations for the drilling of a subsequent well on said property.

17. Lessee shall not permanently house any of its employees, agents or representatives on the property of Lessor at any time. The leased premises shall at no time be utilized as a place for storage or stockpiling of oil field equipment and supplies, including but not limited to drill stem and casing, except to the extent such supplies are temporarily necessary to such drilling, reworking or normal and regular operations being conducted on the leased premises. Lessee shall not erect gas or liquid processing plants, refineries, tank farms, shops, warehouses, storage yards, loading terminals, power stations or offices upon the leased premises. Lessee shall not establish and utilize facilities for surface or subsurface storage or disposal of saltwater not shall said premises be utilized for disposal of noxious, poisonous or hazardous substances, drilling mud, chemicals, refuse or debris. Lessee shall have the right to temporarily store salt water retained as a result of normal production operations on the premises provided the same be maintained in a manner which will not damage the surface of the property. At no time shall subsurface storage of salt water be permitted. Lessee's right to lay pipelines shall be limited to such lines as are necessary to transport oil and gas from wells located upon the leased premises or upon property with which Lessor's land has been pooled to form a pool or unit for the purpose of production

-2-

to the nearest pipeline to which said oil and gas is to be delivered. Lessee shall have no right to lay pipelines across Lessor's property to carry production from any well or wells which are not located upon the leased premises or which are not located within a pool or unit including a portion of the leased premises as aforesaid. Lessee agrees to bury all pipelines at a depth not less than 36 inches below the surface of the ground and shall locate all pipelines as near to the boundary of said lands as reasonably possible and shall consult with lessor prior to the laying of any such pipelines regarding the proposed locations of such pipelines.

18. Lessee, Lessee's agents, employees and representative are prohibited from fishing, swimming, boating, hunting with dogs or firearms, from the carrying of firearms or otherwise using for recreational or leisure purposes any portion of the leased premises.

19. Notwithstanding anything herein to the contrary, Lessee shall not maintain this lease solely by the payment of shut-in royalties for more than two years. Shut-in privileges are cumulative and may be exercised from time to time, but limited to a maximum of two years cumulative time. This paragraph in no way limits Lessee from maintaining this lease in force and effect by any other provisions or terms of this lease. The payment by Lessee to Lessor of such rentals shall in no manner relieve Lessee from the obligation of payment of all royalties as shall become due upon subsequent production of a well which has been shut-in under the terms of this lease; and in no event shall Lessee be entitled to credit against such royalties due Lessor such rental sums paid by Lessee to Lessor under the terms and provisions hereof.

20. Royalty payments as shall become due to Lessor by reason of the production of oil and gas from a well or wells located upon the leased premises or upon lands with which the leased premises or part thereof shall have been pooled to form a pool or unit for purposes of production shall be timely paid as required by 91.401 et seq of the Texas Natural Resource Code. Lessor shall further receive interest on late payments as therein provided when such royalties are not timely paid.

21. The failure of Lessee to timely tender delay rentals or shut-in royalties shall cause a termination of the leasehold estate without any requirement of notice to Lessee.

22. Lessee shall not have the right to use oil, gas and other lease substances produced from a well located on a unit covering the leased premises for production or recovery of oil, gas or lease substances from any well or wells located on a unit(s) not including a portion of the leased premises without full payment to Lessor of its royalty on said oil, gas and other leased substances.

Otto Charles Landua
OTTO CHARLES LANDUA
SS# [REDACTED]

Evelyn Koehler
EVELYN KOEHLER
SS# [REDACTED]

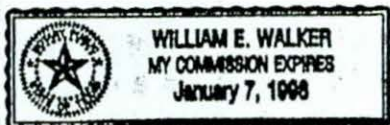
Otto F. Koehler
OTTO F. KOEHLER
SS# [REDACTED]
W.E.W.
O.F.K.

ACKNOWLEDGEMENT

THE STATE OF TEXAS }

COUNTY OF WASHINGTON }

This instrument was acknowledged before me on the 30th day of April, 1996 by OTTO CHARLES LANDUA.

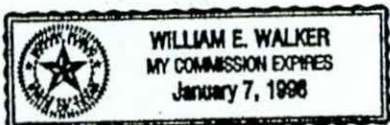


William E. Walker
Notary Public, State of Texas

THE STATE OF TEXAS }

COUNTY OF BELL }

This instrument was acknowledged before me on the 30th day of April, 1996 by EVELYN KOEHLER AND OTTO F. KOEHLER.



William E. Walker
Notary Public, State of Texas

FILED
AT 2:45 P.M.
APR 30 1996
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on

MAY 01 1996



Beth A. Rothermel
Beth Rothermel, County Clerk
Washington County, Texas

MEMORANDUM OF OIL, GAS AND MINERAL LEASE

THE STATE OF TEXAS)
COUNTY OF WASHINGTON)

KNOW ALL MEN BY THESE PRESENTS, that FISH INVESTMENT LLC, whose address is 5851 San Felipe, Suite 760, Houston, Texas 77057, (referred to herein as "Lessor"), has entered into an Oil, Gas and Mineral Lease, (referred to herein as "Lease"), with UNION PACIFIC RESOURCES COMPANY, whose address is 801 Cherry Street, Fort Worth, Texas 76102 (referred to herein as "Lessee"), with an effective date of October 28, 1996, covering and affecting the mineral interest owned by Lessor in and under the following described land in Washington County, Texas:

225.49 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being more particularly described in three (3) tracts as follows:

Tract 1: 4.43 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 306, Deed Records of Washington County, Texas.

Tract 2: 169.26 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 310, Deed Records of Washington County, Texas.

Tract 3: 51.80 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 323, Deed Records of Washington County, Texas.

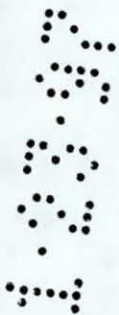
The lease provides for a primary term of six (6) months from and after the effective date thereof and as long thereafter as a mineral or minerals (as defined in the Lease) is produced in paying quantities from the Leased Premises or lands pooled therewith or said Lease is maintained in any manner provided for therein, subject to all other terms and provisions set forth in said Lease, reference to the original Lease is herein made for all purposes.

IN WITNESS WHEREOF, this instrument is executed effective the date first written above, and upon execution shall be binding upon the signatory whether or not the Lease has been executed by all parties named herein as Lessor.

FISH INVESTMENT LLC

J. R. IMBER, JR., Co-Manager

KATHLEEN I. SCHULLER, Co-Manager



THE STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on the 3rd day of December, 1996, by J. R. IMBER, JR., Co-Manager of FISH INVESTMENT LLC.

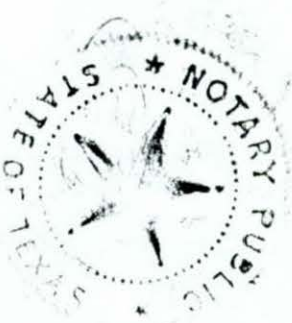


Joyce A. Quartapella
Notary Public, State of Texas

Joyce A. Quartapella
My Commission Expires: 11-28-99

THE STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on the 3rd day of December, 1996, by KATHLEEN I. SCHULLER, Co-Manager of FISH INVESTMENT LLC.



Joyce A. Quartapella
Notary Public, State of Texas

Joyce A. Quartapella
My Commission Expires: 11-28-99

FILED
AT 10:20 A.M.
JAN - 3 1997 80
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this Instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on

JAN 06 1997



Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

5557

THIS LEASE AGREEMENT is made effective the 28 th day of October, 19 96between Fish Investment LLCas Lessor (whether one or more), whose address is 5851 San Felipe, Suite 760, Houston, TX 77057and UNION PACIFIC RESOURCES COMPANY, as Lesseewhose address is 801 CHERRY STREET, FORT WORTH, TX 76102

All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. Description. Lessor, in consideration of Ten Dollars And No CentsDollars (\$ 10.00), in hand paid

of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing, and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in

WASHINGTON County, Texas, to-wit:225.49 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being more particularly described in EXHIBIT A attached hereto and made a part hereof.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rental and shut-in royalties hereunder, said land shall be deemed to be comprised of 225.4900 acres, whether it actually comprises more or less.

2. Term of Lease. This lease shall be in force for a primary term of 6 months ~~years~~ from the effective date hereof, and for as long thereafter as a covered mineral is produced in paying quantities from the leased premises or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalty. Royalties on covered minerals produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated

at Lessee's held separator facilities, the royalty shall be 0.18000000 of such production, to be delivered at Lessee's option to Lessor at the wellhead or at Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead posted price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, (b) for gas (including casinghead gas) and all other covered minerals, the royalty shall be 0.18000000 of the net proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and (c) if during or after the primary term one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee for a period of 90 consecutive days, then Lessee may pay shut-in royalty of one dollar per acre of land then covered by this lease, such payment to be made to Lessor on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in and it shall be considered that such well is producing in paying quantities for all purposes hereof during any period for which such shut-in royalty is tendered; provided that if this lease is otherwise being maintained by the payment of rentals or by operations, or if a well or wells on the leased premises is producing in paying quantities, no shut-in royalty shall be due until the end of the 90-day period next following the end of the rental period or the cessation of such operations or production, as the case may be. Lessee shall have free use of oil, gas, water, and other substances produced from said land, except water from Lessor's wells or ponds, for all operations hereunder, and Lessor's royalty shall be computed after deducting any so used.

4. Operations. If, after expiration of the primary term, Lessee drills a dry hole on the leased premises or if all production of covered minerals should permanently cease from any cause either voluntary or involuntary (and if this lease is not otherwise being maintained), this lease shall remain in effect if Lessee commences drilling, reworking or other operations on the leased premises within 90 days thereafter. If, at or after expiration of the primary term, this lease is not otherwise being maintained but Lessee is then engaged in drilling, reworking or other operations calculated to obtain or restore production from the leased premises, this lease shall remain in effect so long as such operations are conducted with no cessation of more than 90 consecutive days and, if such operations result in the production of a covered mineral, as long thereafter as there is production from the leased premises. After production has been established on the leased premises, Lessee shall drill such additional wells as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or (b) protect the leased premises from uncompensated drainage by a well producing a covered mineral in paying quantities located within 330 feet of and draining the leased premises. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

5. Pooling. Lessee shall have the continuing and recurring right, but not the obligation, to pool all or any part of the leased premises or interest therein with any other lands, leases or interests, as to any or all depths or zones, and as to any or all covered minerals, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently explore, develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands, leases or interests. A unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10% and for an oil well which is a horizontal completion or a gas well shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that larger units may be formed for an oil well or a gas well, whether or not horizontally completed, in order to conform to any well spacing or density pattern permitted by any governmental authority having jurisdiction over such matters. The terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or by regulations of the governmental authority which has jurisdiction over such matters. The term "horizontal completion" shall mean an oil well or a gas well in which the horizontal component of the gross completion interval exceeds 100 feet in length. Lessee may pool or combine land covered by this lease or any portions thereof, as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with units formed as to any other stratum or strata, and oil units need not conform as to area with gas units. To exercise its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and the effective date of pooling shall be the date of filing unless provided otherwise in such declaration. Lessee wholly at its option may exercise its authority to pool either before or after commencing operations for or completing an oil or gas well on lands lying within a unit and any unit may include, but is not required to include, lands or leases upon which a well producing or capable of producing oil or gas in paying quantities has theretofore been completed, or upon which operations have theretofore been commenced. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises, regardless of whether such production was secured or such drilling or reworking operations were commenced before or after the execution of this lease or the instrument designating the pooled unit, shall be treated for all purposes (except the payment of royalties on production from the pooled unit) as if they were production, drilling or reworking operations on the leased premises and references herein to production from or operations on the leased premises shall be deemed to include production from or operations on any portion of such pooled unit; provided that if after creation of a pooled unit a well is drilled on land within the unit area (other than the leased premises) which well is not classified as the type of well for which the unit was created (oil, gas or other minerals as the case may be), such well shall be considered a dry hole for purposes of applying the additional drilling and reworking provisions hereof. If a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, with respect to all lands which are included within the unit (other than the lands on which the well is located), the date of such reclassification shall be considered as the date of cessation of production for purposes of applying the provisions of this lease covering additional drilling and reworking. The production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent that such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall, without the joinder of Lessor, have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority, or court order, or when to do so would, in the judgment of Lessee, promote the conservation of covered minerals in and under and the

be produced from the leased premises. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and the effective date of such revision shall be the date of filing unless provided otherwise in such declaration. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly, and such adjustment shall be made effective as of the effective date of the revision. Lessee may at any time dissolve any unit formed hereunder by filing a written declaration describing the unit, and the effective date of dissolution shall be the date of filing unless provided otherwise in such declaration. 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 with consequent allocation of production as herein provided. As used herein 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. Pooling hereunder shall not constitute a cross-conveyance of interests.

6. **Ancillary Rights.** In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises, in primary or enhanced recovery, Lessor hereby grants and conveys to Lessee the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and transport production. In exploring, developing, producing or marketing from the leased premises, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises. No surface location for a well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder without Lessor's consent, and Lessee shall pay for actual damage caused by its operations to buildings and other improvements now on the leased premises, or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove structures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within 180 days following the expiration thereof.

7. **Ownership Changes.** The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area or by depth of zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate. If at any time two or more persons are entitled shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons, either jointly or separately, in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part, Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to an interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

8. **Warranty of Title.** Lessor hereby warrants and agrees to defend title to the interest conveyed to Lessee hereunder. Lessee, at its option, may pay or discharge any tax, mortgage or lien existing against the leased premises and, in the event that it does so, Lessee shall be subrogated to the rights of the party to whom payment is made and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. If Lessor owns less than the full mineral estate in all or any part of the leased premises, payment of royalties and shut-in royalties hereunder shall be reduced proportionately to the amount that Lessor's interest in the leased premises bears to the entire mineral estate in the leased premises.

9. **Release of Lease.** Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this Lease as to a full or undivided interest in all or any portion of the leased premises or any depths or zones thereunder, and shall thereafter be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. **Regulation and Delay.** Lessee's obligations under the lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells. Notwithstanding the provisions of paragraph 2 above, when drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control (commonly referred to as "force majeure"), this lease shall not terminate because of such prevention or delay and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

11. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part, unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principle - agent relationship between Lessor and Lessee for any purpose.

IN WITNESS WHEREOF, this lease is executed effective the date first written above, and upon execution shall be binding upon the signatory whether or not the lease has been executed by all parties named herein as Lessor.

SS# AND/OR TAX ID #

76-0412911

Kathleen I. Schuller
Kathleen I. Schuller, Co-Manager

LESSOR:

Fish Investment LLC

J. R. Imber, Jr.
J. R. Imber, Jr., Co-Manager

COUNTY OF TEXAS)
COUNTY OF HARRIS) ss.

This instrument was acknowledged before me this 3rd day of December, 1996, by J. R. Imber, Jr., Co-Manager of Fish Investment LLC.

Joyce A. Quartapella
Notary Public, State of Texas
Joyce A. Quartapella

My Commission Expires:

11-28-99

COUNTY OF TEXAS)
COUNTY OF HARRIS) ss.

This instrument was acknowledged before me this 3rd day of December, 1996, by Kathleen I. Schuller, Co-Manager of Fish Investment LLC.

Joyce A. Quartapella
Notary Public, State of Texas

My Commission Expires:

11-28-99

Joyce A. Quartapella

Exhibit A

PROPERTY DESCRIPTION

225.49 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being more particularly described in three (3) tracts as follows:

Tract 1: 4.43 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 306, Deed Records of Washington County, Texas.

Tract 2: 169.26 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 310, Deed Records of Washington County, Texas.

Tract 3: 51.80 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 323, Deed Records of Washington County, Texas.



R.S.D.
LESSOR INITIALS *J. H. H.*

Exhibit B

12. NO SURFACE USE

Lessee agrees that it will conduct no drilling operations on the surface of the leased premises without Lessor's prior written consent. It is further agreed and understood that Lessee shall have the right to drill and operate directional wells through and under said land, irrespective of the bottom hole location of said wells. To this end, Lessor hereby grants to Lessee a subsurface easement for all purposes associated with such directional wells. Lessee agrees that subsurface easement shall commence at and continue below the depth of 200 feet.

13. POOLING

In the event Lessee elects to pool or unitize a portion of the herein leased premises with other land so as to form a pooled unit or units, if any portion of the herein leased premises is included in such pooled unit, then all of the leased premises shall be included in such pooled unit.

LES

LESSOR INITIALS

K.S. J. [Signature]

MEMORANDUM OF OIL, GAS AND MINERAL LEASE

THE STATE OF TEXAS)
COUNTY OF WASHINGTON)

KNOW ALL MEN BY THESE PRESENTS, that CHARLES W. MACHEMEHL, whose address is Rt. 4, Box 70, Brenham, Texas 77833, (referred to herein as "Lessor"), has entered into an Oil, Gas and Mineral Lease, (referred to herein as "Lease"), with UNION PACIFIC RESOURCES COMPANY, whose address is 801 Cherry Street, Fort Worth, Texas 76102 (referred to herein as "Lessee"), with an effective date of October 28, 1996, covering and affecting the mineral interest owned by Lessor in and under the following described land in Washington County, Texas:

225.49 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being more particularly described in three (3) tracts as follows:

Tract 1: 4.43 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 306, Deed Records of Washington County, Texas.

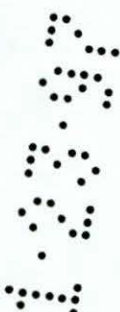
Tract 2: 169.26 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 310, Deed Records of Washington County, Texas.

Tract 3: 51.80 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 323, Deed Records of Washington County, Texas.

The lease provides for a primary term of six (6) months from and after the effective date thereof and as long thereafter as a mineral or minerals (as defined in the Lease) is produced in paying quantities from the Leased Premises or lands pooled therewith or said Lease is maintained in any manner provided for therein, subject to all other terms and provisions set forth in said Lease, reference to the original Lease is herein made for all purposes.

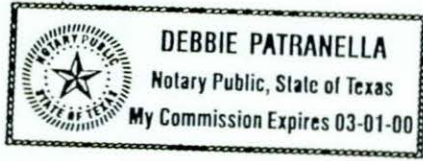
IN WITNESS WHEREOF, this instrument is executed effective the date first written above, and upon execution shall be binding upon the signatory whether or not the Lease has been executed by all parties named herein as Lessor.

Handwritten signature of Charles W. Machehl and printed name CHARLES W. MACHEMEHL



THE STATE OF TEXAS)
)
COUNTY OF WASHINGTON)

This instrument was acknowledged before me on the 29th day of October, 1996, by CHARLES W. MACHEMEHL.



Debbie Patranella
Notary Public, State of Texas

FILED
AT 10:30 A.M.
JAN - 3 1997
Beth A. Rothermel 80
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on

JAN 06 1997



Beth A. Rothermel
Beth Rothermel, County Clerk
Washington County, Texas

557

THIS LEASE AGREEMENT is made effective the 28th day of October, 1996
between Charles W. Machemehl

as Lessor (whether one or more), whose address is Rt. 4, Box 70, Brenham, TX 77833

and UNION PACIFIC RESOURCES COMPANY

as Lessee

whose address is 801 CHERRY STREET, FORT WORTH, TX 76102

All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of Ten Dollars And No Cents

Dollars (\$ 10.00)

), in hand paid of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in

WASHINGTON

County, Texas, to-wit:

225.49 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being more particularly described in EXHIBIT A attached hereto and made a part hereof.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 225.4900 acres, whether it actually comprises more or less.

2. **Term of Lease.** This lease shall be in force for a primary term of 6 months ~~xxx~~ from the effective date hereof, and for as long thereafter as a covered mineral is produced in paying quantities from the leased premises or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. **Royalty.** Royalties on covered minerals produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's held separator facilities, the royalty shall be 0.18000000 of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead posted price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, (b) for gas (including casinghead gas) and all other covered minerals, the royalty shall be 0.18000000 of the net proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and (c) if during or after the primary term one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee for a period of 90 consecutive days, then Lessee may pay shut-in royalty of one dollar per acre of land then covered by this lease, such payment to be made to Lessor on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in and it shall be considered that such well is producing in paying quantities for all purposes hereof during any period for which such shut-in royalty is tendered; provided that if this lease is otherwise being maintained by the payment of rentals or by operations, or if a well or wells on the leased premises is producing in paying quantities, no shut-in royalty shall be due until the end of the 90-day period next following the end of the rental period or the cessation of such operations or production, as the case may be. Lessee shall have free use of oil, gas, water, and other substances produced from said land, except water from Lessor's wells or ponds, for all operations hereunder, and Lessor's royalty shall be computed after deducting any so used.

4. **Operations.** If, after expiration of the primary term, Lessee drills a dry hole on the leased premises or if all production of covered minerals should permanently cease from any cause either voluntary or involuntary (and if this lease is not otherwise being maintained), this lease shall remain in effect if Lessee commences drilling, reworking or other operations on the leased premises within 90 days thereafter. If, at or after expiration of the primary term, this lease is not otherwise being maintained but Lessee is then engaged in drilling, reworking or other operations calculated to obtain or restore production from the leased premises, this lease shall remain in effect so long as such operations are conducted with no cessation of more than 90 consecutive days and, if such operations result in the production of a covered mineral, as long thereafter as there is production from the leased premises. After production has been established on the leased premises, Lessee shall drill such additional wells as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or (b) protect the leased premises from uncompensated drainage by a well producing a covered mineral in paying quantities located within 330 feet of and draining the leased premises. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

5. **Pooling.** Lessee shall have the continuing and recurring right, but not the obligation, to pool all or any part of the leased premises or interest therein with any other lands, leases or interests, as to any or all depths or zones, and as to any or all covered minerals, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently explore, develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands, leases or interests. A unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%; for an oil well which is a horizontal completion or a gas well shall not exceed 640 acres plus if a maximum acreage tolerance of 10%; provided that larger units may be formed for an oil well or a gas well, whether or not horizontally completed, in order to conform to any well spacing or density pattern permitted by any governmental authority having jurisdiction over such matters. The terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or by regulations of the governmental authority which has jurisdiction over such matters. The term "horizontal completion" shall mean an oil well or a gas well in which the horizontal component of the gross completion interval exceeds 100 feet in length. Lessee may pool or combine land covered by this lease or any portions thereof, as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with units formed as to any other stratum or strata and oil units need not conform as to area with gas units. To exercise its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit, and the effective date of pooling shall be the date of filing unless provided otherwise in such declaration. Lessee wholly at its option may exercise its authority to pool either before or after commencing operations for or completing an oil or gas well on lands lying within a unit and any unit may include, but is not required to include, lands or leases upon which a well producing or capable of producing oil or gas in paying quantities has theretofore been completed, or upon which operations have theretofore been commenced. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises, regardless of whether such production was secured or such drilling or reworking operations were commenced before or after the execution of this lease or the instrument designating the pooled unit, shall be treated for all purposes (except the payment of royalties on production from the pooled unit) as if they were production, drilling or reworking operations on the leased premises and references herein to production from or operations on the leased premises shall be deemed to include production from or operations on any portion of such pooled unit; provided that if after creation of a pooled unit a well is drilled on land within the unit area (other than the leased premises) which well is not classified as the type of well for which the unit was created (oil, gas or other minerals as the case may be), such well shall be considered a dry hole for purposes of applying the additional drilling and reworking provisions hereof. If a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, with respect to all lands which are included within the unit (other than the lands on which the well is located), the date of such reclassification shall be considered as the date of cessation of production for purposes of applying the provisions of this lease covering additional drilling and reworking. The production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent that such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall, without the joinder of Lessor, have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority, or court order, or when to do so would, in the judgment of Lessee, promote the conservation of covered minerals in and under and that

may be produced from the leased premises. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and the effective date of revision shall be the date of filing unless provided otherwise in such declaration. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly, and such adjustment shall be made effective as of the effective date of the revision. Lessee may at any time dissolve any unit formed hereunder by filing a written declaration describing the unit, and the effective date of dissolution shall be the date of filing unless provided otherwise in such declaration. 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 with consequent allocation of production as herein provided. As used herein 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. Pooling hereunder shall not constitute a cross-conveyance of interests.

6. **Ancillary Rights.** In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises, in primary or enhanced recovery, Lessor hereby grants and conveys to Lessee the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and transport production. In exploring, developing, producing or marketing from the leased premises, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises. No surface location for a well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder without Lessor's consent, and Lessee shall pay for actual damage caused by its operations to buildings and other improvements now on the leased premises, or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within 180 days following the expiration thereof.

7. **Ownership Changes.** The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate. If at any time two or more persons are entitled shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons, either jointly or separately, in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part, Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

8. **Warranty of Title.** Lessor hereby warrants and agrees to defend title to the interest conveyed to Lessee hereunder. Lessee, at its option, may pay or discharge any tax, mortgage or lien existing against the leased premises and, in the event that it does so, Lessee shall be subrogated to the rights of the party to whom payment is made and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. If Lessor owns less than the full mineral estate in all or any part of the leased premises, payment of royalties and shut-in royalties hereunder shall be reduced proportionately to the amount that Lessor's interest in the leased premises bears to the entire mineral estate in the leased premises.

9. **Release of Lease.** Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this Lease as to a full or undivided interest in all or any portion of the leased premises or any depths or zones thereunder, and shall thereafter be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. **Regulation and Delay.** Lessee's obligations under the lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells. Notwithstanding the provisions of paragraph 2 above, when drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control (commonly referred to as "force majeure"), this lease shall not terminate because of such prevention or delay and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

11. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principle - agent relationship between Lessor and Lessee for any purpose.

IN WITNESS WHEREOF, this lease is executed effective the date first written above, and upon execution shall be binding upon the signatory whether or not the lease has been executed by all parties named herein as Lessor.

SS# AND/OR TAX ID #

[Redacted]

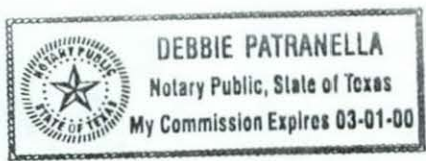
LESSOR:

Charles W. Machemehl
Charles W. Machemehl

STATE OF TEXAS)
COUNTY OF WASHINGTON)

) ss.

This instrument was acknowledged before me this 29th day of October, 1996, by Charles W. Machemehl.



Debbie Patranella
Notary Public, State of Texas

My Commission Expires:

STATE OF _____)
COUNTY _____)

) ss.

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

Notary Public

My Commission Expires:

Exhibit A

PROPERTY DESCRIPTION

225.49 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being more particularly described in three (3) tracts as follows:

Tract 1: 4.43 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 306, Deed Records of Washington County, Texas.

Tract 2: 169.26 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 310, Deed Records of Washington County, Texas.

Tract 3: 51.80 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 323, Deed Records of Washington County, Texas.

53

Exhibit B

12. NO SURFACE USE

Lessee agrees that it will conduct no drilling operations on the surface of the leased premises without Lessor's prior written consent. It is further agreed and understood that Lessee shall have the right to drill and operate directional wells through and under said land, irrespective of the bottom hole location of said wells. To this end, Lessor hereby grants to Lessee a subsurface easement for all purposes associated with such directional wells. Lessee agrees that subsurface easement shall commence at and continue below the depth of 200 feet.

13. POOLING

Lessee has agreed that the subject land will be pooled in a unit to be formed with respect to a well to be located on the USA-Dallmeyer 146 acre tract to the north, unless otherwise agreed to in writing by Lessor and Lessee. In the event Lessee elects to pool or unitize a portion of the herein leased premises with other land so as to form a pooled unit or units, if any portion of the herein leased premises is included in such pooled unit, then all of the leased premises shall be included in such pooled unit.

CM

MEMORANDUM OF OIL, GAS AND MINERAL LEASE

THE STATE OF TEXAS)
COUNTY OF WASHINGTON)

KNOW ALL MEN BY THESE PRESENTS, that BETTY T. JOHNSTON, as Independent Executor of the Estate of James J. Johnston, Deceased, Lyle E. Carbaugh, as Independent Executor of the Estate of James J. Johnston, Deceased, and Paul M. Hardwick, ass Independent Executor of the Estate of James J. Johnston, Deceased, who address is P. O. Box 570007, Houston, Texas 77257-0007, (referred to herein as "Lessor"), have entered into an Oil, Gas and Mineral Lease, (referred to herein as "Lease") with UNION PACIFIC RESOURCES COMPANY, whose address is 801 Cherry Street, Fort Worth, Texas 76102 (referred to herein as "Lessee"), with an effective date of October 28, 1996, covering and affecting the mineral interest owned by Lessor in and under the following described land in Washington County, Texas:

225.49 acres of land, more or less, out of the B. L. Hanks Survey, A-53 Washington County, Texas, being more particularly described in three (3) tracts as follows:

Tract 1: 4.43 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 306, Deed Records of Washington County, Texas.

Tract 2: 169.26 acres of land, more or less, out of the B. L. Hanks Survey A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 310, Deed Records of Washington County, Texas.

Tract 3: 51.80 acres of land, more or less, out of the B. L. Banks Survey A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 323, Deed Records of Washington County, Texas.

The lease provides for a primary term of six (6) months from and after the effective date thereof and as long thereafter as a mineral or minerals (as defined in the Lease) is produced in paying quantities from the Leased Premises or lands pooled therewith or said Lease is maintained in any manner provided for therein, subject to all other terms and provisions set forth in said Lease, reference to the original Lease is herein made for all purposes.

IN WITNESS WHEREOF, this instrument is executed effective the date first written above, and upon execution shall be binding upon the signatory whether or not the Lease has been executed by all parties named herein as Lessor.

Betty T. Johnston
BETTY T. JOHNSTON, Independent
Executor of the Estate of James J.
Johnston, Deceased



Lyle E. Carbaugh
LYLE E. CARBAUGH, Independent
Executor of the Estate of James J.
Johnston, Deceased

Paul M. Hardwick
PAUL M. HARDWICK, Independent
Executor of the Estate of James J.
Johnston, Deceased

THE STATE OF TEXAS)
)
COUNTY OF HARRIS)

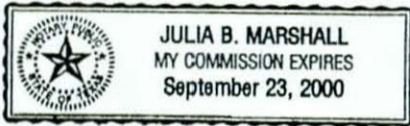
This instrument was acknowledged before me on the 31st day of October, 1996, by BETTY T. JOHNSTON, in the capacity stated in the instrument.



Julia B. Marshall
Notary Public, State of Texas

THE STATE OF TEXAS)
)
COUNTY OF HARRIS)

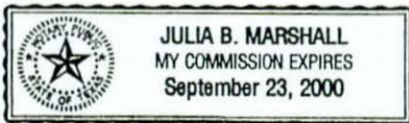
This instrument was acknowledged before me on the 31st day of October, 1996, by LYLE E. CARBAUGH, in the capacity stated in the instrument.



Julia B. Marshall
Notary Public, State of Texas

THE STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on the 31st day of October, 1996, by PAUL M. HARDWICK, in the capacity stated in the instrument.



Julia B. Marshall
Notary Public, State of Texas

FILED
AT 10:20 A.M.
JAN - 3 1997 80
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on

JAN 06 1997



Beth A. Rothermel
Beth Rothermel, County Clerk
Washington County, Texas

THIS LEASE AGREEMENT is made effective the 28th day of October, 1996,
between Betty T. Johnston, Ind. Extr. of Est. of James J. Johnston, Decd., and ~~T. of Betty T. Johnston~~ Lyle E. Carbaugh
and Paul M. Hardwick, Ind. Extr. of Est. of James J. Johnston, Decd., and ~~T. of Betty T. Johnston~~

as Lessor (whether one or more), whose address is P. O. Box 570007, Houston, TX 77257-0007

and UNION PACIFIC RESOURCES COMPANY, as Lessee

whose address is 801 CHERRY STREET, FORT WORTH, TX 76102

portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. Description. Lessor, in consideration of Ten Dollars And No Cents

Dollars (\$ 10.00)

in hand paid to Lessee, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in

WASHINGTON

County, Texas, to-wit:

225.49 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being more particularly described in EXHIBIT A attached hereto and made a part hereof.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 225.4900 acres, whether it actually comprises more or less.

2. Term of Lease. This lease shall be in force for a primary term of 6 months ~~XXXX~~ from the effective date hereof, and for as long thereafter as a covered mineral is produced in paying quantities from the leased premises or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalty. Royalties on covered minerals produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's held separator facilities, the royalty shall be 0.18000000 of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead posted price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, (b) for gas (including casinghead gas) and all other covered minerals, the royalty shall be 0.18000000 of the net proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and (c) if during or after the primary term one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee for a period of 90 consecutive days, then Lessee may pay shut-in royalty of one dollar per acre of land then covered by this lease, such payment to be made to Lessor on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while such well or wells are shut-in and it shall be considered that such well is producing in paying quantities for all purposes hereof during any period for which such shut-in royalty is tendered; provided that if this lease is otherwise being maintained by the payment of rentals or by operations, or if a well or wells on the leased premises is producing in paying quantities, no shut-in royalty shall be due until the end of the 90-day period next following the end of the rental period or the cessation of such operations or production, as the case may be. Lessee shall have free use of oil, gas, water, and other substances produced from said land, except water from Lessor's wells or ponds, for all operations hereunder, and Lessor's royalty shall be computed after deducting any so used.

4. Operations. If, after expiration of the primary term, Lessee drills a dry hole on the leased premises or if all production of covered minerals should permanently cease from any cause either voluntary or involuntary (and if this lease is not otherwise being maintained), this lease shall remain in effect if Lessee commences drilling, reworking or other operations on the leased premises within 90 days thereafter. If, at or after expiration of the primary term, this lease is not otherwise being maintained but Lessee is then engaged in drilling, reworking or other operations calculated to obtain or restore production from the leased premises, this lease shall remain in effect so long as such operations are conducted with no cessation of more than 90 consecutive days and, if such operations result in the production of a covered mineral, as long thereafter as there is production from the leased premises. After production has been established on the leased premises, Lessee shall drill such additional wells as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or (b) protect the leased premises from uncompensated drainage by a well producing a covered mineral in paying quantities located within 330 feet of and draining the leased premises. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

5. Pooling. Lessee shall have the continuing and recurring right, but not the obligation, to pool all or any part of the leased premises or interest therein with any other lands, leases or interests, as to any or all depths or zones, and as to any or all covered minerals, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently explore, develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands, leases or interests. A unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10% and for an oil well which is a horizontal completion or a gas well shall not exceed 640 acres plus if a maximum acreage tolerance of 10%; provided that larger units may be formed for an oil well or a gas well, whether or not horizontally completed, in order to conform to any well spacing or density pattern permitted by any governmental authority having jurisdiction over such matters. The terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or by regulations of the governmental authority which has jurisdiction over such matters. The term "horizontal completion" shall mean an oil well or a gas well in which the horizontal component of the gross completion interval exceeds 100 feet in length. Lessee may pool or combine land covered by this lease or any portions thereof, as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with units formed as to any other stratum or strata, and oil units need not conform as to area with gas units. To exercise its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and the effective date of pooling shall be the date of filing unless provided otherwise in such declaration. Lessee wholly at its option may exercise its authority to pool either before or after commencing operations for or completing an oil or gas well on lands lying within a unit and any unit may include, but is not required to include, lands or leases upon which a well producing or capable of producing oil or gas in paying quantities has theretofore been completed, or upon which operations have theretofore been commenced. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises, regardless of whether such production was secured or such drilling or reworking operations were commenced before or after the execution of this lease or the instrument designating the pooled unit, shall be treated for all purposes (except the payment of royalties on production from the pooled unit) as if they were production, drilling or reworking operations on the leased premises and references herein to production from or operations on the leased premises shall be deemed to include production from or operations on any portion of such pooled unit; provided that if after creation of a pooled unit a well is drilled on land within the unit area (other than the leased premises) which well is not classified as the type of well for which the unit was created (oil, gas or other minerals as the case may be), such well shall be considered a dry hole for purposes of applying the additional drilling and reworking provisions hereof. If a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, with respect to all lands which are included within the unit (other than the lands on which the well is located), the date of such reclassification shall be considered as the date of cessation of production for purposes of applying the provisions of this lease covering additional drilling and reworking. The production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent that such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall, without the joinder of Lessor, have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority, or court order, or when to do so would, in the judgment of Lessee, promote the conservation of covered minerals in and under and the

... be produced from the leased premises. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and the effective date of such revision shall be the date of filing unless provided otherwise in such declaration. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly, and such adjustment shall be made effective as of the effective date of the revision. Lessee may at any time dissolve any unit formed hereunder by filing a written declaration describing the unit, and the effective date of dissolution shall be the date of filing unless provided otherwise in such declaration. 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 with consequent allocation of production as herein provided. As used herein 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. Pooling hereunder shall not constitute a cross-conveyance of interests.

6. Ancillary Rights. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises, in primary or enhanced recovery, Lessor hereby grants and conveys to Lessee the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and transport production. In exploring, developing, producing or marketing from the leased premises, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises. No surface location for a well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder without Lessor's consent, and Lessee shall pay for actual damage caused by its operations to buildings and other improvements now on the leased premises, or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its structures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within 180 days following the expiration thereof.

7. Ownership Changes. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area or by depth of land, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate. If at any time two or more persons are entitled shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons, either jointly or separately, in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part, Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

8. Warranty of Title. Lessor hereby warrants and agrees to defend title to the interest conveyed to Lessee hereunder. Lessee, at its option, may pay or discharge any tax, mortgage or lien existing against the leased premises and, in the event that it does so, Lessee shall be subrogated to the rights of the party to whom payment is made and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. If Lessor owns less than the full mineral estate in all or any part of the leased premises, payment of royalties and shut-in royalties hereunder shall be reduced proportionately to the amount that Lessor's interest in the leased premises bears to the entire mineral estate in the leased premises.

9. Release of Lease. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this Lease as to a full or undivided interest in all or any portion of the leased premises or any depths or zones thereunder, and shall thereafter be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. Regulation and Delay. Lessee's obligations under the lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells. Notwithstanding the provisions of paragraph 2 above, when drilling, working, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control (commonly referred to as "force majeure"), this lease shall not terminate because of such prevention or delay and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

11. Breach or Default. An alleged breach or default by Lessee of any obligation hereunder or the failure of lessee to satisfy any condition or limitation contained herein shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principle - agent relationship between Lessor and Lessee for any purpose.

IN WITNESS WHEREOF, this lease is executed effective the date first written above, and upon execution shall be binding upon the signatory whether or not the lease has been executed by all parties named herein as Lessor.

SS# AND/OR TAX ID #

[Redacted]

LESSOR:

See Exhibit A attached hereto

_____))
_____)) ss.
_____))

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

Notary Public

My Commission Expires:

STATE OF _____))
COUNTY _____)) ss.

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

Notary Public

My Commission Expires:

Betty T. Johnston, Ind Extr. of Est. of James J. Johnston, Decd, et al as Lessor and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit A

PROPERTY DESCRIPTION

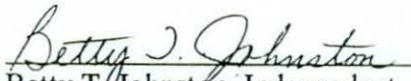
225.49 acre of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being more particularly described in three (3) tracts as follows:

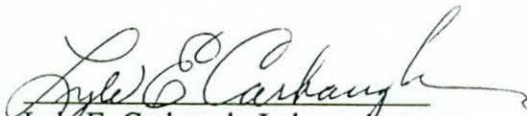
Tract 1: 4.43 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 306, Deed Records of Washington County, Texas.


Tract 2: 169.26 acres of land, more or less out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 310, Deed Records of Washington County, Texas.

Tract 3: 51.80 acres of land, more or less out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 323, Deed Records of Washington County, Texas.

SIGNATURES


Betty T. Johnston, Independent
Executor of the Estate of James
J. Johnston, Deceased.


Lyle E. Carbaugh, Independent
Executor of the Estate of James
J. Johnston, Deceased.


Paul M. Hardwick, Independent
Executor of the Estate of James
J. Johnston, Deceased


LESSOR INITIALS

Attached hereto and made a part hereof that certain Oil and Gas Lease dated October 28, 1996 by and between Betty T. Johnston, Ind. Extr. of est. of James J. Johnston, Decd., et al, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit B

12. NO SURFACE USE

Lessee agrees that it will conduct no drilling operations on the surface of the leased premises without Lessor's prior written consent. It is further agreed and understood that Lessee shall have the right to drill and operate directional wells through and under said land, irrespective of the bottom hole location of said wells. To this end, Lessor hereby grants to Lessee a subsurface easement for all purposes associated with such directional wells. Lessee agrees that subsurface easement shall commence at and continue below the depth of 200 feet.

13. POOLING

In the event Lessee elects to pool or unitize a portion of the herein leased premises with other land so as to form a pooled unit or units, if any portion of the herein leased premises is included in such pooled unit, then all of the leased premises shall be included in such pooled unit.

B.T.J.

LESSOR INITIALS

MEMORANDUM OF OIL, GAS AND MINERAL LEASE

THE STATE OF TEXAS)
COUNTY OF WASHINGTON)

KNOW ALL MEN BY THESE PRESENTS, that D. M. SIMECHECK, whose address is 741 West Creekside Drive, Houston, Texas 77024, (referred to herein as "Lessor"), has entered into an Oil, Gas and Mineral Lease, (referred to herein as "Lease"), with UNION PACIFIC RESOURCES COMPANY, whose address is 801 Cherry Street, Fort Worth, Texas 76102 (referred to herein as "Lessee"), with an effective date of October 28, 1996, covering and affecting the mineral interest owned by Lessor in and under the following described land in Washington County, Texas:

225.49 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being more particularly described in three (3) tracts as follows:

Tract 1: 4.43 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 306, Deed Records of Washington County, Texas.

Tract 2: 169.26 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 310, Deed Records of Washington County, Texas.

Tract 3: 51.80 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 323, Deed Records of Washington County, Texas.

The lease provides for a primary term of six (6) months from and after the effective date thereof and as long thereafter as a mineral or minerals (as defined in the Lease) is produced in paying quantities from the Leased Premises or lands pooled therewith or said Lease is maintained in any manner provided for therein, subject to all other terms and provisions set forth in said Lease, reference to the original Lease is herein made for all purposes.

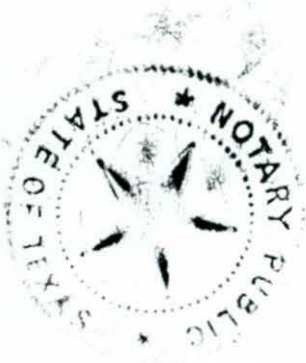
IN WITNESS WHEREOF, this instrument is executed effective the date first written above, and upon execution shall be binding upon the signatory whether or not the Lease has been executed by all parties named herein as Lessor.

D.M. Simecheck
D. M. SIMECHECK



THE STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on the 26th day of November, 1996, by D. M. SIMECHECK.



Joyce A. Quartapella
Notary Public, State of Texas

My Commission Expires
11-28-99

Joyce A. Quartapella

FILED
AT 10:20 A M.
JAN - 3 1997
Beth A. Rothermel SO
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on

JAN 06 1997



Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

4507

THIS LEASE AGREEMENT is made effective the 28 th day of October, 19 96between D. M. SimecheckLessor (whether one or more), whose address is 741 West Creekside Drive, Houston, TX 77024and UNION PACIFIC RESOURCES COMPANYwhose address is 801 CHERRY STREET, FORT WORTH, TX 76102

portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. Description. Lessor, in consideration of Ten Dollars And No CentsDollars (\$ 10.00), in hand paid

of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial

uses as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in

WASHINGTON County, Texas, to-wit:225.49 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being more particularly described in EXHIBIT A attached hereto and made a part hereof.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals

and shut-in royalties hereunder, said land shall be deemed to be comprised of 225.4900 acres, whether it actually comprises more or less.**2. Term of Lease.** This lease shall be in force for a primary term of 6 months ~~year~~ from the effective date hereof, and for as long thereafter as a covered mineral is produced in paying quantities from the leased premises or this lease is otherwise maintained in effect pursuant to the provisions hereof.**3. Royalty.** Royalties on covered minerals produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separatedat Lessee's held separator facilities, the royalty shall be 0.18000000 of such production, to be delivered at Lessee's option to Lessor at the wellhead or at Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead posted price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, (b) for gas (including casinghead gas) and all othercovered minerals, the royalty shall be 0.18000000 of the net proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and (c) if during or after the primary term one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee for a period of 90 consecutive days, then Lessee may pay shut-in royalty of one dollar per acre of land then covered by the lease, such payment to be made to Lessor on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in and it shall be considered that such well is producing in paying quantities for all purposes hereof during any period for which such shut-in royalty is tendered; provided that if this lease is otherwise being maintained by the payment of rentals or by operations, or if a well or wells on the leased premises is producing in paying quantities, no shut-in royalty shall be due until the end of the 90-day period next following the end of the rental period or the cessation of such operations or production, as the case may be. Lessee shall have free use of oil, gas, water, and other substances produced from said land, except water from Lessor's wells or ponds, for all operations hereunder, and Lessor's royalty shall be computed after deducting any so used.**4. Operations.** If, after expiration of the primary term, Lessee drills a dry hole on the leased premises or if all production of covered minerals should permanently cease in any cause either voluntary or involuntary (and if this lease is not otherwise being maintained), this lease shall remain in effect if Lessee commences drilling, reworking or other operations on the leased premises within 90 days thereafter. If, at or after expiration of the primary term, this lease is not otherwise being maintained but Lessee is engaged in drilling, reworking or other operations calculated to obtain or restore production from the leased premises, this lease shall remain in effect so long as such operations are conducted with no cessation of more than 90 consecutive days and, if such operations result in the production of a covered mineral, as long thereafter as there is production from the leased premises. After production has been established on the leased premises, Lessee shall drill such additional wells as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or (b) protect the leased premises from uncompensated drainage by a well producing a covered mineral in paying quantities located within 330 feet of and draining the leased premises. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.**5. Pooling.** Lessee shall have the continuing and recurring right, but not the obligation, to pool all or any part of the leased premises or interest therein with any other leases or interests, as to any or all depths or zones, and as to any or all covered minerals, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently explore, develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands, leases or interests. A unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10% and for an oil well which is a horizontal completion or a gas well shall not exceed 640 acres plus if a maximum acreage tolerance of 10%; provided that larger units may be formed for an oil well or a gas well, whether or not horizontally completed, in order to conform to any well spacing or density pattern permitted by any governmental authority having jurisdiction over such matters. The terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or by regulations of the governmental authority which has jurisdiction over such matters. The term "horizontal completion" shall mean an oil well or a gas well in which the horizontal component of the gross completion interval exceeds 100 feet in length. Lessee may pool or combine land covered by this lease or any portions thereof, as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with units formed as to any other stratum or strata, and oil units need not conform as to area with gas units. To exercise its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and the effective date of pooling shall be the date of filing unless provided otherwise in such declaration. Lessee wholly at its option may exercise its authority to pool either before or after commencing operations for or completing an oil or gas well on lands lying within a unit and any unit may include, but is not required to include, lands or leases upon which a well producing or capable of producing oil or gas in paying quantities has theretofore been completed, or upon which operations have theretofore been commenced. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises, regardless of whether such production was secured or such drilling or reworking operations were commenced before or after the execution of this lease or the instrument designating the pooled unit, shall be treated for all purposes (except the payment of royalties on production from the pooled unit) as if they were production, drilling or reworking operations on the leased premises and references herein to production from or operations on the leased premises shall be deemed to include production from or operations on any portion of such pooled unit; provided that if after creation of a pooled unit a well is drilled on land within the unit area (other than the leased premises) which well is not classified as the type of well for which the unit was created (oil, gas or other minerals as the case may be), such well shall be considered a dry hole for purposes of applying the additional drilling and reworking provisions hereof. If a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, with respect to all lands which are included within the unit (other than the lands on which the well is located), the date of such reclassification shall be considered as the date of cessation of production for purposes of applying the provisions of this lease covering additional drilling and reworking. The production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent that such proportion of the production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall, without the joinder of Lessor, have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority, or court order, or when to do so would, in the judgment of Lessee, promote the conservation of covered minerals in and under and the

may be produced from the leased premises. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and the effective date of revision shall be the date of filing unless provided otherwise in such declaration. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly, and such adjustment shall be made effective as of the effective date of the revision. Lessee may at any time dissolve any unit formed hereunder by filing a written declaration describing the unit, and the effective date of dissolution shall be the date of filing unless provided otherwise in such declaration. 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 with consequent allocation of production as herein provided. As used herein 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. Pooling hereunder shall not constitute a cross-conveyance of interests.

6. **Ancillary Rights.** In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises, in primary or enhanced recovery, Lessor hereby grants and conveys to Lessee the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and transport production. In exploring, developing, producing or marketing from the leased premises, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises. No surface location for a well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder without Lessor's consent, and Lessee shall pay for actual damage caused by its operations to buildings and other improvements now on the leased premises, or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within 180 days following the expiration thereof.

7. **Ownership Changes.** The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area or by depth in zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate. If at any time two or more persons are entitled shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons, either jointly or separately, in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part, Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

8. **Warranty of Title.** Lessor hereby warrants and agrees to defend title to the interest conveyed to Lessee hereunder. Lessee, at its option, may pay or discharge any tax, mortgage or lien existing against the leased premises and, in the event that it does so, Lessee shall be subrogated to the rights of the party to whom payment is made and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. If Lessor owns less than the full mineral estate in all or any part of the leased premises, payment of royalties and shut-in royalties hereunder shall be reduced proportionately to the amount that Lessor's interest in the leased premises bears to the entire mineral estate in the leased premises.

9. **Release of Lease.** Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this Lease as to a full or undivided interest in all or any portion of the leased premises or any depths or zones thereunder, and shall thereafter be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. **Regulation and Delay.** Lessee's obligations under the lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells. Notwithstanding the provisions of paragraph 2 above, when drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control (commonly referred to as "force majeure"), this lease shall not terminate because of such prevention or delay and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

11. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of lessee to satisfy any condition or limitation contained hereby shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principle - agent relationship between Lessor and Lessee for any purpose.

IN WITNESS WHEREOF, this lease is executed effective the date first written above, and upon execution shall be binding upon the signatory whether or not the lease has been executed by all parties named herein as Lessor.

SS# AND/OR TAX ID #

[Redacted]

LESSOR:

D.M. Simecheck
D. M. Simecheck

STATE OF TEXAS)
COUNTY OF HARRIS) ss.

This instrument was acknowledged before me this 26th day of November, 1996, by D. M. Simecheck.

My Commission Expires:

11-28-99

Joyce A. Quartapella
Notary Public, State of Texas
Joyce A. Quartapella

STATE OF _____)
COUNTY _____) ss.

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

Notary Public

My Commission Expires:

Exhibit A

PROPERTY DESCRIPTION

225.49 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being more particularly described in three (3) tracts as follows:

Tract 1: 4.43 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 306, Deed Records of Washington County, Texas.

Tract 2: 169.26 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 310, Deed Records of Washington County, Texas.

Tract 3: 51.80 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 323, Deed Records of Washington County, Texas.

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Exhibit B

12. NO SURFACE USE

Lessee agrees that it will conduct no drilling operations on the surface of the leased premises without Lessor's prior written consent. It is further agreed and understood that Lessee shall have the right to drill and operate directional wells through and under said land, irrespective of the bottom hole location of said wells. To this end, Lessor hereby grants to Lessee a subsurface easement for all purposes associated with such directional wells. Lessee agrees that subsurface easement shall commence at and continue below the depth of 200 feet.

13. POOLING

In the event Lessee elects to pool or unitize a portion of the herein leased premises with other land so as to form a pooled unit or units, if any portion of the herein leased premises is included in such pooled unit, then all of the leased premises shall be included in such pooled unit.

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MEMORANDUM OF OIL, GAS AND MINERAL LEASE

THE STATE OF TEXAS)
)
COUNTY OF WASHINGTON)

KNOW ALL MEN BY THESE PRESENTS, that FREDDA H. TABBERT, whose address is 121 North Post Oak, Houston, Texas 77024-7717, (referred to herein as "Lessor"), has entered into an Oil, Gas and Mineral Lease, (referred to herein as "Lease"), with UNION PACIFIC RESOURCES COMPANY, whose address is 801 Cherry Street, Fort Worth, Texas 76102 (referred to herein as "Lessee"), with an effective date of October 28, 1996, covering and affecting the mineral interest owned by Lessor in and under the following described land in Washington County, Texas:

225.49 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being more particularly described in three (3) tracts as follows:

Tract 1: 4.43 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 306, Deed Records of Washington County, Texas.

Tract 2: 169.26 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 310, Deed Records of Washington County, Texas.

Tract 3: 51.80 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being the same land described in Warranty Deed dated June 25, 1973, from Erwin O. Dallmeyer, et al, to The Fish Investment Corporation, recorded in Volume 321, Page 323, Deed Records of Washington County, Texas.

The lease provides for a primary term of six (6) months from and after the effective date thereof and as long thereafter as a mineral or minerals (as defined in the Lease) is produced in paying quantities from the Leased Premises or lands pooled therewith or said Lease is maintained in any manner provided for therein, subject to all other terms and provisions set forth in said Lease, reference to the original Lease is herein made for all purposes.

IN WITNESS WHEREOF, this instrument is executed effective the date first written above, and upon execution shall be binding upon the signatory whether or not the Lease has been executed by all parties named herein as Lessor.



Fredda H. Tabbert
FREDDA H. TABBERT

THE STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on the 4th day of December, 1996, by FREDDA H. TABBERT.

My Commission Expires: 11-28-99

Joyce A. Quartapella
Notary Public, State of Texas
Joyce A. Quartapella



STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on

JAN 06 1997



Beth A. Rothermel
Beth Rothermel, County Clerk
Washington County, Texas

FILED
AT 10:20 A.M.
JAN - 3 1997 80
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

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THIS LEASE AGREEMENT is made effective the 28 th day of October, 19 96between Fredda H. TabbertLessor (whether one or more), whose address is 121 North Post Oak, Houston, TX 77024-7717and UNION PACIFIC RESOURCES COMPANYwhose address is 801 CHERRY STREET, FORT WORTH, TX 76102

All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. Description. Lessor, in consideration of Ten Dollars And No CentsDollars (\$ 10.00), in hand paid

at the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in

WASHINGTON County, Texas, to-wit:225.49 acres of land, more or less, out of the B. L. Hanks Survey, A-53, Washington County, Texas, being more particularly described in EXHIBIT A attached hereto and made a part hereof.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rental and shut-in royalties hereunder, said land shall be deemed to be comprised of 225.4900 acres, whether it actually comprises more or less.

2. Term of Lease. This lease shall be in force for a primary term of 6 months ~~xxx~~ from the effective date hereof, and for as long thereafter as a covered mineral is produced in paying quantities from the leased premises or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalty. Royalties on covered minerals produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's held separator facilities, the royalty shall be 0.18000000 of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead posted price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, (b) for gas (including casinghead gas) and all other covered minerals, the royalty shall be 0.18000000 of the net proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and (c) if during or after the primary term one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee for a period of 90 consecutive days, then Lessee may pay shut-in royalty of one dollar per acre of land then covered by this lease, such payment to be made to Lessor on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in and it shall be considered that such well is producing in paying quantities for all purposes hereof during any period for which such shut-in royalty is tendered; provided that if this lease is otherwise being maintained by the payment of rentals or by operations, or if a well or wells on the leased premises is producing in paying quantities, no shut-in royalty shall be due until the end of the 90-day period next following the end of the rental period or the cessation of such operations or production, as the case may be. Lessee shall have free use of oil, gas, water, and other substances produced from said land, except water from Lessor's wells or ponds, for all operations hereunder, and Lessor's royalty shall be computed after deducting any so used.

4. Operations. If, after expiration of the primary term, Lessee drills a dry hole on the leased premises or if all production of covered minerals should permanently cease from any cause either voluntary or involuntary (and if this lease is not otherwise being maintained), this lease shall remain in effect if Lessee commences drilling, reworking or other operations on the leased premises within 90 days thereafter. If, at or after expiration of the primary term, this lease is not otherwise being maintained but Lessee is then engaged in drilling, reworking or other operations calculated to obtain or restore production from the leased premises, this lease shall remain in effect so long as such operations are conducted with no cessation of more than 90 consecutive days and, if such operations result in the production of a covered mineral, as long thereafter as there is production from the leased premises. After production has been established on the leased premises, Lessee shall drill such additional wells as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or (b) protect the leased premises from uncompensated drainage by a well producing a covered mineral in paying quantities located within 330 feet of and draining the leased premises. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

5. Pooling. Lessee shall have the continuing and recurring right, but not the obligation, to pool all or any part of the leased premises or interest therein with any other lands, leases or interests, as to any or all depths or zones, and as to any or all covered minerals, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently explore, develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands, leases or interests. A unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for an oil well which is a horizontal completion or a gas well shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that larger units may be formed for an oil well or a gas well, whether or not horizontally completed, in order to conform to any well spacing or density pattern permitted by any governmental authority having jurisdiction over such matters. The terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or by regulations of the governmental authority which has jurisdiction over such matters. The term "horizontal completion" shall mean an oil well or a gas well in which the horizontal component of the gross completion interval exceeds 100 feet in length. Lessee may pool or combine land covered by this lease or any portions thereof, as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with units formed as to any other stratum or strata, and oil units need not conform as to area with gas units. To exercise its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and the effective date of pooling shall be the date of filing unless provided otherwise in such declaration. Lessee wholly at its option may exercise its authority to pool either before or after commencing operations for or completing an oil or gas well on lands lying within a unit and any unit may include, but is not required to include, lands or leases upon which a well producing or capable of producing oil or gas in paying quantities has theretofore been completed, or upon which operations have theretofore been commenced. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises, regardless of whether such production was secured or such drilling or reworking operations were commenced before or after the execution of this lease or the instrument designating the pooled unit, shall be treated for all purposes (except the payment of royalties on production from the pooled unit) as if they were production, drilling or reworking operations on the leased premises and references herein to production from or operations on the leased premises shall be deemed to include production from or operations on any portion of such pooled unit; provided that if after creation of a pooled unit a well is drilled on land within the unit area (other than the leased premises) which well is not classified as the type of well for which the unit was created (oil, gas or other minerals as the case may be), such well shall be considered a dry hole for purposes of applying the additional drilling and reworking provisions hereof. If a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, with respect to all lands which are included within the unit (other than the lands on which the well is located), the date of such reclassification shall be considered as the date of cessation of production for purposes of applying the provisions of this lease covering additional drilling and reworking. The production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent that such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall, without the joinder of Lessor, have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority, or court order, or when to do so would, in the judgment of Lessee, promote the conservation of covered minerals in and under and then

Exhibit B

12. NO SURFACE USE

Lessee agrees that it will conduct no drilling operations on the surface of the leased premises without Lessor's prior written consent. It is further agreed and understood that Lessee shall have the right to drill and operate directional wells through and under said land, irrespective of the bottom hole location of said wells. To this end, Lessor hereby grants to Lessee a subsurface easement for all purposes associated with such directional wells. Lessee agrees that subsurface easement shall commence at and continue below the depth of 200 feet.

13. POOLING

In the event Lessee elects to pool or unitize a portion of the herein leased premises with other land so as to form a pooled unit or units, if any portion of the herein leased premises is included in such pooled unit, then all of the leased premises shall be included in such pooled unit.

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Form 3100-11b (August 1988)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT OFFER TO LEASE AND LEASE FOR OIL AND GAS

2815

Serial No.

ORIGINAL

TX NM 92794

The undersigned (reverse) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1 Name: CADDIS RESOURCES INC
Street: 475 17TH ST SUITE 820
City, State, Zip Code: DENVER CO 80202

2. This application/offer/lease is for: PUBLIC DOMAIN LANDS
Surface managing agency if other than BLM: CORPS OF ENGINEERS
Unit/Project: SOMERVILLE LAKE
ACQUIRED LANDS (percent U.S. interest): 100%

Legal description of land requested:
*Parcel No.:
*Sale Date (m/d/y):
*SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

T. R. Meridian State

County: 4/11/94
Date:
I hereby certify that this reproduction is a copy of the official record on file in this office.
Authorized Signature: [Signature]

Amount remitted: Filing fee \$
Rental fee \$
Total acres applied for
Total \$

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. SECTION: TR 301,303,313;
R. Meridian TX State TX County WASHINGTON

NOTED
HP 3/2/94
MTP
CG 3/8/94
USE
COAS
POT
CEC

Total acres in lease: 100.6000
Rental retained: \$151.50

XXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXX

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

- Competitive lease (ten years)
Competitive lease (five years)
Other

THE UNITED STATES OF AMERICA
[Signature]
(Signing Officer)
CHIEF, OIL AND GAS LEASING UNIT FEB 11 1994
(EFFECTIVE DATE OF LEASE) MAR - 1 1994

(Continued on reverse)

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States, an association of such citizens, a municipality, or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 21a(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of _____, 19 _____

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

- (a) Noncompetitive lease, \$1.50 for the first 5 years; thereafter \$2.00;
 (b) Competitive lease, \$1.50; for primary term; thereafter \$2.00;
 (c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

- (a) Noncompetitive lease, 12 1/2 %;
 (b) Competitive lease, 12 1/2 %;
 (c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports

costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

ATTACHMENT TO EACH ISSUED LEASE

MLA Section 2(a)(2)(A) Compliance

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201(a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A) or, (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

(3)

NO SURFACE OCCUPANCY

UNIT PARTICIPATION/POOLING STIPULATION

No surface occupancy or use is allowed on the lease. The purpose of this lease is solely for participation in a unit or for pooling purposes.

Bureau of Land Management
New Mexico State Office
March 1992

New Mexico 9

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CE-NSO

CORPS OF ENGINEERS
Surface Management Agency Stipulations - Somerville Lake

1. NSO/ND. . . .No Surface Occupancy and No Drilling

This stipulation applies to all Corps of Engineers (COE) fee ownership within 3000 horizontal feet of prime facilities critical to the operation of Somerville Lake. These facilities include the dam, spillway, outlet structure, levees and related structures. This stipulation allows the identified area to be included in a lease for the purpose of becoming a part of a drilling unit so that the United States will share in the royalty.

2. NSO/DD. . . .No Surface Occupancy, Open for Directional Drilling

This stipulation applies to all designated parks, recreation areas, public use areas, wildlife management area, archeological and historical sites, trails and roads, and the lake surface at the conservation pool elevation of 238.0' N.G.V.D. Directional drilling is permitted from outside the identified areas where occupancy is allowed.

3. NSO/ELEV. . . .No Surface Occupancy Based on Elevation

This stipulation prohibits surface occupancy on all lands lying at or below the elevation of the spillway crest or tainter gate sill where alternative surface ownership is available within the same drilling unit. At Somerville Lake, the spillway crest is at elevation 258.0' N.G.V.D. If no alternative surface ownership is available, in no case will surface occupancy be permitted below the 25-year frequency pool (as calculated by COE hydraulics engineering staff) or within 1000 horizontal feet from the lake surface at the conservation pool elevation of 238.0" N.G.V.D. The purpose of this stipulation is to protect the integrity of Somerville Lake land and water resources.

Note: The surface acreage affected by the above stipulations is provided as follows:

Lake surface at conservation pool.11,460
Designated Parks/Recreation Areas.	3,599
Wildlife Management Areas.	8,180
Lake Operations.	1,525
Areas below 25-year frequency pool.	To be determined
Archeological/Historical Sites.	To be determined

(5)



Sedimentation or erosion damage of natural drainage courses that result from the operator's activities will be repaired or restored by him to the satisfaction of the District Engineer.

8. The bottom elevation of tank battery fluid containing equipment such as storage tanks, gun barrel tanks, separators, heater treaters, etc., shall be located above elevation 258. NGBD battery equipment shall be diked to prevent spread of liquids in case of leakage. The diked area shall have a capacity of not less than the volume of the largest tank plus 10 percent of the volume of other tanks and equipment enclosed.

9. Operators will control their activities to approved work areas. The operator will not remove, cut, deface, injure, or destroy land resources including trees, shrubs, vines, grasses, top soil and land forms outside the approved work areas. Cables, ropes or guys will not be attached to any trees for anchorage.

10. Materials, except clearing debris, will not be burned, but will be placed in containers which are emptied on a regular schedule. Waste materials shall be hauled to and disposed of in landfill sites, operated in accordance with state and local regulations. Clearing debris may be burned at sites approved by the Reservoir Manager in accordance with state and local regulations. Clearing debris will be removed from the government land if not burned. Portable toilets must be provided until such time as all drilling activities are completed.

11. Chemical wastes, including lubricants and fuels, drained or spilled from equipment and salt water produced with oil and gas, will be collected and stored in containers that will prevent pollution and will be removed from the Government land and disposed of in accordance with Federal, state, and local regulations.

12. Tanks shall be provided for containing all fluid produced in well tests. No test fluid will be discharged into earthen pits.

13. A cutoff switch will be provided above elevation 258.0NGVD to disconnect service during high water.

14. After completion of drilling operations, the operator will remove all drilling equipment and debris from the site. Facilities not required for production, such as roads, dikes, pits, drilling, work area, foundations, structures, etc., will be removed or obliterated. Restoration to original contours is not required; however, excavation and filling will be required to restore the area to near natural conditions. Disturbed areas shall be disced, graded, and filled as required, topsoil spread to a depth of six inches over the entire area and the entire disturbed area sprigged, seeded, or sodded. The operator will maintain the area free of erosion until the vegetative cover is reestablished.

15. After all drilling activities are completed and the well is put into production, the area will be protected to prevent unauthorized personnel from entry. Depending upon the location, this will require either an 8-foot, climbproof, chain link fence, a 5-strand barbed wire fence, or a cattle guard and locked steel gate. This determination will be made by the Reservoir Manager at the time the permit is issued.

16. That it is understood that this instrument is effective only insofar as the rights of the United States in the said property are concerned; and that the lessee shall obtain such permission as may be necessary on account of any other existing rights.

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GENERAL REQUIREMENTS
FOR LANDS UNDER JURISDICTION
OF DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS

1. There shall be no surface disturbance without prior approval from the District Engineer.
2. The District Engineer shall have the right to require cessation of lessee's operations during a national emergency and the right to require any necessary restoration.
3. The District Engineer shall have the right to regulate operations of the lessee to the extent necessary to prevent safety and security breaches.
4. The grantee shall comply with all applicable Federal laws and regulations and with all applicable laws, and ordinances, and regulations of the state, county, and municipality wherein the premises are located.
5. That, within the limits of their respective legal powers, the parties to lease shall protect the project against pollution of its water. The grantee shall comply promptly with any regulations, conditions or instructions affecting the activity hereby authorized if and when issued by Environmental Protection Agency and/or a state, interstate or local governmental water pollution control agency having jurisdiction to abate or prevent water pollution. Such regulations, conditions, or instructions in effect or prescribed by the Environmental Protection Agency, state, interstate or local governmental agency are hereby made a condition of this lease.
6. That the grantee shall not remove or disturb, or cause or permit to be removed or disturbed, any historical, archeological, architectural or other cultural artifacts, relics, vestiges, remains or objects of antiquity. In the event such items are discovered on the premises, the grantee shall immediately notify the District Engineer, Fort Worth District, and the site and the material shall be protected by the grantee from further disturbance until a professional examination of them can be made or until clearance to proceed is authorized by the District Engineer.
7. All earthwork shall be planned and conducted to minimize the duration of exposure of unprotected soils. Operators shall control erosion and sedimentation by measures such as berms, dikes, drains, sedimentation basins, grassing, mulching, etc., as required. Temporary control measures shall be used until permanent measures can be established. Runoff from work areas shall be controlled, diverted, retarded, etc., to protect the natural drainage courses.

CATEGORIES OF AVAILABILITY FOR
OIL AND GAS LEASING

- Category 1** Those lands within 2,000 feet of major structures. These areas are available for leasing subject to the following: All areas within 2,000 feet of any major structure, including, but not limited to the dam, spillway, or embankment are restricted areas. The lessee, his operators, agents, or employees shall not utilize the surface of restricted areas for any purpose. Drilling operations in, on, or under the restricted areas, including drilling outside of the restricted areas, which would cause a bore hole to be under the restricted areas, will not be permitted. The restricted areas are included in the lease for the sole purpose of becoming a part of a drilling unit.
- Category 2** Those lands below the conservation pool elevation, but not in Category 1 or 3. These areas will be available for leasing provided that there is no surface use in areas below the conservation pool level and providing further that no pollution or contamination of reservoir lands or waters will result from the consequent action.
- Category 3** Those lands in developed park areas but not in Category 1. These areas are available for leasing. However, no on-site drilling within these areas will be permitted.
- Category 4** Those lands which do not fall in any of the above categories. These areas are available for oil and gas leasing.

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

STIPULATION FOR LANDS UNDER JURISDICTION
OF DEPARTMENT OF THE ARMY,
CORPS OF ENGINEERS

The lands embraced in this lease issued under the Mineral Leasing Act of February 25, 1920, (41 Stat. 437; 30 U.S.C. 181 seq.), as amended, or the Mineral Leasing Act for Acquired Lands of August 7, 1947, (61 Stat. 913; 30 U.S.C. 351 et seq.), being under the jurisdiction of the Department of the Army, Corps of Engineers, the lessee hereby agrees:

- (1) That all rights under this lease are subordinate to the rights of the United States to flood and submerge the lands, permanently or intermittently, in connection with the operation and maintenance of the above-named project.
- (2) That the United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the use and occupation of the said premises, or for damages to the property of the lessee, or for injuries to the person of the lessee (if an individual), or for damages to the agents, servants, or employees, or others whom may be on said premises at their invitation or the invitation of any one of them arising from or incident to the flooding of the said premises by the Government or flooding from any other cause, or arising from or incident to any other governmental activities; and the lessee shall hold the United States harmless from any and all such claims.
- (3) That the work performed by the lessee on the lands shall be under the general supervision of the district Engineer, Corps of Engineers, in direct charge of the project, and subject to such conditions and regulations as may be prescribed by him, and the plans and locations for all structures, appurtenances thereto, and work on said lands shall be submitted to the said District Engineer for approval, in advance, of commencement of any work on said lands. The District Engineer shall have the right to enter on the premises, at any time, to inspect both the installation and operational activities of the lessee.
- (4) That no structure or appurtenance thereto shall be of a material or construction determined to create floatable debris.
- (5) That the construction and operation of said structures and appurtenances thereto shall be of such a nature as not to cause pollution of the soils and the waters of the project.

(6) That the United States reserves the right to use the land jointly with the lessee in connection with the construction, operation, and maintenance of the Government project and to place improvements thereon or to remove materials therefrom, including sand and gravel and other construction material, as may be necessary in connection with such work, and the lessee shall not interfere, in any manner, with such work or do any act which may increase the cost of performing such work. If the cost of the work performed by the Government at and in connection with the project, including work performed on lands outside the property included in the lease, is made more expensive by reason of improvements constructed on the leased property by the lessee, the lessee shall pay to the United States money in an amount, as estimated by the Chief, of Engineers, sufficient to compensate for the additional expense involved.

FILED
AT 1:05 P.M.
APR 18 1994
Gertrude Lehmann
CENTRINE LEHRMANN
COUNTY CLERK, WASHINGTON COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this Instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on



APR 27 1994
Gertrude Lehmann
Gertrude Lehmann, County Clerk
Washington County, Texas

731
772

(11)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT 5411

FORM APPROVED
OMB NO. 1004-0034
Expires: July 31, 1995

ASSIGNMENT OF RECORD TITLE INTEREST IN A
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No. TX NM 92794
Lease Effective Date (Anniversary Date) March 1, 1994
New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee* Union Pacific Resources Company
Street P. O. Box 7
City, State, ZIP Code Fort Worth, Texas 76101-0007

*If more than one assignee, check here and list the name(s) and address(es) of all additional assignees on the reverse of this form or on a separate attached sheet of paper.

This record title assignment is for: (Check one) Oil and Gas Lease, or Geothermal Lease

Interest conveyed: (Check one or both, as appropriate) Record Title, Overriding Royalty, payment out of production or other similar interests or payments

2. This assignment conveys the following interest:

Land Description Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
	b	c	d	e	f
Tracts 301, 303 and 313, Washington County, Texas containing 100.60 acres, more or less	100%	100%	-0-	-0-	-0-

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

UNITED STATES OF AMERICA

This assignment is approved solely for administrative purposes. Approval does not warrant that either party to this assignment holds legal or quitable title to this lease.

Assignment approved for above described lands;

Assignment approved for attached land description

Assignment approved effective MAY 01 1994

Assignment approved for land description indicated on reverse of this form.

by Sue Sharp
(Authorized Officer)

FOR Chief, Lease Maintenance Unit
(Title)

JUN 08 1994
(Date)

TXB-61687

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The Assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.
2. Assignee certifies as follows: (a) Assignee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or association of such citizens, nationals, resident aliens or private, public or municipal corporations, (b) Assignee is not considered a minor under the laws of the State in which the lands covered by this assignment are located; (c) Assignee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; (d) All parties holding an interest in the assignment are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Assignee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Assignee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Assignee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein.

For geothermal assignments, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this assignment is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 7th day of March, 19 94 Executed this 18th day of March, 19 94

Name of Assignor as shown on current lease CADDIS RESOURCES INC. UNION PACIFIC RESOURCES COMPANY Please type or print

Signature By: *[Signature]*
 or Douglas G. Liller (Signature) President
 ATTEST: *[Signature]*
 K. Stuart Pons (Signature) Secretary
 475 17th Street, Suite 820
 (Assignor's Address)
 Denver, CO 80202
 (City) (State) (Zip Code)

Assignee _____
 or _____ (Signature)
 Attorney-in-fact *[Signature]* Carolyn J. David
 (Signature)

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 1849 C Street, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0014), Washington, D.C. 20503.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

STATE OF COLORADO

ss.

COUNTY OF DENVER

On this 7th day of March A.D. 1994, before me personally appeared Douglas G. Liller, to me personally known, who, being by me duly sworn, did say that he is the President of Caddis Resources, Inc. and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Douglas G. Liller acknowledged said instrument to be free act and deed of said corporation.

Witness my hand and seal this 7th day of March, A.D. 1994.

[Handwritten Signature]

Notary Public

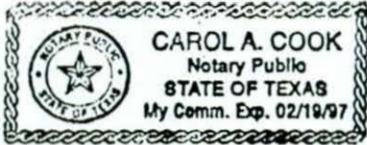
My Commission Expires: 07-13-96

ADDRESS: 475 17th Street, Ste. 820
Denver, Colorado 80202

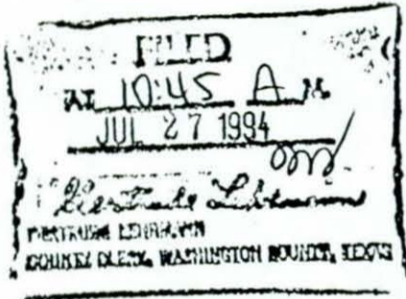
5557

STATE OF TEXAS
COUNTY OF TARRANT

This instrument was acknowledged before me on March 18, 1994,
by Carolyn J. David, Attorney-in-Fact of UNION PACIFIC RESOURCES
COMPANY, a Delaware corporation, on behalf of said corporation.



Carol A. Cook
Notary Signature



STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the
date and at the time affixed hereon by me and was duly
RECORDED in the volume and page of the OFFICIAL RECORDS
of Washington County, Texas, as stamped hereon by me on
AUG 03 1994



Gertrude Lehmann
Gertrude Lehmann, County Clerk
Washington County, Texas

9. MF 97877
ITEM Min. Use.
TO _____
FROM _____
DATE 2-23-79

4521

JONES & ZWIENER, INC.
PROFESSIONAL LAND SERVICES
1300 MAIN STREET, SUITE 1920
HOUSTON, TEXAS 77002-6813

TEL (713) 650-0903
FAX (713) 650 3547

March 17, 1997

Texas General Land Office
Stephen F. Austin Building
1700 North Congress Ave.
Austin, Texas 78701-1495

ATTN: Mr. Drew Reid
Landman

Re: Lease Bonus
4.9923 acres, County Road
B. L. Hanks Survey, A-53
Washington County, Texas

Dear Mr. Reid:

Enclosed is a check in the amount of \$506.72. This amount is \$100 per acre bonus consideration for the Oil and Gas Lease covering the captioned tract of land plus a fee of \$7.49.

Should you have any questions, or require further information, please call me at (409) 830-1110 or (713) 650-0903.

Sincerely,

Manning Reed
Manning Reed

170

X 506.72
97035119

RECEIVED
97 MAR 20 AM 11:14
ENERGY RESOURCES

10.

9703219

MF 97877
 ITEM Letter
 TO _____
 FROM _____
 DATE 3-17-97

9703219



DO NOT DESTROY



UNIT - 2639

MEMO
GLO-36-11-97

Operator Union Pacific Resources Inc
Unit Name Dallmeyer #1 Re-Entry Unit
County Washington
Effective Date _____
Unitized for: Oil ___ Gas ___ Oil & Gas

1. M.F. No. 97877
Area County Roads Tr. 5
Sec. ___ Blk. ___ Survey _____
 $\frac{4.69}{436.40} \times \frac{18\%}{.1800} = .19345\%$
 $\frac{.010749}{.0019345}$

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:

M.B.W.A 9-25-00 ✓

Prepared by: E. GARZA

Date 01-03-98

DESIGNATION OF UNIT

2249

DALLMEYER #1 RE-ENTRY UNIT

MF-97877

STATE OF TEXAS

§

COUNTY OF WASHINGTON

§

§

KNOW ALL MEN BY THESE PRESENTS:

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

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

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

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

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

This instrument may be executed as one document signed by all parties, or parties named herein may join herein by execution of a counterpart or ratification, with the same effect as if all parties executed this instrument. Executed signature pages from different originals of this instrument may be combined to form a single original instrument for recording purposes. The

LDA # 67573-914

failure of any one or more persons owning an interest in the Unit to execute this instrument or a counterpart or ratification thereof shall not in any manner affect the validity of same as to the parties who do execute this instrument. This Unit may not be ratified or joined in by any party who is not named hereinbelow without the consent of the parties hereto.

The Unit hereby created shall be effective as of the date of first production from the Unit, or from the date operations are commenced anywhere on the Unit, whichever occurs first, and shall remain in force as long as the pooled minerals are being produced from the Unit, or so long as the leases covering the Unit are maintained in force by payment or tender of shut-in royalties or by other means, in accordance with the terms of said leases.

IN WITNESS WHEREOF, this Designation of Unit is executed on this 26th day of March, 1997.

UNION PACIFIC RESOURCES COMPANY

By: *JC Mulvaney* *at*
Its: Attorney-in-Fact

ADAMS RESOURCES EXPLORATION CORPORATION

By: _____
Its: _____

GARY W. ROLLINS

By: _____

HENRY B. TIPPIE

By: _____

JOHN W. ROLLINS, SR.

By: _____

O. WAYNE ROLLINS ESTATE

By: _____

R. RANDALL ROLLINS

By: _____



failure of any one or more persons owning an interest in the Unit to execute this instrument or a counterpart or ratification thereof shall not in any manner affect the validity of same as to the parties who do execute this instrument. This Unit may not be ratified or joined in by any party who is not named hereinbelow without the consent of the parties hereto.

The Unit hereby created shall be effective as of the date of first production from the Unit, or from the date operations are commenced anywhere on the Unit, whichever occurs first, and shall remain in force as long as the pooled minerals are being produced from the Unit, or so long as the leases covering the Unit are maintained in force by payment or tender of shut-in royalties or by other means, in accordance with the terms of said leases.

IN WITNESS WHEREOF, this Designation of Unit is executed on this 26th day of March, 1997.

UNION PACIFIC RESOURCES COMPANY

50/

By: JC Mulvaney
Its: Attorney-in-Fact

CR

35

✓ ADAMS RESOURCES EXPLORATION CORPORATION

By: W. R. Sharp
Its: President

3

GARY W. ROLLINS

By: _____

3

HENRY B. TIPPIE

By: _____

3

JOHN W. ROLLINS, SR.

By: _____

3

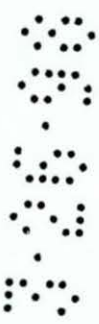
O. WAYNE ROLLINS ESTATE

By: _____

3

R. RANDALL ROLLINS

By: _____



failure of any one or more persons owning an interest in the Unit to execute this instrument or a counterpart or ratification thereof shall not in any manner affect the validity of same as to the parties who do execute this instrument. This Unit may not be ratified or joined in by any party who is not named hereinbelow without the consent of the parties hereto.

The Unit hereby created shall be effective as of the date of first production from the Unit, or from the date operations are commenced anywhere on the Unit, whichever occurs first, and shall remain in force as long as the pooled minerals are being produced from the Unit, or so long as the leases covering the Unit are maintained in force by payment or tender of shut-in royalties or by other means, in accordance with the terms of said leases.

IN WITNESS WHEREOF, this Designation of Unit is executed on this 26th day of March, 1997.

UNION PACIFIC RESOURCES COMPANY

By: Joe Mulvaney
Its: Attorney-in-Fact

ul

ADAMS RESOURCES EXPLORATION CORPORATION

By: _____
Its: _____

GARY W. ROLLINS

✓ By: Henry B. Topp
Under POA

HENRY B. TIPP

✓ By: Henry B. Topp

JOHN W. ROLLINS, SR.

✓ By: Henry B. Topp
Under POA

O. WAYNE ROLLINS ESTATE

✓ By: Henry B. Topp
Under POA

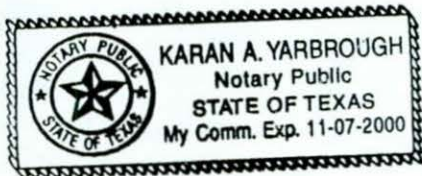
R. RANDALL ROLLINS

✓ By: Henry B. Topp
Under POA



STATE OF TEXAS
COUNTY OF TARRANT

This instrument was acknowledged before me on the 26th day of March, 1997, by J.C. MULVANEY, Attorney-in-Fact of UNION PACIFIC RESOURCES COMPANY, a Delaware corporation, on behalf of said corporation.



Karan A. Yarbrough
Notary Public in and for the
State of Texas
My commission expires: _____

STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1997 by _____, the _____ of ADAMS RESOURCES EXPLORATION CORPORATION, a _____ corporation, on behalf of said corporation.

Notary Public in and for the
State of Texas
My commission expires: _____

STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1997 by GARY W. ROLLINS.

Notary Public in and for the
State of Texas
My commission expires: _____

STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1997 by HENRY B. TIPPIE.

Notary Public in and for the
State of Texas
My commission expires: _____

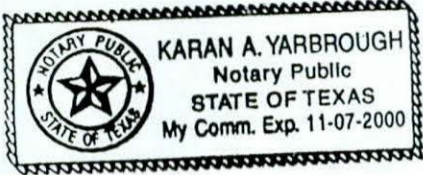
STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1997 by JOHN R. ROLLINS, SR.

Notary Public in and for the
State of Texas
My commission expires: _____

STATE OF TEXAS
COUNTY OF TARRANT

This instrument was acknowledged before me on the 26th day of March, 1997, by J.C. MULVANEY, Attorney-in-Fact of UNION PACIFIC RESOURCES COMPANY, a Delaware corporation, on behalf of said corporation.



Karan A. Yarbrough
Notary Public in and for the
State of Texas
My commission expires: _____

STATE OF TEXAS
COUNTY OF Tarrant

This instrument was acknowledged before me on the 14th day of April, 1997 by William R. Zapp, the President of ADAMS RESOURCES EXPLORATION CORPORATION, a Delaware corporation, on behalf of said corporation.



Dorothy Ruth Drake
Notary Public in and for the
State of Texas
My commission expires: _____

STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1997 by GARY W. ROLLINS.

Notary Public in and for the
State of Texas
My commission expires: _____

STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1997 by HENRY B. TIPPIE.

Notary Public in and for the
State of Texas
My commission expires: _____

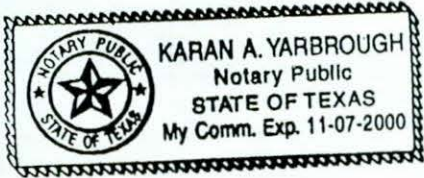
STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1997 by JOHN R. ROLLINS, SR.

Notary Public in and for the
State of Texas
My commission expires: _____

STATE OF TEXAS
COUNTY OF TARRANT

This instrument was acknowledged before me on the 26th day of March, 1997, by J.C. MULVANEY, Attorney-in-Fact of UNION PACIFIC RESOURCES COMPANY, a Delaware corporation, on behalf of said corporation.



Karan A. Yarbrough
Notary Public in and for the
State of Texas
My commission expires: _____

STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1997 by _____, the _____ of ADAMS RESOURCES EXPLORATION CORPORATION, a _____ corporation, on behalf of said corporation.

Notary Public in and for the
State of Texas
My commission expires: _____

STATE OF TEXAS
COUNTY OF Tarrant

This instrument was acknowledged before me on the 9th day of April, 1997 by GARY W. ROLLINS under POA.



Linda M. Potts
Notary Public in and for the
State of Texas
My commission expires: 11-21-98

STATE OF TEXAS
COUNTY OF Tarrant

This instrument was acknowledged before me on the 9th day of April, 1997 by HENRY B. TIPPIE.



Linda M. Potts
Notary Public in and for the
State of Texas
My commission expires: 11-21-98

STATE OF TEXAS
COUNTY OF Tarrant

This instrument was acknowledged before me on the 9th day of April, 1997 by JOHN R. ROLLINS, SR. under POA.



Linda M. Potts
Notary Public in and for the
State of Texas
My commission expires: 11-21-98

STATE OF TEXAS
COUNTY OF Tarrant

This instrument was acknowledged before me on the 9th day of April, 1997 by Henry B. Lippie, the for of the O. WAYNE ROLLINS ESTATE under POA.



Linda M. Potts
Notary Public in and for the
State of Texas
My commission expires: 11-21-98

STATE OF TEXAS
COUNTY OF Tarrant

This instrument was acknowledged before me on the 9th day of April, 1997 by R. RANDALL ROLLINS under POA. for



Linda M. Potts
Notary Public in and for the
State of Texas
My commission expires: 11-21-98



EXHIBIT "A"

Attached to and made a part of that certain Designation of Unit - Dallmeyer Unit #1 RE, dated March 26, 1997

LEASE SCHEDULE

Lease No.: TX1-84902 ✓
 Date: February 23, 1979
 Lessor: Edwin O. Dallmeyer and wife, Nevilee Dallmeyer; Maybell D. Wendt and husband, W. R. Went and Marie D. Langer, a widow
 Lessee: C.A.G. Petroleum Corp.
 Recorded: Volume 376, Page 632, Official Records of Washington County, Texas

Lease No.: TX1-84583(1) ✓
 Date: October 28, 1996
 Lessor: Fish Investment LLC
 Lessee: Union Pacific Resources Company
 Recorded: Memorandum of Oil, Gas and Mineral Lease
 Volume 846, Page 122, Official Records of Washington County, Texas

Lease No.: TX1-84583(2) ✓
 Date: October 28, 1996
 Lessor: Charles W. Machemehl
 Lessee: Union Pacific Resources Company
 Recorded: Memorandum of Oil, Gas and Mineral Lease
 Volume 846, Page 124, Official Records of Washington County, Texas

Lease No.: TX1-84583(3)
 Date: October 28, 1996 ✓
 Lessor: D. M. Simecheck
 Lessee: Union Pacific Resources Company
 Recorded: Memorandum of Oil, Gas and Mineral Lease
 Volume 846, Page 118, Official Records of Washington County, Texas

Lease No.: TX1-84583(4) ✓
 Date: October 28, 1996
 Lessor: Fredda H. Tabbert
 Lessee: Union Pacific Resources Company
 Recorded: Memorandum of Oil, Gas and Mineral Lease
 Volume 846, Page 120, Official Records of Washington County, Texas

Lease No.: TX1-84583(5) ✓
 Date: October 28, 1996
 Lessor: Betty T. Johnston, Lyle E. Carbaugh and Paul M. Hardwick, Independent Executors of the Estate of James J. Johnston, Deceased
 Lessee: Union Pacific Resources Company
 Recorded: Memorandum of Oil, Gas and Mineral Lease
 Volume 846, Page 126, Official Records of Washington County, Texas

* Lease No.: TX2-85068 ✓
 Date: February 4, 1997
 Lessor: Commissioner of the General Land Office of the State of Texas
 Lessee: Union Pacific Resources Company
 Recorded: M-97877, General Land Office of the State of Texas

Exhibit "A"
Page 2

Lease No.: TX1-82447 ✓
Date: March 8, 1994
Lessor: Marilyn D. Sager
Lessee: Torch-I Development Drilling Program Ltd.
Recorded: Volume 732, Page 454, Official Records of Washington County, Texas

Lease No.: TX1-82446 ✓
Date: January 7, 1994
✓ Lessor: Erwin C. Dallmeyer and wife, Jeanell M. Dallmeyer
Lessee: Torch-I Development Drilling Program Ltd.
Recorded: Volume 734, Page 84, Official Records of Washington County, Texas



Attached to and made a part of that certain Designation
of Unit - Dallmeyer Unit #1 RE, dated March 26, 1997

F I E L D N O T E S

Union Pacific Resources Company
Dallmeyer No.1 Re-Entry Unit
436.40 Acre Unit

Being 436.40 acres of land out of the Bird L. Hanks Survey, Abstract No. 53, Washington County, Texas, being 140.22 acres out of that certain 146.00 acre tract of land described by deed to the United States of America recorded in Volume 255, Page 31, Deed Records of Washington County, Texas; all of that certain 35.44 acre tract of land described as 35.7 acres in by deed to the United States of America recorded in Volume 255, Page 31, Deed Records of Washington County, Texas; all of that certain 4.43 acre tract of land described by deed to The Fish Investment Corporation recorded in Volume 321, Page 306, Deed Records of Washington County, Texas; being 108.05 acres out of that certain 169.26 acre tract of land described by deed to The Fish Investment Corporation recorded in Volume 321, Page 310, Deed Records of Washington County, Texas; being 58.91 acres out of that certain 169.29 acre tract described by deed to The Fish Investment Corporation recorded in Volume 321, Page 310, Deed Records of Washington County, Texas; all that certain 51.80 acre tract of land described by deed to The Fish Investment Corporation recorded in Volume 321, Page 323, Deed Records of Washington County, Texas; being all that certain 1.28 acre tract of land described by deed to the State of Texas recorded in Volume 281, Page 454, Deed Records of Washington County, Texas; all that certain 1.51 acre tract of land in Washington County Road No. 44, said 1.51 acre tract lies between said 58.91 acres and said 51.80 acres; being 2.27 acres of land out of that certain 9.98 acre tract of land described by deed to Washington County, Texas recorded in Volume 72, Page 280, Deed Records of Washington County, Texas; being 1.12 acres of land out of said 9.98 acre tract, said 1.12 acres of land in Washington County Road No. 44 and lies between said 108.05 acres and said 51.80 acres; being 1.30 acres of land out of said 9.98 acre tract, said 1.30 acres of land lies north of said 35.44 acre tract; all that certain 0.86 acre tract of land described by deed to Marilyn D. Sager recorded in Volume 593, Page 826, Deed Records of Washington County, Texas; and all that certain 29.21 acres of land described by deed to Erwin C. Dallmeyer, recorded in Volume 590, Page 461, Deed Records of Washington County, Texas.

BEGINNING at point for the northeast corner of said 140.22 acre tract and the northeast corner of the herein described unit.

THENCE along the east line of said 140.22 acre tract as follows:

S 15° 51' 54" W, 869.40 feet;
S 08° 16' 54" W, 300.00 feet;
S 46° 21' 50" W, 278.92 feet;
S 33° 53' 06" E, 519.00 feet;
S 03° 53' 06" E, 783.00 feet;
S 30° 37' 06" E, 327.80 feet;
N 59° 36' 54" E, 30.00 feet; and

S 30° 37' 06" E, 68.00 feet to a concrete monument found for the north corner of said 4.43 acre tract.

THENCE along the northeast line of said 4.43 acre tract as follows:

S 29° 03' 34" E, 297.09 feet;
S 59° 18' 26" W, 39.30 feet; and
S 29° 47' 34" E, 551.82 feet to a 3/8" iron rod found in the north

right-of-way of Farm to Market Road No. 1948 for the east corner of said 4.43 acre tract and the northeast corner of said 1.28 acre tract.

THENCE S 29° 04' 01" E, 113.53 feet, along the east line of said 1.28 acre tract, to a point at the intersection of the south right-of-way line of Farm to Market Road No. 1948 and the southwest right-of-way line of Washington County Road No. 44 for the southeast corner of said 1.28 acre tract and the northeast corner of said 108.05 acre tract.

THENCE S 30° 09' 02" E, 1400.68 feet and S 04° 26' 02" E, 61.01 feet along the southwest right-of-way of said county road and the northeast line of said 108.05 to a point for the northwest corner of said 1.12 acre tract and an interior ell corner of the herein described unit.

Union Pacific Resources Company
Dallmeyer No.1 Re-Entry Unit
436.40 Acre Unit

THENCE N 60° 19' 29" E, at 78.87 feet passing a concrete monument found for the north corner of said 1.12 acre tract and the west corner of said 1.30 acre tract, and continuing along the northwest line said 1.30 acre tract for a total distance of 1938.42 feet to a point in the center of Sandy Creek for the north corner of said 1.30 acre tract.

THENCE along the meanders of Sandy Creek and with the north line of said 1.30 acre tract and the north line of said 35.44 acre tract as follows:

S 86° 33' 11" E, 161.61 feet;
S 67° 43' 06" E, 54.52 feet;
S 76° 41' 46" E, 163.43 feet;
S 10° 05' 35" E, 39.60 feet;
S 42° 37' 18" W, 47.94 feet;
S 18° 55' 51" W, 70.46 feet;
S 36° 34' 05" E, 33.66 feet;
N 85° 10' 02" E, 148.15 feet;
N 57° 44' 42" E, 153.88 feet;
S 70° 27' 51" E, 21.76 feet;
S 29° 40' 08" E, 107.02 feet;
S 86° 31' 41" E, 84.29 feet;
N 26° 31' 32" E, 56.48 feet;
N 08° 24' 36" W, 45.28 feet;
S 84° 42' 26" E, 38.12 feet;
S 32° 17' 12" E, 83.79 feet; and
S 25° 39' 00" E, 73.65 feet to a point for the northeast corner of said 35.44 acre tract and the east corner of the herein described unit.

THENCE S 51° 08' 31" W, 527.49 feet and S 31° 08' 31" W, 308.00 feet, along the east line of said 35.44 acre tract, to a point for the southeast corner of said 35.44 acre tract and the northeast corner of said 51.58 acre tract.

THENCE S 31° 22' 13" W, 1344.61 feet, along the fenced east line of said 35.44 acre tract, to a 3/8" iron rod found at a bend in fence.

THENCE S 61° 22' 31" W, 667.86 feet, along said fenced southeast line to a point.

THENCE S 61° 51' 31" W, along the southeast line of said 35.44 acre tract, at 1055.90 passing a 10" post oak tree at a fence corner in the east right-of-way of County Road No. 44 and the south corner of said 51.80 acre tract and the east corner of said 1.51 acre tract, and continuing along the same bearing and southeast line of said 1.51 acre tract for a total distance of 1132.15 feet to point on the west right-of-way line of said County Road No. 44 in the east line of said 58.91 acre tract at the south corner of said 1.51 acre tract and an interior ell corner of the herein described unit.

THENCE S 15° 46' 02" E, 70.31 feet, along said west right-of-way line and east line of said 58.91 acre tract, to a 3/8" iron rod found.

THENCE S 09° 01' 02" E, 525.44 feet, along said west right-of-way line, to a point for the southeast corner of said 58.91 acre tract and the northeast corner of said 0.86 acre tract.

THENCE along said west right-of-way line and with the east lines of said 0.86 acre tract and said 29.21 acre tract as follows:

S 11° 15' 59" E, 206.32 feet;
S 11° 06' 58" W, 143.02 feet;
S 16° 42' 58" W, 298.45 feet; and
S 14° 05' 58" W, 175.10 feet to a point in County Road No. 44 from which a 6" fence corner post bears S 65° 17' 27" W, 11.40 feet.

Union Pacific Resources Company
 Dallmeyer No.1 Re-Entry Unit
 436.40 Acre Unit

THENCE S 44° 47' 58" W, 602.50 feet, along said county road, to a point for the south corner of said 29.21 acre tract and the south corner of the herein described unit, from said point a 6" fence corner post bears N 25° 05' 24" W, 3.10 feet.

THENCE along the southwest lines of said 29.21 acre tract as follows:
 N 26° 49' 02" W, 232.53 feet;
 N 25° 32' 02" W, 744.00 feet; and
 N 51° 53' 02" W, 1224.86 feet to a point for the northwest corner of said 29.21 acre tract and the southwest corner of said 58.91 acre tract.

THENCE N 03° 52' 58" E, 986.80 feet and N 06° 12' 58" E, 295.00 feet to a point in the south line of said 2.27 acre tract for the northwest corner of said 58.91 acre tract and an interior ell corner of the herein described unit.

THENCE N 89° 23' 00" W, 1083.57 feet, along said south line of said 2.27 acre tract, to a point for the southwest corner of said 2.27 acre tract and the most westerly southwest corner of the herein described unit.

THENCE N 04° 24' 58" E, 1226.18 feet, along the west lines of said 2.27 acres tract and said 108.05 acre tract to a point for the northwest corner of said 108.05 acre tract and the southwest corner of said 140.22 acre tract.

THENCE N 04° 37' 28" E, 4712.87 feet, along the west line of said 140.22 acre tract, to a point for the northwest corner of said 140.22 acre tract and the herein described unit.

THENCE S 85° 23' 06" E, 1367.00 feet, along the north line of said 140.22 acre tract, to the PLACE OF BEGINNING and containing 436.40 acres of land, more or less.


Prepared by Universal Ensco, Inc. from a survey made on the ground February 10, 1997.

Bearings based on true north obtained by solar observation.

Title information provided by Union Pacific Resources Company.

February 27, 1997




 William J. Cash, Jr.
 Registered Professional Surveyor
 No. 3808

Attached to and made a part of that certain Designation of Unit Dallmeyer Unit #1 RE, dated March 26, 1997

WASHINGTON COUNTY, TEXAS

BIRD L. HANKS

A - 53

LINE LIST		
L1	S 85°33'11"E	161.61'
L2	S 67°43'06"E	54.52'
L3	S 76°41'46"E	163.43'
L4	S 10°05'35"E	39.60'
L5	S 42°37'18"W	47.94'
L6	S 18°55'51"W	70.46'
L7	S 36°34'05"E	33.66'
L8	N 85°10'02"E	148.15'
L9	N 57°44'42"E	153.08'
L10	S 70°27'51"E	21.76'
L11	S 29°40'00"E	107.02'
L12	S 86°31'41"E	84.29'
L13	N 26°31'32"E	56.40'
L14	N 00°24'36"W	45.20'
L15	S 84°42'26"E	30.12'
L16	S 32°17'12"E	83.79'
L17	S 25°39'00"E	73.65'
L18	S 51°08'31"W	12.49'

UNION PACIFIC
RESOURCES COMPANY
DALLMEYER No. 1 RE-ENTRY
EXISTING WELLHEAD

JAMES COX
A - 36

436.40 ACRE
UNIT

PROPOSED TERMINUS
OF DRAINHOLE

SURFACE LOCATION:
LAT. 30°17'22.678"
LONG. 96°33'17.072"

PROPOSED TERMINUS:
LAT. 30°16'54.479"
LONG. 96°32'58.615"

NOTE: WELL IS LOCATED 4.2 MILES
SOUTHWEST OF SOMERVILLE, TEXAS

GROUND ELEV.: 258 FEET

OPERATOR: UNION PACIFIC RESOURCES COMPANY

WELL: DALLMEYER No. 1 RE-ENTRY

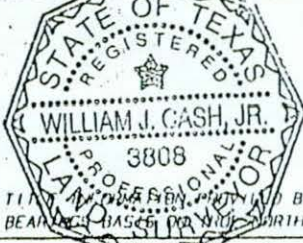
FEE: U S A

LEASE: ERWIN D. DALLMEYER, ET AL.

SURFACE LOC: 7165 FEET NORTHWEST FROM THE SOUTHEAST LINE AND 1141 FEET EAST FROM THE WEST LINE OF THE BIRD L. HANKS SURVEY, ABSTRACT No. 53, WASHINGTON COUNTY, TEXAS

PROPOSED TERMINUS: 4015 FEET NORTHWEST FROM THE SOUTHEAST LINE AND 2984 FEET EAST FROM THE WEST LINE OF THE BIRD L. HANKS SURVEY, ABSTRACT No. 53, WASHINGTON COUNTY, TEXAS.

I, WILLIAM J. CASH, JR., REGISTERED PROFESSIONAL LAND SURVEYOR No. 3808 DO HEREBY CERTIFY THAT THE ABOVE WELL WAS LOCATED ON THE GROUND ON FEBRUARY 10, 1997, UNDER MY SUPERVISION.



WILLIAM J. CASH, JR.
REGISTERED PROFESSIONAL LAND SURVEYOR
No. 3808

TITLE AND DESCRIPTION OF PROPERTY AND BY UNION PACIFIC RESOURCES COMPANY
BEARING BASED ON THE NORTH OBTAINED BY SOLAR OBSERVATION

IR	DESCRIPTION	ACRES
1A	ERWIN D. DALLMEYER, ET AL.	140.22
1B	ERWIN D. DALLMEYER, ET AL.	35.44
2A	FISH INVESTMENTS LLC, ET AL.	4.43
2B	FISH INVESTMENTS LLC, ET AL.	108.05
2C	FISH INVESTMENTS LLC, ET AL.	58.91
2D	FISH INVESTMENTS LLC, ET AL.	51.80
3	FISH INVESTMENTS LLC, ET AL.	1.20
4	FISH INVESTMENTS LLC, ET AL.	1.51
5A	GENERAL LAND OFFICE	2.27
5B	GENERAL LAND OFFICE	1.12
5C	GENERAL LAND OFFICE	1.30
6	MARYLYN D. SAGER	0.86
7	ERWIN C. DALLMEYER, ET UX	29.21
TOTAL ACRES IN UNIT		436.40

Union Pacific
Resources Company

DALLMEYER No. 1
RE-ENTRY



UNIVERSAL ENSCO, INC.

PHONE: 409 542-1146 FAX: 409 542-3353

DATE: FEBRUARY 24, 1997

SCALE: 1" = 1000'

FIELD BOOK: 971 PAGE: 22

DRAWN BY: C. L. M.

DATA FILE: MATTFISH

REVISED:

M-97877 (11)
UNIT DESIGNATION
3/26/98

File No. HF-97877
Unit Designation
Date Filed: 3/26/98
Jerry E. Patterson, Commissioner
By _____

3.26.98



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

December 1, 2021

Dennis Engelmann, CPL
Engelmann Land Services LLC
PO Box 2806
Bryan, TX 77805

File

Re: Assignment ID # 11108 – MF097877
Washington County

Dear Mr. Engelmann:

The General Land Office received the following instrument and filed it in the appropriate files.

Assignment and Bill of Sale, effective April 1, 2021, from WCS Oil & Gas Corporation, Assignor to Magnolia Oil & Gas Operating LLC, Assignee. Filed of record.

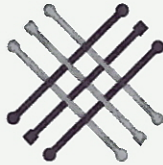
Filing fees are still due in the amount of \$25.00 on the referenced assignment.

Please feel free to contact me at (512) 590-9600 or email carl.bonn@glo.texas.gov if you have further questions.

Best Regards,

Carl Bonn, CPL
Mineral Leasing-Energy Resources

9.15.21



Engelmann

LAND SERVICES, LLC

P. O. Box 2806 * Bryan, Texas 77805 * (979) 777-9130 * dengelmann@engelmannlandservices.com

September 2, 2021

Mr. Carl Bonn
Texas General Land Office
1700 North Congress
Suite 840
Austin, Texas 78701

22700478

Re: Texas General Land Office Assignment Summaries
Lease No. 109577 (Washington County, Texas)
M-110093 (Burlson County, Texas)
M-110094 (Burlson County, Texas)
MF-102975 (Fayette County, Texas)
MF-101419 (Lee County, Texas)
M-97877 (Washington County, Texas)
Assignor - WCS Oil & Gas Corporation, et al
Assignee - Magnolia Oil & Gas Operating LLC

Dear Mr. Bonn:

Enclosed, please find the following Texas General Land Office Assignment Summaries, and supporting documents, submitted on behalf of Magnolia Oil & Gas Operating LLC ("Magnolia") for the State-owned mineral Oil and Gas Leases in Washington, Burlson, Fayette, and Lee Counties, Texas, previously owned by WCS Oil & Gas Corporation, Scott Shuford, Centerline Oil & Gas, Inc., Centerline Oil & Gas, Inc., Estate of William C. Shuford, Jr., Deceased, and Sherpa Energy Resources, L.P.:

1. Engelmann Land Services LLC Check 4455, \$150.00 X 121
(Required Assignment Fee: Seven (7) Oil and Gas Leases @ \$25.00 each).
2. Washington County (Lease No. 109577) - completed Texas General Land Office Assignment Summary and copies of Assignment and Bill of Sale's recorded under Volume 1786, Page 343, Volume 1786, Page 534, and Volume 1793, Page 244, Official Records, Washington County, Texas (WCS Oil & Gas Corporation, Scott Shuford, Centerline Oil & Gas, Inc.).



3. Burleson County (M-110093 and M110094) - completed Texas General Land Office Assignment Summary and copies of Assignment and Bill of Sale's recorded under Instrument No. 2021-3507, Instrument No. 2021-3532, and Instrument No. 2021-4197, Official Records, Burleson County, Texas (WCS Oil & Gas Corporation, Scott Shuford, Centerline Oil & Gas, Inc.).
4. Fayette County (MF-102975) - completed Texas General Land Office Assignment Summary and copies of Assignment and Bill of Sale recorded in Volume 2001, Page 905, Volume 2001, Page 918, Volume 2007, Page 660 and Volume 2004, Page 744, Official Records, Fayette County, Texas (WCS Oil & Gas Corporation, Scott Shuford, Centerline Oil & Gas, Inc., Centerline Oil & Gas, Inc., Estate of William C. Shuford, Jr., Deceased).
5. Lee County (MF-101419) – completed Texas General Land Office Assignment Summary and copies of Assignment and Bill of Sale's recorded in Volume 1299, Page 902, Volume 1299, Page 953, Volume 1303, Page 292 and Volume 1300, Page 990, Real Property Records, Lee County, Texas (WCS Oil & Gas Corporation, Scott Shuford, Centerline Oil & Gas, Inc., Centerline Oil & Gas, Inc., Estate of William C. Shuford, Jr., Deceased).
6. Washington County (M-97877) - completed Texas General Land Office Assignment Summary and copy of Assignment and Bill of Sale recorded in Volume 1789, Page 545, Official Records, Washington County, Texas. Note the copy of Assignment and Bill of Sale for WCS Oil & Gas Corporation relating to this Oil and Gas Lease is provided under Item 1., above.

Magnolia has requested the internal Texas General Land Office records be updated accordingly.

Should you have any questions, please do not hesitate to email me or give me a call.

Sincerely,

A handwritten signature in cursive script that reads "Dennis R. Engelmann".

Dennis R. Engelmann, CPL
Engelmann Land Services, LLC
979-777-9130

enclosures

cc: Ms. Denise Speer, CPL
Magnolia Oil & Gas Operating LLC
(via email: dspeer@mgyoil.com)

91521

129

Engelmann Land Services LLC
979-272-1569
P.O. Box 1282
Caldwell, TX 77836

22700478

4455



DATE 9/2/2021

88-1299/1131

PAY TO THE ORDER OF Commissioner of Texas General Land office \$150.00

One hundred fifty dollars +⁰⁰/₁₀₀

DOLLARS



CITIZENS STATE BANK
979-596-1421
WWW.CSBTX.COM

[Signature]

FOR May: WCS Acquisition/Assign Fees

⑈004455⑈

Mail to: Texas General Land Office
 Attn: Energy Resources
 P.O. 12873
 Austin, Texas 78711-2873

Texas General Land Office
 ASSIGNMENT SUMMARY

For General Land Office Use Only

DOCUMENT TYPE: (mark one):
 Assignment Deed of Trust Merger/Name Change

DOCUMENT RECORDING INFORMATION: (Include all the counties covered by the properties listed below)

County	Volume	Page	Execution Date/Effective Date
WASHINGTON (1)	1786	343	JUNE 30, 2021 / APRIL 1, 2021
WASHINGTON (2)	1789	545	JULY 12, 2021 / APRIL 1, 2021

ASSIGNMENT FEE: \$25 per State Lease (additional \$25 after 90 days)
 INTEREST BEING CONVEYED: (mark one)

Working Interest Overriding Royalty Interest Other (explain):

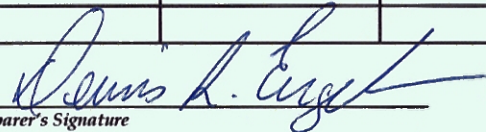
Remarks:

FROM List all companies or individuals listed in this instrument who are transferring ownership interests, in whole or in part, in the leases shown below	TO List all companies or individuals listed in this instrument who are receiving ownership interests in the leases listed below	% GROSS WI OWNED BY ASSIGNOR	% GROSS WI TRANSFERRED BY ASSIGNOR	% GROSS WI RETAINED BY ASSIGNOR
1. WCS OIL & GAS CORPORATION	MAGNOLIA OIL & GAS OPERATING LLC	24.00%	24.00%	0%
2. SHERPA ENERGY RESOURCES, L.P.	MAGNOLIA OIL & GAS OPERATING LLC	1.00%	1.00%	0%
3.				
4.				

Attach additional pages as needed.

LEASES COVERED BY THIS TRANSFER:

State Lease #	COUNTY	BLOCK	SECTION	PART OF SECTION	DEPTH RESTRICTION
1. M-97877	WASHINGTON			B.L. HANKS SURVEY, A-53	N/A
2.					
3.					
4.					



Preparer's Signature
 DENNIS R. ENGELMANN
 Name (please print)
 dengelmänn@engelmännlandservices.com
 E-Mail Address
 (979) 777-9130
 Telephone Number

OWNER
 Title
 SEPTEMBER 1, 2021
 Date
 I am an authorized representative of the lessee(s) under the State of Texas leases identified herein and represent and certify to the Commissioner of the General Land Office that the information provided on this form is true and correct.

ENGELMANN LAND SERVICES, LLC
 Company Name
 Mailing Address
 P.O. BOX 2806
 BRYAN, TEXAS 77805
 City/State/Zip

IO 11108

ASSIGNMENT AND BILL OF SALE

4769

STATE OF TEXAS §
 §
COUNTY OF WASHINGTON §

MF 097877 Wash
off 4-1-21

This Assignment and Bill of Sale (this "Assignment") is from the undersigned WCS OIL & GAS CORPORATION, P.O. Box 9159, Dallas, Texas 75209, as "Assignor", and MAGNOLIA OIL & GAS OPERATING LLC, 9 Greenway Plaza, Suite 1300, Houston, Texas 77046, hereinafter referred to as "Assignee", its successors and assigns. Assignor, for and in consideration of the sum of Ten Dollar (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has BARGAINED, SOLD, TRANSFERRED, ASSIGNED and CONVEYED, and by these presents does hereby BARGAIN, SELL, TRANSFER, ASSIGN and CONVEY to Assignee (1) all of Assignor's undivided rights, titles and interests in and to the oil, gas and mineral leases and leasehold estates described on the schedules attached hereto as Exhibit "A" and made a part hereof for all purposes, together with all of Assignor's working interests and net revenue interests in and to the wells (the "Wells") set forth on Exhibit "B" attached hereto and made a part hereof for all purposes, and all of Assignor's undivided interest in and to all tanks (including all production in said tanks), compressors, machinery and personal property and equipment situated therein or thereon and used or obtained in connection with the Wells, (2) the right, benefits and interests of Assignor, if any, in, to and under contracts, operating agreements, right-of-way, easements, surface leases, permits, licenses, servitudes, pooling or unitization agreements, pooling designations and pooling orders covering, affecting or used or in any way connected with or pertaining to any of said leases and leasehold estates described on said Exhibit "A", and (3) the rights, claims and demands now or hereafter existing on or under any and all warranties of title to any of the above described property heretofore made to or inuring to the benefit of Assignor (all of which are hereinafter collectively referred to as the "Subject Interests"), which Seller represents is all such interests it owns in Washington County, Texas (the "Area").

all

Assignee accepts the equipment conveyed herein AS IS, WHERE IS, AND WITH ALL FAULTS AND DEFECTS, having satisfied itself as to the condition and serviceability of the equipment herein conveyed. Assignor expressly disclaims any warranty or representations concerning the fitness, serviceability or condition of the equipment conveyed herein. Except as set forth in Section 8(a) of the Purchase Agreement, the Subject Interests are being assigned by Assignor to Assignee without warranty of title of any kind, whether common law or statutory, express or implied. To the extent transferable, Assignor hereby assigns to Assignee, its successors and assigns, full power and right of substitution and subrogation in and to all covenants and warranties (including warranties of title) by owners in Assignor's chain of title, vendors, or others, given or made with respect to the Assets or any part thereof prior to the Effective Time.

Assignee assumes all plugging obligations and liability therefor for the wells covered by this Assignment and additionally agrees to be responsible for all of the cost and expense of any surface restoration and/or cleanup on surface location for the wells described on said Exhibit "B".

This Assignment is made in accordance with and subject to the terms and provisions of that certain Purchase and Sale Agreement dated May 10, 2021 between Assignor and Assignee (the "Purchase Agreement"). In the event of a conflict between the provisions of the Purchase Agreement and this Assignment, the provisions of the Purchase Agreement shall control. The execution and delivery of this Assignment by Assignor, and the execution and acceptance of this Assignment by Assignee, shall not operate to release or impair any surviving rights or obligations of Assignor or Assignee under the Purchase Agreement.

TO HAVE AND TO HOLD the properties, rights, estates and interests herein assigned and conveyed, together with all and singular all rights, privileges and appurtenances thereto or in anywise belonging unto the said Assignee, its successors and assigns, forever; and Assignor does hereby warrant and agree to defend the title to the properties, rights, estates and interests herein assigned and conveyed against any and all persons whomsoever lawfully claiming the same or any part thereof by, through or under Assignor, but not otherwise.


This Assignment may be executed in counterparts, and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute for all purposes one agreement. Multiple counterparts of this Assignment may be recorded in the counties of the states where the Subject Interests are located, but the inclusion of a description of any Subject Interest in more than one counterpart of this Assignment shall not be construed as having effected any cumulative, multiple or overlapping interest in the applicable Subject Interest.

IN WITNESS WHEREOF, this instrument is executed the day of June 30, 2021, but shall be effective as of April 1, 2021, at 7:00 A.M (the "Effective Time").

ASSIGNOR:

WCS OIL & GAS CORPORATION

By:


Bruce Stensrud, Executive Vice President

ASSIGNEE:

MAGNOLIA OIL & GAS OPERATING LLC

By:

Wakeford Thompson, Vice President, Business Development

This Assignment is made in accordance with and subject to the terms and provisions of that certain Purchase and Sale Agreement dated May 10, 2021 between Assignor and Assignee (the "Purchase Agreement"). In the event of a conflict between the provisions of the Purchase Agreement and this Assignment, the provisions of the Purchase Agreement shall control. The execution and delivery of this Assignment by Assignor, and the execution and acceptance of this Assignment by Assignee, shall not operate to release or impair any surviving rights or obligations of Assignor or Assignee under the Purchase Agreement.

TO HAVE AND TO HOLD the properties, rights, estates and interests herein assigned and conveyed, together with all and singular all rights, privileges and appurtenances thereto or in anywise belonging unto the said Assignee, its successors and assigns, forever; and Assignor does hereby warrant and agree to defend the title to the properties, rights, estates and interests herein assigned and conveyed against any and all persons whomsoever lawfully claiming the same or any part thereof by, through or under Assignor, but not otherwise.

This Assignment may be executed in counterparts, and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute for all purposes one agreement. Multiple counterparts of this Assignment may be recorded in the counties of the states where the Subject Interests are located, but the inclusion of a description of any Subject Interest in more than one counterpart of this Assignment shall not be construed as having effected any cumulative, multiple or overlapping interest in the applicable Subject Interest.

IN WITNESS WHEREOF, this instrument is executed the day of June 30, 2021, but shall be effective as of April 1, 2021, at 7:00 A.M (the "Effective Time").

ASSIGNOR:

WCS OIL & GAS CORPORATION

By: _____
Bruce Stensrud, Executive Vice President

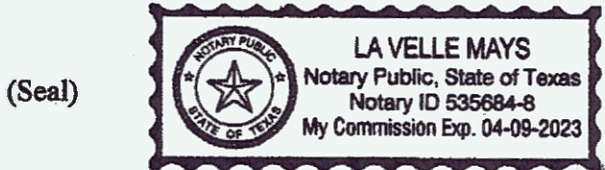
ASSIGNEE:

MAGNOLIA OIL & GAS OPERATING LLC

By: Wakeford Thompson 
Wakeford Thompson, Vice President, Business Development

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The foregoing instrument was acknowledged before me on June 30, 2021, by Bruce Stensrud as Executive Vice President of WCS Oil & Gas Corporation, a Texas corporation, on behalf of said corporation.



LaVelle Mays
Notary Public in and for the State of Texas

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me on _____, 2021, by Wakeford Thompson, as Vice President, Business Development of Magnolia Oil & Gas Operating LLC, on behalf of said company.

(Seal) _____
Notary Public in and for the State of Texas

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The foregoing instrument was acknowledged before me on _____, 2021, by Bruce Stensrud as Executive Vice President of WCS Oil & Gas Corporation, a Texas corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

(Seal)

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me on June 30, 2021, by Wakeford Thompson, as Vice President, Business Development of Magnolia Oil & Gas Operating LLC, on behalf of said company.

Sonia Y. Wootton
Notary Public in and for the State of Texas

(Seal)

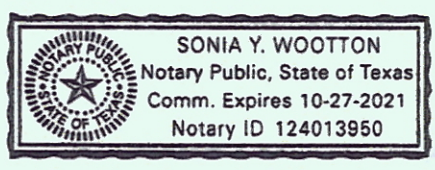


EXHIBIT "A"

Attached to and made a part of that certain Assignment and Bill of Sale by and between
WCS Oil & Gas Corporation, as Assignor, and Magnolia Oil & Gas Operating LLC, as Assignee

Leases

LEASE NUMBER	LESSOR	LESSEE	LEASE DATE	VOL	PAGE	COUNTY	ST
WCS-WAS1156	ARQUILLA J JOHNSON	WCS OIL & GAS CORPORATION	08/21/2001	1005	135	WASHINGTON	TX
WCS-WAS1157	SAMMIE L NEAL ET AL	WCS OIL & GAS CORPORATION	08/21/2001	1006	754	WASHINGTON	TX
WCS-WAS1158	THEODORE A SAGER AND WIFE DIANNE SAGER	WCS OIL & GAS CORPORATION	07/14/2007	1255	839	WASHINGTON	TX
WCS-WAS1159	LANNIE R SAGER AND WIFE BARBARA P SAGER	WCS OIL & GAS CORPORATION	07/14/2007	1255	844	WASHINGTON	TX
WCS-WAS1160	MYRTA ANN TOPLIFFE OVERBY	WCS OIL & GAS CORPORATION	07/11/2007	1255	849	WASHINGTON	TX
WCS-WAS1161	LAWRENCE J GAITHE JR AND WIFE KATHLEEN M GAITHE	WCS OIL & GAS CORPORATION	07/14/2007	1255	853	WASHINGTON	TX
WCS-WAS1162	BILLY ELS AND WIFE JOAN ELS	WCS OIL & GAS CORPORATION	07/24/2007	1255	857	WASHINGTON	TX
WCS-WAS1163	ANTHONY W CICCONE AND WIFE KATHLEEN S CICCONE	WCS OIL & GAS CORPORATION	07/19/2007	1255	862	WASHINGTON	TX
WCS-WAS1164	ROBERT E FRENCH AND WIFE E LANELL FRENCH	WCS OIL & GAS CORPORATION	08/05/2007	1255	866	WASHINGTON	TX
WCS-WAS1165	KATHERINE A BRAVO	WCS OIL & GAS CORPORATION	07/09/2007	1255	870	WASHINGTON	TX
WCS-WAS1166	GANDY & SONS INC	WCS OIL & GAS CORPORATION	08/05/2007	1255	876	WASHINGTON	TX
WCS-WAS1167	MARY JANE KING	WCS OIL & GAS CORPORATION	08/06/2007	1255	881	WASHINGTON	TX
WCS-WAS1168	VIVIAN L FRANCIS ROSS	WCS OIL & GAS CORPORATION	08/18/2007	1258	464	WASHINGTON	TX
WCS-WAS1169	VIRGINIA ELICK ET AL	WCS OIL & GAS CORPORATION	02/15/2008	1271	980	WASHINGTON	TX
WCS-WAS1170	JOSEPH PECK HART JR JACKIE POWELL RECEIVER	WCS OIL & GAS CORPORATION	06/24/2008	1283	1038	WASHINGTON	TX
WCS-WAS1171	MARLEY ANN MAKINSON HACKBARTH JACKIE POWELL RECEIVER	WCS OIL & GAS CORPORATION	06/24/2008	1283	1041	WASHINGTON	TX
WCS-WAS1172	DONALD MOON AND WIFE VIRGINIA MOON	WCS OIL & GAS CORPORATION	10/25/2007	1283	1044	WASHINGTON	TX
WCS-WAS1173	GENE E NEWCOMB AND WIFE LINDA S NEWCOMB	WCS OIL & GAS CORPORATION	10/25/2007	1283	1047	WASHINGTON	TX
WCS-WAS1174	DEBRA C HENRY	WCS OIL & GAS CORPORATION	07/07/2008	1289	574	WASHINGTON	TX
WCS-WAS1175	HERMEREGLDO FLORES AND JOSE F MARTINEZ	WCS OIL & GAS CORPORATION	09/17/2008	1290	794	WASHINGTON	TX

WCS-WAS1176	WALTER S EVANS TRUSTEE	WCS OIL & GAS CORPORATION	09/17/2008	1291	826	WASHINGTON	TX
WCS-WAS1177	OTIS GRAFA AND WIFE LOVEDA F GRAFA	WCS OIL & GAS CORPORATION	10/08/2008	1293	354	WASHINGTON	TX
WCS-WAS1178	BILLY G MEYER AND WIFE MICHELLE MEYER	WCS OIL & GAS CORPORATION	10/14/2008	1293	774	WASHINGTON	TX
WCS-WAS1179	LISA GAYE HART CORKER	WCS OIL & GAS CORPORATION	11/24/2008	1296	596	WASHINGTON	TX
WCS-WAS1180	JOSEPH L WARD	WCS OIL & GAS CORPORATION	12/03/2008	1297	215	WASHINGTON	TX
WCS-WAS1181	COMMISSIONER OF THE GLO OF THE SOT, M-109577	WCS OIL & GAS CORPORATION	12/16/2008	1299	106	WASHINGTON	TX
WCS-WAS1182	FRANK H ELS AND WIFE ERNA E ELS	WILLIAM C HAVERLAH	04/23/1976	360	55	WASHINGTON	TX
WCS-WAS1183	ERWIN O DALLMEYER ET AL	CAG PETROLEUM CORPORATION	02/23/1979	376	632	WASHINGTON	TX
WCS-WAS1184	BRADY LEWIS JR ET AL	GENERAL PRODUCTION CORPORATION	10/07/1980	402	550	WASHINGTON	TX
WCS-WAS1185	GAY NELL SHEPARD ET AL	GENERAL PRODUCTION CORPORATION	10/07/1980	403	171	WASHINGTON	TX
WCS-WAS1186	BIRDIE SCOTT ET AL	GENERAL PETROLEUM CORPORATION	09/17/1980	403	805	WASHINGTON	TX
WCS-WAS1187	ALFRED BOEKER AND WIFE ELBIRDA BOEKER	GENERAL PRODUCTION COMPANY INC	07/15/1982	438	475	WASHINGTON	TX
WCS-WAS1188	HERBERT BRANCH	C & R C 53 INC	03/10/1982	451	281	WASHINGTON	TX
WCS-WAS1189	JOHN C BRANCH JR	C & R C 53 INC	03/10/1982	451	285	WASHINGTON	TX
WCS-WAS1190	SHELLY BRANCH JR	C & R C 53 INC	03/10/1982	451	289	WASHINGTON	TX
WCS-WAS1191	VIOLA CARTER BROWN	C & R C 53 INC	03/10/1982	451	293	WASHINGTON	TX
WCS-WAS1192	RUTH NATALIE CARTER CARROLL	C & R C 53 INC	03/10/1982	451	297	WASHINGTON	TX
WCS-WAS1193.1	RICHARD CARTER	C & R C 53 INC	03/10/1982	451	301	WASHINGTON	TX
WCS-WAS1193.10	WILLIE D HENEGAN	C & R C 53 INC	03/10/1982	451	339	WASHINGTON	TX
WCS-WAS1193.11	ROBBIE LEE HIGHTOWER	C & R C 53 INC	03/10/1982	451	343	WASHINGTON	TX
WCS-WAS1193.12	ALVIN HUFF SR	C & R C 53 INC	03/10/1982	451	347	WASHINGTON	TX
WCS-WAS1193.13	CHERRY BRANCH JONES	C & R C 53 INC	03/10/1982	451	351	WASHINGTON	TX
WCS-WAS1193.14	CARL LEWIS III	C & R C 53 INC	03/10/1982	451	355	WASHINGTON	TX
WCS-WAS1193.15	CECIL LEWIS	C & R C 53 INC	03/10/1982	451	360	WASHINGTON	TX

WCS-WAS1193.16	EDGAR LEWIS SR	C & R C 53 INC	03/10/1982	451	364	WASHINGTON	TX
WCS-WAS1193.2	JOHNNIE MAE BRANCH CEASER	C & R C 53 INC	03/10/1982	451	306	WASHINGTON	TX
WCS-WAS1193.3	ROSIE LEE HARGE COLEMAN	C & R C 53 INC	03/10/1982	451	310	WASHINGTON	TX
WCS-WAS1193.4	RUTHIE MAE CUNNINGHAM	C & R C 53 INC	03/10/1982	451	314	WASHINGTON	TX
WCS-WAS1193.5	EARNEST HANCOCK	C & R C 53 INC	10/07/1982	451	319	WASHINGTON	TX
WCS-WAS1193.6	JOHN W HARGE	C & R C 53 INC	03/10/1982	451	323	WASHINGTON	TX
WCS-WAS1193.7	EDDIE LEE HENDERSON	C & R C 53 INC	03/10/1982	451	327	WASHINGTON	TX
WCS-WAS1193.8	JOHNNIE HENDERSON	C & R C 53 INC	03/10/1982	451	331	WASHINGTON	TX
WCS-WAS1193.9	WALTER HENDERSON JR	C & R C 53 INC	03/10/1982	451	335	WASHINGTON	TX
WCS-WAS1194	ERVIN LEWIS	C & R C 53 INC	03/10/1982	451	369	WASHINGTON	TX
WCS-WAS1195	LAWRENCE LEWIS	C & R C 53 INC	03/10/1982	451	374	WASHINGTON	TX
WCS-WAS1196	LEE NORRIS LEWIS	C & R C 53 INC	03/10/1982	451	378	WASHINGTON	TX
WCS-WAS1197	WILLIE LEWIS	C & R C 53 INC	03/10/1982	451	383	WASHINGTON	TX
WCS-WAS1198	MOZELL M LLOYD	C & R C 53 INC	03/10/1982	451	388	WASHINGTON	TX
WCS-WAS1199	TOM MITCHELL	C & R C 53 INC	03/10/1982	451	392	WASHINGTON	TX
WCS-WAS1200	ALMETER BRANCH RECTOR	C & R C 53 INC	03/10/1982	451	396	WASHINGTON	TX
WCS-WAS1201	RUBY LEE TAYLOR	C & R C 53 INC	03/10/1982	451	400	WASHINGTON	TX
WCS-WAS1202	ANNA HARGE WATKINS	C & R C 53 INC	03/10/1982	451	405	WASHINGTON	TX
WCS-WAS1203	RUTH BRANCH	ENERGY SEARCH COMPANY	04/21/1981	454	718	WASHINGTON	TX
WCS-WAS1204	DONALD PIPKINS BY MATTIE GRIMES AND TOMMY GRIMES CO- CONSERVATORS	ENERGY SEARCH COMPANY	08/06/1983	454	738	WASHINGTON	TX
WCS-WAS1205	EARNEST HANCOCK AND BEULAH CARTER HANCOCK	ENERGY SEARCH COMPANY	07/24/1983	454	741	WASHINGTON	TX
WCS-WAS1206	MARY MORRIS	ENERGY SEARCH COMPANY	07/31/1983	454	744	WASHINGTON	TX
WCS-WAS1207	JOHNNIE MAE ROBINSON AKA JOHNNIE MAE CARTER ROBINSON	ENERGY SEARCH COMPANY	09/26/1983	456	645	WASHINGTON	TX
WCS-WAS1208	DORETHA GENTRY GILL	ENERGY SEARCH COMPANY	09/06/1983	456	693	WASHINGTON	TX

WCS-WAS1209	RUBEN BRANCH	C & R C 53 INC	03/10/1982	456	695	WASHINGTON	TX
WCS-WAS1210	IDA MAE HARGE	GENERAL PRODUCTION COMPANY INC	02/02/1984	465	157	WASHINGTON	TX
WCS-WAS1211	EDGAR LEWIS SR	C & R C 53 INC	04/21/1981	430	153	WASHINGTON	TX
WCS-WAS1212	ROY H UECKERT AND WIFE JEAN NELL UECKERT	WEBER ENERGY CORPORATION	05/15/1991	651	179	WASHINGTON	TX
WCS-WAS1213	LEE NORRIS LEWIS	C & R C 53 INC	04/21/1981	430	161	WASHINGTON	TX
WCS-WAS1214	WILLIE LEWIS	C & R C 53 INC	04/21/1981	430	169	WASHINGTON	TX
WCS-WAS1215	MOZELL MITCHELL AKA MOZELL M LLOYD	C & R C 53 INC	04/21/1981	430	173	WASHINGTON	TX
WCS-WAS1216	BRIAN AND HOWARD FISCHER	WEBER ENERGY CORPORATION	05/04/1993	691	438	WASHINGTON	TX
WCS-WAS1217	MAMIE IMHOFF ET AL	WEBER ENERGY CORPORATION	05/04/1993	691	449	WASHINGTON	TX
WCS-WAS1218	DOUGLAS ULLRICH JR	KEYSTONE EXPLORATION INC	02/05/1993	693	422	WASHINGTON	TX
WCS-WAS1219	M W NEINAST	KEYSTONE EXPLORATION INC	02/05/1993	693	414	WASHINGTON	TX
WCS-WAS1220	DOUGLAS ULLRICH	KEYSTONE EXPLORATION INC	02/05/1993	693	418	WASHINGTON	TX
WCS-WAS1221	KUHN & KUHN CATTLE COMPANY	KEYSTONE EXPLORATION INC	02/05/1993	693	426	WASHINGTON	TX
WCS-WAS1222	LEROY GOLDBERG AND WIFE LORINE GOLDBERG	SENORA RESOURCES INC	03/29/1993	696	140	WASHINGTON	TX
WCS-WAS1223	LAWRENCE GOLDBERG ET AL	SENORA RESOURCES INC	03/29/1993	696	144	WASHINGTON	TX
WCS-WAS1224	MARILYN D SAGER	TORCH I DEVELOPMENT DRILLING PROGRAM LTD	03/08/1994	732	454	WASHINGTON	TX
WCS-WAS1225	ERWIN C DALLMEYER AND WIFE JEANELL M DALLMEYER	TORCH I DEVELOPMENT DRILLING PROGRAM LTD	03/02/1994	734	84	WASHINGTON	TX
WCS-WAS1226	D M SIMECHECK	UNION PACIFIC RESOURCES COMPANY	10/28/1996	846	118	WASHINGTON	TX
WCS-WAS1227	FREDDA H TABBERT	UNION PACIFIC RESOURCES COMPANY	10/28/1996	846	120	WASHINGTON	TX
WCS-WAS1228	CHARLES W MACHEMEHL	UNION PACIFIC RESOURCES COMPANY	10/28/1996	846	124	WASHINGTON	TX
WCS-WAS1229	BETTY T JOHNSTON ET AL	UNION PACIFIC RESOURCES COMPANY	10/28/1996	846	126	WASHINGTON	TX
WCS-WAS1230	FISH INVESTMENT LLC	UNION PACIFIC RESOURCES COMPANY	10/28/1996	846	122	WASHINGTON	TX
WCS-WAS1231	BETTY N FLENCHE	HAROLD ATKINSON JR	11/21/2000	979	14	WASHINGTON	TX
WCS-WAS1232	HARRY R NEINAST JR	HAROLD ATKINSON JR	11/21/2000	979	20	WASHINGTON	TX

WCS-WAS1233	HENRY L NEINAST	HAROLD ATKINSON JR	11/21/2000	979	2	WASHINGTON	TX
WCS-WAS1234	MARY N HILL	HAROLD ATKINSON JR	11/21/2000	979	8	WASHINGTON	TX
WCS-WAS1235	RUTH E HOBBS	WCS OIL & GAS CORPORATION	03/04/2001	983	548	WASHINGTON	TX
WCS-WAS1236	WARREN E MUERY AND WIFE NEATHA D MUERY	WCS OIL & GAS CORPORATION	03/04/2001	983	553	WASHINGTON	TX
WCS-WAS1237	JAMES SCHAWA ET AL	WCS OIL & GAS CORPORATION	03/30/2001	986	484	WASHINGTON	TX
WCS-WAS1238	JACK ELLIOTT	WCS OIL & GAS CORPORATION	03/30/2001	986	478	WASHINGTON	TX
WCS-WAS1239	WILLIAM H NEINAST AND WIFE JEANNINE P NEINAST	HAROLD ATKINSON JR	04/01/2001	994	632	WASHINGTON	TX
WCS-WAS1240	MABEL HADDOX	HAROLD ATKINSON JR	04/01/2001	994	637	WASHINGTON	TX
WCS-WAS1241	CARISBROOKE FARM INC	WCS OIL & GAS CORPORATION	05/23/2001	997	538	WASHINGTON	TX
WCS-WAS1242	COMMISSIONER OF THE GLO OF THE SOT, M-97877	UNION PACIFIC RESOURCES COMPANY	02/04/1997	858	418	WASHINGTON	TX ME 097877
WCS-WAS1248	IDA MAE HARGE	ENERGY SEARCH COMPANY	05/31/1984	479	536	WASHINGTON	TX
WCS-WAS1249	GERALD BRANCH	C & R C 53 INC	04/21/1981	453	356	WASHINGTON	TX
WCS-WAS1250	TOMMY GRIMES	ENERGY SEARCH COMPANY	08/06/1983	454	747	WASHINGTON	TX
WCS-WAS1271	EDWIN FISCHER ET AL	ROY L KIPP	12/02/1977	366	335	WASHINGTON	TX
WCS-WAS1273	ELAINE N DULANEY AND HUSBAND FREDERICK E DULANEY	HAROLD ATKINSON JR	04/01/2001	994	627	WASHINGTON	TX
WCS-WAS1274	EDDIE LEE HENDERSON	C & R C 53 INC	08/19/1981	430	125	WASHINGTON	TX
WCS-WAS1275	HUBERT BRANCH AKA HERBERT BRANCH	C & R C 53 INC	04/21/1981	430	65	WASHINGTON	TX
WCS-WAS1276	JOHN C BRANCH	C & R C 53 INC	08/19/1981	430	69	WASHINGTON	TX
WCS-WAS1277	REUBEN BRANCH AKA RUBEN BRANCH	C & R C 53 INC	04/21/1981	430	77	WASHINGTON	TX
WCS-WAS1278	SHELLY BRANCH JR	C & R C 53 INC	04/21/1981	430	81	WASHINGTON	TX
WCS-WAS1279	VIOLA CARTER BROWN	C & R C 53 INC	11/01/1981	430	85	WASHINGTON	TX
WCS-WAS1280	RUTH NATALIE CARTER CARROLL	C & R C 53 INC	04/21/1981	430	89	WASHINGTON	TX
WCS-WAS1281	JOHNNIE MAE BRANCH AKA JOHNNIE MAE BRANCH CEASER	C & R C 53 INC	04/21/1981	430	73	WASHINGTON	TX
WCS-WAS1282	ROSALEE HARGE AKA ROSIE L HARGE COLEMAN	C & R C 53 INC	04/21/1981	430	121	WASHINGTON	TX

WCS-WAS1283	RUTHIE MAE CUNNINGHAM	C & R C 53 INC	04/21/1981	430	93	WASHINGTON	TX
WCS-WAS1284	BEULAH CARTER HANCOCK	C & R C 53 INC	04/21/1981	430	97	WASHINGTON	TX
WCS-WAS1285	EARNEST HANCOCK	C & R C 53 INC	11/13/1981	430	101	WASHINGTON	TX
WCS-WAS1286	IDA MAE HARGE	C & R C 53 INC	11/13/1981	430	109	WASHINGTON	TX
WCS-WAS1287	JOHN W HARGE	C & R C 53 INC	08/19/1981	430	113	WASHINGTON	TX
WCS-WAS1289	JOHNNIE HENDERSON	C & R C 53 INC	04/22/1981	430	129	WASHINGTON	TX
WCS-WAS1290	WALTER HENDERSON JR	C & R C 53 INC	04/22/1981	430	133	WASHINGTON	TX
WCS-WAS1291	WILLIE DEE HENNINGAN AKA WILLIE HENEEN	C & R C 53 INC	04/21/1981	430	137	WASHINGTON	TX
WCS-WAS1292	ROBBIE LEE HARGE AKA ROBBIE LEE HIGHTOWER	C & R C 53 INC	04/21/1981	430	117	WASHINGTON	TX
WCS-WAS1293	ALVIN HUFF AKA ALVIN HUFF SR	C & R C 53 INC	04/21/1981	430	141	WASHINGTON	TX
WCS-WAS1294	CHERRY BRANCH AKA MRS CHERRY BRANCH JONES	C & R C 53 INC	04/21/1981	430	61	WASHINGTON	TX
WCS-WAS1295	CARL LEWIS III	C & R C 53 INC	04/11/1981	430	145	WASHINGTON	TX
WCS-WAS1296	CECIL LEWIS	C & R C 53 INC	04/21/1981	430	149	WASHINGTON	TX
WCS-WAS1297	LAWRENCE LEWIS AND WIFE DOROTHY M LEWIS	C & R C 53 INC	04/21/1981	430	165	WASHINGTON	TX
WCS-WAS1298	ERVIN LEWIS	C & R C 53 INC	04/21/1981	430	157	WASHINGTON	TX
WCS-WAS1299	TOM MITCHELL	C & R C 53 INC	04/21/1981	430	177	WASHINGTON	TX
WCS-WAS1300	RUBY LEE TAYLOR	C & R C 53 INC	04/21/1981	430	181	WASHINGTON	TX
WCS-WAS1301	ANNA HARGE AKA ANNA HARGE WATKINS	C & R C 53 INC	04/21/1981	430	105	WASHINGTON	TX
WCS-WAS1302	ALTAMETTA BRANCH AKA ALMETER BRANCH RECTOR	C & R C 53 INC	04/21/1981	433	277	WASHINGTON	TX
WCS-WAS1303	TOMMY GRIMES	C & R C 53 INC	04/21/1981	433	283	WASHINGTON	TX
WCS-WAS1304	DONALD PIPKINS BY MATTIE GRIMES AND TOMMY GRIMES CO- CONSERVATORS	C & R C 53 INC	04/21/1981	433	287	WASHINGTON	TX
WCS-WAS1305	GERALD BRANCH	C & R C 53 INC	04/21/1981	433	281	WASHINGTON	TX
WCS-WAS1306	RICHARD CARTER JR	GENERAL PRODUCTION CORPORATION	11/01/1981	430	631	WASHINGTON	TX
WCS-WAS1307	MARY MORRIS	ZAPATA EXPLORATION COMPANY	01/31/1986	536	17	WASHINGTON	TX

WCS-WAS1308	JOHNNIE MAE ROBINSON	GENERAL PRODUCTION CORPORATION	11/01/1981	433	311	WASHINGTON	TX
WCS-WAS1309	GLADYS WATFORD TRUST AND ARMENHAUS INC	WCS OIL & GAS CORPORATION	01/15/2013	1425	868	WASHINGTON	TX
WCS-WAS1312	LEWIS WYATT AND WIFE GAIL WYATT	KEYSTONE EXPLORATION INC	07/10/1996	832	587	WASHINGTON	TX
WCS-WAS1313	JOHNNIE W HARGE JR AND ESSIE MAE HARGE	KEYSTONE EXPLORATION INC	07/10/1996	832	561	WASHINGTON	TX
WCS-WAS1314	LAWRENCE H LEWIS AND WILLIE LEWIS	KEYSTONE EXPLORATION INC	07/10/1996	832	582	WASHINGTON	TX
WCS-WAS1315	ADELL CARTER JOHNSON	ENERGY SEARCH COMPANY	03/03/1984	470	874	WASHINGTON	TX
WCS-WAS1316	ALVIN ROBINSON	TIMOTHY S HARRIS	09/26/1983	457	493	WASHINGTON	TX
WCS-WAS1317	ANNZELLA WATKINS	KEYSTONE EXPLORATION INC	07/10/1996	840	91	WASHINGTON	TX
WCS-WAS1318	CARL LEWIS III	MARK A JAEHNE	07/05/1996	835	317	WASHINGTON	TX
WCS-WAS1319	CECIL LEWIS	MARK A JAEHNE	07/05/1996	832	167	WASHINGTON	TX
WCS-WAS1320	CLINTON ROBINSON	TIMOTHY S HARRIS	09/26/1983	457	497	WASHINGTON	TX
WCS-WAS1321	EDGAR LEWIS	MARK A JAEHNE	07/05/1996	835	320	WASHINGTON	TX
WCS-WAS1322	EMORIAL MATSON GREEN	KEYSTONE EXPLORATION INC	07/16/1996	832	158	WASHINGTON	TX
WCS-WAS1323	ERVIN LEWIS	KEYSTONE EXPLORATION INC	07/10/1996	832	567	WASHINGTON	TX
WCS-WAS1324	FRANKIE LEE MATSON ROGERS	MARK A JAEHNE	07/16/1996	832	161	WASHINGTON	TX
WCS-WAS1325	HARDY NICKERSON	MARK A JAEHNE	07/05/1996	835	310	WASHINGTON	TX
WCS-WAS1326	J D NICKERSON	KEYSTONE EXPLORATION INC	07/10/1996	832	564	WASHINGTON	TX
WCS-WAS1327	JOHNNIE MAE ROBINSON	TIMOTHY S HARRIS	01/23/1984	457	501	WASHINGTON	TX
WCS-WAS1328	JOYCE MARIE HOUSTON	KEYSTONE EXPLORATION INC	07/10/1996	832	585	WASHINGTON	TX
WCS-WAS1329	LEE NORRIS LEWIS	MARK A JAEHNE	08/08/1996	835	314	WASHINGTON	TX
WCS-WAS1330	ROBBIE LEE HIGHTOWER	KEYSTONE EXPLORATION INC	07/10/1996	840	94	WASHINGTON	TX
WCS-WAS1331	ROSALEE HARGE COLEMAN	KEYSTONE EXPLORATION INC	07/10/1996	832	576	WASHINGTON	TX
WCS-WAS1332	RUBY LEWIS HUFF	MARK A JAEHNE	07/05/1996	832	164	WASHINGTON	TX
WCS-WAS1333	RUTHIE MAE CUNNINGHAM	KEYSTONE EXPLORATION INC	07/10/1996	832	573	WASHINGTON	TX

WCS-WAS1334

TOM COLEMAN JR

MARK A JAEHNE

07/24/1996

832

170

WASHINGTON

TX

EXHIBIT "B"

Attached to and made a part of that certain Assignment and Bill of Sale by and between WCS Oil & Gas Corporation, as Assignor, and Magnolia Oil & Gas Operating LLC, as Assignee

Wells

WELL NUMBER	API NUMBER	WELL	OPERATOR	COUNTY	STATE
2962	4247730908	NEINAST NO. 1-RE	WCS OIL & GAS CORPORATION	WASHINGTON	TEXAS
9933	4247730641	THOMAS #1-H	WCS OIL & GAS CORPORATION	WASHINGTON	TEXAS
9908	4247730510	BOEKER, ALFRED #1	WCS OIL & GAS CORPORATION	WASHINGTON	TEXAS
9931	4247730455	SCOTT LEWIS #1	WCS OIL & GAS CORPORATION	WASHINGTON	TEXAS
9914	4247730586	FISCHER #1	WCS OIL & GAS CORPORATION	WASHINGTON	TEXAS
9919	4247730619	HENDERSON #1	WCS OIL & GAS CORPORATION	WASHINGTON	TEXAS
2904	4247730977	SAGER NO.1-H	WCS OIL & GAS CORPORATION	WASHINGTON	TEXAS
2150	4247730603	HOBBS-MUERY 1 RE	WCS OIL & GAS CORPORATION	WASHINGTON	TEXAS
2943	4247730479	DALLMEYER NO. 1-RE	MAGNOLIA OIL & GAS OPERATING LLC	WASHINGTON	TEXAS
2940	4247730705	WATFORD #1-RE	MAGNOLIA OIL & GAS OPERATING LLC	WASHINGTON	TEXAS
	4247731144	SABINE A 1H	MAGNOLIA OIL & GAS OPERATING LLC	WASHINGTON	TEXAS
	4247731145	SABINE B 2H	MAGNOLIA OIL & GAS OPERATING LLC	WASHINGTON	TEXAS
	4247731147	SABINE C 3H	MAGNOLIA OIL & GAS OPERATING LLC	WASHINGTON	TEXAS
	4247731146	SABINE D 4H	MAGNOLIA OIL & GAS OPERATING LLC	WASHINGTON	TEXAS

STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on



Beth A. Rothermel
Beth Rothermel, County Clerk
Washington County, Texas

JUL - 7 2021

Beth A. Rothermel
WASHINGTON COUNTY CLERK

2021 JUL - 6 PM 1:40

FILED FOR RECORD
WASHINGTON COUNTY TEXAS

IO 11108 Def

ASSIGNMENT AND BILL OF SALE

STATE OF TEXAS
COUNTY OF LEE, DIMMIT
WASHINGTON AND ZAVALA

§
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§

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VOL. 1789 PAGE 545

Washington

off 4-1-21

This Assignment and Bill of Sale (this "Assignment") is from the undersigned SHERPA ENERGY RESOURCES, L.P., a limited partnership, 7212 Harvey Lane, Plano, Texas 75025-5304, as "Assignor", and MAGNOLIA OIL & GAS OPERATING LLC, 9 Greenway Plaza, Suite 1300, Houston, Texas 77046, hereinafter referred to as "Assignee", its successors and assigns. Assignor, for and in consideration of the sum of Ten Dollar (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has BARGAINED, SOLD, TRANSFERRED, ASSIGNED and CONVEYED, and by these presents does hereby BARGAIN, SELL, TRANSFER, ASSIGN and CONVEY to Assignee (1) all of Assignor's undivided rights, titles and interests in and to the oil, gas and mineral leases and leasehold estates described on the schedules attached hereto as Exhibit "A" and made a part hereof for all purposes, together with all of Assignor's working interests and net revenue interests in and to the wells (the "Wells") set forth on Exhibit "B" attached hereto and made a part hereof for all purposes, and all of Assignor's undivided interest in and to all tanks (including all production in said tanks), compressors, machinery and personal property and equipment situated therein or thereon and used or obtained in connection with the Wells, (2) the right, benefits and interests of Assignor, if any, in, to and under contracts, operating agreements, right-of-way, easements, surface leases, permits, licenses, servitudes, pooling or unitization agreements, pooling designations and pooling orders covering, affecting or used or in any way connected with or pertaining to any of said leases and leasehold estates described on said Exhibit "A", and (3) the rights, claims and demands now or hereafter existing on or under any and all warranties of title to any of the above described property heretofore made to or inuring to the benefit of Assignor (all of which are hereinafter collectively referred to as the "Subject Interests"), which Seller represents is all such interests it owns in Dimmit, Lee, Washington and Zavala Counties, Texas (the "Area"), SAVE AND EXCEPT AND THEREFORE IS HEREBY RESERVED any fee mineral interests, overriding royalty interests, and royalty interests associated with the Subject Interests.

Assignee accepts the equipment conveyed herein AS IS, WHERE IS, AND WITH ALL FAULTS AND DEFECTS, having satisfied itself as to the condition and serviceability of the equipment herein conveyed. Assignor expressly disclaims any warranty or representations concerning the fitness, serviceability or condition of the equipment conveyed herein. Except as set forth in Section 8(a) of the Purchase Agreement, the Subject Interests are being assigned by Assignor to Assignee without warranty of title of any kind, whether common law or statutory, express or implied. To the extent transferable, Assignor hereby assigns to Assignee, its successors and assigns, full power and right of substitution and subrogation in and to all covenants and warranties (including warranties of title) by owners in Assignor's chain of title, vendors, or others, given or made with respect to the Assets or any part thereof prior to the Effective Time.

Assignee assumes all plugging obligations and liability therefor for the wells covered by this Assignment and additionally agrees to be responsible for all of the cost and expense of any surface restoration and/or cleanup on surface location for the wells described on said Exhibit "B".



Except for Sections 1(a) (regarding a deposit by Assignee), 1(b), 1(c) and 1(d); Section 14 and Section 15(c), Assignor and Assignee hereby adopt the terms and conditions of the Purchase Agreement for purposes of this Assignment, as if Assignor is the "Seller" thereunder, as that term is defined therein; accordingly, this Assignment is made in accordance with and subject to the terms and provisions of that certain Purchase and Sale Agreement dated May 10, 2021 between Assignor and Assignee (the "Purchase Agreement"). In the event of a conflict between the provisions of the Purchase Agreement and this Assignment, the provisions of the Purchase Agreement shall control. The execution and delivery of this Assignment by Assignor, and the execution and acceptance of this Assignment by Assignee, shall not operate to release or impair any surviving rights or obligations of Assignor or Assignee under the Purchase Agreement.

TO HAVE AND TO HOLD the properties, rights, estates and interests herein assigned and conveyed, together with all and singular all rights, privileges and appurtenances thereto or in anywise belonging unto the said Assignee, its successors and assigns, forever; and Assignor does hereby warrant and agree to defend the title to the properties, rights, estates and interests herein assigned and conveyed against any and all persons whomsoever lawfully claiming the same or any part thereof by, through or under Assignor, but not otherwise.

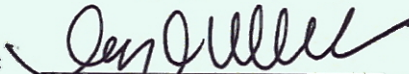
This Assignment may be executed in counterparts, and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute for all purposes one agreement. Multiple counterparts of this Assignment may be recorded in the counties of the states where the Subject Interests are located, but the inclusion of a description of any Subject Interest in more than one counterpart of this Assignment shall not be construed as having effected any cumulative, multiple or overlapping interest in the applicable Subject Interest.

IN WITNESS WHEREOF, this instrument is executed the day of July 12, 2021, but shall be effective as of April 1, 2021, at 7:00 A.M (the "Effective Time").

ASSIGNOR:

SHERPA ENERGY RESOURCES, L.P.

By: Sherpa Holdings, LLC, its General Partner

By: 
Craig Wohlers, President

ASSIGNEE:

MAGNOLIA OIL & GAS OPERATING LLC

By: 
Wakeford Thompson, Vice President, Business Development



Attached to and made a part of that certain Assignment and Bill of Sale by and between Sherpa Energy Resources, L.P., as Assignor, and Magnolia Oil & Gas Operating LLC, as Assignee

Leases

LEASE NUMBER	LESSOR	LESSEE	LEASE DATE	VOL	PAGE	COUNTY	ST
WCS-DIM1244	UNION PACIFIC RESOURCES COMPANY	TIZA INC	11/08/1999	145	142	DIMITT	TX
WCS-DIM1245	BRUCE D WEAVER AND IRENE J WEAVER	TIZA INC	11/01/1999	145	128	DIMITT	TX
WCS-LEE0268	RANDOLPH LEHMANN AND WIFE DOROTHY LEHMANN	TEXAS OIL & GAS CORP	08/26/1976	252	375	LEE	TX
WCS-LEE0375	CARMINE GUN & ROD CLUB	HUMBLE EXPLORATION COMPANY INC	07/08/1978	295	358	LEE	TX
WCS-LEE0402	FLAG POND HUNTING & FISHING CLUB	HUMBLE EXPLORATION COMPANY INC	06/23/1978	298	315	LEE	TX
WCS-LEE0516	CARL E VOGELSANG	HUMBLE EXPLORATION COMPANY INC	05/08/1979	318	181	LEE	TX
WCS-LEE0530	TEXAS OSAGE ROYALTY POOL INC	GENERAL PETROLEUM CORPORATION	10/01/1979	328	161	LEE	TX
WCS-LEE0531	TEXAS OSAGE ROYALTY POOL INC	GENERAL PETROLEUM CORPORATION	10/01/1979	328	171	LEE	TX
WCS-LEE0569	RUIE FRANCIS BY LAWRENCE W FRANCIS WITH POWER OF ATTORNEY	CAG PETROLEUM CORPORATION	07/18/1980	358	672	LEE	TX
WCS-LEE0579	ROBERT EARL DIBBLES	CAG PETROLEUM CORPORATION	12/02/1980	366	855	LEE	TX
WCS-LEE0582	EWELL COLVIN	CAG PETROLEUM CORPORATION	12/02/1980	367	691	LEE	TX
WCS-LEE0616	PAUL ROTHERMEL	HUMBLE EXPLORATION COMPANY INC	08/26/1981	385	320	LEE	TX
WCS-LEE0617	BRYAN ROTHERMEL	HUMBLE EXPLORATION COMPANY INC	08/26/1981	385	323	LEE	TX
WCS-LEE0650	CARL E VOGELSANG ET AL	ARLIS F STONE JR	05/22/1981	406	830	LEE	TX
WCS-LEE0674	FLAG-REDFERN OIL COMPANY	HUMBLE EXPLORATION COMPANY INC	08/04/1983	434	897	LEE	TX
WCS-WAS1183	ERWIN O DALLMEYER ET AL	CAG PETROLEUM CORPORATION	02/23/1979	376	632	WASHINGTON	TX
WCS-WAS1224	MARILYN D SAGER	TORCH I DEVELOPMENT DRILLING PROGRAM LTD	03/08/1994	732	454	WASHINGTON	TX
WCS-WAS1225	ERWIN C DALLMEYER AND WIFE JEANELL M DALLMEYER	TORCH I DEVELOPMENT DRILLING PROGRAM LTD	03/02/1994	734	84	WASHINGTON	TX
WCS-WAS1226	D M SIMECHECK	UNION PACIFIC RESOURCES COMPANY	10/28/1996	846	118	WASHINGTON	TX
WCS-WAS1227	FREDDA H TABBERT	UNION PACIFIC RESOURCES COMPANY	10/28/1996	846	120	WASHINGTON	TX
WCS-WAS1228	CHARLES W MACHEMEHL	UNION PACIFIC RESOURCES COMPANY	10/28/1996	846	124	WASHINGTON	TX
WCS-WAS1229	BETTY T JOHNSTON ET AL	UNION PACIFIC RESOURCES COMPANY	10/28/1996	846	126	WASHINGTON	TX

Exhibit A - 1 of 2



WCS-WAS1230	FISH INVESTMENT LLC	UNION PACIFIC RESOURCES COMPANY	10/28/1996	846	122	WASHINGTON	TX
WCS-WAS1231	BETTY N FLENCHE	HAROLD ATKINSON JR	11/21/2000	979	14	WASHINGTON	TX
WCS-WAS1232	HARRY R NEINAST JR	HAROLD ATKINSON JR	11/21/2000	979	20	WASHINGTON	TX
WCS-WAS1233	HENRY L NEINAST	HAROLD ATKINSON JR	11/21/2000	979	2	WASHINGTON	TX
WCS-WAS1234	MARY N HILL	HAROLD ATKINSON JR	11/21/2000	979	8	WASHINGTON	TX
WCS-WAS1239	WILLIAM H NEINAST AND WIFE JEANNINE P NEINAST	HAROLD ATKINSON JR	04/01/2001	994	632	WASHINGTON	TX
WCS-WAS1240	MABEL HADDOX	HAROLD ATKINSON JR	04/01/2001	994	637	WASHINGTON	TX
WCS-WAS1242	COMMISSIONER OF THE GLO OF THE SOT, M-97877	UNION PACIFIC RESOURCES COMPANY	02/04/1997	858	418	WASHINGTON	TX
WCS-WAS1273	ELAINE N DULANEY AND HUSBAND FREDERICK E DULANEY	HAROLD ATKINSON JR	04/01/2001	994	627	WASHINGTON	TX
WCS-WAS1309	GLADYS WATFORD TRUST AND ARMENHAUS INC	WCS OIL & GAS CORPORATION	01/15/2013	1425	868	WASHINGTON	TX
WCS-ZAV1244	UNION PACIFIC RESOURCES COMPANY	TIZA INC	11/08/1999	85	562	ZAVALA	TX
WCS-ZAV1245	BRUCE D WEAVER AND IRENE J WEAVER	TIZA INC	11/01/1999	85	572	ZAVALA	TX

Exhibit A - 2 of 2



EXHIBIT "B"

Attached to and made a part of that certain Assignment and Bill of Sale by and between Sherpa Energy Resources, L.P., as Assignor, and Magnolia Oil & Gas Operating LLC, as Assignee

Wells

WELL NUMBER	API NUMBER	WELL	OPERATOR	COUNTY	STATE
9603	4228731396	SELMA HOPPE #1 RE	MAGNOLIA OIL & GAS OPERATING LLC	LEE	TEXAS
2943	4247730479	DALLMEYER NO. 1-RE	MAGNOLIA OIL & GAS OPERATING LLC	WASHINGTON	TEXAS
2940	4247730705	WATFORD #1-RE	MAGNOLIA OIL & GAS OPERATING LLC	WASHINGTON	TEXAS
2962	4247730908	NEINAST NO. 1-RE	WCS OIL & GAS CORPORATION	WASHINGTON	TEXAS
2954	4250733109	BRUCE WEAVER 2H	WCS OIL & GAS CORPORATION	ZAVALA	TEXAS
2965	4250732385	BRUCE WEAVER BU I	WCS OIL & GAS CORPORATION	ZAVALA	TEXAS

07/22/2021 at 08:15 AM
 # 2021-02582
 FILED FOR RECORD
 SHARON BLASIG
 COUNTY CLERK
 LEE COUNTY, TX

Exhibit B - 1 of 1

FILED FOR RECORD
 WASHINGTON COUNTY TEXAS
 2021 JUL 22 PM 12:19

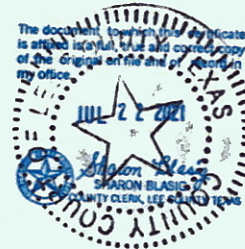
Beth A. Rothermel
 WASHINGTON COUNTY CLERK

STATE OF TEXAS
 COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on

JUL 23 2021

Beth A. Rothermel
 Beth Rothermel, County Clerk
 Washington County, Texas



File No. MF 097877 (12)

Assessmt # 11108 County

WCS @ Magnolia

Date Filed: 12/15/20

By George P. Bush, Commissioner

3.20.25



Engelmann

LAND SERVICES, LLC

P. O. Box 2806 * Bryan, Texas 77805 * (979) 777-9130 * dengelmann@engelmannlandservices.com

March 18, 2025

Ms. Mary Beth Barnstone
Texas General Land Office
1700 North Congress, Suite 840
Austin, Texas 78701

RE: Roc Co-Op Unit Agreement
Magnolia Oil & Gas Operating LLC
General Land Office State Lease (Leachman Unit)
MF-096089, GLO Unit No. 13744
Pooling Agreement (Leachman Unit)
MF-121836, GLO Unit No. 13744
Pooling Agreement (Von Rundstedt Unit)
MF-121835, GLO Unit No. 13743
Washington County, Texas

Dear Ms. Barnstone:

Magnolia Oil & Gas Operating LLC (“**Magnolia**”) is the operator of the **Vandergrift Unit**, the **Dallmeyer #1 Re-Entry Unit**, the **Von Rundstedt Unit**, the **Leachman Unit No. 1**, and the **Westridge Unit**, each as more particularly described in the attached Roc Co-Op Agreement, and referred to herein as “Units”. Magnolia is planning to further develop the referenced Units by the drilling and completion of one or more horizontal wells which will traverse the boundary lines of the Units.

In an effort to establish a basis for sharing production proceeds from the horizontal well and or wells, a *Co-Op Unit Agreement* (“**Agreement**”) has been enclosed for your review and the General Land Office’s review. This Agreement provides for the method of allocating production from a Co-Op Well, as defined therein. As such, the proportionate share of production allocated to the horizontal well will be calculated by a fraction, the fraction denominator is the total Roc Co-Op Unit acreage, as depicted on the plat attached to the Agreement, and the fraction numerator is the individual acreage for each Unit.

The State of Texas/Washington County currently has a fee mineral interest in the Leachman Unit and Von Rundstedt Unit (see references to mineral file and GLO Unit numbers above) which are included in the Roc Co-Op Unit.

3.20.25

Ms. Mary Beth Barnstone
Texas General Land Office
March 18, 2025
Page 2

Please note this Agreement will not affect the State's share of production from any other wells located and drilled solely within the Units which are not defined as a Co-Op Well pursuant to the Agreement.

Enclosed is Engelmann Land Services check number 5625 in the amount of \$500.00 for the processing of the Agreement, along with a plat of the proposed Roc Co-Op Unit.

After the review of the Agreement, and if all is satisfactory, please execute and return one original Agreement, which will be included with a signature by Magnolia and filed of record. A fully executed original recorded Agreement will be returned to your attention.

Should you have any questions or concerns, please do not hesitate to give me a call or you may contact the in-house landman handling this prospect, Dylan DeLozier at his direct line (713) 980-9654 or email ddelozier@mgyoil.com.

Sincerely,



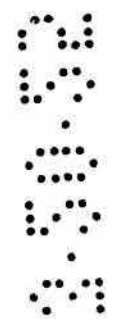
Dennis R. Engelmann, CPL
Contractor for Magnolia Oil & Gas Operating LLC
(979) 777-9130

/dre

Attachments

cc: Mr. Dylan DeLozier
Magnolia Oil & Gas Operating LLC
(via email: ddelozier@mgyoil.com)

File No. MF097877
Washington County
Letter from Engelman
Date Filed: 6/6/25
Commissioner Dawn Buckingham, M.D.
By: MB Barnstone



25705205

5625

ENGELMANN LAND SERVICES LLC

PO BOX 1282
CALDWELL, TX 77836

SentryShield™

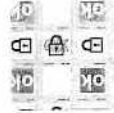
Date 3/18/2025

88-1299/1131

Pay to the order of Commissioner of Texas General Land Office \$ 500.00
Five hundred dollars & 00/100 Dollars

CITIZENS STATE BANK

979-596-1421
WWW.CSBTX.COM



[Signature]

For Mgy: ROC - Co-Op Agmt / Processing Fee

25705205

⑈005625⑈

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RECEIVED
MAR 20 2025
General Land Office

CHEQUES UNLIMITED™ - SECURELAND PREMIUM CLASSIC BLUE

File No. MF 097877

Washington County

Fee

Date Filed: 6/6/25

Commissioner Dawn Buckingham, M.D.

By: mB Bamstap



MEMORANDUM

TEXAS GENERAL LAND OFFICE • COMMISSIONER DAWN BUCKINGHAM, M.D.

TIME SENSITIVE: Action Required by: (April 8, 2025)

DATE: March 18, 2025
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	Magnolia Oil & Gas Operating LLC
Roc Co-Op Unit Sharing Area HROW Units 2639, 11976, 13743 & 13744 State Leases M-096089, M-097877, M-120866, M-121835 & M-121836 Washington County, Texas	

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 097877

Washington County

Memo to Commissioner

Date Filed: 6/6/25

Commissioner Dawn Buckingham, M.D.

By: MB Barnstap



TEXAS GENERAL LAND OFFICE
COMMISSIONER DAWN BUCKINGHAM, M.D.

April 17, 2025

Mr. Dennis R. Engelmann, CPL
Engelmann Land Services, LLC
P.O. Box 2806
Bryan, Texas 77805

Re: Production Sharing Agreement
Magnolia Oil & Gas Operating, LLC
Roc Co-Op Unit Sharing Area
HROW Units 2639, 11976, 13743 & 13744
State Leases M-096089, M-097877, M-120866,
M-121835 & M-121836
Washington County, Texas

Dear Mr. Engelmann,

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.

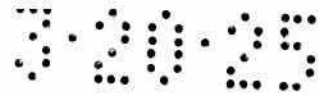
Thank you for your assistance with this matter, if you have any questions or need anything further, please feel free to call.

Sincerely,

Mary Beth Barnstone
Minerals Specialist
Energy Resources
Texas General Land Office
Direct number: (512)463-6818
Email: mary.barnstone@glo.texas.gov

Enclosure

File No. MF 097877
Washington County
Letter to Engelmann
Date Filed: 6/6/25
Commissioner Dawn Buckingham, M.D.
By: MB Barnstone



ROC CO-OP AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF WASHINGTON §

Magnolia Oil & Gas Operating LLC (“**Magnolia**”) is the operator of the Roc Co-Op (as hereinafter defined) which includes the following units, leases, and tracts, or portions thereof:

Vandergrift Gas Unit, as described in that certain Designation of Gas Unit dated April 1, 2002, recorded in Volume 1030, Page 056, Official Records, Washington County, Texas (the “**Vandergrift Unit**”).

Dallmeyer #1 Re-Entry Unit, as described in that certain Designation of Unit dated March 26, 1997, recorded in Volume 855, Page 907, Official Records, Washington County, Texas (the “**Dallmeyer Unit**”).

Von Rundstedt Unit, as described in that certain Designation of Unit dated November 5, 2002, recorded in Volume 1054, Page 044, Official Records, Washington County, Texas (the “**Von Rundstedt Unit**”).

Leachman Unit No. 1, as described in that certain Unit Declaration and Designation dated effective September 10, 1994, recorded in Volume 770, Page 513, Official Records, Washington County, Texas (the “**Leachman Unit**”).

Westridge Unit, as described in that certain Designation of Unit dated effective August 1, 2024, recorded in Document # 2025-0897, Official Records, Washington County, Texas (the “**Westridge Unit**”).

The **Vandergrift Unit**, the **Dallmeyer Unit**, the **Von Rundstedt Unit**, the **Leachman Unit**, and the **Westridge Unit** are sometimes referred to collectively herein as the “**Existing Units**”.

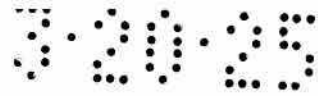
Magnolia has also entered into the oil, gas, and mineral leases or is the present owner of the oil, gas and mineral leases covering certain non-pooled lands located in the vicinity of the Existing Units. Said oil, gas and mineral leases (collectively, the “**Leases**”) and the non-pooled lands covered thereby (“**Additional Tract 18**” and “**Additional Tract 19**”, collectively, the “**Additional Lands**”) are described on the schedule attached hereto as Exhibit “A”.

The undersigned parties sometimes collectively referred to herein as “**Owners**”, own various leasehold, surface rights, mineral interests and royalty interests in lands included in one or more of the Existing Units and Additional Lands. Magnolia has determined that, in order to prevent waste and promote the conservation of oil and gas in the vicinity of the Existing Units and Additional Lands, it would be reasonable and prudent to drill and complete additional horizontal wells which produce (i) only from lands within the Roc Co-Op (as hereinafter defined), and (ii) from more than one of the Existing Units and Additional Lands (whether one or more, the “**Roc Co-Op Wells**”).

Rather than reforming the Existing Units and Additional Lands for purposes of drilling the Roc Co-Op Wells, Magnolia intends that all the interest owners within the Existing Units and Additional Lands will be Owners in the Roc Co-Op Wells and each of the Existing Units and Additional Lands will be allocated a percentage of production from the proposed Roc Co-Op Wells pursuant to the terms of this Roc Co-Op Agreement (“**Agreement**”).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the drilling of the Roc Co-Op Wells, Owners do hereby agree and consent to the following and do hereby ratify the actions and terms contemplated herein as follows:

1. This Agreement shall terminate unless, on or before February 1, 2027, Magnolia commences operations to drill the first of the Roc Co-Op Wells.
2. Magnolia shall not be required to reform the unit designation agreements for the Existing Units. However, Owners authorize Magnolia to obtain all appropriate authorizations from the Texas Railroad Commission that are reasonably necessary in order to drill and produce the Roc Co-Op Wells including, without limitation, the regulatory reformation of drilling or proration units for wells now or hereafter included in the Existing Units, and the creation of one or more regulatory drilling, spacing or proration units for the Roc Co-Op Wells. Magnolia will be responsible for any such regulatory reformations of their Existing Units.
3. In the event that Magnolia drills and completes one or more Roc Co-Op Wells as wells capable of producing oil and/or gas in paying quantities and/or otherwise complies with all the terms of the provisions of this Agreement, the following shall apply:

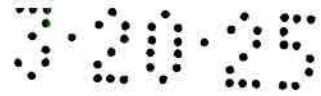


- A. All production from each of the Roc Co-Op Wells shall be allocated to the Existing Units and Additional Lands as follows:

Vandergrift Unit	47.161682%
Von Rundstedt Unit	21.889974%
Westridge Unit	16.060887%
Leachman Unit	7.7192322%
Dallmeyer Unit	2.5626004%
Additional Tract 18	2.1565613%
Additional Tract 19	2.4490634%
Total	100.00000%

The lands allocated to the Roc Co-Op Wells shall be referred to as the “**Roc Co-Op**” and are shown on the plat attached hereto as Exhibit “B”.

- B. As evidenced by the Designation of Unit for the Vandergrift Unit, Magnolia allocates production from the Vandergrift Unit to the separate tracts within the Vandergrift Unit based on a surface acreage basis, with each tract in the Vandergrift Unit being allocated a tract participation factor equal to such tract’s proportionate share of production based on the number of surface acres with respect to each such pooled tract bears to the total number of surface acres in the Vandergrift Unit. The tract participation factors for the Vandergrift Unit will not change as a result of this Agreement. In addition to allocating proceeds of production from the Vandergrift Unit according to the tract participation factor determined by the Vandergrift Unit’s Designation of Unit, Magnolia shall also allocate production from the Roc Co-Op Wells to each separate tract in the Vandergrift Unit by using the same tract participation factor in the Vandergrift Unit, such allocated production from the Roc Co-Op Wells to be additionally proportionately reduced by the percentage of production from the Roc Co-Op Wells allocated to the Vandergrift Unit as set forth in provision 3.A. above.
- C. As evidenced by the Designation of Unit for the Von Rundstedt, the Operator allocates production from the Von Rundstedt to the separate tracts within the Von Rundstedt based on a surface acreage basis, with each tract in the Von Rundstedt being allocated a tract participation factor equal to such tract’s proportionate share of production based on the number of surface acres with respect to each such pooled tract bears to the total number of surface acres in the Von Rundstedt. The tract participation factors for the Von Rundstedt will not change as a result of this Agreement. In addition to allocating proceeds of production from the Von Rundstedt according to the tract participation factor determined by the Von Rundstedt Designation of Unit, Magnolia shall allocate production from the Roc Co-Op Wells to each separate tract in the Von Rundstedt by using the same tract participation factor in the Von Rundstedt, such allocated production from the Roc Co-Op Wells to be additionally proportionately reduced by the percentage of production from the Roc Co-Op Wells allocated to the Von Rundstedt as set forth in provision 3.A. above.
- D. As evidenced by the Designation of Unit for the Westridge, the Operator allocates production from the Westridge to the separate tracts within the Westridge based on a surface acreage basis, with each tract in the Westridge being allocated a tract participation factor equal to such tract’s proportionate share of production based on the number of surface acres with respect to each such pooled tract bears to the total number of surface acres in the Westridge. The tract participation factors for the Westridge will not change as a result of this Agreement. In addition to allocating proceeds of production from the Westridge, according to the tract participation factor determined by the Westridge Designation of Unit, Magnolia shall allocate production from the Roc Co-Op Wells to each separate tract in the Westridge by using the same tract participation factor in the Westridge, such allocated production from the Roc Co-Op Wells to be additionally proportionately reduced by the percentage of production from the Roc Co-Op Wells allocated to the Westridge as set forth in provision 3.A. above.
- E. As evidenced by the Designation of Unit for the Leachman Unit, Magnolia allocates production from the Leachman Unit to the separate tracts within the Leachman Unit based on a surface acreage basis, with each tract in the Leachman Unit being allocated a tract participation factor equal to such tract’s proportionate share of production based on the number of surface acres with respect to each such pooled tract bears to the total number of surface acres in the Leachman Unit. The tract participation factors for the Leachman Unit will not change as a result of this Agreement. In addition to allocating proceeds of production from the Leachman Unit according to the tract participation factor determined by the Leachman Unit Designation of Unit, Magnolia shall also allocate production from the Roc Co-Op Wells to each separate tract in the Leachman Unit by using the same tract participation factor in the Leachman Unit, such allocated production from the Roc Co-Op Wells to be additionally proportionately reduced by the percentage of production from the Roc Co-Op Wells allocated to the Leachman Unit as set forth in provision 3.A. above.



- F. As evidenced by the Designation of Unit for the Dallmeyer Unit, Magnolia allocates production from the Dallmeyer to the separate tracts within the Dallmeyer based on a surface acreage basis, with each tract in the Dallmeyer Unit being allocated a tract participation factor equal to such tract's proportionate share of production based on the number of surface acres with respect to each such pooled tract bears to the total number of surface acres in the Dallmeyer Unit. The tract participation factors for the Dallmeyer Unit will not change as a result of this Agreement. In addition to allocating proceeds of production from the Dallmeyer Unit according to the tract participation factor determined by the Dallmeyer Unit's Designation of Unit, Magnolia shall also allocate production from the Roc Co-Op Wells to each separate tract in the Dallmeyer Unit by using the same tract participation factor in the Dallmeyer Unit, such allocated production from the Roc Co-Op Wells to be additionally proportionately reduced by the percentage of production from the Roc Co-Op Wells allocated to the Dallmeyer Unit as set forth in provision 3.A. above.
- G. Subject to the terms the Oil, Gas, and Mineral Leases covering the Additional Tract 18 and Additional Tract 19, Magnolia shall pay royalty to the undersigned Owners who are Lessors, their heirs, successors, or assigns, based on the percentage of interest in production from the Roc Co-Op Wells as set forth in provision 3.A above.
- H. Surface operations, production, drilling, completion, and reworking operations on the Roc Co-Op Wells shall be treated for all purposes as if such operations are occurring on each of the Existing Units and Additional Lands.
4. The parties recognize that Magnolia's ability to accomplish the foregoing may be contingent upon Magnolia obtaining the agreement of other owners in or in the vicinity of the Roc Co-Op. In the event Magnolia is unable to obtain the agreement of any owner that Magnolia deems necessary in order to accomplish the objectives of this Agreement, Magnolia may notify the undersigned in writing of that fact and this Agreement shall be rendered null and void.
 5. Production from the Roc Co-Op Wells shall not create any offset obligation, whether express or implied, and this Agreement shall be deemed to constitute complete protection of the correlative rights of each of the Owners. The undersigned further agree that this Agreement affects only production from the Roc Co-Op Wells hereunder, and in no way affects ownership in any other well currently producing in the Existing Units or Additional Lands.
 6. The provisions of the various leases, agreements, division orders, transfer orders, and pooling agreements covering or affecting the lands and leases within the Existing Units are hereby amended to the extent necessary to make such instruments and agreements conform to the provisions herein, but not otherwise.
 7. Unless otherwise terminated by Magnolia, and subject to Paragraph 1. above, this Agreement shall be effective as of the date of commencement of operations on the first Roc Co-Op Well, and it shall continue in effect until the last of the Roc Co-Op Wells has been plugged and abandoned.
 8. Owners of surface rights hereby grant Magnolia surface and subsurface easements and rights-of-ways (including all reasonable ingress and egress thereto and therefrom) on, in, and under the Existing Units and Additional Lands for the drilling, deepening, reworking, replacing, recompleting, maintenance, and operations in the search and/or production of oil and/or gas associated with the Roc Co-Op Wells, including but not limited to gathering, storing, transporting, treating, laying, maintaining and replacing of pipelines and roads, constructing and maintaining production facilities to produce, store, treat and transport said oil and/or gas.
 9. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the undersigned and their respective successors, heirs, and assigns. The considerations recited herein are contractual in nature and not mere recitals.
 10. This instrument may be executed as one document signed by all parties, or parties may hereafter join by execution of a counterpart or ratification with the same effect as if all parties had executed one instrument. Further, to facilitate recording of this Agreement, the parties agree that the signature pages for each counterpart of this Agreement may be detached from a counterpart thereof and attached to one or more counterparts of this Agreement prior to filing same in the Washington County public records. Failure of any one person owning an interest in the Existing Units or Additional Lands to execute this instrument or a counterpart shall not in any manner affect the validity hereof as to the parties who do execute the instrument.
 11. This Agreement comprises the full and complete agreement of the parties hereto and replaces and supersedes all prior communications, letters, understandings, and agreements between the parties hereto, whether written or oral, express or implied, as to the express matters addressed herein.

12. THE PARTIES RECOGNIZE AND UNDERSTAND THAT THE ROC CO-OP WELLS WILL BE DRILLED INTO AND EXTEND HORIZONTALLY IN THE AUSTIN CHALK FORMATION WHICH IS THE SAME FORMATION IN WHICH THE WELLS IN THE EXISTING UNITS ARE COMPLETED. DRILLING THE ROC CO-OP WELLS MAY ADVERSELY AFFECT EXISTING PRODUCTION FROM THE EXISTING UNITS AND ADDITIONAL LANDS. THE OWNERS RELEASE MAGNOLIA FROM ANY CLAIMS ARISING OUT OF SUCH ADVERSE EFFECTS. THE PARTIES, BY THEIR EXECUTION OF THIS AGREEMENT, ACKNOWLEDGE THAT A WELL IN THE EXISTING UNITS AND ADDITIONAL LANDS MAY CEASE PRODUCING AS A RESULT OF DRILLING, COMPLETING OR PRODUCING THE ROC CO-OP WELLS.

Executed as of the ____ day of _____, 2025.

OPERATOR:

MAGNOLIA OIL & GAS OPERATING LLC

By: _____
Name: Denise Speer
Title: Vice President, Land and Land Administration

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by Denise Speer, as Vice President, Land and Land Administration of **Magnolia Oil & Gas Operating LLC**, a Delaware limited liability company, on behalf of said company.

Notary Public in and for the State
of Texas

My commission expires:

SIGNATURE PAGE FOR THE ROC CO-OP UNIT AGREEMENT

INTEREST OWNER:

Date Executed _____

STATE OF TEXAS

Approved:

Leas. LB

Cont. MB

Legal CS

DCC AP

CC PP

Dawn Buckingham, M.D., Commissioner
General Land Office

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2025,
by DAWN BUCKINGHAM, M.D., COMMISSIONER, on behalf of The Texas General Land
Office.

Notary Public in and for the State of Texas

Commission Expires: _____

SIGNATURE PAGE FOR THE ROC CO-OP UNIT AGREEMENT

INTEREST OWNER:

Date Executed 4/16/2025

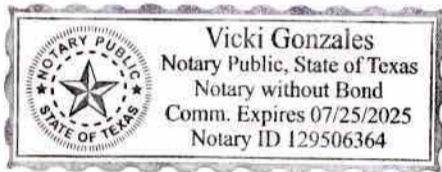
Legal _____
Contents _____
Min. Leasing _____
Executive _____

STATE OF TEXAS

D. Buckingham
Dawn Buckingham, M.D., Commissioner
General Land Office

STATE OF Texas §
COUNTY OF Travis §
§

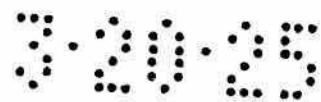
This instrument was acknowledged before me on the 16 day of April, 2025,
by **DAWN BUCKINGHAM, M.D., COMMISSIONER**, on behalf of The Texas General Land
Office.



Vicki Gonzales
Notary Public in and for the State of Texas

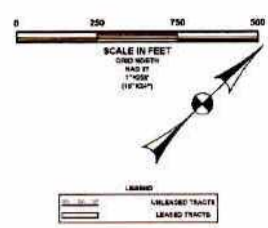
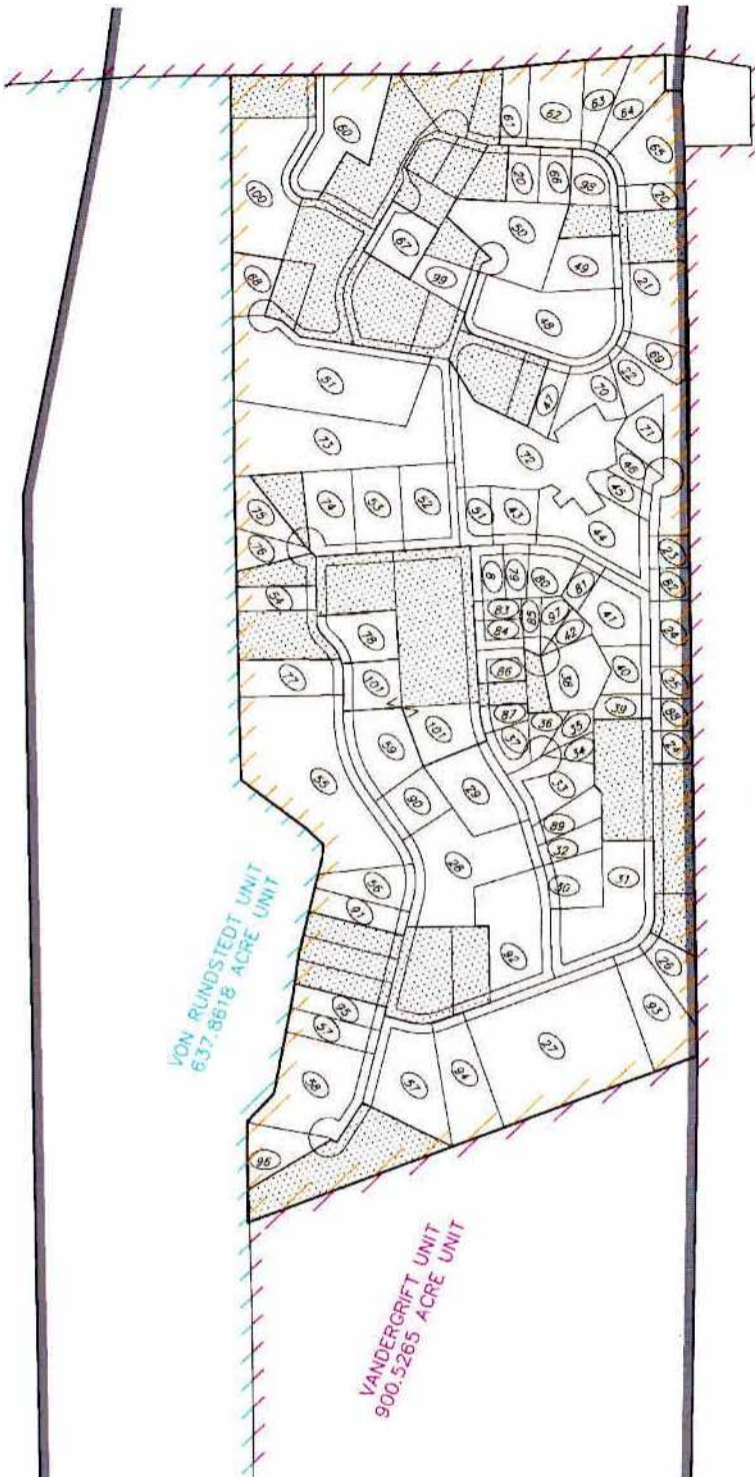
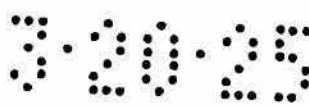
Commission Expires: 07/25/2025

EXHIBIT "A"



Roc Co-Op Tract	Lessor	Lessee	Lease Date	Volume	Page	County
18	Herbert E. Rust	Magnolia Oil & Gas Operating LLC	11/16/2021	1820	560	Washington
18 & 19	Casey Koehler	Magnolia Oil & Gas Operating LLC	12/21/2021	1820	562	Washington
18 & 19	Harold Schwausch	Magnolia Oil & Gas Operating LLC	12/22/2021	1820	564	Washington
18 & 19	Jennifer Phy	Magnolia Oil & Gas Operating LLC	12/21/2021	1820	566	Washington
18 & 19	Jerry Schrimsher	Magnolia Oil & Gas Operating LLC	12/22/2021	1820	568	Washington
18 & 19	Kanda Koehler	Magnolia Oil & Gas Operating LLC	12/22/2021	1825	365	Washington
18 & 19	Kevin Koehler	Magnolia Oil & Gas Operating LLC	1/31/2022	1829	213	Washington

END OF EXHIBIT "A"



ROC CO-OP UNIT			
TRACT NO.	CALL ACREAGE	OWNER	VOL/PG
DALLMEYER UNIT TRACTS - 11.965 ACRES			
1	12.870	EDWIN D. DALLMEYER, ET AL.	
2	0.129	FBI INVESTMENT, L.L.C., ET AL.	
LEACHMAN UNIT - 36.105 ACRES			
3	36.102	ROBERT D. LEACHMAN, M.D., ET AL.	224/205
VANDERCRIFT UNIT - 228.570 ACRES			
4	63.723	ELIZABETH FARR LEACHMAN, ET AL.	
5	4.025	KENNETH MANTLEY, ET AL.	
6	20.835	ULLMAN MANTLEY	
7	22.875	LEONIA ROEHLING	
8	0.027	MARKIN MANTLEY, ET AL.	
9	0.122	HARRY R. NEARST, JR.	
10	300.026	MARGARET B. SHANNON, ET AL.	
VON RUNDSTEDT UNIT - 168.177 ACRES			
11	15.208	JAMES J. JOHNSTON	903/218
12	18.364	BRENDA L. LADEWIS	899/897
13	20.564	WILSON L. LORWARD	897/677
14	21.263	DERRICK M. BLANKNEY	112/755
15	0.870	JOSEPH C. FLOYD, ET AL.	870/344
16	0.371	LATHA M. MILENI	817/814
17	8.886	JOHN N. LITSCOMB, ET AL.	148/215
ADDITIONAL TRACTS - 21.540 ACRES			
18	11.000	CAMPBELL, HENRY**	
19	10.540	HERBERT E. RUST**	
WESTRIDGE UNIT TRACTS - 75.185 ACRES			
20	0.275	STONE'S PROPERTIES, LLC	2022-0069
21	1.627	OSCAR W. KESLER, JR.	1721/492
22	1.731	MARK FEATHERS	2023-0028
23	0.286	AMITH MANGRUM	702/8234
24	0.807	KEITH B. HEDSON, B. WIFE, TERESA HEDSON	802/3763
25	0.248	BARRELL HEEDON & WIFE, DEBRA HEEDON	1123/010
26	0.798	787 CUSTO-WORKS, LLC	2023-0011
27	1.922	DEP. AUSTIN	2023-0023
28	2.255	RYAN TRAVIS, WIFE & WIFE, ASHLEY R. DODD	2027-0511
29	1.220	SA VITO JUANES RODRIGUEZ & WIFE, FRANCIS ESTERILLO SUBROPRINZON	2023-0010
30	0.610	STEVEN S. GILBERT & WIFE, CAROL E. GILBERT	2023-0034
31	1.513	BRYAN J. RICE & WIFE, CLARENCE H. RICE	1721/490
32	0.382	GREGORY T. RICE & WIFE, ROSY ANNE EDEW	2021-0341
33	0.661	SYLVIA RICE	2022-0015
34	0.185	DAVID R. RICE	2023-0013
35	0.245	GLEN EUGENE RICE, JR., ET AL.	2023-0011
36	0.257	CHRISTINE ANN RICE VADEZ, ET AL.	2023-0017
37	1.565	PHILIP DONALDSON	702/8201
38	0.849	CHRISTOPHER M. FERBEROVIC	2023-0022
39	0.330	IRVIN CAMPBELL & SIOBAN CAMPBELL	060/6000
40	0.487	JAMIE JESUS CASTILLO	2023-0021
41	0.970	ELIENOR ALFREY	2023-0027
42	0.744	PEDRO P. ALFREY	2023-0009
43	0.355	STEPHEN D. VETT & KENDI VETT	2023-0020
44	1.448	MARVA MANTLEY	432/4074
45	0.353	MARK FEATHERS	2023-0026
46	0.704	JACQUELYN FEATHERS & MARK FEATHERS	2023-0029
47	0.371	GEORGE TAPLIN & WIFE, BEVERLY TAPLIN	2023-0028
48	2.276	DANIEL MCCARTHY & WIFE, CATHY MCCARTHY	2023-0027
49	0.830	DANIEL MCCARTHY	2023-0023
50	1.110	KATHY KULLI	1721/491
51	4.005	KIM CAMPBELL, ET AL.	1727/212
52	1.047	CHRISTOPHER W. HILL, M. A.	1723/047
53	0.867	PAAS BRODERICK & WIFE, BRADY BRODERICK	2023-0026
54	0.929	EMILY WELFIELD	1127/0914
55	1.880	ALFREDO GARCIA, ET AL.	2023-0020
56	0.677	WENDY WELTZ, ET AL.	2023-0020
57	1.964	CYNTHIA PHILLIPS	903/4011
58	1.875	RIAN CARLOS GONZALEZ SILVA	2023-0025
59	1.760	TERESA ALFREY	1721/037
60	1.713	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-2970
61	0.375	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-2970
62	0.767	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-2970
63	0.388	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-2970
64	0.579	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-2970
65	1.113	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-4177
66	0.393	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-4477
67	0.867	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-2970
68	0.233	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-2970
69	0.448	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-2970
70	0.652	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-4177
71	0.504	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-2970
72	2.776	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-2970
73	0.883	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-2970
74	0.887	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-4477
75	0.510	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-2970
76	0.403	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-2970
77	0.845	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-2970
78	0.751	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-4477
79	0.765	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-4477
80	0.511	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-4177
81	0.378	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-4477
82	0.768	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-4477
83	0.207	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-2970
84	0.310	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-4477
85	0.216	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-2970
86	0.351	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-2970
87	0.324	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-2970
88	0.285	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-4477
89	0.478	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-4477
90	0.421	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-2970
91	0.577	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-4477
92	1.730	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2027-2960
93	2.107	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-4477
94	1.186	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-4477
95	0.922	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-2970
96	0.610	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-4477
97	0.242	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2027-2924
98	0.972	JAMES EDWARDS, ET AL.	2024-1248
99	0.463	MARVA MANTLEY, ET AL.	2023-1215
100	2.828	JIMMY BURR, ET AL.	2023-2820
101	1.864	MAGNOLIA OIL & GAS OPERATING, L.L.C.	2024-4477
467.689			TOTAL ACREAGE

- BEARINGS BASED ON GRID NORTH (NAD 27), OBTAINED BY GPS OBSERVATIONS. COORDINATES (GRID, U.S. SURVEY FEET) AND GEODETIC POSITION (GRID) ARE BASED ON TEXAS STATE PLANE - CENTRAL ZONE, NAD 27 DATUM. ELEVATIONS ARE BASED ON NAVD83 DATUM.
- INDICATES LIMITS OF UNIT.

SURVEYOR'S CERTIFICATION:
THIS CO-OP TRACT PLAT REPRESENTS THE FACTS FOUND AT THE TIME OF A SURVEY ON-THE-GROUND & BASED ON THE DISENSIBLE EVIDENCE OF OCCUPATION IN CONJUNCTION WITH DEEDS, LEASES, & DESCRIPTIONS PROVIDED BY OTHERS. THIS PLAT SHOULD NOT BE CONSTRUED TO REPRESENT A BOUNDARY SURVEY OR BOUNDARY DETERMINATION.

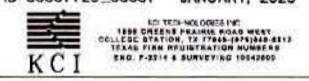
DATE: 01.11.2025

STEVEN RAY ESTES



MAGNOLIA OIL & GAS
467.689 ACRES
ROC CO-OP

MAGNOLIA OIL & GAS LLC
BIRD L. HANKS SURVEY, BLOCK 16, A-53
SAMUEL MAY WILLIAMS SURVEY, A-109
HENRY AUSTIN LEAGUE OR SURVEY, A-6
WASHINGTON COUNTY, TEXAS
PID 00007729_00001 JANUARY, 2025



Certificate Of Completion

Envelope Id: 341B16A1-75CA-4637-808C-359DE141024B
 Subject: Energy Resources: Magnolia Units 2639, 11976, 13743 & 13744
 Source Envelope:
 Document Pages: 10
 Certificate Pages: 2
 AutoNav: Enabled
 Envelope Stamping: Enabled
 Time Zone: (UTC-06:00) Central Time (US & Canada)

Status: Completed
 Envelope Originator:
 Lindy Vasquez-Gordineer
 1700 Congress Ave
 Austin, TX 78701
 Lindy.Vasquez-Gordineer@glo.texas.gov
 IP Address: 12.75.178.16

Record Tracking

Status: Original
 3/19/2025 6:51:40 AM
 Holder: Lindy Vasquez-Gordineer
 Lindy.Vasquez-Gordineer@glo.texas.gov
 Location: DocuSign

Signer Events

Chase Brockman
 chase.brockman@glo.texas.gov
 Security Level: Email, Account Authentication
 (None)

Signature

Initial

Signature Adoption: Pre-selected Style
 Using IP Address: 204.65.210.193

Timestamp

Sent: 3/19/2025 7:08:39 AM
 Viewed: 3/19/2025 8:05:33 AM
 Signed: 3/19/2025 8:05:41 AM

Electronic Record and Signature Disclosure: Not Offered via DocuSign

Caitlyn Bates
 caitlyn.bates@glo.texas.gov
 Security Level: Email, Account Authentication
 (None)

Initial

Signature Adoption: Pre-selected Style
 Using IP Address: 136.49.66.136

Sent: 3/19/2025 8:05:42 AM
 Resent: 3/24/2025 2:25:00 PM
 Resent: 3/31/2025 1:32:16 PM
 Viewed: 4/14/2025 5:25:55 PM
 Signed: 4/14/2025 5:28:37 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)

DS

Signature Adoption: Pre-selected Style
 Using IP Address: 204.65.210.209

Sent: 4/14/2025 5:28:39 PM
 Viewed: 4/15/2025 8:09:46 AM
 Signed: 4/15/2025 8:09:52 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)

Initial

Signature Adoption: Pre-selected Style
 Using IP Address: 204.65.210.215

Sent: 4/15/2025 8:09:53 AM
 Viewed: 4/15/2025 4:41:34 PM
 Signed: 4/15/2025 4:41:43 PM

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
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Intermediary Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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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: 3/19/2025 7:08:38 AM
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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: 3/19/2025 7:08:39 AM
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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: 4/15/2025 4:41:44 PM Viewed: 4/15/2025 5:14:06 PM
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Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Envelope Sent	Hashed/Encrypted	3/19/2025 7:08:38 AM
Certified Delivered	Security Checked	4/15/2025 4:41:34 PM
Signing Complete	Security Checked	4/15/2025 4:41:43 PM
Completed	Security Checked	4/15/2025 4:41:44 PM

Payment Events	Status	Timestamps
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(17)

File No. MF097877

Washington County

PSA for Units 2639, 11976, 13743

Date Filed: 6/6/25 & 13744 "Roc Co-Op"

Commissioner Dawn Buckingham, M.D.

By: MB Bamstap



Information for processing an Internal Non-Unit Transaction (iNut)
Surface Acreage

iNut No. 14260

GENERAL INFORMATION

Name of Well: Roc Co-Op Unit Sharing Area
 Name of Operator: Magnolia Oil & Gas Operating LLC
 Operator Contact Person: Dylan DeLozier
 County: Washington

API # multiple
 RRC # multiple
 Phone: 713-980-9654

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON SHARING AREA ACREAGE

Lease Type	Unit/Lease No	Total Sharing Area Acreage	Acreage Contributed by Unit	Unit Royalty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
HROW	11976/MF120866	467.69	220.57	0.00055523	0.25000000	0.00104742	0.00026186
HROW	2639/MF097877	467.69	11.985	0.00193446	0.18000000	0.00027540	0.00004957
HROW	13473/MF121835	467.69	102.377	0.00304533	0.25000000	0.00266649	0.00066662
HROW	13744/MF096089	467.69	36.102	0.00050267	0.20000000	0.00019401	0.00003880
HROW	13744/MF121836	467.69	36.102	0.00061090	0.25000000	0.00018863	0.00004716
Totals:						0.00437195	0.00106401
Effective Date:	03/01/2025						State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any:

Comments: iNut Sharing Area based on surface area with acreage contributed by HROW Units 2639, 11976, 13743 & 13744.

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

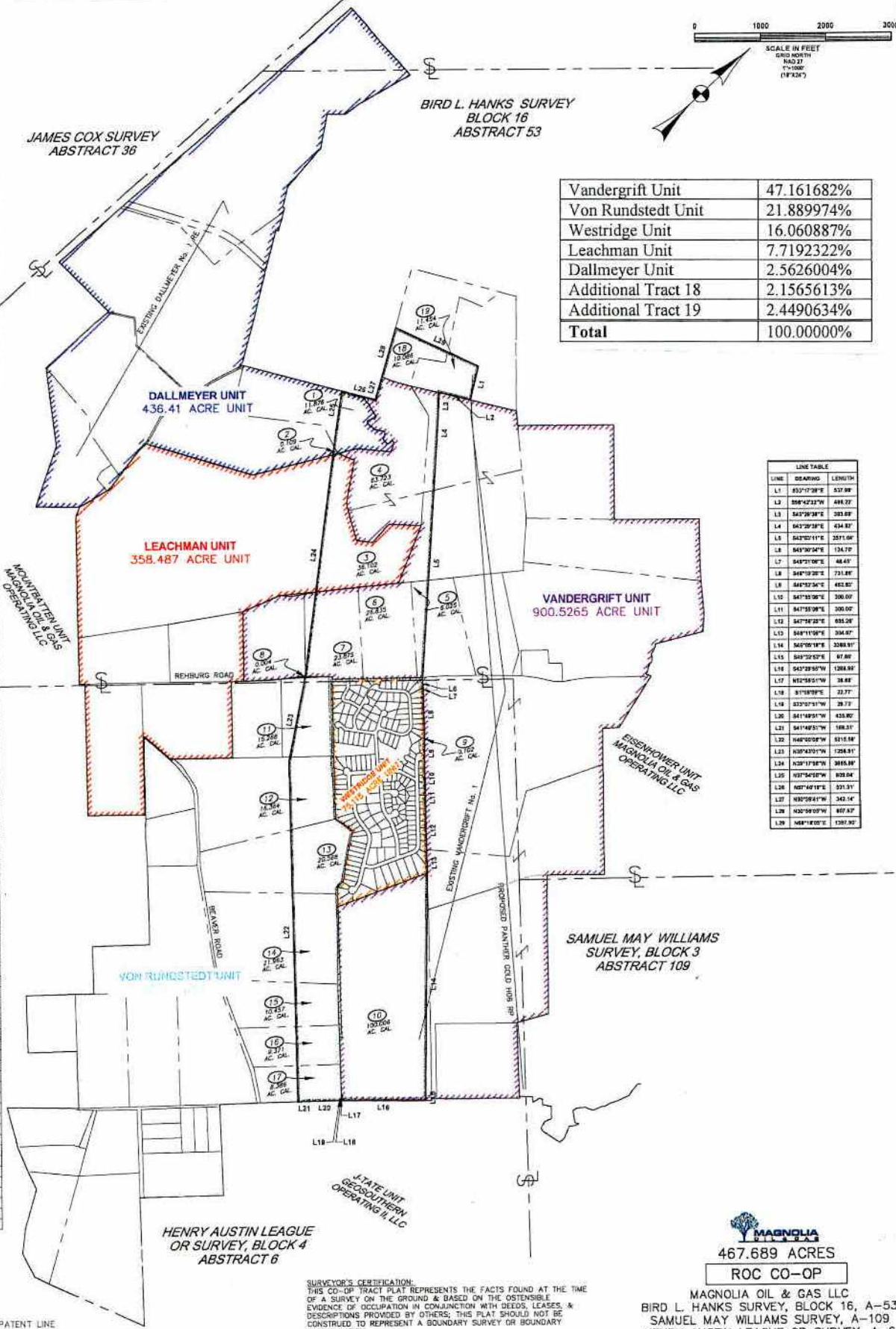
INUT250001

Unit Number	14260		
Operator Name	Magnolia Oil & Gas Operating LLC	Effective Date	03/01/2025
Customer ID	C000090570	Unitized For	Oil And Gas
Unit Name	Roc Co-Op Unit Sharing Area	Unit Term	
County 1	Washington	RRC District 1	03
County 2		RRC District 2	
County 3		RRC District 3	
County 4		RRC District 4	
Unit type	iNut	Old Unit Number	Inactive Status Date
State Net Revenue Interest	Oil 0.00106401		
State Part in Unit	0.00437195		
Unit Depth	Specified Depths	Well	
From Depth		Formation	Top of Austin Chalk to Base of Austin Chalk
To Depth		Participation Basis	Other

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
MF096089		0.000000	0.000000	0.00019401	O/G	0.20000000	0.00003880	No
MF097877		0.000000	0.000000	0.00027540	O/G	0.18000000	0.00004957	No
MF120866		0.000000	0.000000	0.00104742	O/G	0.25000000	0.00026186	No
MF121835		0.000000	0.000000	0.00266649	O/G	0.25000000	0.00066662	No

ROC CO-OP UNIT		
TRACT NO.	CAUSEE	ACRES
DALLMEYER UNIT TRACTS = 21.985 ACRES		
1	11.876	BRYAN D. DALLMEYER, ET AL.
2	0.109	FPH INVESTMENT, L.L.C. ET AL.
LEACHMAN UNIT = 36.108 ACRES		
3	36.102	ROBERT D. LEACHMAN, M.D., ET AL.
VANDERGRIFT UNIT = 220.870 ACRES		
4	63.733	ELIZABETH PAIR LEACHMAN, ET AL.
5	4.825	BERNICE BAILEY, ET AL.
6	28.975	JULIAN MANNETT
7	21.875	LEONA KOPPLING
8	2.904	DARVIN MANNETT, ET AL.
9	0.107	HARRY R. WENAST, JR.
10	100.000	MARGARET B. SHANNON, ET AL.
VON RUNDSTEDT UNIT = 100.277 ACRES		
11	15.208	JAMES J. JOHNSON
12	16.364	BRENDA L. LADDWIG
13	30.356	BRENDA L. LADDWIG
14	21.282	TERONAH M. BLAZNEY
15	10.497	JOSEPH C. RYAN, ET AL.
16	8.975	KATHY M. MALLORY
17	9.288	JOHN W. LINDSEY, ET AL.
ADDITIONAL TRACTS = 21.985 ACRES		
18	10.000	CASEY KECHEMY
19	11.985	HERBERT C. RAY
WESTRIDGE UNIT TRACTS = 93.219 ACRES		
20	0.775	STONEY'S PROPERTIES, L.L.C.
21	1.071	DOLORES KODJAK
22	1.474	MARK FEATHERS
23	0.288	ARON MANGUM
24	0.507	KATHY E. HEDGECOCK, ET AL.
25	0.288	JARRELL FELDMAN & WIFE
26	0.528	787 CUSTONER HOLDINGS, L.L.C.
27	4.322	JOE ALFREY
28	2.155	KENNETH A. DODD & WIFE
29	1.223	SANDRO JAMES RODRIGUEZ & WIFE
30	0.870	STEVEN R. GUESBERT & WIFE
31	1.933	MIKAL E. REE & WIFE, KATHLEEN E. REE
32	0.247	GREGORY ESKER & WIFE
33	0.464	GLYNIS KISTE
34	0.183	JENNIFER HISE
35	0.143	OLIVER EUGENE KISTE, JR., ET AL.
36	0.357	CHRISTOPHER ANN KISTE VALDEZ, ET AL.
37	0.565	PHILIP DONALDSON
38	0.844	CHRISTOPHER M. JENSEN
39	0.530	HILTON CAMPBELL & SUSAN CAMPBELL
40	0.487	JAMIE JESUS CASTILLO
41	0.900	ELLENBERG KUPFER
42	0.214	FRANK PEREZ
43	0.565	STEPHEN G. YETT & KRISTY YETT
44	1.448	WANDA MANGUM
45	0.853	MARK FEATHERS
46	0.234	JACQUELYN FEATHERS & MARK FEATHERS
47	0.575	GEORGE TAYLOR & WIFE, REBECCA TAYLOR
48	0.276	DANIEL MCCARTHY & WIFE
49	0.810	DANIEL MCCARTHY
50	0.132	WYATT RYAN
51	4.051	KIM CAMPBELL, ET AL.
52	1.247	CHRISTOPHER HOLT, ET AL.
53	0.897	HANS ENDERSON & WIFE
54	0.423	HANS BENFIELD
55	3.683	ALFREDO GARCIA, ET AL.
56	0.877	RENE ROYCE, ET AL.
57	1.594	CYNTHIA PHILLIPS
58	1.847	JUAN CARLOS LORDE SILVA
59	1.150	TERESA WATNEY
60	1.411	MAGNOLIA OIL & GAS OPERATING L.L.C.
61	0.875	MAGNOLIA OIL & GAS OPERATING L.L.C.
62	0.782	MAGNOLIA OIL & GAS OPERATING L.L.C.
63	0.388	MAGNOLIA OIL & GAS OPERATING L.L.C.
64	0.533	MAGNOLIA OIL & GAS OPERATING L.L.C.
65	1.110	MAGNOLIA OIL & GAS OPERATING L.L.C.
66	0.393	MAGNOLIA OIL & GAS OPERATING L.L.C.
67	0.897	MAGNOLIA OIL & GAS OPERATING L.L.C.
68	0.559	MAGNOLIA OIL & GAS OPERATING L.L.C.
69	1.041	MAGNOLIA OIL & GAS OPERATING L.L.C.
70	0.890	MAGNOLIA OIL & GAS OPERATING L.L.C.
71	0.504	MAGNOLIA OIL & GAS OPERATING L.L.C.
72	2.726	MAGNOLIA OIL & GAS OPERATING L.L.C.
73	3.081	MAGNOLIA OIL & GAS OPERATING L.L.C.
74	0.887	MAGNOLIA OIL & GAS OPERATING L.L.C.
75	0.530	MAGNOLIA OIL & GAS OPERATING L.L.C.
76	0.403	MAGNOLIA OIL & GAS OPERATING L.L.C.
77	0.843	MAGNOLIA OIL & GAS OPERATING L.L.C.
78	0.793	MAGNOLIA OIL & GAS OPERATING L.L.C.
79	0.286	MAGNOLIA OIL & GAS OPERATING L.L.C.
80	0.511	MAGNOLIA OIL & GAS OPERATING L.L.C.
81	0.236	MAGNOLIA OIL & GAS OPERATING L.L.C.
82	0.286	MAGNOLIA OIL & GAS OPERATING L.L.C.
83	0.207	MAGNOLIA OIL & GAS OPERATING L.L.C.
84	0.510	MAGNOLIA OIL & GAS OPERATING L.L.C.
85	0.216	MAGNOLIA OIL & GAS OPERATING L.L.C.
86	0.592	MAGNOLIA OIL & GAS OPERATING L.L.C.
87	0.214	MAGNOLIA OIL & GAS OPERATING L.L.C.
88	0.236	MAGNOLIA OIL & GAS OPERATING L.L.C.
89	0.424	MAGNOLIA OIL & GAS OPERATING L.L.C.
90	0.851	MAGNOLIA OIL & GAS OPERATING L.L.C.
91	0.527	MAGNOLIA OIL & GAS OPERATING L.L.C.
92	1.720	MAGNOLIA OIL & GAS OPERATING L.L.C.
93	1.187	MAGNOLIA OIL & GAS OPERATING L.L.C.
94	1.186	MAGNOLIA OIL & GAS OPERATING L.L.C.
95	0.552	MAGNOLIA OIL & GAS OPERATING L.L.C.
96	0.810	MAGNOLIA OIL & GAS OPERATING L.L.C.
97	0.333	MAGNOLIA OIL & GAS OPERATING L.L.C.
98	0.502	JAMES EDMOND, ET AL.
99	0.483	JAMES EDMOND, ET AL.
100	2.028	JARVIS BURKS, ET AL.
101	1.858	MAGNOLIA OIL & GAS OPERATING L.L.C.
487.889		TOTAL ACREAGE



Vandergrift Unit	47.161682%
Von Rundstedt Unit	21.889974%
Westridge Unit	16.060887%
Leachman Unit	7.7192322%
Dallmeyer Unit	2.5626004%
Additional Tract 18	2.1565613%
Additional Tract 19	2.4490634%
Total	100.00000%

LINE	BEARING	LENGTH
L1	85°17'28"E	537.98
L2	88°42'22"W	488.27
L3	84°29'28"E	383.89
L4	84°29'28"E	434.87
L5	84°29'28"E	327.04
L6	84°29'28"E	134.72
L7	84°29'28"E	48.47
L8	84°29'28"E	731.87
L9	84°29'28"E	462.87
L10	84°29'28"E	300.07
L11	84°29'28"E	300.07
L12	84°29'28"E	685.28
L13	84°29'28"E	304.87
L14	84°29'28"E	3288.11
L15	84°29'28"E	67.80
L16	84°29'28"E	1288.89
L17	82°58'51"W	38.88
L18	81°18'59"E	22.77
L19	82°27'31"W	28.73
L20	84°14'51"W	433.82
L21	84°14'51"W	188.21
L22	84°29'28"E	521.58
L23	83°43'31"W	128.81
L24	83°43'31"W	385.89
L25	83°43'31"W	828.04
L26	85°14'18"E	521.31
L27	83°08'41"W	342.14
L28	82°29'28"E	807.87
L29	84°14'51"W	1287.92

LEGEND
 S = SURVEY/PATENT LINE

- BEARINGS BASED ON GRID NORTH (NAD 27), OBTAINED BY GPS OBSERVATIONS. COORDINATES (GRID, U.S. SURVEY FEET) AND GEODETIC POSITION (GRID) ARE BASED ON TEXAS STATE PLANE - CENTRAL ZONE, NAD 27 DATUM. ELEVATIONS ARE BASED ON NAVD83 DATUM.
- INDICATES LIMITS OF UNIT.

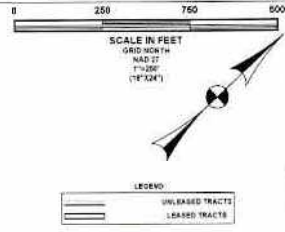
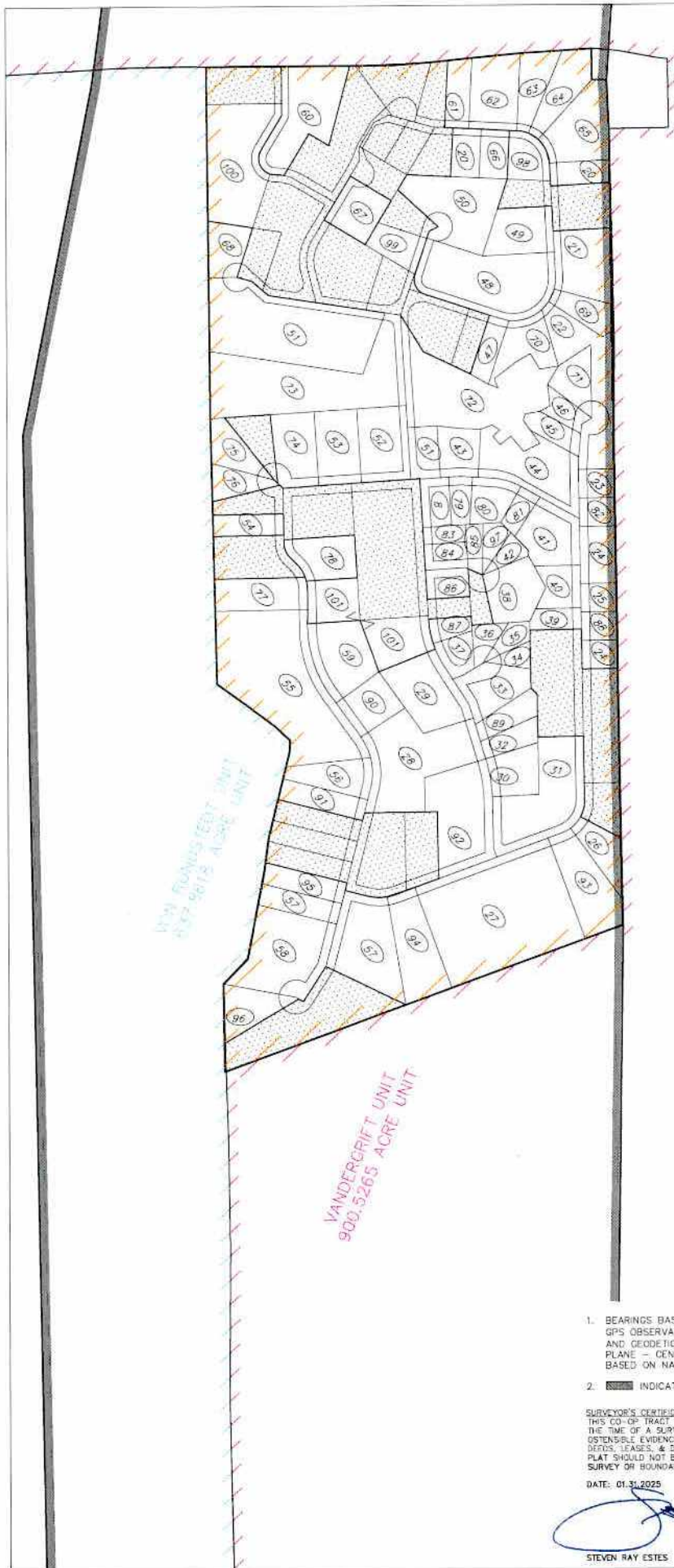
SURVEYOR'S CERTIFICATION:
 THIS CO-OP TRACT PLAT REPRESENTS THE FACTS FOUND AT THE TIME OF A SURVEY ON THE GROUND & BASED ON THE OSTENSIBLE EVIDENCE OF OCCUPATION IN CONJUNCTION WITH DEEDS, LEASES, & DESCRIPTIONS PROVIDED BY OTHERS. THIS PLAT SHOULD NOT BE CONSTRUED TO REPRESENT A BOUNDARY SURVEY OR BOUNDARY DETERMINATION.

DATE: 01.31.2025
 STEVEN RAY ESTES
 RPLS No. 5631



MAGNOLIA OIL & GAS
 467.689 ACRES
 ROC CO-OP
 MAGNOLIA OIL & GAS LLC
 BIRD L. HANKS SURVEY, BLOCK 16, A-53
 SAMUEL MAY WILLIAMS SURVEY, A-109
 HENRY AUSTIN LEAGUE OR SURVEY, A-6
 WASHINGTON COUNTY, TEXAS
 PID 00007729_00001 JANUARY, 2025

KCI TECHNOLOGIES INC.
 1888 GREEN'S PRAIRIE ROAD WEST
 COLLEGE STATION, TX 77845-(979)848-8212
 TEXAS FIRM REGISTRATION NUMBERS
 ENG. P-2214 & SURVEYING 10642600



ROC CO-OP UNIT			
TRACT NO.	CALC. ACREAGE	LESSOR	VOL./PG.
DALLEMEYER UNIT TRACTS = 11.085 ACRES			
1	11.876	ERWIN D. DALLEMEYER, ET AL.	
2	0.109	FSH INVESTMENT, L.L.C. ET AL.	
LEACHMAN UNIT = 36.102 ACRES			
3	36.102	ROBERT D. LEACHMAN, M.D., ET UX.	224/505
VANDERGRIFT UNIT = 220.570 ACRES			
4	63.723	ELIZABETH FARR LEACHMAN, ET AL.	
5	6.025	BERNICE MANTEY, ET AL.	
6	26.835	LILLIAN MANTEY	
7	23.875	LEONA ROEHLING	
8	0.004	DARVIN MANTEY, ET UX.	
9	0.102	HARRY R. NEINOT JR.	
10	100.006	MARGARET B. SHANNON, et al	
VON RUNDSTEDT UNIT = 102.377 ACRES			
11	15.248	JAMES L. JOHNSON	903/518
12	16.364	BRENDA L. LADEWIG	895/897
13	20.568	BRENDA L. LADEWIG	891/677
14	21.963	DEBORAH M. BLEAKNEY	737/555
15	10.457	JOSEPH C. FLOYD, ET UX.	899/556
16	0.171	KATHY M. MILLEN	817/844
17	0.286	JOHN N. WPCOMB, ET UX.	344/825
ADDITIONAL TRACTS = 21.540 ACRES			
18	10.086	CASEY KOELHER**	
19	11.454	HERBERT S. RUST**	
WESTRIDGE UNIT TRACTS = 75.115 ACRES			
20	0.775	STONE'S PROPERTIES, L.L.C.	2023-6669
21	1.071	DOLores KOCURIK	1731/495
22	1.474	MARK FEATHERS	2023-6028
23	0.286	AARON MANGUM	2023-6033
24	0.857	KEITH R. HUDSON & wife TERESITA HUDSON	2023-7566
25	0.286	JARRELL FELDING & wife, DONNA FELDING	1731/501
26	0.528	767 CUSTOM WORKS, L.L.C.	2023-6011
27	4.322	JEFF ALTRIEY	2023-6025
28	1.155	KENNETH A. DODD & wife, ASHLEY B. DODD	2024-0514
29	1.223	SANDRO JUANALE RODRIGUEZ & wife, FRANCISCA EMBESALDA RUBIO PINZON	2023-6010
30	0.630	STEVEN R. GLEBERT & wife, CAROL E. GLEBERT	2023-6034
31	1.913	BRIAN E. KICE & wife, ELIZABETH E. KICE	1731/499
32	0.362	GREGORY ESKEW & wife, PEGGY JUNE ESKEW	2024-0341
33	0.664	GLYNDA KIEKE	2023-6039
34	0.185	JANETTE KIEKE	2023-6013
35	0.245	OLEN EUGENE KIEKE, Jr., ET AL	2023-6014
36	0.257	CHRISTINE ANN KIEKE VALDEZ, ET AL	2023-6017
37	0.365	PHILIP DONALDSON	2023-6023
38	0.844	CHRISTOPHER M. FERGERSON	2023-6022
39	0.300	HILTON CAMPBELL & SUSAN CAMPBELL	2023-6020
40	0.447	JIMMIE JESUS CASTILLO	2023-6021
41	0.900	ELLENORA ALTRIEY	2023-6017
42	0.234	PEDRO PEREZ	2023-6009
43	0.565	STEPHEN D. YETT & KRISTI YETT	2023-6026
44	1.442	WANDA MANGUM	2023-6034
45	0.353	MARK FEATHERS	2023-6028

46	0.284	JACQUELYN FEATHERS & MARK FEATHERS	2023-6029
47	0.371	GEORGE TAPLIN & wife, BEVERLY TAPLIN	2023-6028
48	2.276	DANIEL MCCARTHY & wife, CATHY MCCARTHY	2023-6007
49	0.839	DANIEL MCCARTHY	2023-6012
50	3.132	KATHY KUGEL	1721/491
51	4.035	KIM CAMPBELL, ET AL.	1724/512
52	1.047	CHRISTOPHER HOYT, ET AL.	1721/487
53	0.897	HARVEY BRODERSON & wife, MARY BRODERSON	2023-6036
54	0.425	IANIS BENEHELO	1721/493
55	3.880	ALFREDO GARZA, ET AL.	2023-6030
56	0.677	RENE BENITEZ, ET AL.	2023-6030
57	1.584	CYNTHIA PHILLIPS	2023-6031
58	1.849	JUAN CARLOS URRUTZ SALVA	2023-6035
59	1.220	THERESA ALTRIEY	1721/497
60	1.451	MAGNOLIA OIL & GAS OPERATING LLC	2024-2970
61	0.375	MAGNOLIA OIL & GAS OPERATING LLC	2024-2970
62	0.781	MAGNOLIA OIL & GAS OPERATING LLC	2024-2970
63	0.388	MAGNOLIA OIL & GAS OPERATING LLC	2024-2970
64	0.538	MAGNOLIA OIL & GAS OPERATING LLC	2024-2970
65	1.115	MAGNOLIA OIL & GAS OPERATING LLC	2024-2970
66	0.393	MAGNOLIA OIL & GAS OPERATING LLC	2024-4477
67	0.697	MAGNOLIA OIL & GAS OPERATING LLC	2024-2970
68	0.559	MAGNOLIA OIL & GAS OPERATING LLC	2024-2970
69	0.441	MAGNOLIA OIL & GAS OPERATING LLC	2024-2970
70	0.680	MAGNOLIA OIL & GAS OPERATING LLC	2024-4476
71	0.504	MAGNOLIA OIL & GAS OPERATING LLC	2024-2970
72	7.726	MAGNOLIA OIL & GAS OPERATING LLC	2024-4129
73	3.083	MAGNOLIA OIL & GAS OPERATING LLC	2024-3129
74	0.887	MAGNOLIA OIL & GAS OPERATING LLC	2024-4477
75	0.530	MAGNOLIA OIL & GAS OPERATING LLC	2024-2970
76	0.403	MAGNOLIA OIL & GAS OPERATING LLC	2024-2970
77	0.843	MAGNOLIA OIL & GAS OPERATING LLC	2024-4477
78	0.751	MAGNOLIA OIL & GAS OPERATING LLC	2024-4477
79	0.286	MAGNOLIA OIL & GAS OPERATING LLC	2024-4477
80	0.511	MAGNOLIA OIL & GAS OPERATING LLC	2024-4477
81	0.256	MAGNOLIA OIL & GAS OPERATING LLC	2024-4477
82	0.286	MAGNOLIA OIL & GAS OPERATING LLC	2024-4477
83	0.207	MAGNOLIA OIL & GAS OPERATING LLC	2024-2970
84	0.310	MAGNOLIA OIL & GAS OPERATING LLC	2024-4477
85	0.216	MAGNOLIA OIL & GAS OPERATING LLC	2024-4477
86	0.351	MAGNOLIA OIL & GAS OPERATING LLC	2024-2970
87	0.234	MAGNOLIA OIL & GAS OPERATING LLC	2024-2970
88	0.286	MAGNOLIA OIL & GAS OPERATING LLC	2024-4477
89	0.426	MAGNOLIA OIL & GAS OPERATING LLC	2024-4477
90	0.651	MAGNOLIA OIL & GAS OPERATING LLC	2024-2970
91	0.517	MAGNOLIA OIL & GAS OPERATING LLC	2024-4477
92	1.703	MAGNOLIA OIL & GAS OPERATING LLC	2024-2969
93	1.167	MAGNOLIA OIL & GAS OPERATING LLC	2024-4477
94	1.186	MAGNOLIA OIL & GAS OPERATING LLC	2024-4477
95	0.502	MAGNOLIA OIL & GAS OPERATING LLC	2024-2970
96	0.650	MAGNOLIA OIL & GAS OPERATING LLC	2024-4476
97	0.237	MAGNOLIA OIL & GAS OPERATING LLC	2024-4477
98	0.502	JAMES EDMOND, ET UX.	2024-5249
99	0.443	JAMES EDMOND, ET UX.	2024-5249
100	2.039	JARVIS BURNS, ET AL.	2024-5818
101	1.838	MAGNOLIA OIL & GAS OPERATING LLC	2024-6196
467.689		TOTAL ACREAGE	

- BEARINGS BASED ON GRID NORTH (NAD 27); OBTAINED BY GPS OBSERVATIONS. COORDINATES (GRID, U.S. SURVEY FEET) AND GEODETIC POSITION (GRID) ARE BASED ON TEXAS STATE PLANE - CENTRAL ZONE, NAD 27 DATUM. ELEVATIONS ARE BASED ON NAVD88 DATUM.
- INDICATES LIMITS OF UNIT.

SURVEYOR'S CERTIFICATION:
 THIS CO-OP TRACT PLAT REPRESENTS THE FACTS FOUND AT THE TIME OF A SURVEY ON-THE-GROUND & BASED ON THE OSTENSIBLE EVIDENCE OF OCCUPATION IN CONJUNCTION WITH DEEDS, LEASES, & DESCRIPTIONS PROVIDED BY OTHERS. THIS PLAT SHOULD NOT BE CONSTRUED TO REPRESENT A BOUNDARY SURVEY OR BOUNDARY DETERMINATION.

DATE: 01.31.2025

Steven Ray Estes
 STEVEN RAY ESTES

RPLS No. 5631



467.689 ACRES
 ROC CO-OP

MAGNOLIA OIL & GAS LLC
 BIRD L. HANKS SURVEY, BLOCK 16, A-53
 SAMUEL MAY WILLIAMS SURVEY, A-109
 HENRY AUSTIN LEAGUE OR SURVEY, A-6
 WASHINGTON COUNTY, TEXAS
 PID 00007729_00001 JANUARY, 2025



KCI TECHNOLOGIES INC.
 1555 GREENS PRAIRIE ROAD WEST
 COLLEGE STATION, TX 77845 (979) 849-8212
 TEXAS FIRM REGISTRATION NUMBER:
 ENG. F-2274 & SURVEYING 10042850

Unit 14260



P. O. Box 2806 * Bryan, Texas 77805 * (979) 777-9130 * dengelmann@engelmannlandservices.com

March 18, 2025

Ms. Mary Beth Barnstone
Texas General Land Office
1700 North Congress, Suite 840
Austin, Texas 78701

RE: Roc Co-Op Unit Agreement
Magnolia Oil & Gas Operating LLC
General Land Office State Lease (Leachman Unit)
MF-096089, GLO Unit No. 13744
Pooling Agreement (Leachman Unit)
MF-121836, GLO Unit No. 13744
Pooling Agreement (Von Rundstedt Unit)
MF-121835, GLO Unit No. 13743
Washington County, Texas

Dear Ms. Barnstone:

Unit 2639

Unit 13743

Unit 11976

Magnolia Oil & Gas Operating LLC ("**Magnolia**") is the operator of the **Vandergrift Unit**, the **Dallmeyer #1 Re-Entry Unit**, the **Von Rundstedt Unit**, the **Leachman Unit No. 1**, and the **Westridge Unit**, each as more particularly described in the attached Roc Co-Op Agreement, and referred to herein as "Units". Magnolia is planning to further develop the referenced Units by the drilling and completion of one or more horizontal wells which will traverse the boundary lines of the Units.

Unit 13744

In an effort to establish a basis for sharing production proceeds from the horizontal well and or wells, a *Co-Op Unit Agreement* ("**Agreement**") has been enclosed for your review and the General Land Office's review. This Agreement provides for the method of allocating production from a Co-Op Well, as defined therein. As such, the proportionate share of production allocated to the horizontal well will be calculated by a fraction, the fraction denominator is the total Roc Co-Op Unit acreage, as depicted on the plat attached to the Agreement, and the fraction numerator is the individual acreage for each Unit.

The State of Texas/Washington County currently has a fee mineral interest in the Leachman Unit and Von Rundstedt Unit (see references to mineral file and GLO Unit numbers above) which are included in the Roc Co-Op Unit.

42-477-31293
42-477-31294

Ms. Mary Beth Barnstone
Texas General Land Office
March 18, 2025
Page 2

Please note this Agreement will not affect the State's share of production from any other wells located and drilled solely within the Units which are not defined as a Co-Op Well pursuant to the Agreement.

Enclosed is Engelmann Land Services check number **5625** in the amount of \$500.00 for the processing of the Agreement, along with a plat of the proposed Roc Co-Op Unit.

After the review of the Agreement, and if all is satisfactory, please execute and return one original Agreement, which will be included with a signature by Magnolia and filed of record. A fully executed original recorded Agreement will be returned to your attention.

Should you have any questions or concerns, please do not hesitate to give me a call or you may contact the in-house landman handling this prospect, Dylan DeLozier at his direct line (713) 980-9654 or email ddelozier@mgyoil.com.

Sincerely,



Dennis R. Engelmann, CPL
Contractor for Magnolia Oil & Gas Operating LLC
(979) 777-9130

/dre

Attachments

cc: Mr. Dylan DeLozier
Magnolia Oil & Gas Operating LLC
(via email: ddelozier@mgyoil.com)

File No. MF097877
Washington County
iNut 14260
Date Filed: 6/6/25
Commissioner: Dawn Buckingham, M.D.
By: MB Barnston