

UNIT # 2642
2.53 UNIT ACRES
~~5.51 NON-UNIT AC.~~

UNIT #
2714
5.92 UNIT ACRES
-0- NON-UNIT AC.

Rentals: *MT.*

Lease Admin: *DR.*

Mineral Maps: *[Signature]*

STATE LEASE	PAID-UP	MF098476	
CONTROL	BASEFILE	COUNTY	
65-902394	000 -	WASHINGTON	/239

SURVEY : WASHINGTON COUNTY ROADS
BLOCK :
TOWNSHIP : 00
SECTION/TRACT :
PART :
ACRES : ~~8.10~~ 8.45 PER UNIT AGREEMENTS
DEPTH LIMITS : NO

LESSEE : UNION PACIFIC RESOURCES COMPANY
LEASE DATE : Aug 05 1997
PRIMARY TERM : 3 yrs
BONUS (\$) : 850.50
RENTAL (\$) : 0.00
ROYALTY : 0.16666600
VAR ROYALTY :



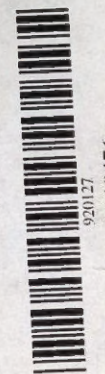
CAUTION

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



CONTENTS OF FILE NO. M-98476

1. app. to Bid	7-30-97
2. Lease	8-5-97
3. Letter	5-20-97
4. letter	5-20-97
5. Letter	7-23-97
6. Map	—
7. Affidavit	5-29-97
8. Affidavit	5-29-97
9. Deed	7-24-98
10. Old Lease	11/29/93
11 DESIGNATION OF POOLED UNIT ^{#2642}	8-24-98
12. Letter 8/20/97	122-99
See MF097511 #11 for assignment	5/20/03
Scanned sm	10/15/13
SEE POOLING AGREEMENT #2714 IN M-097583 ITEM #5	
scanned PJ	10-9-2017
(See MF094949 #29, Assign #10876 Everlett @ Magnolia 7-26-19)	
scanned PJ	8-12-2019
(See MF094949 #30, Assign #10883 EV Prop @ Harvett Gidker 8-19-19)	
Scanned sm	10/01/2019

M-
8.5.97
~

GENERAL LAND OFFICE

GARRY MAURO
COMMISSIONER

MEMORANDUM

Docket #

DATE: July 30, 1997

TO: Linda Fisher / School Land Board

From: Drew Reid / Minerals Leasing

RE: Applications To Lease Highway Right-of-Way

- A) Applicant - Chesapeake Operating, Inc.
Description - 13.93 ac. along St. Hwy. 72, situated in the Victoriano Zepeda Sur., A-13 in Karnes Co.
Terms - \$75.00/Ac. Bonus, 3/16 Royalty, 18 Months, Paid-up
- B) Applicant - Chesapeake Operating, Inc.
Description - 3 ac. along St. Hwy. 72, situated in the Stewart Perry Sur., A-657 in DeWitt Co.
Terms - \$100.00/Ac. Bonus, 1/5 Roulalty, 1 year
- C) Applicant - Chesapeake Operating, Inc.
Description - 4.16 ac. along Hickory Bend Rd., situated in the Elizabeth Gordon Sur., A-49 in Washington Co.
Terms - \$150.00/Ac. Bonus, 3/16 Royalty, 3 Years Paid-up
- D) Applicant - UPRC
Description - 1.326 ac. along Co. Rd. 353, situated in the Jennett Bowing League, A-95 in Milam Co.
Terms - \$75.00/Ac. Bonus, 1/6 Royalty, 3 Years, \$10.00 Rentals
- E) Applicant - UPRC
Description - 14.26 ac. along Co. Rd. 79, 79B and 79C, situated in the Abner Kuykendall One-Half League, A-70 in Washington Co.
Terms - \$100.00/Ac. Bonus, 1/4 Royalty, 1 Year
- F) Applicant - UPRC
Description - 8.1 Ac. along Co. Rd. 30, situated in the James Schrier League, A-98 in Washington Co.
Terms - \$105.00/Ac. Bonus, 1/6 Royalty, 3 Years Paid-up

M-98476

- G) Applicant - UPRC
Description - .98 Ac. along F.M. 332, situated in the
James Schrier League, A-98 in Washington Co.
Terms - \$105.00/Ac. Bonus, 1/6 Royalty, 3 Years Paid-up
- H) Applicant - UPRC
Description - 2.9384 Ac. along Old St. Hwy. 63, situated in
the R. Frost Seastrunk Sur., A-1058 in Jasper Co.
Terms - \$100.00/Ac. Bonus, 1/6 Royalty, 3 Years Paid-up
- I) Applicant - UPRC
Description - .87 Ac. along Co. Rd. 1948, situated in
the James Cox Sur., A-36 in Washington Co.
Terms - \$55.00/Ac. Bonus, 1/4 Royalty, 1 Year
- J) Applicant - Vastar Resources, Inc.
Description - 5 Ac. along St. Hwy. 257, situated in
the A.B.&M. Sur. #135, A-46 in Live Oak Co.
Terms - \$150.00/Ac. Bonus, 1/4 Royalty, 3 Years,
\$25.00/Ac. Rentals
- K) Applicant - Sklar & Phillips Oil Co.
Description - 7.56 Ac. along St. Hwy. 84, situated in the
Maria De Cantona Sur., A-7 in Freestone Co.
Terms - \$52.00/Ac. Bonus, 1/6 Royalty, 3 Years paid-up
- L) Applicant - American Exploration Co.
Description - 69.08 Ac. along St. Hwy. 111, situated in
the Wm. Blundell Sur., A-557; the Lofton Vess Sur.,
A-483; the J. Dunn Sur., A-146 and the A.M. Clare Sur.,
A-109 in Lavaca Co.
Terms - \$200.00/AC. Bonus, 30% Royalty, 2 Years,
\$50.00 Rentals
- M) Applicant - Scott Oils, Inc.
Description - 12.775 Ac. along St. Hwy. 111, situated in
the John Leeds Sur., A-299 (Lavaca Co.)
A-215 (Jackson Co.) and in the J. Footman Sur.,
A-731 (Lavaca Co.) A-111 (Jackson Co.) in Lavaca Co.
and Jackson Co.
Terms - \$200.00/Ac. Bonus, 1/4 Royalty, 18 Months paid-up
- N) Applicant - Sandy Fork Exploration Co.
Description - 23.51 Ac. along St. Hwy. 377, situated in the
Nancy Smith Sur., A-755 in Johnson Co.
Terms - \$50.00/Ac. Bonus, 1/8 Royalty, 3 Years Paid-up

- 0) Applicant - Rosewood Resources, Inc.
Description - 17.52 Ac. along St. Hwy. 32, situated in the
G. Cassillas Sur., A-112 in Walker Co.
Terms - \$100.00/Ac. Bonus, 1/5 Royalty, 3 Years Paid-up

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

MF 98476
ITEM App to Bid
TO _____
FROM _____
DATE 7-30-97

The State of Texas



Austin, Texas

**PAID-UP
OIL AND GAS LEASE NO. M-98476
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 Eight Hundred Fifty and 50/100 Dollars (\$850.50), 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:

8.1 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 8.1 acres, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. **PRIMARY TERM:** This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of three (3) years from August 5, 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 one sixth (1/6) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such one sixth (1/6) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil;

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

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

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

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

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

Royalty on oil is due and must be received in the General Land Office on or before the 5th day of the second month succeeding the month of production, and royalty on gas is due and must be received in the General Land Office on or before the 15th day of the second month succeeding the month of production, accompanied by the affidavit of the owner, manager, or other authorized agent, completed in the form and manner prescribed by the General Land Office and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas, together with a copy of all documents, records or reports confirming the gross production, disposition and market value including gas meter readings, pipeline receipts, gas line receipts and other checks or memoranda of amount produced and put into pipelines, tanks, or pools and gas lines or gas storage, and any other reports or records which the General Land Office may require to verify the gross production, disposition and market value. In all cases the authority of a manager or agent to act for the Lessee herein must be filed in the General Land Office. Each royalty payment shall be accompanied by a check stub, schedule, summary or other remittance advice showing by the assigned General Land Office lease number the amount of royalty being paid on each lease. If Lessee pays his royalty on or before thirty (30) days after the royalty payment was due, the Lessee owes a penalty of 5% on the royalty or \$25.00, whichever is greater. A royalty payment which is over thirty (30) days late shall accrue a penalty of 10% of the royalty due or \$25.00, whichever is greater. In addition to a penalty, royalties shall accrue interest at a rate of 12% per year; such

interest will begin accruing when the royalty is sixty (60) days overdue. Affidavits and supporting documents which are not filed when due shall incur a penalty in an amount set by the General Land Office administrative rule which is effective on the date when the affidavits or supporting documents were due. The Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value. The State shall have first lien upon all oil and gas produced from the area covered by this lease to secure the payment of all unpaid royalty and other sums of money that may become due to the State hereunder.

4. POOLING: (a) Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons. Units pooled for oil hereunder shall not exceed 160 acres each in area, and units pooled for gas hereunder shall not exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, unless oil or gas units of a greater size are allowed under or prescribed by rules of the Railroad Commission of Texas.

A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, as operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) the proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force for so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

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

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

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

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

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

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

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

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

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


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

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

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

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

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


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

Approved:
Energy: TBA
Executive: SR

Exhibit "A"

ACREAGE TO BE LEASED FROM THE STATE OF TEXAS IN WASHINGTON COUNTY, BEING A PART OF BARANOWSKI ROAD F/K/A WASHINGTON COUNTY ROAD NO. 30. -

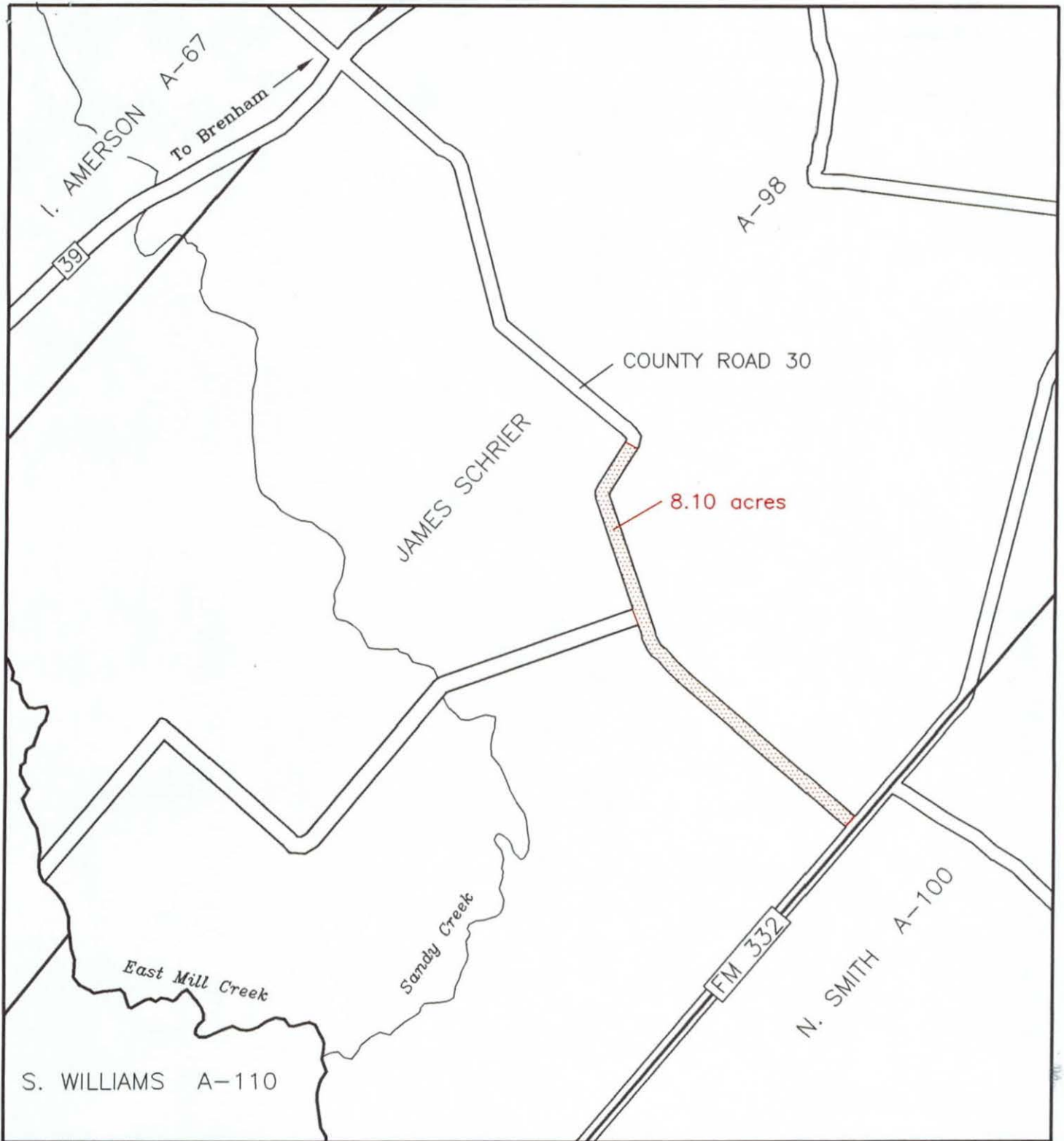
8.10 acres of land, more or less, a part of the James Schrier League, A-98, Washington County, Texas, being further described as the following four tracts, to-wit:

TRACT ONE: 3.6 acres of land, more or less, being the same land described in that certain deed dated May 19, 1928 from John Horak and wife, Mary Horak to S. D. W. Low, County Judge of Washington County, Texas and recorded in Volume 91, Page 28 of the Deed Records of Washington County, Texas.

TRACT TWO: 1.8 acres of land, more or less, being the same land described in that certain deed dated May 19, 1928 from Chas. G. Dwyer to S. D. W. Low, County Judge of Washington County, Texas and recorded in Volume 90, Page 315 of the Deed Records of Washington County, Texas.

TRACT THREE: 0.90 acre of land, more or less, being the same land described in that certain deed dated May 19, 1928 from Ed Roberts, et al, Trustees of the Pleasant Grove Cemetery to S. D. W. Low, County Judge of Washington County, Texas and recorded in Volume 90, Page 79 of the Deed Records of Washington County, Texas.

TRACT FOUR: 1.80 acres of land, more or less, being the same land described in that certain deed dated May 19, 1928 from Henry Schwettmann and wife, Lillie Schwettmann to S. D. W. Low, County Judge of Washington County, Texas and recorded in Volume 91, Page 21 of the Deed Records of Washington County, Texas.



COUNTYROAD30/RH/5-97

MAP SHOWING
A PORTION OF COUNTY ROAD 30
8.10 ACRES
APPROXIMATELY 2 MILES SOUTHWEST OF BRENHAM
WASHINGTON COUNTY

②
98476
ITEM Lease
TO
FROM
DATE 8-5-97

DENNIS MAHLMANN
Petroleum Land Services
208 W. Alamo
Brenham, Texas 77833
409/836-3260

May 20, 1997

Texas General Land Office
Lease Administration
1700 N. Congress Ave.
Austin, Texas 78701

Attn.: Mr. Drew Reid

RE: Oil and Gas Lease, 8.10 acres of land,
Baranowski Road,
Washington County, Texas

Dear Mr. Reid:

Union Pacific Resources Company hereby makes application to lease a 8.10 acre right-of-way tract located in Washington County, Texas. Union Pacific Resources Company is an "adjacent mineral owner" to the this tract as a result of currently existing oil and gas leases.

Attached to this application are the following:

- 1) Plat or map of the right-of-way tract showing the boundaries and dimensions of said tract;
- 2) Vicinity map indicating the location of the 8.10 acres to be leased;
- 3) Copy of sources deeds into Washington County, Texas.

Please call me if you have any questions or if I can be of assistance.

Sincerely yours,



Dennis Mahlmann
Landman and Agent,
Union Pacific Resources Company

Enclosures

3-
MF 98476
ITEM letter
TO _____
FROM _____
DATE 5-20-97



DENNIS MAHLMANN
Petroleum Land Services
208 W. Alamo
Brenham, Texas 77833
409/836-3260

May 20, 1997

105.00
1/6
3yr. Paid-up

Texas General Land Office
Lease Administration
1700 N. Congress Ave.
Austin, Texas 78701

X 100.00

37049245

Attn.: Mr. Drew Reid

RE: Oil and Gas Lease, 8.10 acres of land,
Baranowski Road, Co. Rel. 30
Washington County, Texas

1/6

Dear Mr. Reid:

Attached please find the following items relating to the leasing of the above highway or right-of-way tract:

170

- 1) Check for \$100.00 to cover the processing fee;
- 2) Application to lease right-of-way, with attachments;
- 3) Waiver of notice by Union Pacific Resources Company;
- 4) Affidavit re: horizontal drilling;
- 5) Affidavit re: consideration paid for adjacent leases;
- 6) Map indicating ownership of adjacent tract;
- 7) Copies of leases on adjacent lands.

Thank you for this opportunity to develop these minerals. Please call on me if you have questions.

Sincerely yours,



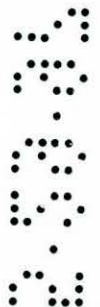
Dennis Mahlmann
Landman and Agent,
Union Pacific Resources Company

Enclosures



ENERGY RESOURCES

4) MF 98476
ITEM letter
FO _____
FROM _____
DATE 5-20-97



248



July 23, 1997

Dennis Mahlmann
Union Pacific Resources Co.
208 W. Alamo
Brenham, Texas 77833

Re: Highway Right-Of-Way Lease
8.1 ac., more or less, along Co. Rd. 30
in Washington County, Texas

Dear Mr. Mahlmann:

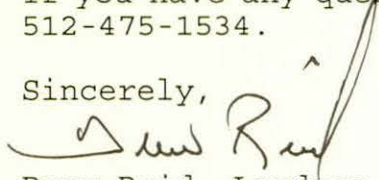
Your application to lease the above referenced right-of-way has been approved as to form by the Lease Administration department of the General Land Office.

Further, I have been informed by the Texas Department of Transportation that their office has no objection to the application. Upon completion of the required field notes and plat, I will place the lease on the next available docket for School Land Board review.

Under the applicable statutes and existing policy governing the issuance of oil and gas leases on rights-of-way, I have found no cause for the School Land Board to deny this application, therefore, your company, Union Pacific Resources Co., is entitled to a lease on the applicable portion of the right-of-way.

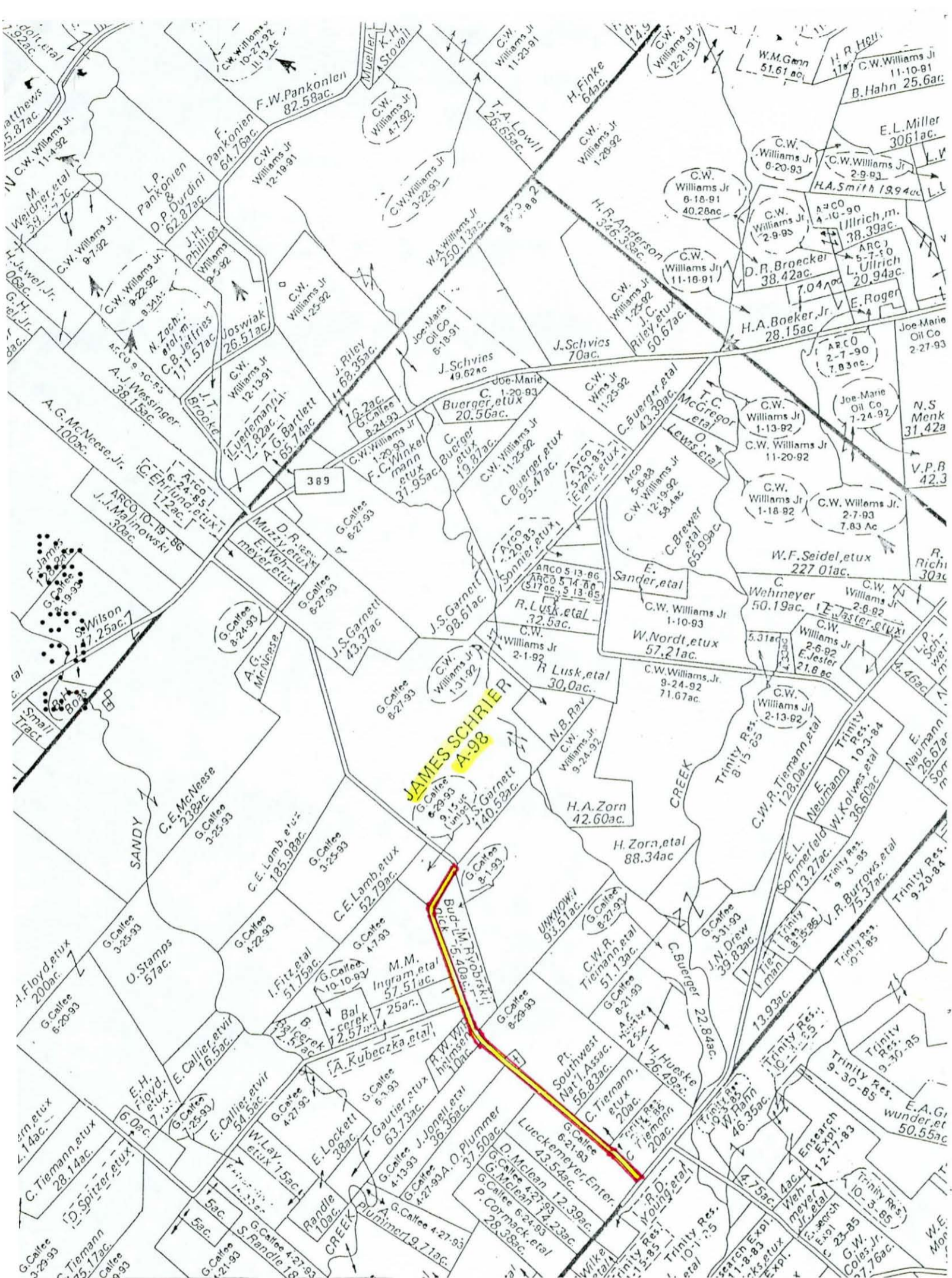
If you have any questions concerning this matter, please call me at 512-475-1534.

Sincerely,


Drew Reid, Landman
Lease Administration
Energy Resources

* This lease will be approved by the School Land Board
at the Aug. 5, 1997 meeting (1/6 Royalty)

MF 98476
ITEM letter
TO _____
FROM _____
DATE 7-23-97

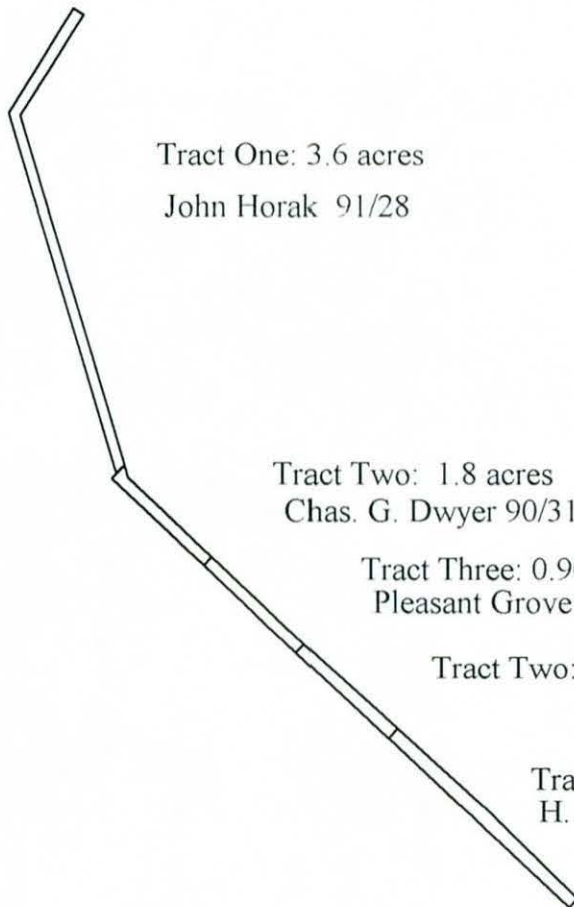


8.10 Acres

Baranowski Road

f/k/a Washington County Road No. 30

Washington County, Texas



Tract One: 3.6 acres
John Horak 91/28

Tract Two: 1.8 acres
Chas. G. Dwyer 90/315 (first part)

Tract Three: 0.90 acres
Pleasant Grove Cemetery 91/79

Tract Two: (second part)

Tract Four: 1.8 acres
H. Schwettmann 91/21

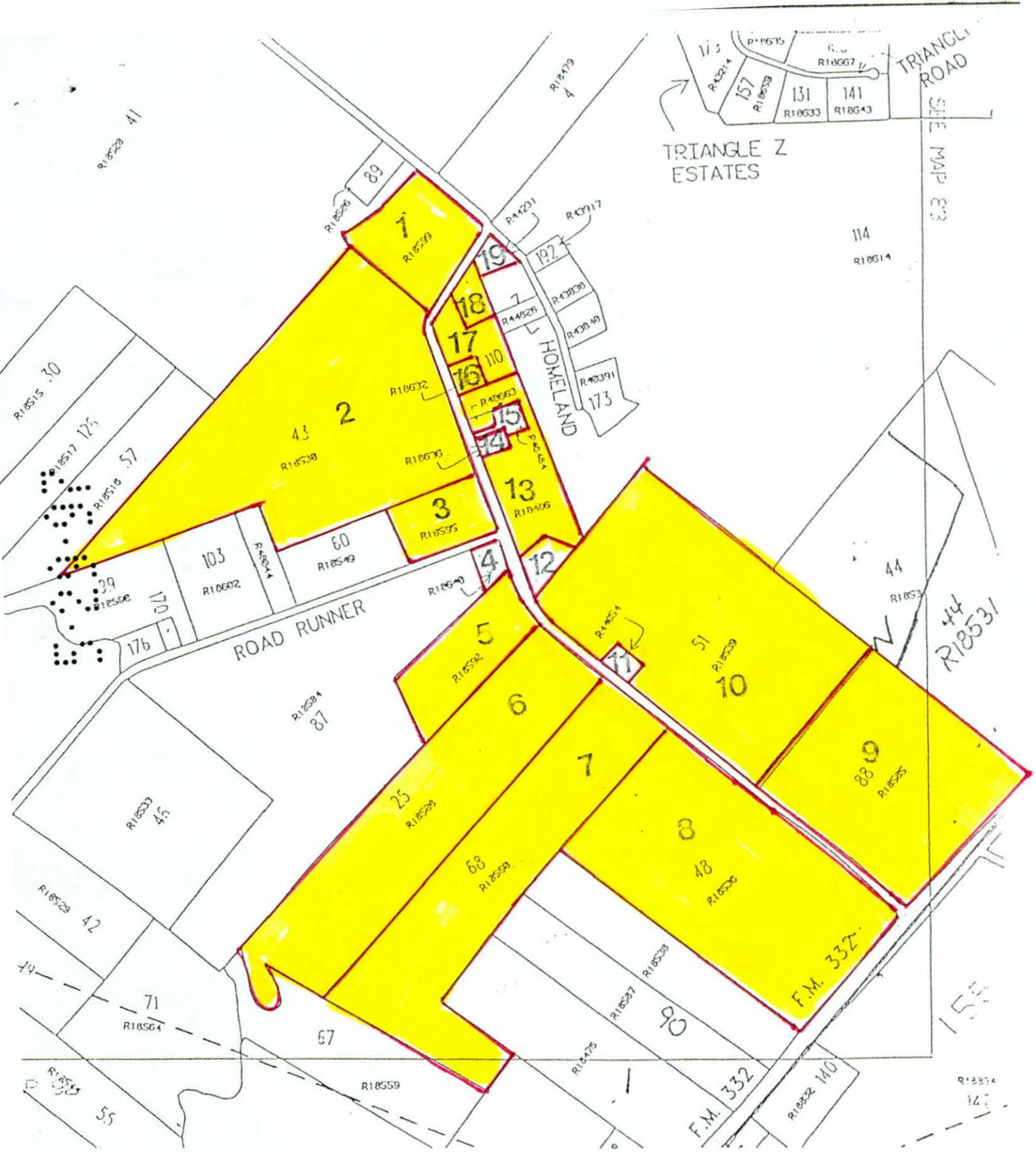


Title: Baranowski Road	Date: 05-07-1997
------------------------	------------------

Scale: 1 inch = 1000 feet	File: BARNANOW.DES
---------------------------	--------------------

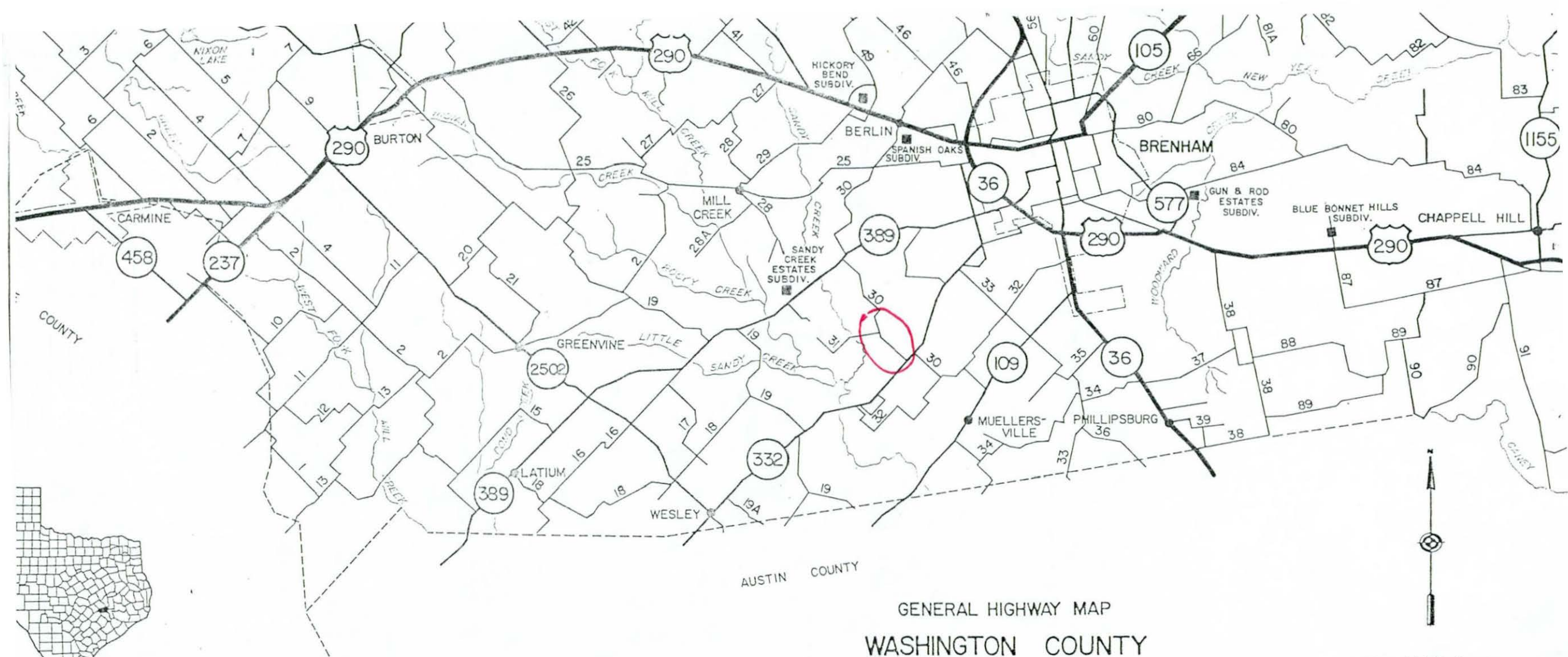
Tract 1: 2.029 Acres: 88399 Sq Feet: 8212.6 Sq Meters: Closure = n45.0432e 8.94 feet: Precision =1/303: Perimeter = 2711 feet
 Tract 2: 0.907 Acres: 39497 Sq Feet: 3669.4 Sq Meters: Closure = n42.3000e 11.49 feet: Precision =1/125: Perimeter = 1437 feet
 Tract 3: 0.907 Acres: 39500 Sq Feet: 3669.7 Sq Meters: No significant closure error. : Perimeter = 1437 feet
 Tract 4: 0.927 Acres: 40362 Sq Feet: 3749.8 Sq Meters: No significant closure error. : Perimeter = 1473 feet
 Tract 5: 3.220 Acres: 140251 Sq Feet: 13029.7 Sq Meters: Closure = n24.3021w 30.90 feet: Precision =1/171: Perimeter = 5295 feet

001=n43e 21.6v	011=@10	021=s43w 23.6v
002=s48e 226.5v	012=n43e 21.6v	022=s47e 237v
003=s45.30e 239.5v	013=n47w 237v	023=@20
004=s43w 22.5v	014=s43w 21.6v	024=s43w 60
005=n47w 466v	015=s47e 237v	025=n16.45w 711v
006=@1	016=@15	026=n32.30e 230v
007=n43e 21.6v	017=n43e 21.6v	027=s57.30e 60
008=n48w 237v	018=n47w 217v	028=s32.30w 222v
009=s43w 21.6v	019=n16.45w 22v	029=s16.45e 700v
010=s47e 237v	020=s49.1519w 25.38	



WASHINGTON COUNTY APPRAISAL

EXHIBIT "A"



GENERAL HIGHWAY MAP
 WASHINGTON COUNTY
 TEXAS

© Johnson Publishing Company,
 A H&W Company
 1987

TO COUNTIES

26.875

6.

MF _____
ITEM _____
FO _____
FROM _____
DATE _____

98476
May

5
5
5



AFFIDAVIT

STATE OF TEXAS

COUNTY OF WASHINGTON

BEFORE ME, the undersigned authority, on this day personally appeared DENNIS MAHLMANN, known to me to be a credible person above the age of twenty-one (21) years, not incapacitated in any way, who after being first duly sworn, deposes and says, to-wit:

Affiant state that as an independent landman currently engaged by Union Pacific Resources Company, he is aware that the consideration paid for the oil and gas leases adjacent to the right-of-way tracts listed below.

ACREAGE TO BE LEASED FROM THE STATE OF TEXAS IN WASHINGTON COUNTY, BEING A PART OF BARANOWSKI ROAD F/K/A WASHINGTON COUNTY ROAD NO. 30.

8.10 acres of land, more or less, a part of the James Schrier League, A-98, Washington County, Texas, being further described as the following four tracts, to-wit:

TRACT ONE: 3.6 acres of land, more or less, being the same land described in that certain deed dated May 19, 1928 from John Horak and wife, Mary Horak to S. D. W. Low, County Judge of Washington County, Texas and recorded in Volume 91, Page 28 of the Deed Records of Washington County, Texas.

TRACT TWO: 1.8 acres of land, more or less, being the same land described in that certain deed dated May 19, 1928 from Chas. G. Dwyer to S. D. W. Low, County Judge of Washington County, Texas and recorded in Volume 90, Page 315 of the Deed Records of Washington County, Texas.

TRACT THREE: 0.90 acre of land, more or less, being the same land described in that certain deed dated May 19, 1928 from Ed Roberts, et al, Trustees of the Pleasant Grove Cemetery to S. D. W. Low, County Judge of Washington County, Texas and recorded in Volume 90, Page 79 of the Deed Records of Washington County, Texas.

TRACT FOUR: 1.80 acres of land, more or less, being the same land described in that certain deed dated May 19, 1928 from Henry Schwettmann and wife, Lillie Schwettmann to S. D. W. Low, County Judge of Washington County, Texas and recorded in Volume 91, Page 21 of the Deed Records of Washington County, Texas.

Affiant further states that the consideration paid for these leases are as follows, to-wit:

<u>LESSORS</u>	<u>REF.</u>	<u>ROYALTY</u>	<u>BONUS</u>	<u>RENTAL</u>
TRACT 1: 9.147 Acres				
Peter L. Miller, et ux	721/428	1/6th	\$105/ac.*	Pd Up
*three year lease with option for an additional two years of primary term at \$30 per acre. Said option exercised on September 4, 1996 (see memo 835/819 attached).				
Brian D. Lamb, et al	719/220	1/6th	\$105/ac.*	Pd Up
Leased to Western States Land Services, Inc. Assigned to Union Pacific Resources Company in assignment at 730/844. (copy attached)				
TRACT 2: 57.510 Acres				
Marya McLean Ingram	715/382	1/6th	\$65/ac.*	Pd Up
*three year lease with option for an additional two years of primary term at \$25 per acre. Said option exercised on September 4, 1996. (see Memo of Lease Extension 835/819 attached)				
Leased to Western States Land Services, Inc. Assigned to Union Pacific Resources Company in assignment at 730/844. (copy attached)				
TRACT 3: 5.04 Acres				
Genevieve Rybarski	733/492	1/6th	\$40.00/Ac*	Pd Up
*three year lease with option for an additional two years of primary term at \$25 per acre. Said option exercised on December 30, 1996 (see memo 846/300 attached).				
TRACT 4: 1.000 Acres				
Joseph Edward Kingcade, Jr. P. O. Box 2381 Brenham, Texas 77834-2381		Unleased		

TRACT 5: 10.00 Acres
Robert H. Willhelmsen, et ux 772/417 1/6th \$100/Ac Pd Up

TRACT 6: 36.38 Acres
Jonell Foeman, et ux 722/379 1/6th \$65/ac.* Pd Up

*three year lease with option for an additional two years of primary term at \$25 per acre. Said option exercised on September 4, 1996 (see Memo of Lease Extension 835/819 attached)

Leased to Western States Land Services, Inc. Assigned to Union Pacific Resources Company in assignment at 730/844. (copy attached)

TRACT 7: 37.346 Acres
A. Q. Plummer 715/371 1/6th \$40/ac.* Pd Up

*three year lease with option for an additional two years of primary term at \$25 per acre. Said option exercised on November 18, 1996 (see Memo of Lease Extension 842/349 attached)

Leased to Western States Land Services, Inc. Assigned to Union Pacific Resources Company in assignment at 730/844. (copy attached)

TRACT 8: 43.58 Acres
Lueckemeyer Enterprises, Inc. 722/358 1/6th \$105/ac.* Pd Up

*three year lease with option for an additional two years of primary term at \$30 per acre. Said option exercised on September 4, 1996. (see Memo of Lease Extension 835/819 attached)

TRACT 9: 40.00 Acres
Clamens Tiemann, et ux 715/484 1/6th \$40/ac.* Pd Up

*three year lease with option for an additional two years of primary term at \$25 per acre. Said option exercised on September 4, 1996. (see Memo of Lease Extension 835/819 attached)

Leased to Western States Land Services, Inc. Assigned to Union Pacific Resources Company in assignment at 730/844. (copy attached)

TRACT 10: 10.000 Acres
Thomas E. McGraw, et al 834/121 1/6th \$100/Ac. Pd Up

TRACT 11: 0.930 Acres
Pleasant Grove Cemetery
%405 Johnson Street
Brenham, Texas 77833
Unleased

TRACT 12: 2.26 Acres
Shelley Marie Nichols
6553 Baranowski Road
Brenham, Texas 77833
Unleased

TRACT 13: 16.657 Acres
John M. Budnick 762/443 1/6th \$100/Ac Pd Up

TRACT 14: 0.500 Acres
Stanley Kwiatowski, et ux
6183 Baranowski Road
Brenham, Texas 77833
Unleased

TRACT 15: 0.9300 Acres
John Kwiatowski
6153 Baranowski Road
Brenham, Texas 77833
Unleased

TRACT 16: 1.000 Acres
Randy Kapchinski, et ux 773/247 1/6th \$100/Ac Pd Up

TRACT 17: 1.777 Acres
Paul Pete Antkowiak, et ux 762/392 1/6th \$100/Ac Pd Up

TRACT 18: 1.800 Acres
Jody Kapchinski, et ux 762/408 1/6th \$100/Ac. Pd Up

TRACT 19: 0.8500 Acres
Kevin Gandy, et ux
5903 Baranowski Road
Brenham, Texas 77833
Unleased

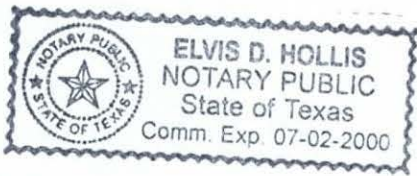
Affiant further states that said lands listed as TRACT 1 through TRACT 19, herein, correspond to the lands listed as same on the attached map, labeled Exhibit "A" and including the subject area of Washington County, Texas.

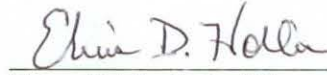
Further affiant sayeth not.

Dated this 27th day of May, 1997.

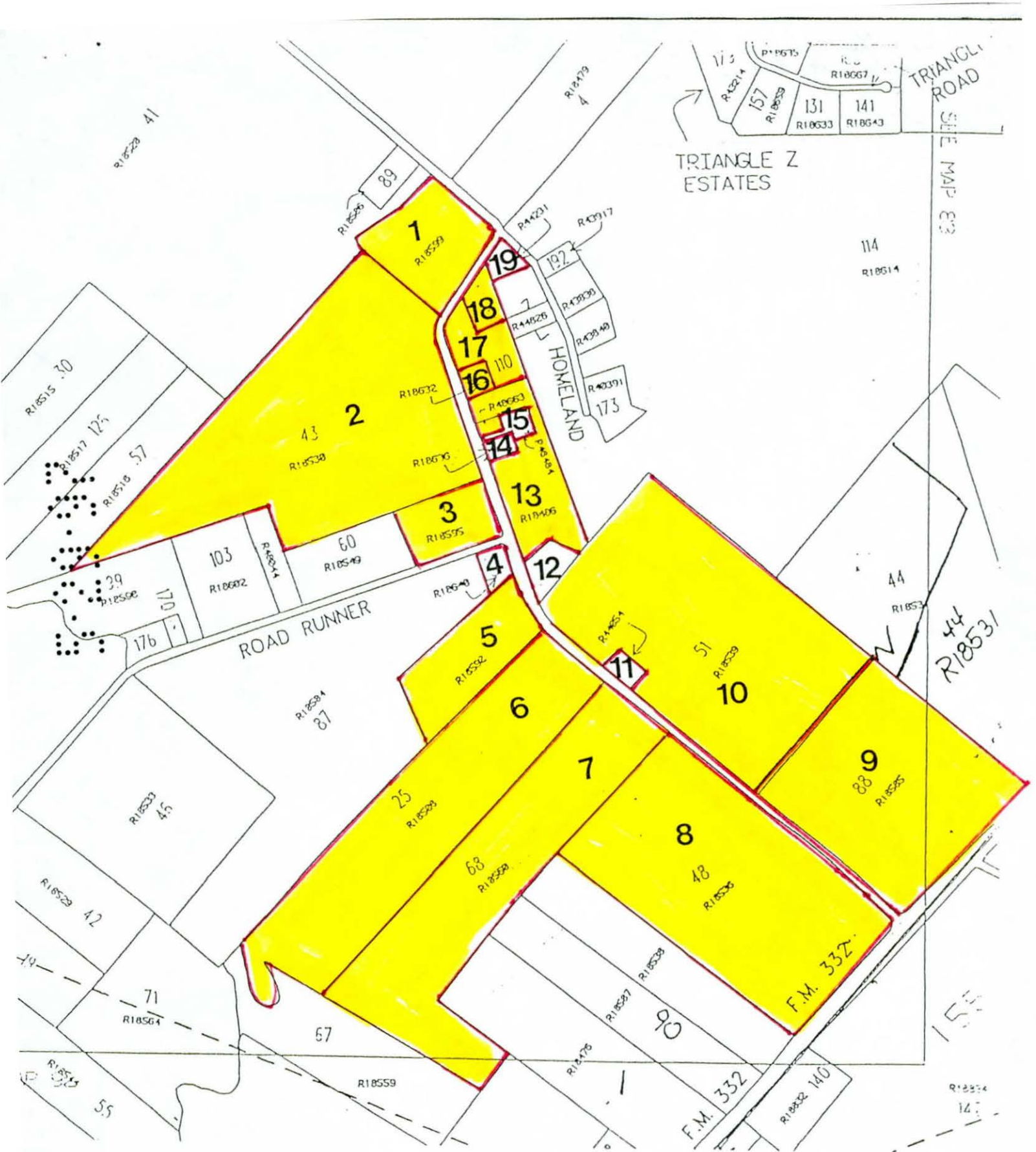

DENNIS MAHLMANN

SUBSCRIBED AND SWORN TO BEFORE ME this 27th day of May, 1997.




Notary Public, State of Texas

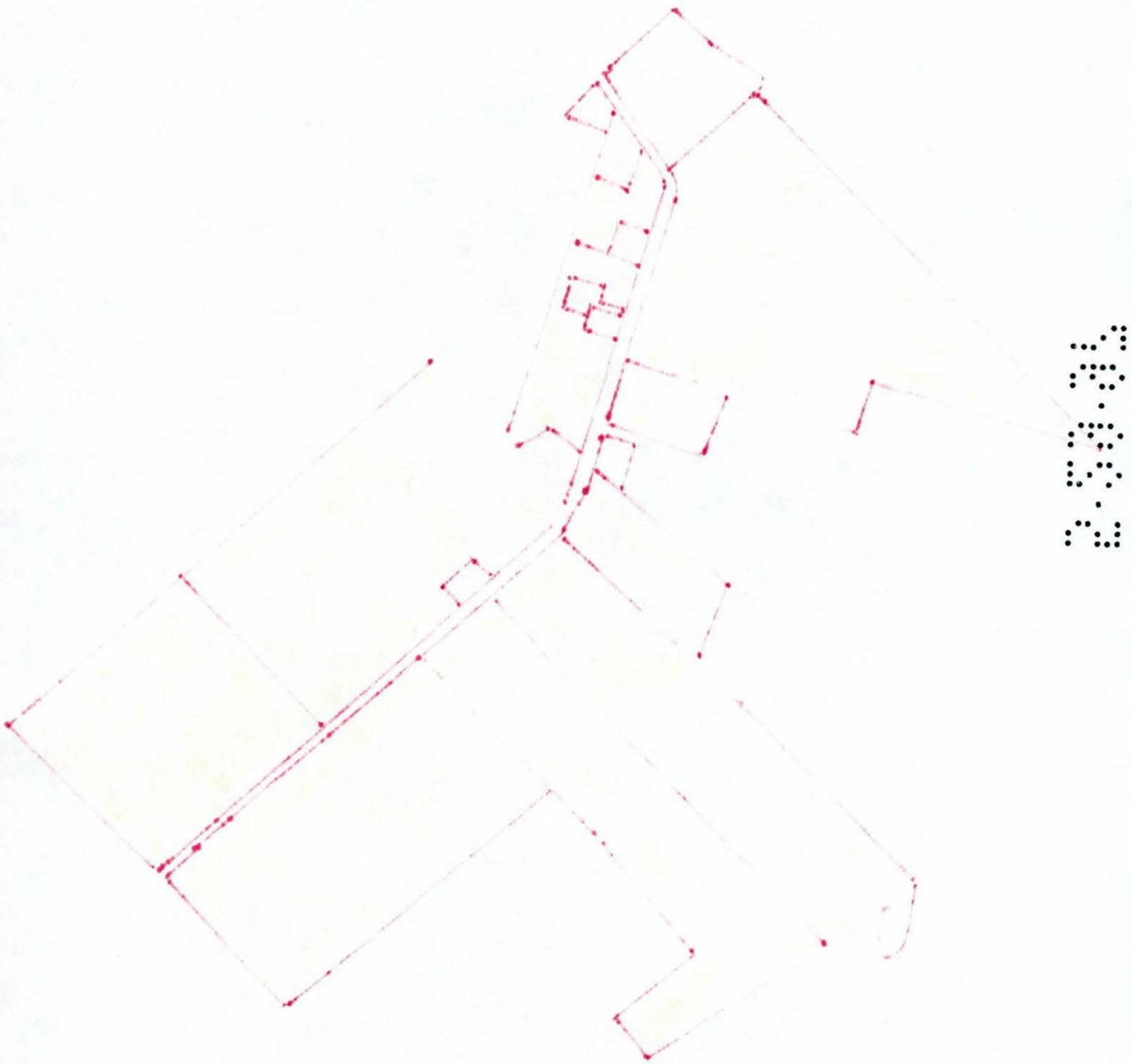




WASHINGTON COUNTY APPRAISAL

EXHIBIT "A"

9) MF 98476
ITEM Affidavit
TO _____
FROM _____
DATE 5-29-97



2000

AFFIDAVIT

STATE OF TEXAS

COUNTY OF WASHINGTON

BEFORE ME, the undersigned authority, on this day personally appeared DENNIS MAHLMANN, known to me to be a credible person above the age of twenty-one (21) years, not incapacitated in any way, who after being first duly sworn, deposes and says, to-wit:

Affiant state that he is an independent landman currently engaged by Union Pacific Resources Company, and that he is aware that the proposed leasing of the following described right-of-way tracts is for the specific purpose of drilling a horizontal oil and gas well.

ACREAGE TO BE LEASED FROM THE STATE OF TEXAS IN WASHINGTON COUNTY, BEING A PART OF BARANOWSKI ROAD F/K/A WASHINGTON COUNTY ROAD NO. 30

8.10 acres of land, more or less, a part of the James Schrier League, A-98, Washington County, Texas, being further described as the following four tracts, to-wit:

TRACT ONE: 3.6 acres of land, more or less, being the same land described in that certain deed dated May 19, 1928 from John Horak and wife, Mary Horak to S. D. W. Low, County Judge of Washington County, Texas and recorded in Volume 91, Page 28 of the Deed Records of Washington County, Texas.

TRACT TWO: 1.8 acres of land, more or less, being the same land described in that certain deed dated May 19, 1928 from Chas. G. Dwyer to S. D. W. Low, County Judge of Washington County, Texas and recorded in Volume 90, Page 315 of the Deed Records of Washington County, Texas.

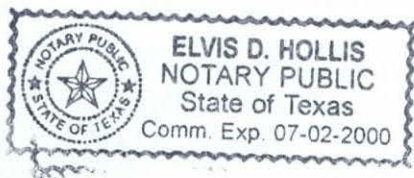
TRACT THREE: 0.90 acre of land, more or less, being the same land described in that certain deed dated May 19, 1928 from Ed Roberts, et al, Trustees of the Pleasant Grove Cemetery to S. D. W. Low, County Judge of Washington County, Texas and recorded in Volume 90, Page 79 of the Deed Records of Washington County, Texas.

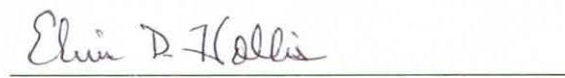
TRACT FOUR: 1.80 acres of land, more or less, being the same land described in that certain deed dated May 19, 1928 from Henry Schwettmann and wife, Lillie Schwettmann to S. D. W. Low, County Judge of Washington County, Texas and recorded in Volume 91, Page 21 of the Deed Records of Washington County, Texas.

Further affiant sayeth not.
Dated this 27th day of May, 1997.


DENNIS MAHLMANN

SUBSCRIBED AND SWORN TO BEFORE ME this 27th day of May, 1997.




Notary Public, State of Texas

8

98476

ITEM AFFIDAVIT

TO _____

FROM _____

DATE 5-29-97

2000

Thence S. 48 W. at 152 1/2 vrs. to corner of a 101 acre tract of land sold by said W. P. Dippel to Sylvester Skweres. The area contained in this road, the length as above given and 60 feet wide will be 5 acres of land. TO HAVE AND TO HOLD the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging unto the said S. D. W. Low, County Judge of Washington County, Texas, and his successors in said office, 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 S. D. W., County Judge of Washington County, Texas, his successors in said office, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

WITNESS my hand at Brenham, Texas, this 24th day of July, A. D. 1928.

Wm. P. Dippel

THE STATE OF TEXAS, (
COUNTY OF WASHINGTON. (

Before me, the undersigned authority in and for Washington County, Texas, on this day personally appeared W. P. Dippel, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 15th day of Sept, A. D. 1928.

C. B. Thompson Co. Clerk Washington

Seal. Filed for record at 9 o'clock A.M. Oct 11-1928 County Texas.
Recorded at 12 o'clock M. Oct 12-1928

WARRANTY DEED: JOHN HORAK TO WASHINGTON COUNTY.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON.) KNOW ALL MEN BY THESE PRESENTS:

That I, John Horak, and wife, Mary Horak, of the County of Washington State of Washington for and in consideration of the sum of One & No/100 (\$1.00) DOLLAR to me in hand paid by S. D. W. Low, County Judge of Washington County, Texas, as follows: in cash, the receipt of which is hereby acknowledged and confessed, and the further consideration of 175 post and 7842 feet of wire for one string of fence, have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey, unto the said S. D. Low, County Judge of Washington County, Texas, of the County of Washington State of Texas, all that certain tract or parcel of land, lying and being situated in Washington County, Texas, and a part of the Jas. Schrier League. Beginning at the point in the old road where the E. W. line of the new road 60 ft. wide, leaves the T. R. Gunter land. Thence S. 32 1/2 W. at 48 vrs. Horak's fence on S. E. side of the old road at 230 vrs. from Gunter's fence to corner in Horak's fence in East line of the old road. Thence with said old road line S. 16 1/2 E 7 1/2 vrs. to corner of Horak's fence in East line of the old road the land hereby conveyed being a strip 60 feet wide on the S. E. & East side of the lines above given and will contain 3.6 acres of land. TO HAVE AND TO HOLD the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging unto the said S. D. W. Low, County Judge of Washington County, Texas, and his successors in office, 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 S. D. W. Low, County Judge of Washington County, Texas, and his successors in office, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

WITNESS my hand at Brenham, Texas, this 19th day of May, A. D. 1928.

John Horak. Mary Horak.

Cost of Amendment offset writ

THE STATE OF TEXAS,)
COUNTY OF WASHINGTON.)

Before me, the undersigned authority in and for Washington County, Texas, on this day personally appeared John Horak known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 26 day of May, A. D. 1928.

Rosa Lea Kicker,

seal.

Notary Public, Washington County, Texas.

THE STATE OF TEXAS,)
COUNTY OF WASHINGTON.)

Before me, the undersigned authority in and for Washington County, Texas, on this day personally appeared Mary Horak, wife of John Horak, known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Mary Horak, acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 26 day of May, A. D. 1928.

Rosa Lea Kicker,

seal.

Notary Public, Washington County, Texas.

Filed for Record at 9 o'clock A. M. Oct. 11, 1928.

Recorded at 1:40 A. M. Oct. 12, 1928.

C. B. Thompson JUDGE

By *[Signature]* Deputy

WARRANTY DEED HERMAN H. RUNGE et ux to Washington County .

THE STATE OF TEXAS)
COUNTY OF WASHINGTON)

Know all men by these presents: That we, Herman H. Runge & wife,

Anna C. Runge, of the County of Washington, State of Texas, for and

in consideration of the sum of Fifty Dollars, to us in hand paid by J. H. Chappell, County Judge of Washington County, Texas, receipt of which payment is hereby acknowledged.

Have Granted, Sold and Conveyed, and by these presents do Grant Sell and Convey unto the said J. H. Chappell, County Judge & his successors in office of the County of Washington State of Texas, all that certain tract or parcel of land lying and being situated in Washington County, Texas, and a part of the S. M. Williams League and being a part of the 216-1/3 acres described in deed from William and Louise Jaster to Herman H. Runge recorded in Vol. 67 Page 357 Deed Records of Washington County, Texas, and described as follows, to-wit:

Beginning at the S. cor. of Church lot which is also a cor of the original tract above referred to deed. Thence S. 45 W. 467 yrs to cor. of an original 212 acre tract. Thence with the dividing line between this and the Merchan tract N. 44 W. 20ft. to stake for cor. Thence N. 45 E. 467 yrs to cor. on original line. Thence S. 45 E. 26 feet to beginning cor. ✓

TO HAVE AND TO HOLD above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said J. H. Chappell, County Judge his successors in sd. office, their heirs and assigns, forever, and we do hereby bind ourselves, heirs, executors and administrators, to warrant and forever defend all and singular the said premises unto the said J. H. Chappell, County Judge & his successors in sd.

WARRANTY DEED: C. G. DWYER TO WASHINGTON COUNTY.

THE STATE OF TEXAS)

COUNTY OF WASHINGTON) Know All Men By These Presents: That I, C. G. Dwyer, of the County of Washington State of Texas for and in consideration of the sum of One & No/100 (\$1.00) Dollar to me in hand paid by S.D.W. Low, County Judge of Washington County, Texas, as follows: in cash, & the receipt of which is hereby acknowledged and confessed, and the further consideration of 87 post and 3921 feet of wire, have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey unto the said S.D.W. Low, County Judge of Washington County, Texas, of the County of Washington State of Texas all that certain tract or parcel of land, lying and being situate in Washington County, Texas, and out of the S.W. end of the 54 acre tract of land in the Jas. Schrier League. Beginning at the S. corner of this tract and West corner of the colored peoples 6 acre grave yard tract. Thence with N.W. line of said 6 acre tract 21.6 vrs. to corner. Thence N. 47 W. at 217 vrs. to corner. Thence N. 16 $\frac{1}{2}$ W. 22 vrs. to corner in N.W. line of the 54 acre tract. Thence with said line S. 43 W. 23.6 vrs. to the West corner of the tract. Thence with the S.W. line of same, S. 47 E. 237 vrs. to the beginning. Thence starting at the South corner of said grave yard tract S. 48 E. 237 vrs. to corner. Thence N. 43 E. 21.6 vrs. to corner. Thence N. 48 W. 237 vrs. to corner in S. E. line of said grave yard tract. Thence with said line S. 43 W. 21.6 vrs. to the beginning corner, containing an area of 1.8 acres of land, including 45/100 of an acre now in the old road. 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 S.D.W. Low, County Judge of Washington County, Texas, and his successors in said office, 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 S.D.W. Low, County Judge of Washington County, Texas, and his successors in said office, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

WITNESS my hand at Brenham, Texas, this 19th. day of May, A. D. 1928.

Chas. G. Dwyer.

THE STATE OF NEW YORK)

COUNTY OF N. Y.) BEFORE ME, the undersigned authority in and for New York County, N.Y., on this day personally appeared C. G. Dwyer, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 12 day of June A. D. 1928.

Seal.

W. McDermott, Notary Public.
W.F. McDermott, Notary Public, New York Co.
Clerk's No. 43 New York Co. Register's No. 9004
Commission expires March 30th, 1929.

Filed for record at 11 o'clock A. M. June 15, 1928.

C. B. Thompson, CCCWC.

Recorded at 2:16 o'clock P. M. June 22, 1928.

By *C. B. Thompson* Deputy.

MINERAL DEED: J. W. KINCAID TO F. G. PRUYN.

THE STATE OF TEXAS)

COUNTY OF WASHINGTON) KNOW ALL MEN BY THESE PRESENTS; THAT, I, J. W. Kincaid, of Dallas, Texas, hereinafter called grantor, in consideration of the sum of Ten (\$10.00) Dollars, and other valuable considerations, to me cash in hand paid by Frank G. Pruyne, of Baton Rouge, Louisiana, hereinafter called grantees, the receipt of which is hereby acknowledged, have granted, bargained, sold and conveyed, and by these presents do grant, bargain, sell and convey unto the said grantees an undivided 1/384th interest in and to all of the oil, gas and other minerals, on, in and under and that may be produced from the following described parcels of land situated in Washington County, Texas, to-wit: First tract: 55 acres of land in the Nestor Clay league,

and without cost or expense to said Washington County.

Witness my hand this the 19th day of April A. D. 1921.

Mrs. R. Jaroszewski.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON)

Before me, the undersigned authority, on this day personally appeared Mrs. B. Jaroszewski known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 19 day of April, A. D. 1921

(seal)

C. A. Bracher
Deputy Dist. Clerk.

Filed for record at 2:00 o'clock P. M. Nov. 17, 1928

C. J. Thompson CCCTC

Recorded at 5:00 o'clock P. M. Nov. 17, 1928

By *[Signature]* Deputy

WARRANTY DEED: TRUSTEES OF PLEASANT GROVE CEMETERY TO WASHINGTON COUNTY.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON)

KNOW ALL MEN BY THESE PRESENTS: That we, Ed. Roberts, Bennie Roberts, Tom Dever, Omar Stamps, Banks Ware, Luther Allen, James McGregor,

Trustees of the Pleasant Grove Cemetery, of the County of Washington State of Texas for and in consideration of the sum of One & No/100 (\$1.00) DOLLARS to us in hand paid by S.D.W. Low, County Judge of Washington County, Texas, as follows: in cash, the receipt of which is hereby acknowledged and confessed, and the further consideration of 44 post and 1980 feet of wire, have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey unto the said S.D.W. Low, County Judge of Washington County, Texas, of the County of Washington State of Texas all that certain tract or parcel of land, lying and being situate in Washington County, Texas, and a part of the Jas. Schrier League. Beginning at the West corner of said 6 acre grave yard tract. Thence N. 43 E. 21.6 vrs. to corner. Thence S. 47 E. 237 vrs. to corner in the S.E. line of said lot. Thence with said line S. 43 W. 21.6 vrs. to the South corner of same. Thence with the S. W. line of said 6 acre tract, N. 47 W. 237 vrs. to the beginning corner, containing an area of 9/10 of an acre of land; TO HAVE AND TO HOLD the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging unto the said S. D. W. Low, County Judge of Washington County, Texas, 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 S. D. W. Low, County Judge of Washington County, Texas, and his successors in said office, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

WITNESS our hands at Brenham, Texas, this 19th. day of May, A. D. 1928.

Ed. Roberts
his
Banks X Ware
mark
Omar Stamps
Luther Allen
his
Tom X Dever
mark
Bennie Roberts
James McGregor

THE STATE OF TEXAS)
COUNTY OF WASHINGTON)

BEFORE ME, the undersigned authority in and for Washington County, Texas, on this day personally appeared Ed. Roberts, Bennie Roberts,

Tom Dever, Omar Stamps, Banks Ware, Luther Allen and James McGregor, Trustees of the Pleasant Grove Cemetery, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 13th day of October A. D. 1928.

(SEAL)

W. B. Francis
Notary Public, Washington
County, Texas.

Filed for record at 9:00 o'clock A. M. November 12, 1928

C. B. Thompson CCGWC

Recorded at 10:12 o'clock A. M. December 14, 1928

By *[Signature]* Deputy

DEED: TRUSTEES OF THE PLEASANT GROVE METHODIST CHURCH TO WASHINGTON COUNTY.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON)

WHEREAS, Washington County, Texas, is desirous of constructing an improved road leading from Brenham to Wesley known as the Brenham-Wesley

WHEREAS, it is desired by said County to construct said road through and upon certain land now owned by us and to include in said road or the right-of-way therefor that part of such land so owned by us viz: A strip of land along the East side of our church property of such a width so that there will be 40 ft from our east line to the center line of above road from Station 304 & 55 to 306 & 55. This property is known as the Pleasant Grove Methodist Church. WHEREAS, it is thought by us that the construction of said road upon that part of our land hereinabove described would increase the value of our property; therefore, KNOW ALL MEN BY THESE PRESENTS: That we the Trustees of Pleasant Grove Methodist Church of the County of Washington and the State of Texas, in consideration of the prospective increase in value of our property by the construction of said road, and for the further consideration of the sum of \$1.00 to me in hand paid by said County, the receipt of which is hereby acknowledged, HAVE GRANTED, SOLD, and CONVEYED, and by these presents do GRANT, SELL, and CONVEY unto Washington County, Texas, all of the land hereinabove described. TO HAVE AND TO HOLD the above described land, together with all and singular, the rights and appurtenances, thereto, in any wise belonging unto Washington County, Texas, forever. It is expressly agreed and understood, however, that should said road not be constructed over and upon the land hereinabove described, this conveyance shall become null and void and the title to said land shall revert to us or our heirs or assigns.

WITNESS our hands this the 23 day of June, A. D. 1927.

Ed. Roberts
Omar Stamp
James McGregor
Luther Allen
Martin Bell

THE STATE OF TEXAS)
COUNTY OF WASHINGTON)

Before me the undersigned authority, on this day personally appeared Ed. Roberts, Omar Stamp, James McGregor, Luther Allen, Martin Bell

trustees of Pleasant Grove Methodist Church known to me to be the persons whose names subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE 23 day of June, A. D. 1927.

(SEAL)

C. A. Bracher
Deputy Dist. Clerk, Washington
Co., Texas.

Filed for record at 2:00 o'clock P. M. November 17, 1928

C. B. Thompson CCGWC

Recorded at 10:30 o'clock A. M. December 14, 1928

By *[Signature]* Deputy

DEED: W. BRINMEYER TO WASHINGTON COUNTY.

Error

THE STATE OF TEXAS)
COUNTY OF WASHINGTON)

WHEREAS, Washington County, Texas, is desirous of constructing an improved road leading from Brenham to Wesley known as the Brenham &

9/21

of land. TO HAVE AND TO HOLD the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging unto the said S. D. W. Low, County Judge of Washington County, Texas, and his successors in said office, 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 S/ D. W. Low, County Judge of Washington County, Texas, and his successors in said office, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

WITNESS our hands at Brenham, Texas, this 19th day of May, A. D. 1928.

T. R. Gunter.

Lora Gunter.

THE STATE OF TEXAS,)
COUNTY OF WASHINGTON.)

BEFORE ME, the undersigned authority in and for Washington County, Texas, on this day personally appeared T. R. Gunter, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed:

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 7 day of June, A. D. 1928.

Wm. Wendt,

Notary Public, Washington County, Texas.

Seal.

THE STATE OF TEXAS,)
COUNTY OF WASHINGTON.)

Before me, the undersigned authority in and for Washington County, Texas, on this day personally appeared Lora Gunter, wife of T. R. Gunter, known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Lora Gunter acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 7 day of June A. D. 1928.

Wm. Wendt,

Notary Public, Washington County, Texas.

Seal.

Filed at 9 o'clock A. M. Oct. 11, 1928.

Recorded at 4:30 P. M. Oct. 11, 1928.

C. B. Thompson C.C.W.C.

By *C. B. Thompson* Deputy.

WARRANTY DEED: HENRY SCHWETTMANN TO WASHINGTON COUNTY.

THE STATE OF TEXAS,)
COUNTY OF WASHINGTON.) (KNOW ALL MEN BY THESE PRESENTS:

That I, Henry Schwettmann, joined herein by my wife, Lillie Schwettmann of the County of Washington State of Texas for and in consideration of the sum of One & No/100 (\$1.00) DOLLAR to me in hand paid by S. D. W. Low, County Judge of Washington County, Texas, as follows: in cash, the receipt of which is hereby acknowledged and confessed, and the further consideration of 87 post and 3900 feet of wire, have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey unto the said S. D. W. Low, County Judge of Washington County, Texas, of the County of Washington State of Texas all that certain tract or parcel of land, lying and being situate in Washington County, Texas, and a part of the Jas. Schrier League. Beginning at

the west corner of the tract in the S. W. line of the old road. Thence N. 43 E. 60 feet or 21.6 vrs. to corner. Thence S. 48 E. 226 1/2 vrs. to corner. Thence S. 45 1/2 E. 239 1/2 vrs. to corner in N. W. line of the Wesley highway at a point 4 1/2 feet N. E. of Station post No. 283. Thence with Highway line, N. 43 W. 22 1/2 vrs. to corner in the Fred Lipscomb line. Thence with his line N. 47 W. 466 vrs. to the beginning corner, containing an area of 1.8 acres of land, about 1/2 of which being contained in the old road. 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 S. D. W. Low, County Judge of Washington County, Texas, and his successors in said office, 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 S. D. W. Low, County Judge of Washington County, Texas, and his successors in said office, against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

WITNESS our hands at Brenham, Texas, this 19th day of May, A. D. 1928.

Henry Schwettmann
Lillie Schwettmann

THE STATE OF TEXAS,)
COUNTY OF WASHINGTON.)

Before me, the undersigned authority, in and for Washington County, Texas, on this day personally appeared Henry Schwettmann, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 28 day of May, A. D. 1928.

W. B. Francis,

Seal.

Notary Public, Washington County, Texas.

THE STATE OF TEXAS,)
COUNTY OF WASHINGTON.)

Before me, the undersigned authority in and for Washington County, Texas, on this day personally appeared Lillie Schwettmann, wife of Henry Schwettmann, known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Lillie Schwettmann acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 28 day of May A. D. 1928.

W. B. Francis,

Seal.

H. P. Washington Co., Tex.

Filed for record at 9 o'clock A. M. Oct. 11, 1928.

Recorded at 4:40 P. M. Oct. 11, 1928.

C. B. Thompson, CCGWC

By *C. B. Thompson* Deputy.

WARRANTY DEED: HELEN BARANOWSKI & HUSBAND TO WASHINGTON COUNTY.

THE STATE OF TEXAS,)
COUNTY OF WASHINGTON.) KNOW ALL MEN BY THESE PRESENTS:

That I, Helen Baranowski, joined herein by my husband, Boleslaw Baranowski, of the County of Washington State of Texas for and in consideration of the sum of One & No/100 (\$1.00) DOLLAR to us in hand paid by S. D. W. Low, County Judge of Washington County, Texas, as fol-

9. MF 98476
ITEM Deal
TO _____
FROM _____
DATE 7/24/28



B.20

302

HIS LEASE AGREEMENT is made effective the 29th day of november, 19 93

PETE L. MILLER and wife, SUZANNE N. MILLER

or (whether one or more), whose address is 409 W. Tom Green, Brenham, Texas 77833

NION PACIFIC RESOURCES COMPANY, as Lessee,

address is 801 Cherry Street, Fort Worth, Texas 76102. All printed provisions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

Description. Lessor, in consideration of Ten and no/100 and other valuable consideration Dollars (\$ 10.00), in hand paid,

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

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

WASHINGTON County, Texas, to-wit:

0.47 acres of land, more or less, in the James Schrier Survey, A-98, Washington County, Texas and being described in a Warranty Deed dated January 14, 1973 from Edward R. Hoffman to Pete L. Miller et ux, Suzanne N. Miller and recorded in VOLUME 317, PAGE 103 of the Deed records of Washington County, Texas.

See EXHIBIT A, attached to and made a part of this Lease, for added clauses 12, 13, 14 and 15.

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 supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals or royalties hereunder, said land shall be deemed to be comprised of 9.147 acres, whether it actually comprises more or less.

Term of Lease. This lease shall be in force for a primary term of three (3) years from the effective date hereof, and for as long thereafter as a covered well is produced in paying quantities from the leased premises or this lease is otherwise maintained in effect pursuant to the provisions hereof.

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 the wellhead separator facilities, the royalty shall be 1/6 of such production, to be delivered at Lessee's option to Lessor at the wellhead or to 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 oil 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 1/6 of the net proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes, production, severance, or other excise taxes, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price 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) as 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 otherwise 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. 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 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 and Lessor's royalty shall be computed after deducting any so used.

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 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 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 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 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.

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 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 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 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%; provided that larger units may be formed 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 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 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, 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 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 which have a well producing or capable of producing oil or gas in paying quantities has theretofore been completed, or upon which operations have theretofore been conducted. 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 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 purposes of royalty (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 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 the creation of a pooled unit 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 leased premises (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 in 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 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 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

TXL- 60500 (2) cae

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 to 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 thereupon 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 cancelled 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 principal - 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 #

Pete L. Miller
Pete L. Miller SS#: [REDACTED]

LESSOR:

Suzanne N. Miller
Suzanne N. Miller SS#: [REDACTED]

STATE OF TEXAS)
COUNTY OF WASHINGTON) ss.

This instrument was acknowledged before me this 7th day of December, 19 93, by Pete L. Miller and wife, Suzanne N. Miller

Kenna Beck
Notary Public KENNA BECK

My Commission Expires:
7-19-93



STATE OF _____)
COUNTY OF _____) ss.

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

My Commission Expires:

Notary Public

EXHIBIT A

Attached to and made a part of that certain Oil, Gas and Mineral Lease, dated 11-29-93 from PETE L. MILLER and wife, SUZANNE N. MILLER Lessors, to UNION PACIFIC RESOURCES COMPANY, Lessee.

12. It is expressly understood that there is excepted and reserved from the provisions of this lease and accordingly not covered hereby, the production of coal, lignite and other surface minerals in and under said property.

13. Should Lessor's land suffer damages to livestock, trees, water, fences, roads, buildings or other improvements as a result of operations of Lessee under this lease, Lessee agrees to pay Lessor the actual amount of the loss. Lessee further agrees to fill and level all pits so as to return the surface to its original condition as nearly as practical, within a reasonable length of time after the abandonment of the use of such pits.

14. 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 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 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 Lessor free and clear of the terms of this lease, with exception that in the event Lessee is, at the end of the primary term, engaged in drilling a well on the land herein leased, 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.

15. Lessee is hereby given the option to extend the primary term of this lease as to all or a portion of the leased acreage for an additional two (2) years from the expiration of the original primary term. This option may be exercised by Lessee at any time during the last year of the original primary term by paying the sum of thirty dollars (\$30.00) per net mineral acre to Lessor or to Lessor's credit in any depository named in this lease. This payment shall be based on the number of net mineral acres on which Lessee desires to exercise this option, and all of the provisions of this lease relating to payment of shut-in royalties shall apply equally to this payment including, but not limited to, the provisions regarding changes in ownership. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of five (5) years. In the event this lease is being maintained by any provision hereof at the expiration of the original primary term, Lessee shall have a period of thirty (30) days from the date this lease ceases to be so maintained within which to exercise this option.

SIGNED FOR IDENTIFICATION:

Pete L. Miller
Pete L. Miller

Suzanne N. Miller
Suzanne N. Miller

FILED
AT 4:15 P.M.
JAN 14 1984
Gertrude Lehmann
GERTRUDE 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

JAN 19 1984



Gertrude Lehmann
Gertrude Lehmann, County Clerk
Washington County, Texas

2

6544

OIL, GAS AND MINERAL LEASE

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

MARYA McLEAN INGRAM, a single woman

Lessor (whether one or more), whose address is: 2729 Essex Terrace, Houston, Texas 77027

and WESTERN STATES LAND SERVICES, INC., 5949 Sherry Lane, Suite 755, Dallas, Texas 75225, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and no/100 and other valuable consideration ----- Dollars

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

Washington County, Texas, to-wit:

57.5 acres of land, more or less, in the James Schrier Survey, A-98, Washington County, Texas and described in a Warranty Deed dated December 19, 1973 from Dix R. Turnbow and Robert D. McLeod to Mary McLean Ingram and recorded in VOLUME 325, PAGE 379 of the Deed Records of Washington County, Texas.

See EXHIBIT "A" attached to and made a part of this Lease, for added clauses 11, 12, 13, 14 and 15.

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

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

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

this lease if the wells were producing, and may be deposited in the Direct

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

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

TXI-60320 cac

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

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

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

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

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

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

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

Gloria N. Beaver
Louann C. Gallagher

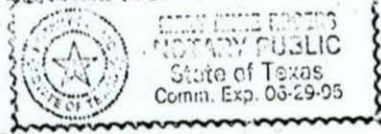
Marie McLean Ingram
MARIA McLEAN INGRAM, a single woman
SS#: [REDACTED]

STATE OF TEXAS
COUNTY OF HARRIS

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 28th day of September, 1995, by MARIA McLEAN INGRAM, a single woman

Mary Anne Rogers
Notary Public, State of Texas
Notary's name (printed): MARY ANNE ROGERS
Notary's commission expires: 6-29-95



STATE OF
COUNTY OF

ACKNOWLEDGMENT

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

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

RECORDER'S MEMORANDUM
ALL OR PART OF THE TEXT ON THIS PAGE WAS BLURRED, DEFACED, CUT OFF OR NOT LEGIBLE FOR SATISFACTORY RECORDATION.

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

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

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

Oil, Gas and Mineral Lease
FROM _____ TO _____
Dated _____, 19____
No. Acres _____ County, Texas _____
Term _____
This instrument is to be recorded on the _____ day of _____, 19____, at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office.
By _____ County Clerk
Deputy _____
When recorded return to _____
Producers 88 (4/76) Revised Paid Up With 640 Acres Pooling Provision
SP-000-011
POUND PRINTING & STATIONERY COMPANY
2325 Fannin, Houston, Texas 77002 (713) 659-3159

EXHIBIT A

Attached to and made a part of that certain OIL, GAS and MINERAL LEASE dated 9-4-1993 from Marya McLean Ingram, a single woman, Lessor, to Western States Land Services, Inc., Lessee.

11. Notwithstanding anything in this lease to the contrary, royalty on oil and gas shall be one-sixth (1/6) of the oil and gas produced under the terms of this lease and wherever in Paragraph 3 of this lease the fraction one-eighth (1/8) appears, same shall be determined to read one-sixth (1/6).

12. It is expressly understood that there is excepted and reserved from the provisions of this lease and accordingly not covered hereby, the production of coal, lignite and other surface minerals in and under said property.

13. Notwithstanding anything contained herein to the contrary, it is understood and agreed that the Lessee will not conduct any operations whatsoever on the surface of the land described herein without the express written consent of the Lessor, and the Lessor does hereby release Lessee from any obligation contained herein, either expressed or implied, ever to drill or otherwise use the surface of said land for any such purpose; it being contemplated that the development of the minerals hereunder may be accomplished by pooling the same with other land, lease or leases in the immediate vicinity thereof as herein provided, or by directional drilling methods from a surface location on another tract. Nothing contained herein shall deprive Lessee of its right to directionally drill beneath said land from a surface location on another tract, and Lessee is hereby granted the right to drill a directional hole under said lands, to be bottomed under said lands or other lands.

14. 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 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 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 Lessor free and clear of the terms of this lease, with exception that in the event Lessee is, at the end of the primary term, engaged in drilling a well on the land herein leased, 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.

15. Lessee is hereby given the option to extend the primary terms of this lease as to all or a portion of the leased acreage for an additional two (2) years from the expiration of the original primary term. This option may be exercised by Lessee at any time during the last year of the original primary term by paying the sum of twenty-five dollars (\$25.00) per net mineral acre to Lessor or to Lessor's credit in any depository named in this lease. This payment shall be based on the number of net mineral acres on which Lessee desires to exercise this option, and all of the provisions of this lease relating to payment of shut-in royalties shall apply equally to this payment, including, but not limited to, the provisions regarding changes in ownership. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of five (5) years. In the event this lease is being maintained by any provision hereof at the expiration of the original primary term, Lessee shall have a period of thirty (30) days from the date this lease ceases to be so maintained within which to exercise this option.

SIGNED FOR IDENTIFICATION:

Marya McLean Ingram
Marya McLean Ingram

FILED
AT 12:00 P.M.
NOV 12 1993
Gertrude Lehrmann
GERTRUDE 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



NOV 17 1993
Gertrude Lehrmann
Gertrude Lehrmann, County Clerk
Washington County, Texas

MEMORANDUM OF OIL AND GAS LEASE

3197

THIS AGREEMENT, made and entered into this 7th day of March, 1994 by and between Genevieve Rybarski, a widow, hereinafter called "LESSOR" whose address is Rt. 3, Box 116, Brenham, Texas 77833 and UNION PACIFIC RESOURCES COMPANY, hereinafter called "LESSEE" whose address is 801 Cherry Street, Fort Worth, Texas 76102;

WITNESSETH:

That Lessor, for a valuable consideration and in consideration of the covenants of the Lessee set forth in that certain Oil and Gas lease made and entered into this day by and between the parties hereto covering the land hereinafter described, does hereby grant, lease and let exclusively unto said Lessee for the purposes of exploring, drilling, operating for and producing oil, gas and associated hydrocarbon substances from all that certain land (Leased Premises) situated in the County of Washington, State of Texas, and more particularly described as follows:

5.04 acres of land, more or less, situated in the JAMES SCHRIER LEAGUE, ABSTRACT NO. 98, Washington County, Texas and being the same land described in that certain deed dated October 4, 1966 from John Horak, et ux, to Marion Rybarski as recorded in Volume 267, Page 464 of the Deed Records of Washington County, Texas.

The lease is for a term of three (3) years from the above date with an option to extend said lease for two (2) years, and so long thereafter as oil or gas is being produced in paying quantities from the Leased premises, or land pooled therewith, or so long thereafter as drilling, deepening or reworking operations for the production of oil or gas are being conducted thereon, as therein provided.

Reference is hereby made to executed copies of said Oil and Gas Lease in possession of Lessor and Lessee, respectively, for all provisions thereof, and by this reference same are incorporated herein and made a part hereof in all respects as though fully set forth herein.

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

[Redacted] Social Security Number

Genevieve Rybarski
Genevieve Rybarski

STATE OF TEXAS

COUNTY OF WASHINGTON

This instrument was acknowledged before me on the 7th day of March, 1994, by Genevieve Rybarski.



Jay L. Hill
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

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 11 1994
Gertrude Lehmann
Gertrude Lehmann, County Clerk
Washington County, Texas

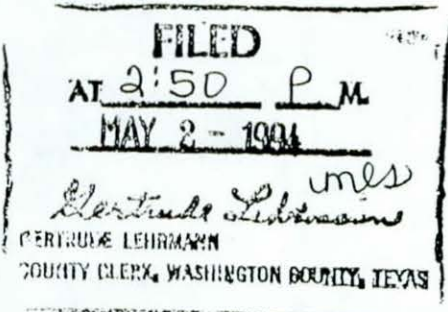


EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED MARCH 7, 1994 BY AND BETWEEN GENEVIEVE RYBARSKI, A WIDOW , AS LESSOR(S) AND UNION PACIFIC RESOURCES COMPANY, AS LESSEE.

12. It is expressly understood that there is excepted and reserved from the provisions of this lease and accordingly not covered hereby, the production of coal, lignite and other surface minerals in and under said property.

13. Should Lessor's land suffer damages to livestock, trees, water, fences, roads, buildings or other improvements as a result of operations of Lessee under this lease, Lessee agrees to pay Lessor the actual amount of loss. Lessee further agrees to fill and level all pits so as to return the surface to its original condition as nearly as practical, within a reasonable length of time after the abandonment of the use of such pits.

14. 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 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 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 Lessor free and clear of the terms of this lease, with exception that in the event Lessee is, at the end of the primary term, engaged in drilling a well on the land herein leased, 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.

15. Lessee is hereby given the option to extend the primary term of this lease as to all or a portion of the leased acreage for an additional two (2) years from the expiration of the original primary term. This option may be exercised by Lessee at any time during the last year of the original primary term by paying the sum of Twenty-Five Dollars (\$25.00) per net mineral acre to Lessor or to Lessor's credit in any depository named in this lease. This payment shall be based upon the number of net mineral acres on which Lessee desires to exercise this option, and all of the provisions of this lease relating to the payment of shut-in royalties shall apply equally to this payment including, but not limited to, the provisions regarding changes in ownership. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of five (5) years. In the event this lease is being maintained by any provision hereof at the expiration of the original primary term, Lessee shall have a period of thirty (30) days from the date this lease ceases to be so maintained within which to exercise this option.

SIGNED FOR IDENTIFICATION:

Genevieve Rybarski
Genevieve Rybarski

DATE: 3-7-94

5

MEMORANDUM OF OIL, GAS AND MINERAL LEASE

1541

THE STATE OF TEXAS
COUNTY OF WASHINGTON

KNOW ALL MEN BY THESE PRESENTS:

That ROBERT H. WILHELMSSEN, JR. AND ELLEN J. WILHELMSSEN, TRUSTEES UNDER THE ROBERT H. WILHELMSSEN, JR. AND ELLEN J. WILHELMSSEN INTER VIVOS TRUST DATED JUNE 25, 1992, hereinafter called "Lessor", whose address is Rt. 3, Box 89, Brenham, Texas 77833, and UNION PACIFIC RESOURCES COMPANY, whose address is P. O. Box 7, Fort Worth, Texas 76101-0007, hereinafter called "Lessee", hereby acknowledge and give notice that Lessor has executed and delivered to Lessee an Oil, Gas and Mineral Lease under date of December 14, 1994, under the terms of which Lessor has granted, leased and let exclusively unto Lessee for the purpose of exploring for, developing, producing oil, gas and other minerals, all the following described land in Washington County, Texas, to wit:

10.00 acres of land, more or less, out of James Schrier Survey, A-98, Washington County, Texas, and being that same land as described in Warranty Deed dated July 15, 1992, from Robert H. Wilhelmsen, Jr. and Wife, Ellen J. Wilhelmsen to Robert H. Wilhelmsen, Jr. and Ellen J. Wilhelmsen, Trustees under the Robert H. Wilhelmsen, Jr. and Ellen J. Wilhelmsen Inter Vivos Trust Dated June 25, 1992, recorded in Volume 677, Page 48, Deed Records, Washington County, Texas.

Said Oil, Gas and Mineral Lease has been executed and acknowledged by Lessor and provides for a primary term of three (3) years from December 14, 1994, and as long thereafter as oil, gas or other minerals covered thereby are produced from the Leased Premises or from land with which the Leased Premises is pooled in paying quantities, or said lease is maintained in force in any other manner therein provided, subject to all the exceptions, reservations, terms, conditions, and provisions as set forth therein. Both Lessor and Lessee has possession of a fully executed copy of said Oil, Gas and Mineral Lease dated December 14, 1994.

The purpose of this Memorandum is to evidence the existence of said Oil, Gas and Mineral Lease and the Memorandum is given in lieu of filing said Oil, Gas and Mineral Lease in full for record in the Official Records of Washington County, Texas, so as to avoid unduly encumbering such records.

IN WITNESS WHEREOF, this instrument is executed this the 13 day of January, 1995, TO BE EFFECTIVE HOWEVER, AS OF DECEMBER 14, 1994.

LESSOR:

ROBERT H. WILHELMSSEN, JR. AND ELLEN J. WILHELMSSEN
INTER VIVOS TRUST DATED JUNE 25, 1992

By Robert H. Wilhelmsen, Jr. Trustee
ROBERT H. WILHELMSSEN, JR. TRUSTEE

By Ellen J. Wilhelmsen Trustee
ELLEN J. WILHELMSSEN, TRUSTEE

LESSEE:

UNION PACIFIC RESOURCES COMPANY

By Wesley D Coffman
Agent and Attorney-in-Fact

THE STATE OF TEXAS §
COUNTY OF WASHINGTON §

This instrument was acknowledged before me this 13 day of January, 1995, by ROBERT H. WILHELMSSEN, JR. AND ELLEN J. WILHELMSSEN, TRUSTEES OF THE ROBERT H. WILHELMSSEN, JR. AND ELLEN J. WILHELMSSEN INTER VIVOS TRUST DATED JUNE 25, 1992, AND IN THE CAPACITY THEREIN STATED.



[Signature]
NOTARY PUBLIC in and for
The State of Texas

My Commission Expires:

THE STATE OF TEXAS §
COUNTY OF TARRANT §

This instrument was acknowledged before me this 15th day of February, 1995, by Wesley D. Calman, Agent and Attorney-in-Fact for Union Pacific Resources Company.



[Signature]
NOTARY PUBLIC in and for
The State of Texas

My Commission Expires:

FILED
AT 8:50 A.M.
FEB 27 1995 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 **FEB 28 1995**



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

13,00

OIL, GAS AND MINERAL LEASE

547

THIS AGREEMENT made this 15th day of October 1993, between

JONELL FORMAN et vir, GERALD G. FORMAN

Lessor (whether one or more), whose address is: 2016 Shadow Lane, Richmond, Texas 77469

and WESTERN STATES LAND SERVICES, INC., 5949 Sherry Lane, Suite 755, Dallas, Texas 75225, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and no/100 and other valuable consideration Dollars
(\$ 10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto

Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take

care of, treat, transport and own said products, and housing its employees, the following described land in Washington County, Texas, to-wit:

36.38 acres of land, more or less, in the James Schrier Survey, A-98, Washington County, Texas and being described in a Warranty Deed dated May 18, 1962 from J. D. Bassel et ux, Edna Bassel to Julia Jonell Estep, a feme sole, and recorded in VOLUME 240, PAGE 361 of the Deed REcords of Washington County, Texas.

See EXHIBIT A, attached to and made a part of this Lease for added clauses 11, 12, 13, 14, 15 and 16.

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

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

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

this lease if the wells were producing, and may be deposited in the First Heights Bank, 1202 Jackson

Bank at Richmond, Texas 77469

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

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

TYI-60369 *cc* *EM*

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

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

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

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

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

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

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

JONELL FORMAN
SS#: [REDACTED]

GERALD G. FORMAN
SS#: [REDACTED]

STATE OF TEXAS
COUNTY OF Ft. Bend

This instrument was acknowledged before me on the 25th day of October, 1993, by JONELL FORMAN et vir, GERALD G. FORMAN

ACKNOWLEDGMENT



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

STATE OF
COUNTY OF

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

ACKNOWLEDGMENT

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

STATE OF
COUNTY OF

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

CORPORATE ACKNOWLEDGMENT

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

Produced by BE (4-76) Revised Paid Up
W.C. 1001 Acres Picking Provision

Oil, Gas and Mineral Lease

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

FOUND PRINTING & STATIONERY COMPANY
2323 Fannin, Houston, Texas 77002 (713) 698-3159

Attached to and made a part of that certain OIL,
GAS and MINERAL LEASE dated 10-15-1993 from
Jonell Forman et vir, Gerald G. Forman
Lessor(s) to WESTERN STATES LAND SERVICES, INC.,
Lessee.

11. Notwithstanding anything in this lease to the contrary, royalty on oil and gas shall be one-sixth (1/6) of the oil and gas produced under the terms of this lease and wherever in Paragraph 3 of this lease the fraction one-eighth (1/8) appears, same shall be determined to read one-sixth (1/6).
12. It is expressly understood that there is excepted and reserved from the provisions of this lease and accordingly not covered hereby, the production of coal, lignite and other surface minerals in and under said property.
13. Should Lessor's land suffer damages to livestock, trees, water, fences, roads, buildings or other improvements as a result of operations of Lessee under this lease, Lessee agrees to pay Lessor the actual amount of the loss. Lessee further agrees to fill and level all pits so as to return the surface to its original condition as nearly as practical, within a reasonable length of time after the abandonment of the use of such pits.
14. 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 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 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 Lessor free and clear of the terms of this lease, with exception that in the event Lessee is, at the end of the primary term, engaged in drilling a well on the land herein leased, 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.
15. Lessee is hereby given the option to extend the primary terms of this lease as to all or a portion of the leased acreage for an additional two (2) years from the expiration of the original primary term. This option may be exercised by Lessee at any time during the last year of the original primary term by paying the sum of twenty-five dollars (\$25.00) per net mineral acre to Lessor or to Lessor's credit in any depository named in this lease. This payment shall be based on the number of net mineral acres on which Lessee desires to exercise this option, and all of the provisions of this lease relating to payment of shut-in royalties shall apply equally to this payment, including, but not limited to, the provisions regarding changes in ownership. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of five (5) years. In the event this lease is being maintained by any provision hereof at the expiration of the original primary term, Lessee shall have a period of thirty (30) days from the date this lease ceases to be so maintained within which to exercise this option.
16. Notwithstanding anything herein to the contrary, no well can be located closer than four hundred (400) feet of a residence or barn now on said land without Lessor's written permission.

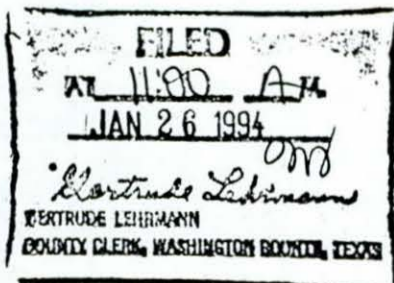
SIGNED FOR IDENTIFICATION:

Jonell Forman

JONELL FORMAN

Gerald G. Forman

GERALD G. FORMAN



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



FEB 02 1994
Gertrude Lehmann
Gertrude Lehmann, County Clerk
Washington County, Texas

7

6541

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 27th day of September, 1993, between

A. Q. PLUMER, Individually and as Independent Executor and Trustee
under the Will of Betty Cantrell Plummer, deceased

Lessor (whether one or more), whose address is: Post Office Box 671, Brenham, Texas 77833

and WESTERN STATES LAND SERVICES, INC., 5949 Sherry Lane, Suite 755, Dallas, Texas 75225, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and no/100 and other valuable consideration Dollars

10.00, in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto

Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take

care of, treat, transport and own said products, and housing its employees, the following described land in

WASHINGTON County, Texas, to-wit:

57.056 acres of land, more or less, in the James Schrier Survey, A-98, Washington County, Texas and being described in the following two tracts:

TRACT ONE: 37.346 acres of land, more or less, described in a Contract of Sale and Purchase dated February 23, 1963 from the Veteran's Land Board of Texas to A.Q.Plummer and recorded in VOLUME 245, PAGE 555 of the Deed Records of Washington County, Texas.

TRACT TWO: 19.71 acres of land, more or less, described in a Warranty Deed dated August 29, 1986 from John Cantrell Plummer et al to A.Q.Plummer and recorded in VOLUME 548, PAGE 366 of the Deed Records of Washington County, Texas.

for a total of 57.056 acres of land in this lease.

See EXHIBIT A, attached to and made a part of this lease,
for added clauses 11, 12, 13, 14, 15, 16 and 17.

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

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

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

this lease if the wells were producing, and may be deposited in the Channelview Bank, P.O. Box 2608, Brenham, Texas

Bank at Account NO. [REDACTED] or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

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

TXI- 60316 caew

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

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

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

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

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

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

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

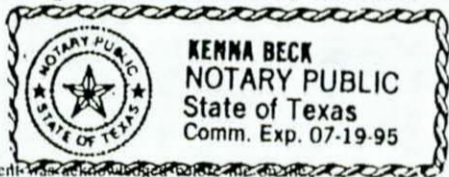
A.Q. Plummer
A.Q. PLUMMER, Ind. & as Indep. Ex & Trustee under
the Will of Betty Cantrell Plummer, deceased

S.S.#: [REDACTED]

STATE OF TEXAS
COUNTY OF WASHINGTON

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 11th day of October, 1993.
by A. Q. PLUMMER, Individually & as Independent Executor and Trustee under the Will of Betty Cantrell Plummer, deceased



Kenna Beck
Notary Public, State of Texas
Notary's name (printed): KENNA BECK
Notary's commission expires: 7-19-95

ACKNOWLEDGMENT

STATE OF
COUNTY OF

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

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

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

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

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

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

Attached to and made a part of that certain OIL,
GAS and MINERAL LEASE dated 9-27-1993 from
A. Q. PLUMMER
Lessor(s) to WESTERN STATES LAND SERVICES, INC.,
Lessee.

11. Notwithstanding anything in this lease to the contrary, royalty on oil and gas shall be one-sixth (1/6) of the oil and gas produced under the terms of this lease and wherever in Paragraph 3 of this lease the fraction one-eighth (1/8) appears, same shall be determined to read one-sixth (1/6).

12. It is expressly understood that there is excepted and reserved from the provisions of this lease and accordingly not covered hereby, the production of coal, lignite and other surface minerals in and under said property.

13. Should Lessor's land suffer damages to livestock, trees, water, fences, roads, buildings or other improvements as a result of operations of Lessee under this lease, Lessee agrees to pay Lessor the actual amount of the loss. Lessee further agrees to fill and level all pits so as to return the surface to its original condition as nearly as practical, within a reasonable length of time after the abandonment of the use of such pits.

14. 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 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 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 Lessor free and clear of the terms of this lease, with exception that in the event Lessee is, at the end of the primary term, engaged in drilling a well on the land herein leased, 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.

15. Lessee is hereby given the option to extend the primary terms of this lease as to all or a portion of the leased acreage for an additional two (2) years from the expiration of the original primary term. This option may be exercised by Lessee at any time during the last year of the original primary term by paying the sum of twenty-five dollars (\$25.00) per net mineral acre to Lessor or to Lessor's credit in any depository named in this lease. This payment shall be based on the number of net mineral acres on which Lessee desires to exercise this option, and all of the provisions of this lease relating to payment of shut-in royalties shall apply equally to this payment, including, but not limited to, the provisions regarding changes in ownership. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of five (5) years. In the event this lease is being maintained by any provision hereof at the expiration of the original primary term, Lessee shall have a period of thirty (30) days from the date this lease ceases to be so maintained within which to exercise this option.

16. Notwithstanding anything herein to the contrary, no well can be located closer than four hundred (400) feet of a residence or barn now on said land without Lessor's written permission.

17. This clause applies only to the 37.346 acre tract described herein as TRACT ONE.. Notwithstanding anything contained herein to the contrary, it is understood and agreed that the Lessee will not conduct any operations whatsoever on the surface of the land described on TRACT ONE without the express written consent of the Lessor, and the Lessor does hereby release Lessee from any obligation contained herein, either expressed or implied, ever to drill or otherwise use the surface of said land for any such purpose; it being contemplated that the development of the minerals hereunder may be accomplished by pooling the same with other land, lease or leases in the immediate vicinity thereof as herein provided, or by directional drilling methods from a surface location on another tract. Nothing contained herein shall deprive Lessee of its right to directionally drill beneath said land from a surface location on another tract, and Lessee is hereby granted the right to drill a directional hole under said lands, to be bottomed under said lands or other lands.

SIGNED FOR IDENTIFICATION:

A. Q. Plummer

A. Q. PLUMMER, Individually & as Indep. Exec. & Trustee
under the Will of Betty Cantrell Plummer, deceased

8

OIL, GAS & MINERAL LEASE

541 13.00

PROD 88 (REV 6/93) PAID UP

THIS LEASE AGREEMENT is made effective the 4th day of November, 1993

between LUECKEMEYER ENTERPRISES, INC., a Texas Corporation, represented herein by Odell Lueckemeyer, President

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 2005 Kirk Drive, Brenham, Texas 77833

address is 801 Cherry Street, Fort Worth, Texas 76102. All printed provisions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

Description, Lessor, in consideration of Ten and no/100 and other valuable consideration----- Dollars (\$ 10.00), in hand paid,

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

WASHINGTON County, Texas, to-wit: 43.58 acres of land, more or less, in the James Schrier Survey, A-98, Washington County, Texas and being described in a as TRACT TWO in a Warranty Deed dated December 29, 1976 from Odell Lueckemeyer et ux, Willie Mae Lueckemeyer, to Lueckemeyer Enterprises, Inc. and recorded in VOLUME 350, PAGE 757 of the Deed Records of Washington County, Texas.

See EXHIBIT A, attached to and made a part of this Lease, for added clauses 12, 13, 14 and 15.

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 shut-in royalties hereunder, said land shall be deemed to be comprised of 43.58 acres, whether it actually comprises more or less.

2. Term of Lease. This lease shall be in force for a primary term of three (3) 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 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 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 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 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 derived, 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 case 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 on 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 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 15%, 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 continuing 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

TXL- 61005 cal EH

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 to 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 thereupon 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 cancelled 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 principal - 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 #

LESSOR:

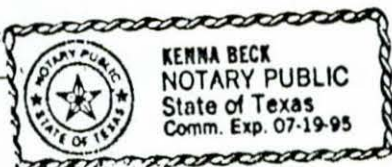
Willie Mae Lueckemeyer
Attest: Willie Mae Lueckemeyer, Secretary

Odell Lueckemeyer
Lueckemeyer Enterprises, Inc., represented herein by Odell Lueckemeyer, President

STATE OF TEXAS)
COUNTY OF WASHINGTON) ss.

This instrument was acknowledged before me this 1 day of December, 19 93, by Lueckemeyer Enterprises, Inc., represented herein by Odell Lueckemeyer, President and Willie Mae, Secretary Lueckemeyer and Kenna Beck
Notary Public KENNA BECK

My Commission Expires: 7-19-93



STATE OF _____)
COUNTY OF _____) ss.

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

My Commission Expires: _____

Notary Public _____

EXHIBIT A

Attached to and made a part of that certain Oil, Gas and Mineral Lease, dated 11-04-93 from LUECKEMEYER ENTERPRISES, INC., a Texas Corporation, represented herein by Odell Lueckemeyer, President. Lessors, to UNION PACIFIC RESOURCES COMPANY, Lessee.

12. It is expressly understood that there is excepted and reserved from the provisions of this lease and accordingly not covered hereby, the production of coal, lignite and other surface minerals in and under said property.

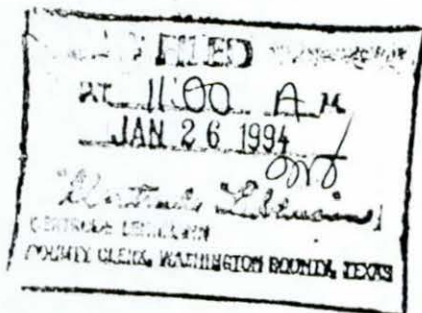
13. Should Lessor's land suffer damages to livestock, trees, water, fences, roads, buildings or other improvements as a result of operations of Lessee under this lease, Lessee agrees to pay Lessor the actual amount of the loss. Lessee further agrees to fill and level all pits so as to return the surface to its original condition as nearly as practical, within a reasonable length of time after the abandonment of the use of such pits.

14. 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 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 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 Lessor free and clear of the terms of this lease, with exception that in the event Lessee is, at the end of the primary term, engaged in drilling a well on the land herein leased, 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.

15. Lessee is hereby given the option to extend the primary term of this lease as to all or a portion of the leased acreage for an additional two (2) years from the expiration of the original primary term. This option may be exercised by Lessee at any time during the last year of the original primary term by paying the sum of thirty dollars (\$30.00) per net mineral acre to Lessor or to Lessor's credit in any depository named in this lease. This payment shall be based on the number of net mineral acres on which Lessee desires to exercise this option, and all of the provisions of this lease relating to payment of shut-in royalties shall apply equally to this payment including, but not limited to, the provisions regarding changes in ownership. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of five (5) years. In the event this lease is being maintained by any provision hereof at the expiration of the original primary term, Lessee shall have a period of thirty (30) days from the date this lease ceases to be so maintained within which to exercise this option.

SIGNED FOR IDENTIFICATION:

Odell Lueckemeyer
lueckemeyer enterprises, Inc., a Texas Corporation,
represented herein by Odell Lueckemeyer, President



STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on this 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



FEB 02 1994
Gertrude Lehmann
Gertrude Lehmann, County Clerk
Washington County, Texas

9

6573

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 12th day of August, 1993, between
CLAMENS TIEMANN and wife, ORA NELL TIEMANN

Lessor (whether one or more), whose address is: Route 3, Box 84, Brenham, Texas 77833
and WESTERN STATES LAND SERVICES, INC., 5949 Sherry Lane, Ste 755, Dallas, TX 75225, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and no/100 and other valuable considerations----- Dollars

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

care of, treat, transport and own said products, and housing its employees, the following described land in Washington County, Texas, to-wit:

See EXHIBITS A and B attached to and made a part of this lease. EXHIBIT A having the added clauses 11, 12, 13, 14, and 15 and EXHIBIT B having the description of the 8 tracts of land, for a total of 440,028 acres in this lease.

O.N.T.
@ J.

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

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

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

this lease if the wells were producing, and may be deposited in the Brenham National Bank

Bank at Brenham, Texas 77833 or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

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

102... AE ✓

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

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

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

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

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

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

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

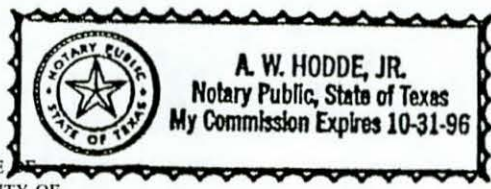
Clamens Tiemann
CLAMENS TIEMANN
SS# [REDACTED]

Ora Nell Tiemann
ORA NELL TIEMANN
SB# [REDACTED]

STATE OF TEXAS
COUNTY OF Washington

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 17th day of August, 19 93, by CLAMENS TIEMANN and wife, ORA NELL TIEMANN



A. W. Hodde Jr.
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

STATE
COUNTY OF

ACKNOWLEDGMENT

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

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

STATE OF
COUNTY OF

CORPORATE ACKNOWLEDGMENT

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

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

Producers 88 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

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

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

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED AUGUST 12, 1993 BY AND BETWEEN CLAMENS TIEMANN and wife, ORA NELL TIEMANN, AS LESSOR(S) AND WESTERN STATES LAND SERVICES, INC., AS LESSEE.

11. NOTWITHSTANDING ANYTHING IN THIS LEASE TO THE CONTRARY, ROYALTY ON OIL AND GAS SHALL BE ONE -SIXTH (1/6) OF THE OIL AND GAS PRODUCED UNDER THE TERMS OF THIS LEASE, AND WHEREVER IN PARAGRAPH 3 OF THIS LEASE THE FRACTION ONE-EIGHTH (1/8) APPEARS, SAME SHALL BE DETERMINED TO READ ONE-SIXTH (1/6).

12. IT IS EXPRESSLY UNDERSTOOD THAT THERE IS EXCEPTED AND RESERVED FROM THE PROVISIONS OF THIS LEASE AND ACCORDINGLY NOT COVERED HEREBY, THE PRODUCTION OF COAL, LIGNITE AND OTHER SURFACE MINERALS IN AND UNDER SAID PROPERTY.

13. SHOULD LESSOR'S LAND SUFFER DAMAGES TO LIVESTOCK, TREES, WATER, FENCES, ROADS, BUILDINGS OR OTHER IMPROVEMENTS AS A RESULT OF OPERATIONS OF LESSEE UNDER THIS LEASE, LESSEE AGREES TO PAY LESSOR THE ACTUAL AMOUNT OF LOSS. LESSEE FURTHER AGREES TO FILL AND LEVEL ALL PITS SO AS TO RETURN THE SURFACE TO ITS ORIGINAL CONDITION AS NEARLY AS PRACTICAL, WITHIN A REASONABLE LENGTH OF TIME AFTER THE ABANDONMENT OF THE USE OF SUCH PITS.

14. IF AT THE END OF THE PRIMARY TERM OF THIS LEASE, ^{ONT.} A PORTION OR PORTIONS OF THE LAND HEREIN LEASED IS POOLED OR UNITIZED 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 LESSOR FREE AND CLEAR OF THE TERMS OF THIS LEASE, WITH EXCEPTION THAT IN THE EVENT LESSEE IS, AT THE END OF THE PRIMARY TERM, ENGAGED IN DRILLING A WELL ON THE LAND HEREIN LEASED, 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. ^{CT}

15. LESSEE IS HEREBY GIVEN THE OPTION TO EXTEND THE PRIMARY TERM OF THIS LEASE AS TO ALL OR A PORTION OF THE LEASED ACREAGE FOR AN ADDITIONAL TWO (2) YEARS FROM THE EXPIRATION OF THE ORIGINAL PRIMARY TERM. THIS OPTION MAY BE EXERCISED BY LESSEE AT ANY TIME DURING THE LAST YEAR OF THE ORIGINAL PRIMARY TERM BY PAYING THE SUM OF TWENTY-FIVE DOLLARS (\$25.00) PER NET MINERAL ACRE TO LESSOR OR TO LESSOR'S CREDIT IN ANY DEPOSITORY NAMED IN THIS LEASE. THIS PAYMENT SHALL BE BASED UPON THE NUMBER OF NET MINERAL ACRES ON WHICH LESSEE DESIRES TO EXERCISE THIS OPTION, AND ALL OF THE PROVISIONS OF THIS LEASE RELATING TO THE PAYMENT OF SHUT-IN ROYALTIES SHALL APPLY EQUALLY TO THIS PAYMENT INCLUDING, BUT NOT LIMITED TO, THE PROVISIONS REGARDING CHANGES IN OWNERSHIP. SHOULD THIS OPTION BE EXERCISED AS HEREIN PROVIDED, IT SHALL BE CONSIDERED FOR ALL PURPOSES AS THOUGH THIS LEASE ORIGINALLY PROVIDED FOR A PRIMARY TERM OF FIVE (5) YEARS. IN THE EVENT THIS LEASE IS BEING MAINTAINED BY ANY PROVISION HEREOF AT THE EXPIRATION OF THE ORIGINAL PRIMARY TERM, LESSEE SHALL HAVE A PERIOD OF THIRTY (30) DAYS FROM THE DATE THIS LEASE CEASES TO BE SO MAINTAINED WITHIN WHICH TO EXERCISE THIS OPTION.

SIGNED FOR IDENTIFICATION:

Clamens Tiemann
CLAMENS TIEMANN

Ora Nell Tiemann
ORA NELL TIEMANN

DATE: August 17, 1993

Attached to and made a part of that certain OIL, GAS AND MINERAL LEASE dated August 12, 1993 by and between CLAMENS TIEMANN and wife, ORA NELL TIEMANN, Lessors and WESTERN STATES LAND SERVICES, INC., Lessee.

440.028 acres, more or less, in the Harmon Hensley Survey, A-59 and the James Schrier Survey, A-98, Washington County, Texas, being composed of eight Tracts (8), as follows:

TRACT 1: 113.688 acres, more or less, in the H. Hensley Survey, A-59, Washington County, Texas, being the same land described as a 117.75 acre tract in that certain Deed dated March 8, 1952 from Joseph Kwiatkowski et al to Clamens Tiemann, recorded in VOLUME 186, PAGE 329 of the Deed Records of Washington County, Texas,

SAVE AND EXCEPT: 4.062 acres, more or less, in the H. Hensley Survey, A-59, Washington County, Texas, described in a Warranty Deed dated April 17, 1984 from Clamens Tiemann to A. G. McNeese, Jr. and recorded in VOLUME 471, PAGE 501 of the Deed Records of Washington County, Texas

leaving 113.688 acres, more or less in this tract.

TRACT 2: 4.062 acres, more or less, in the H. Hensley Survey, A-59, Washington County, Texas, being the same land described in a Warranty Deed dated April 17, 1984 from Clamens Tiemann to A.G. McNeese, Jr. and recorded in VOLUME 471, PAGE 501 of the Deed Records of Washington County, Texas.

TRACT 3: 40.0 acres, more or less, in the J. Schrier Survey, A-98, Washington County, Texas, being the same land described in a Warranty Deed dated July 19, 1951 from Henry Schwettmann et ux, Lillie Schwettmann, et al to C.W.R. Tiemann and recorded in VOLUME 180, PAGE 468 of the Deed Records of Washington County, Texas.

TRACT 4: 94.43 acres, more or less, in the J. Schrier Survey, A-98, Washington County, Texas, being the same land described in a Warranty Deed dated June 6, 1959 from Adolph Meschwitz et ux, Katy Meschwitz, to Clamens Tiemann and recorded in VOLUME 222, PAGE 397 of the Deed Records of Washington County, Texas.

TRACT 5: 75.17 acres, more or less, in the J. Schrier Survey, A-98, Washington County, Texas, being the same land described in a Warranty Deed dated January 17, 1958 from Harvey McGregor et ux et al to Clamens Tiemann et ux, Ora Nell Tiemann, and recorded in VOLUME 215, PAGE 179 of the Deed Records of Washington County, Texas.

TRACT 6: 28.14 acres, more or less, in the James Schrier Survey, A-98, Washington County, Texas, being the same land described in a Warranty Deed dated February 3, 1958 from Mrs. Olga Knolle et al to Clamens Tiemann and recorded in VOLUME 215, PAGE 363 of the Deed Records of Washington County, Texas.

TRACT 7: 79.594 acres, more or less, in the J. Schrier Survey, A-98, Washington County, Texas, being the same land described in a Partition Deed dated January 20, 1984 as three tracts, of 42.798 acres (Tract 1); 12.019 acres (Tract 2); and 24.777 acres (Tract 3) from Walter A. Hahn to Ora Nell Tiemann and recorded in VOLUME 463, PAGE 672 of the Deed Records of Washington County, Texas.

TRACT 8: 4.944 acres, more or less, in the J. Schrier Survey, A-98, Washington County, Texas, being the same land described in a Warranty Deed dated April 18, 1984 from A.G. McNeese, Jr. to Clamens Tiemann and recorded in VOLUME 471, PAGE 498 of the Deed Records of Washington County, Texas.

for a total in these eight tracts of 440.028 acres, more or less.

SIGNED FOR IDENTIFICATION:

Clamens Tiemann
Clamens Tiemann

Ora Nell Tiemann
Ora Nell Tiemann
STATE OF TEXAS
COUNTY OF WASHINGTON

FILED
AT 12:00 PM
NOV 12 1993
Gertrude Lehmann
Gertrude Lehmann
COUNTY CLERK, WASHINGTON COUNTY, TEXAS

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
NOV 17 1993
Gertrude Lehmann
Gertrude Lehmann, County Clerk
Washington County, Texas



THIS LEASE AGREEMENT is made effective the 26 th day of August, 19 96

between THOMAS E. MCGRAW, INDIVIDUALLY and as TRUSTEE FOR THE THOMAS E. MCGRAW TRUST and ANN R. MCGRAW, his

as Lessor (whether one or more), whose address is 6503 Baranowski Road, 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:

56.83 acres of land, more or less, out of the James Schrier Survey, A-98, Washington County, Texas, and being more fully described in that certain Warranty Deed dated February 5, 1962 from Elizabeth Hacker Hunt Garcia to E. Clyde McGraw and recorded in Volume 239, Page 55 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 56.8300 acres, whether it actually comprises more or less.

2. **Term of Lease.** This lease shall be in force for a primary term of three 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 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 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 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 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 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 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 signature area]

LESSOR:

Thomas E. McGraw
THOMAS E. MCGRAW, INDIVIDUALLY and as
Ann R. McGraw
ANN R. MCGRAW

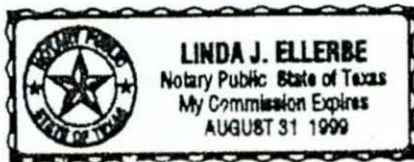
STATE OF Texas)
COUNTY Washington) ss.

This instrument was acknowledged before me this day of August, 19 96, by THOMAS E. MCGRAW, Individually
and as Trustee for the THOMAS E. MCGRAW TRUST

Linda J. Ellerbe
Notary Public

My Commission Expires:

8-31-99



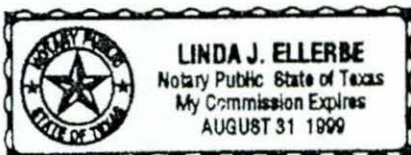
STATE OF Texas)
COUNTY Washington) ss.

This instrument was acknowledged before me this day of August, 19 96, by ANN R. MCGRAW

Linda J. Ellerbe
Notary Public

My Commission Expires:

8-31-99



Attached hereto and made a part hereof that certain Oil and Gas Lease dated August 26, 1996 by and between THOMAS E. MCGRAW, INDIVIDUALLY and as TRUSTEE FOR THE THOMAS E. MCGRAW TRUST and ANN R. MCGRAW, his, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit A

DAMAGE/CLEAN UP

12. Lessee agrees to use reasonable care in its operations on the leased premises, and within a reasonable period of time after the completion of any drilling operations on the leased premises, Lessee shall proceed with reasonable diligence to restore the surface of the leased premises to as near its original condition as reasonably practicable, and shall pay Lessor in full for all actual damages to crops, livestock, land or improvements situated on the leased premises caused by Lessee's operations.

NO HUNTING/FIREARMS

13. There shall be no hunting or fishing allowed on the leased premises, nor shall any firearms be brought on the leased premises by the Lessee or his assigns, or by any employee, agent, contractor or representative of the Lessee or Lessee's assigns without the prior written consent of the Lessor.

OIL & GAS ONLY/EXCLUDED MINERALS

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

PUGH HORIZONTAL

15. Notwithstanding any provision herein to the contrary, upon the expiration of the primary term of this Lease (or the expiration of any extension or renewal thereof), or upon the expiration of ninety (90) days following the completion of the last well drilled on the leased premises or acreage pooled therewith (whether completed as a well capable of production in paying quantities or as a dry hole), whichever is the later date, this Lease shall terminate as to any lands not included in a pooled unit, proration unit or other unit from which any well located thereon is producing or may be capable of producing in paying quantities, or upon which drilling, reworking or other operations calculated to restore production are being pursued as herein provided. After the expiration of the primary term of this Lease, if production on any pooled, proration or other unit permanently ceases from any cause either voluntary or involuntary (and if this Lease is not otherwise being maintained), this Lease shall terminate as to such unit unless Lessee within ninety (90) days thereafter commences reworking operations or the actual drilling of a new well thereon. In such event, this Lease will continue in effect as to such unit so long as such drilling or reworking is prosecuted with no cessation of such operations for more than ninety (90) consecutive days until production is restored.

WELL LOCATION

16. Notwithstanding anything herein to the contrary, no well can be located closer than four hundred (400) feet of a residence or barn now on said land, without Lessor's written permission. Also, the property is not to be used as a storage area unless such use is in conjunction with a well located on this property.

FILED
AT 10:20 A.M.
AUG 15 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

AUG 16 1996



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

Handwritten initials and signature

LESSOR INITIALS

13

THIS LEASE AGREEMENT is made effective the 28th day of November, 19 94

between JOHN M. BUDNICK, A SINGLE MAN 148

as Lessor (whether one or more), whose address is Rt. 3, Box 117, Brenham, Texas 77833

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is P. O. Box 7, Fort Worth, Texas 76101-0007. 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 No/100

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:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES.



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 16.657 acres, whether it actually comprises more or less.

2. Term of Lease. This lease shall be in force for a primary term of Three (3) 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 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 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 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 wells need not conform as to area with gas wells. 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

TX-72235 BSA

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED NOVEMBER 28, 1994, BY AND BETWEEN JOHN M. BUDNICK, A SINGLE MAN, AS LESSOR AND UNION PACIFIC RESOURCES COMPANY, AS LESSEE

Notwithstanding any provision to the contrary in the foregoing Lease, it is understood and agreed by Lessor and Lessee that:

- 1) At the end of the primary term of this lease, each then producing well, producing oil and/or gas in paying quantities, shall hold acreage out of the leasehold estate here covered in units as permitted or prescribed by spacing rules of the Railroad Commission of the State of Texas. Any land not so held by production at the end of the primary term of this lease shall revert to Lessors 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 hereof, engaged in drilling or deepening a well on the land herein leased, then such entire lease shall remain in force and carried on, on such property, and such continuous drilling operations shall be construed to mean that no more than 120 days shall elapse between release of the drilling rig which is active on the land and the actual "spud in" date for the drilling or deepening of a subsequent well. When said primary term has expired, or if there is then in process drilling or deepening operations, then when such continuous drilling operations expire, the Lessee shall have 60 days time in which to execute and furnish to Lessors a recordable release of any land not so held under this lease. The provisions of this paragraph shall control in the event of conflict with the language of any other provision herein.
- 2) Should lessor suffer damage to livestock, water wells, fences, roads, personal property, buildings or other improvements, as a result of operations of Lessee under the lease, Lessee agrees to pay Lessor the actual amount of said loss. Lessee further agrees to fill and level all slush pits, so as to return the surface to its original condition, as nearly as practicable, within a reasonable length of time after the abandonment of the use of such pits, and, upon written request of Lessor, Lessee will construct and maintain fences surrounding such pits or other excavations sufficient to turn cattle until such pits or other excavations are so leveled.
- 3) The foregoing typewritten provisions shall supersede and govern the provisions in the printed text hereof, even when to the contrary or apparently to the contrary, and shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, representatives, successors and assigns.

SIGNED FOR IDENTIFICATION:

John M. Budnick
JOHN M. BUDNICK

FILED

AT 12:00 PM.

JAN - 5 1995 *BR*

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 1995



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

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED NOVEMBER 28, 1994, BY AND BETWEEN JOHN M. BUDNICK, A SINGLE MAN, AS LESSOR AND UNION PACIFIC RESOURCES COMPANY, AS LESSEE.

16.657 acres of land, more or less, out of James Schrier Survey, A-98, Washington County, Texas, and being the same land described as 24 acres, more or less, in that certain Deed dated July 26, 1951, from John Horak and wife, Mary Horak to John M. Budnick, recorded in Volume 181, Page 93, Deed Records, Washington County, Texas, LESS AND EXCEPT the following seven (7) tracts:

Tract 1: 1.2 acres, more or less, being the same land described in that certain Deed dated May 29, 1967 from John M. Budnick to Willie Kwiatkowski and Florence Zbranek, recorded in Volume 272, Page 506, Deed Records, Washington County, Texas.

Tract 2: 1.777 acres, more or less, being the same land described in that certain Deed dated October 15, 1974 from John M. Budnick to Paul Pete Antkowiak and wife, Lillian Marie Antkowiak, recorded in Volume 331, Page 637, Deed Records, Washington County, Texas.

Tract 3: 1 acre, more or less, being the same land described in that certain Deed dated October 1, 1975 from John M. Budnick to James Brending, recorded in Volume 339, Page 671, Deed Records, Washington County, Texas.

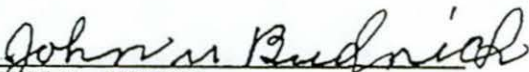
Tract 4: 1.5 acres, more or less, being the same land described in that certain Deed dated August 11, 1977 from John M. Budnick to W. C. Roach and Fairel T. Roach, recorded in Volume 356, Page 631, Deed Records, Washington County, Texas.

Tract 5: 0.76 acre, more or less, being the same land described in that certain Deed dated July 28, 1978 from John M. Budnick to W. C. Roach and Fairel T. Roach, recorded in Volume 368, Page 360, Deed Records, Washington County, Texas.

Tract 6: 0.506 acre, more or less, being the same land described as 22,050 square feet or approximately 1/2 acre in that certain Deed dated December 4, 1978 from John M. Budnick to Stanley Kwiatkowski and Mary Kwiatkowski, recorded in Volume 372, Page 715, Deed Records, Washington County, Texas.

Tract 7: 0.60 acre, more or less, being the same land described in that certain Deed dated July 10, 1981, from John M. Budnick to Travis Green and wife, Christine T. Green, recorded in Volume 419, Page 487, Deed Records, Washington County, Texas.

SIGNED FOR IDENTIFICATION:


JOHN M. BUDNICK

16

THIS LEASE AGREEMENT is made effective the 16th day of December, 19 94
between RANDY KAPCHINSKI AND WIFE, JUDY KAPCHINSKI

1706

as Lessor (whether one or more), whose address is Rt. 3, Box 120, Brenham, Texas 77833
and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is P. O. Box 7, Fort Worth, Texas 76101-0007. 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 No/100

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:

1.00 acre of land, more or less, out of James Schrier Survey, A-98, Washington County, Texas, and being that same land as described in Warranty Deed dated January 19, 1983, from Albin Antkowiak to Randy Kapchinski and Wife, Judy Kapchinski, recorded in Volume 445, Page 421, Deed Records, 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 1.00 acres, whether it actually comprises more or less.

2. Term of Lease. This lease shall be in force for a primary term of Three (3) 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 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 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 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 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 to 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 thereupon 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 is 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 cancelled 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 principal - 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.

SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES.

SS # AND/OR TAX ID #

LESSOR:

SS# [REDACTED]
SS# [REDACTED]

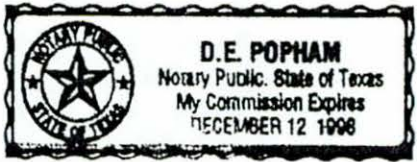
Randy Kapchinski
RANDY KAPCHINSKI
Judy Kapchinski
JUDY KAPCHINSKI

STATE OF TEXAS)
COUNTY OF WASHINGTON) ss.

This instrument was acknowledged before me this 27th day of December, 19 94, by RANDY KAPCHINSKI AND WIFE, JUDY KAPCHINSKI.

D. E. Popham
Notary Public

My Commission Expires:
12-12-98



STATE OF _____)
COUNTY OF _____) ss.

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

My Commission Expires:

Notary Public

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED DECEMBER 16, 1994, BY AND BETWEEN RANDY KAPCHINSKI AND WIFE, JUDY KAPCHINSKI, AS LESSOR AND UNION PACIFIC RESOURCES COMPANY, AS LESSEE

Notwithstanding any provision to the contrary in the foregoing Lease, it is understood and agreed by Lessor and Lessee that:

- 1) At the end of the primary term of this lease, each then producing well, producing oil and/or gas in paying quantities, shall hold acreage out of the leasehold estate here covered in units as permitted or prescribed by spacing rules of the Railroad Commission of the State of Texas. Any land not so held by production at the end of the primary term of this lease shall revert to Lessors 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 hereof, engaged in drilling or deepening a well on the land herein leased, then such entire lease shall remain in force and carried on, on such property, and such continuous drilling operations shall be construed to mean that no more than 120 days shall elapse between release of the drilling rig which is active on the land and the actual "spud in" date for the drilling or deepening of a subsequent well. When said primary term has expired, or if there is then in process drilling or deepening operations, then when such continuous drilling operations expire, the Lessee shall have 60 days time in which to execute and furnish to Lessors a recordable release of any land not so held under this lease. The provisions of this paragraph shall control in the event of conflict with the language of any other provision herein.
- 2) Should lessor suffer damage to livestock, water wells, fences, roads, personal property, buildings or other improvements, as a result of operations of Lessee under the lease, Lessee agrees to pay Lessor the actual amount of said loss. Lessee further agrees to fill and level all slush pits, so as to return the surface to its original condition, as nearly as practicable, within a reasonable length of time after the abandonment of the use of such pits, and, upon written request of Lessor, Lessee will construct and maintain fences surrounding such pits or other excavations sufficient to turn cattle until such pits or other excavations are so leveled.
- 3) The foregoing typewritten provisions shall supersede and govern the provisions in the printed text hereof, even when to the contrary or apparently to the contrary, and shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, representatives, successors and assigns.

SIGNED FOR IDENTIFICATION:


RANDY KAPCHINSKI


JUDY KAPCHINSKI

FILED
AT <u>2:45</u> P.M.
<u>MAR - 3 1995</u> <i>BR</i>
<i>Beth A. Rothermel</i>
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

MAR 06 1995



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

THIS LEASE AGREEMENT is made effective the 6th day of December, 19 94,
between PAUL PETE ANTKOWIAK AND WIFE, LILLIAN MARIE ANTKOWIAK

as Lessor (whether one or more), whose address is Rt. 3, Box 121, Brenham, Texas 77833
and UNION PACIFIC RESOURCES COMPANY, as Lessee,
whose address is P. O. Box 7, Fort Worth, Texas 76101-0007. 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 No/100

_____ 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:

1.777 acres of land, more or less, out of James Schrier Survey, A-98, Washington County, Texas, and being that same land as described in Warranty Deed dated October 15, 1974, from John M. Budnick to Paul Pete Antkowiak et ux Lillian Marie, recorded in Volume 331, Page 637, Deed Records, 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 1.777 acres, whether it actually comprises more or less.

2. **Term of Lease.** This lease shall be in force for a primary term of Three (3) 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 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 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 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 to 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 thereupon 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 cancelled 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 principal - 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.

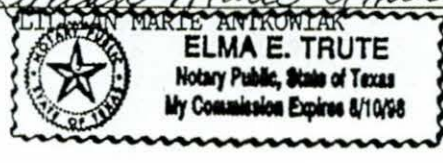
SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES.

SS # AND/OR TAX ID #

LESSOR:

X SS# [redacted]
X SS# [redacted]

Paul Pete Antkowiak
PAUL PETE ANTKOWIAK
Lillian Marie Antkowiak
LILLIAN MARIE ANTKOWIAK

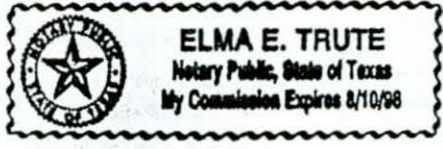


STATE OF TEXAS)
COUNTY OF WASHINGTON) ss.

This instrument was acknowledged before me this 10th day of December, 19 94, by PAUL PETE ANTKOWIAK AND WIFE, LILLIAN MARIE ANTKOWIAK.

Elma E. Trute
Notary Public

My Commission Expires: 8/10/98



STATE OF Texas)
COUNTY OF Washington) ss.

This instrument was acknowledged before me this 10th day of December, 19 94, by Paul Pete Antkowiak & wife, Lillian Marie Antkowiak

Elma E. Trute
Notary Public

My Commission Expires: 8/10/98

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED DECEMBER 6, 1994, BY AND BETWEEN PAUL PETE ANTKOWIAK AND WIFE, LILLIAN MARIE ANTKOWIAK, AS LESSOR AND UNION PACIFIC RESOURCES COMPANY, AS LESSEE

Notwithstanding any provision to the contrary in the foregoing Lease, it is understood and agreed by Lessor and Lessee that:

- 1) At the end of the primary term of this lease, each then producing well, producing oil and/or gas in paying quantities, shall hold acreage out of the leasehold estate here covered in units as permitted or prescribed by spacing rules of the Railroad Commission of the State of Texas. Any land not so held by production at the end of the primary term of this lease shall revert to Lessors 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 hereof, engaged in drilling or deepening a well on the land herein leased, then such entire lease shall remain in force and carried on, on such property, and such continuous drilling operations shall be construed to mean that no more than 120 days shall elapse between release of the drilling rig which is active on the land and the actual "spud in" date for the drilling or deepening of a subsequent well. When said primary term has expired, or if there is then in process drilling or deepening operations, then when such continuous drilling operations expire, the Lessee shall have 60 days time in which to execute and furnish to Lessors a recordable release of any land not so held under this lease. The provisions of this paragraph shall control in the event of conflict with the language of any other provision herein.
- 2) Should lessor suffer damage to livestock, water wells, fences, roads, personal property, buildings or other improvements, as a result of operations of Lessee under the lease, Lessee agrees to pay Lessor the actual amount of said loss. Lessee further agrees to fill and level all slush pits, so as to return the surface to its original condition, as nearly as practicable, within a reasonable length of time after the abandonment of the use of such pits, and, upon written request of Lessor, Lessee will construct and maintain fences surrounding such pits or other excavations sufficient to turn cattle until such pits or other excavations are so leveled.
- 3) The foregoing typewritten provisions shall supersede and govern the provisions in the printed text hereof, even when to the contrary or apparently to the contrary, and shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, representatives, successors and assigns.

SIGNED FOR IDENTIFICATION:

Paul Pete Antkowiak
PAUL PETE ANTKOWIAK

Lillian Marie Antkowiak
LILLIAN MARIE ANTKOWIAK

FILED

AT 12:00 P.M.
JAN - 5 1995

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 0 6 1995



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

THIS LEASE AGREEMENT is made effective the 22nd day of November, 19 94
between JODY KAPCHINSKI AND WIFE, LORETTA KAPCHINSKI 137

as Lessor (whether one or more), whose address is Rt. 3, Box 122, Brenham, Texas 77833

and UNION PACIFIC RESOURCES COMPANY, as Lessee.

whose address is P. O. Box 7, Fort Worth, Texas 76101-0007. 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 No/100

_____ 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:

1.80 acres of land, more or less, out of James Schrier Survey, A-98, Washington County, Texas, and being that same land as described in Warranty Deed dated August 17, 1989, from Otto Heidemann, Jr. et ux Grace to Jody Kapchinski et ux Loretta, recorded in Volume 610, Page 387, Deed Records, 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 1.80 acres, whether it actually comprises more or less.

2. Term of Lease. This lease shall be in force for a primary term of Three (3) 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 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 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 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, for 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 to 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 thereupon 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 cancelled 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 principal - 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.

SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES.

SS # AND/OR TAX ID #

LESSOR:

X SS# [REDACTED]
X SS# [REDACTED]

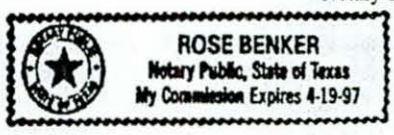
Jody Kapchinski
JODY KAPCHINSKI
Loretta Kapchinski
LORETTA KAPCHINSKI

STATE OF TEXAS)
COUNTY OF WASHINGTON) ss.

This instrument was acknowledged before me this 23 day of November, 19 94 by JODY KAPCHINSKI AND WIFE, LORETTA KAPCHINSKI.

Rose Benker
Notary Public

My Commission Expires: 4-19-97



STATE OF _____)
COUNTY OF _____) ss.

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

My Commission Expires:

Notary Public

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL, GAS AND MINERAL LEASE DATED NOVEMBER 22, 1994, BY & BETWEEN JODY KAPCHINSKI AND WIFE, LORETTA KAPCHINSKI, AS LESSOR, AND UNION PACIFIC RESOURCES COMPANY, AS LESSEE.

Notwithstanding any provision to the contrary in the foregoing Lease, it is understood and agreed by Lessor and Lessee that:

- 1) At the end of the primary term of this lease, each then producing well, producing oil and/or gas in paying quantities, shall hold acreage out of the leasehold estate here covered in units as permitted or prescribed by spacing rules of the Railroad Commission of the State of Texas. Any land not so held by production at the end of the primary term of this lease shall revert to Lessors 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 hereof, engaged in drilling or deepening a well on the land herein leased, then such entire lease shall remain in force and carried on, on such property, and such continuous drilling operations shall be construed to mean that no more than 120 days shall elapse between release of the drilling rig which is active on the land and the actual "spud in" date for the drilling or deepening of a subsequent well. When said primary term has expired, or if there is then in process drilling or deepening operations, then when such continuous drilling operations expire, the Lessee shall have 60 days time in which to execute and furnish to Lessors a recordable release of any land not so held under this lease. The provisions of this paragraph shall control in the event of conflict with the language of any other provision herein.
- 2) Should lessor suffer damage to livestock, water wells, fences, roads, personal property, buildings or other improvements, as a result of operations of Lessee under the lease, Lessee agrees to pay Lessor the actual amount of said loss. Lessee further agrees to fill and level all slush pits, so as to return the surface to its original condition, as nearly as practicable, within a reasonable length of time after the abandonment of the use of such pits, and, upon written request of Lessor, Lessee will construct and maintain fences surrounding such pits or other excavations sufficient to turn cattle until such pits or other excavations are so leveled.
- 3) The foregoing typewritten provisions shall supersede and govern the provisions in the printed text hereof, even when to the contrary or apparently to the contrary, and shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, representatives, successors and assigns.

SIGNED FOR IDENTIFICATION:

Jody Kapchinski
JODY KAPCHINSKI

Loretta Kapchinski
LORETTA KAPCHINSKI

FILED
AT <u>12:00</u> P.M.
<u>JAN - 5 1995</u> <i>BR</i>
<i>Beth A. Rothermel</i>
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 1995



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

ASSIGNMENT OF OIL AND GAS LEASE

2584

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF WASHINGTON

... THAT, WESTERN STATES LAND SERVICES, INC., whose address is 5949 Sherry Lane, Suite 755, Dallas, TX 75225, (hereinafter referred to as Assignor) for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration to it in hand paid, the receipt and sufficiency of which is hereby acknowledged and confessed, does hereby bargain, sell, transfer, convey and assign unto UNION PACIFIC RESOURCES COMPANY, whose address is 801 Cherry Street, Ft. Worth, TX 76102, (hereinafter referred to as Assignee), all of Assignor's right, title and interest in and to the following Oil, Gas and Mineral Lease(s) located in Washington County, Texas:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

This assignment is made without warranty of title, either express or implied and shall be subject to any prior reservations or assignments.

IN WITNESS WHEREOF, this instrument is executed this 1ST day of FEBRUARY, 1994.

WESTERN STATES LAND SERVICES, INC.

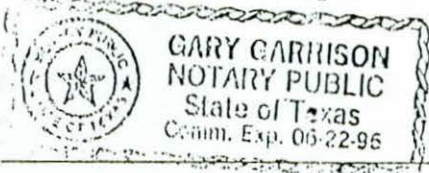
BY: [Signature]
Jeff Doumany
President

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the 1ST day of FEBRUARY, 1994 by Jeff Doumany, President of Western States Land Services, Inc., a Texas Corporation, on behalf of said Corporation.

My Commission Expires:



[Signature]
Gary Garrison
Notary Public for the
State of Texas

5097

	LESSOR	LESSEE	GROSS ACRES	SURVEY	LEASE DATE	RECORDED
TXI-60140	Buerger, Charlie and wife Mildred L. Buerger	WESTERN STATES LAND SERVICES, INC.	23.277000	J. SCHRIER, A-98	08-25-93	
TXI-60312(1)	Buerger, Charlie and wife Mildred L. Buerger, et al	WESTERN STATES LAND SERVICES, INC.	63.494000	J. SCHRIER, A-98	09-09-93	
TXI-49365	Buerger, Charlie and wife, Mildred L. Buerger	WESTERN STATES LAND SERVICES, INC.	113.657000	J. SCHRIER, A-98	08-12-93	
TXI-61010	Caballero, Jose Manuel Valencia and wife Teodora Alacazar DeValencia	WESTERN STATES LAND SERVICES, INC.	149.900000	J. SCHRIER, A-98	10-28-93	
TXI-60001(2)	Callier, Samuel H. and wife Elsie R. Callier	WESTERN STATES LAND SERVICES, INC.	143.750000	J. SCHRIER, A-98	08-18-93	
TXI-60002(3)	Campbell, Pearl Swonke	WESTERN STATES LAND SERVICES, INC.	199.560000	P. & A. HOPE, A-62	08-24-93	
TXI-61309	Cormack, Patrick and wife Beatriz N. Cormack	WESTERN STATES LAND SERVICES, INC.	28.287000	J. SCHRIER, A-98	10-19-93	
TXI-60333	Dreyer, Marilyn and husband Glynn E. Dreyer	WESTERN STATES LAND SERVICES, INC.	47.000000	H. HENSLEY, A-59	10-07-93	
TXI-60307	Dusek, Henry Jr. and wife Elda	WESTERN STATES LAND SERVICES, INC.	55.500000	H. HENSLEY, A-59	10-07-93	
TXI-60142	Dusek, Lynn Oldrich and wife LeVerne Dusek	WESTERN STATES LAND SERVICES, INC.	102.399000	H. HENSLEY, A-59	09-16-93	
TXI-60139	English, Kenton Hardine and Mary Ann English	WESTERN STATES LAND SERVICES, INC.	38.640000	HENRY CHEVES, A-23	09-24-93	
TXI-60331(1)	Erculiani Interbau Luxem AG. Inc., by A-I-F Umberto Enrico Erculiani	WESTERN STATES LAND SERVICES, INC.	254.198000	J. SCHRIER, A-98	10-20-93	
TXI-60065	Follis, Tilton R. and wife Ruth L. Follis	WESTERN STATES LAND SERVICES, INC.	99.913000	WILLIAM PRYOR, A-95	09-09-93	
TXI-60350	Forman, Jonell and husband Gerald D. Forman	WESTERN STATES LAND SERVICES, INC.	36.280000	J. SCHRIER, A-98	10-15-93	
TXI-60506(3)	Fritz, Annie Marie	WESTERN STATES LAND SERVICES, INC.	18.755000	J. SCHRIER, A-98	10-22-93	
TXI-60500(1)	Fritz, Eugene and wife Ruth Carol Fritz	WESTERN STATES LAND SERVICES, INC.	18.755000	J. SCHRIER, A-98	10-22-93	

VOL 1311 PAGE 516

	LESSOR	LESSEE	GROSS ACRES	SURVEY	LEASE DATE	RECORDED
TXI-60219	Call, Annie M.	WESTERN STATES LAND SERVICES, INC.	112.671000	ISAAC JACKSON, A-66	09-21-93	
TXI-49564	Goodlett, Betty	WESTERN STATES LAND SERVICES, INC.	102.820000	P. & A. HOPE, A-62	08-18-93	
TXI-49363	Goodlett, Richard S. and wife Dorothy Goodlett	WESTERN STATES LAND SERVICES, INC.	2.000000	P. & A. HOPE, A-62	08-18-93	
TXI-60586	Heineman, Willie, Jr. and wife Betty Heineman	WESTERN STATES LAND SERVICES, INC.	73.436000	I. JAMELSON, A-67	10-12-93	
TXI-60107(1)	Hermann, John A. and wife Patsy J. Hermann	WESTERN STATES LAND SERVICES, INC.	47.065000	P. & A. HOPE, A-62	09-02-93	
TXI-60751	Herzog, Allan W. and wife Jane F. Herzog	WESTERN STATES LAND SERVICES, INC.	112.051000	H. HENSLEY, A-59	09-09-93	
TXI-60594(2)	Hinze, Billy Ray and wife Edith Hinze	WESTERN STATES LAND SERVICES, INC.	57.858000	H. HENSLEY, A-59	09-28-93	
TXI-60701	Hodde, A. A.	WESTERN STATES LAND SERVICES, INC.	34.571800	JAMES WALKER, A-106; A. HARRINGTON, A-55	11-01-93	
TXI-60702	Hodde, A. A.	WESTERN STATES LAND SERVICES, INC.	316.059000	J. SCHRIER, A-98	11-01-93	
TXI-60732	Holle, Ronald C. and wife Dorothy Ann Holle	WESTERN STATES LAND SERVICES, INC.	105.934000	J. SCHRIER, A-98	09-20-93	
TXI-60304	Hoper, Ollie; Mary Guyton and Ethel Fielder	WESTERN STATES LAND SERVICES, INC.	26.000000	JAMES WALKER, A-106	10-12-93	
TXI-60107(1)	Houston, Stephen Raywood and his wife Janet Jacobs Houston	WESTERN STATES LAND SERVICES, INC.	61.909000	JOHN COLE, A-32	08-13-93	
TXI-60005	Hueske, Arthur and wife Shirley A. Hueske	WESTERN STATES LAND SERVICES, INC.	25.000000	J. SCHRIER, A-98	08-25-93	
TXI-60006	Hueske, Hildegard	WESTERN STATES LAND SERVICES, INC.	26.500000	J. SCHRIER, A-98	08-25-93	
TXI-60004	Hueske, Jamie Marie	WESTERN STATES LAND SERVICES, INC.	3.000000	J. SCHRIER, A-98	08-25-93	
TXI-60103	Hueske, Jason E. and wife Julianne J. Hueske	WESTERN STATES LAND SERVICES, INC.	3.000000	J. SCHRIER, A-98	08-25-93	
TXI-60320	Ingram, Marya McLean	WESTERN STATES LAND SERVICES, INC.	57.510000	J. SCHRIER, A-98	09-04-93	



	LESSOR	LESSEE	GROSS ACRES	SURVEY	LEASE DATE	RECORDED
TXI-60503	Januszewski, Albin R. and wife Angeline M. Januszewski	WESTERN STATES LAND SERVICES, INC.	32.221000	H. HENSLEY, A-59	09-27-93	
TXI-60314	Januszewski, Stanley A., et ux	WESTERN STATES LAND SERVICES, INC.	15.426000	H. HENSLEY, A-59	09-27-93	
TXI-60502	Jares, Richard P. and wife Jerry Frances Jares	WESTERN STATES LAND SERVICES, INC.	66.559000	S.M. WILLIAMS, A-110	10-18-93	
TXI-60499	Kitowski, Albert, Jr.; Dorothy Marie Kitowski; Florence Kenjura, et al	WESTERN STATES LAND SERVICES, INC.	128.400000	H. HENSLEY, A-59	09-27-93	
TXI-60215	Klump, Raymond L. and wife Esther Klump	WESTERN STATES LAND SERVICES, INC.	74.250000	H. HENSLEY, A-59	09-22-93	
TXI-60594(1)	Koehn, Michael and wife Elaine Koehn	WESTERN STATES LAND SERVICES, INC.	57.858000	H. HENSLEY, A-59	09-28-93	
TXI-60519	Kramer, Viola	WESTERN STATES LAND SERVICES, INC.	69.390000	H. HENSLEY, A-59	10-06-93	
TXI-60500(1)	Lamb, Brian D.; Alan E. Lamb; Sharon Gayle Lamb; Carol Jean Durio, et al	WESTERN STATES LAND SERVICES, INC.	217.176000	J. SCHRIER, A-98	10-20-93	
TXI-60297	Lane, Jean Ann Larson	WESTERN STATES LAND SERVICES, INC.	41.000000	HENRY CHEVES, A-23	10-07-93	
TXI-60500(2)	Lauter, Mary Lee	WESTERN STATES LAND SERVICES, INC.	18.755000	J. SCHRIER, A-98	10-22-93	
TXI-60507	Lowe, David M. and wife Hana Booker Lowe	WESTERN STATES LAND SERVICES, INC.	191.597000	H. HENSLEY, A-59; HENRY CHEVES, A-23	10-18-93	
TXI-60512	Mascheck, Verlyn Faye and husband Royce Mascheck, et al	WESTERN STATES LAND SERVICES, INC.	102.399000	H. HENSLEY, A-59	09-16-93	
TXI-60105	McGraw, Thomas E. Individually & Trustee	WESTERN STATES LAND SERVICES, INC.	56.830000	J. SCHRIER, A-98	08-26-93	
TXI-61263(1)	McNeese, Dr. Margaret Carter and Thomas Dwyer McNeese	WESTERN STATES LAND SERVICES, INC.	397.873000	J. SCHRIER, A-98; H. HENSLEY, A-59; I. JAMEISON, A-67	12-10-93	
TXI-60577	Meinecke, Melvin L. and wife Lucille Z. Meinecke	WESTERN STATES LAND SERVICES, INC.	77.033000	HENRY CHEVES, A-23	10-27-93	
TXI-60315(2)	Meyer, Hughes and wife Bertha Meyer	WESTERN STATES LAND SERVICES, INC.	69.464000	HENRY CHEVES, A-23; H. HENSLEY, A-59	08-27-93	

VOL. 131 PAGE 111

✓



	LESSOR	LESSEE	GROSS ACRES	SURVEY	LEASE DATE	RECORDED
VII TXI-60115	Mueller, Kirby and wife Darcille Mueller	WESTERN STATES LAND SERVICES, INC.	65.900000	HENRY CHEVES, A-23	09-10-93	
TXI-60365	Murski Family Living Trust, Martha Murski, Trustee	WESTERN STATES LAND SERVICES, INC.	65.750000	P. & A. Hope, A-62	10-27-93	
TXI-60300	Murski, Dawn Dee	WESTERN STATES LAND SERVICES, INC.	94.500000	JAMES WALKER, A-106	10-12-93	
TXI-60315(1)	Murski, Dolores	WESTERN STATES LAND SERVICES, INC.	99.586000	ISAAC JACKSON, A-66	10-18-93	
TXI-60305	Murski, Dolores	WESTERN STATES LAND SERVICES, INC.	110.222000	JAMES WALKER, A-106	09-27-93	
TXI-60070	Nordt, Anne Mae	WESTERN STATES LAND SERVICES, INC.	56.726000	J. SCHRIER, A-98	08-20-93	
TXI-60007	Nordt, Arthur Lee and wife. Debra Jean Nordt	WESTERN STATES LAND SERVICES, INC.	14.344000	J. SCHRIER, A-98	08-20-93	
TXI-60143	Penkert, Ed H. and wife Velma Penkert	WESTERN STATES LAND SERVICES, INC.	127.869000	GAIL BORDEN, A-14	08-31-93	
TXI-60316	Plummer, A. O., Individually & Exec & Trustee of Betty C. Plummer	WESTERN STATES LAND SERVICES, INC.	57.056000	J. SCHRIER, A-98	09-27-93	
TXI-60061(1)	Randle, Daniel B. and wife Gwendolyn F. Randle	WESTERN STATES LAND SERVICES, INC.	138.602000	J. SCHRIER, A-98	08-18-93	
TXI-60001(4)	Randle, Felix S. and wife Evalena Randle	WESTERN STATES LAND SERVICES, INC.	157.602000	J. SCHRIER, A-98	08-18-93	
TXI-60001(3)	Randle, Stephen B. and Felix Randle, Sr.	WESTERN STATES LAND SERVICES, INC.	148.602000	J. SCHRIER, A-98	08-18-93	
TXI-60137(3)	Rinn, Ellen Drews	WESTERN STATES LAND SERVICES, INC.	90.856000	HENRY CHEVES, A-23	09-28-93	
TXI-60137(1)	Ross, Joseph C. and wife Felicitia F. Ross	WESTERN STATES LAND SERVICES, INC.	45.000000	HENRY CHEVES, A-23	09-23-93	
TXI-60137(2)	Ross, Stephen David and Karen M. Ross	WESTERN STATES LAND SERVICES, INC.	41.856000	HENRY CHEVES, A-23	09-23-93	
TXI-60007	Rubenstein, Adella Individually & AIF et al	WESTERN STATES LAND SERVICES, INC.	105.977000	PHILLIP COE, A-31	08-23-93	
TXI-60301	Schawe, Mary Louise	WESTERN STATES LAND SERVICES, INC.	.830000	JAMES WALKER, A-106	09-25-93	



	LESSOR	LESSEE	GROSS ACRES	SURVEY	LEASE DATE	RECORDED
TXI-60587	Steen, Ruth	WESTERN STATES LAND SERVICES, INC.	19.600000	I. JAMELSON, A-67	10-20-93	
TXI-61262	Steen, Ruth; Gary Steen; Russell Steen and Nathan Steen	WESTERN STATES LAND SERVICES, INC.	40.500000	WILLIAM PRYOR, A-95	10-28-93	
TXI-60301(1)	Stolz, LaVerna, Indv. & Co-exec, et al	WESTERN STATES LAND SERVICES, INC.	512.943000	JAMES WALKER, A-106; ISAAC JACKSON, A-66.	10-20-93	
TXI-60059	Swonke, David Anthony	WESTERN STATES LAND SERVICES, INC.	34.375000	P. & A. HOPE, A-62	08-11-93	
TXI-60060(1)	Swonke, David Anthony	WESTERN STATES LAND SERVICES, INC.	199.560000	P. & A. HOPE, A-62	08-24-93	
TXI-60000(2)	Swonke, Eugene and wife Eleanor R. Swonke	WESTERN STATES LAND SERVICES, INC.	199.560000	P. & A. HOPE, A-62	08-24-93	
TXI-60220	Tatum, Robert M. and wife Lucille G. Tatum	WESTERN STATES LAND SERVICES, INC.	50.634000	HENRY CHEVES, A-23	08-30-93	
TXI-60591(1)	Thomas, Linda K.	WESTERN STATES LAND SERVICES, INC.	36.134000	HENRY CHEVES, A-23	10-19-93	
TXI-60315(1)	Thompson, Valarie Meyer	WESTERN STATES LAND SERVICES, INC.	27.732000	HENRY CHEVES, A-23	08-27-93	
TXI-49366(1)	Tiemann, Clamens and wife Ora Nell Tiemann	WESTERN STATES LAND SERVICES, INC.	440.028000	J. SCHRIER, A-98 & H. HENSLEY, A-59	08-12-93	
TXI-49361(2)	Voskamp, Richard L. and wife Dixie R. Voskamp	WESTERN STATES LAND SERVICES, INC.	31.980000	P. & A. HOPE, A-62	09-01-93	
TXI-60106	Wehmeyer, Calvin A. and wife Dorothy Lee Wehmeyer	WESTERN STATES LAND SERVICES, INC.	55.039000	J. SCHRIER, A-98	09-04-93	
TXI-60135	Weiss, Gilbert O. and wife Pearlie Drows Weiss	WESTERN STATES LAND SERVICES, INC.	105.856000	HENRY CHEVES, A-23	09-22-93	
TXI-60295(2)	Weiss, Helen L.	WESTERN STATES LAND SERVICES, INC.	58.692000	H. HENSLEY, A-59	10-14-93	
TXI-60370	Wesneski, Clara Individually & Exec. of B.J. Wesneski Estate	WESTERN STATES LAND SERVICES, INC.	31.221000	H. HENSLEY, A-59	09-27-93	
TXI-60318	Wesneski, Harold C. and wife Natalie A. Wesneski	WESTERN STATES LAND SERVICES, INC.	54.121000	H. HENSLEY, A-59	09-17-93	
TXI-60058	Whitmore, Frank C.	WESTERN STATES LAND SERVICES, INC.	31.814000	J. SCHRIER, A-98	08-26-93	

LESSOR	LESSEE	CROSS ACRES	SURVEY	LEASE DATE	RECORDED
TX1-60294(1) Wilson, Coraile	WESTERN STATES LAND SERVICES, INC.	47.250000	I. JAMEISON, A-67	09-24-93	
TX1-60294(2) Wilson, Edwin	WESTERN STATES LAND SERVICES, INC.	47.250000	I. JAMEISON, A-67	09-15-93	
TX1-60294(3) Wilson, Lonnie	WESTERN STATES LAND SERVICES, INC.	47.250000	ISSAC JAMEISON, A-67	09-24-93	
TX1-60309(1) Woods, Roy	WESTERN STATES LAND SERVICES, INC.	56.363000	H. HENSLEY, A-59	09-23-93	
TX1-60596 Zbranek, Mildred; Troy Zbranek & Todd Zbranek	WESTERN STATES LAND SERVICES, INC.	34.900000	HENRY CREVES, A-23	10-27-93	

50294

FILED
 APR 11 1994
 Gertrude Lehmann
 COUNTY CLERK, WASHINGTON COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on this 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 20 1994
 Gertrude Lehmann
 Gertrude Lehmann, County Clerk
 Washington County, Texas

MEMORANDUM OF LEASE EXTENSION

5538

STATE OF TEXAS }
COUNTY OF WASHINGTON } KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Union Pacific Resources Company is the present owner of the Oil, Gas and Mineral Leases more specifically described on the attached Exhibit "A" (the "Leases"); and

WHEREAS, the Leases provide Lessee the option to extend the Lease for a period of 2 year(s) from the expiration date of the original primary term by tendering an additional payment to Lessor.

NOW, THEREFORE, Union Pacific Resources Company represents that it has exercised its option to extend the Leases by tendering the aforementioned payment to Lessor in the manner and time set forth in the Lease.

EXECUTED this 4th day of September, 1996.

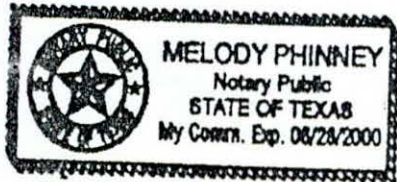
UNION PACIFIC RESOURCES COMPANY

By: Carolyn J. David
Its: Attorney-In-Fact

[Handwritten initials]
CB

STATE OF TEXAS }
COUNTY OF TARRANT }

This instrument was acknowledged before me on the 4th day of September, 1996 by Carolyn J. David, Attorney-In-Fact for Union Pacific Resources Company, a Delaware corporation, on behalf of said corporation.



Melody Phinney
Signature

Melody PHINNEY
Name (Print)

My Commission expires: 06/28/2000

EXHIBIT "A"

Attached to and made a part of that certain Memorandum of Lease Extension dated September 4, 1996.

LEASE SCHEDULE

UPRC Lease No.: TXI-49365

Lease Date: August 12, 1993

Lessor: Charles Buerger and wife, Mildred L. Buerger

✓ Lessee: Western States Land Services, Inc.

Recording Information: Volume 715, Page 473 of the Official Records of Washington County, Texas

UPRC Lease No.: TXI-49366(1)

Lease Date: August 12, 1993

Lessor: Clamens Tiemann and wife, Ora Nell Tiemann

✓ Lessee: Western States Land Services, Inc.

Recording Information: Volume 715, Page 484 of the Official Records of Washington County, Texas

UPRC Lease No.: TXI-60061(1)

Lease Date: August 18, 1993

✓ Lessor: Daniel B. Randle and wife, Gwendolyn F. Randle

Lessee: Western States Land Services, Inc.

Recording Information: Volume 715, Page 515 of the Official Records of Washington County, Texas

UPRC Lease No.: TXI-60061(2)

Lease Date: August 18, 1993

✓ Lessor: Samuel H. Callier, and wife Elsie R. Callier

Lessee: Western States Land Services, Inc.

Recording Information: Volume 715, Page 518 of the Official Records of Washington County, Texas

EXHIBIT "A"

Attached to and made a part of that certain Memorandum of Lease Extension dated September 4, 1996.

LEASE SCHEDULE

UPRC Lease No.: TXI-60076

Lease Date: September 1, 1993

✓ Lessor: Wenzel Brauner and wife, Elaine Brauner

Lessee: Western States Land Services, Inc.

Recording Information: Volume 715, Page 534 of the Official Records of Washington County, Texas

UPRC Lease No.: TXI-60106

Lease Date: September 4, 1993

✓ Lessor: Calvin A. Wehmeyer and wife, Dorothy Lee Wehmeyer

Lessee: Western States Land Services, Inc.

Recording Information: Volume 715, Page 592 of the Official Records of Washington County, Texas

UPRC Lease No.: TXI-60320

Lease Date: September 4, 1993

✓ Lessor: Marya McLean Ingram

Lessee: Western States Land Services, Inc.

Recording Information: Volume 715, Page 382 of the Official Records of Washington County, Texas

UPRC Lease No.: TXI-60062

Lease Date: September 8, 1993

✓ Lessor: L. P. Sherrouse and wife, Katherine Sherrouse

Lessee: Western States Land Services, Inc.

Recording Information: Volume 715, Page 450 of the Official Records of Washington County, Texas

EXHIBIT "A"

Attached to and made a part of that certain Memorandum of Lease Extension dated September 4, 1996.

LEASE SCHEDULE

UPRC Lease No.: TXI-60611(2)

Lease Date: October 13, 1993

✓ Lessor: Nelda T. Reichle

Lessee: Union Pacific Resources Company

Recording Information: Volume 714, Page 696 of the Official Records of Washington County, Texas

UPRC Lease No.: TXI-60369

Lease Date: October 15, 1993

✓ Lessor: Jonell Forman, and husband, Gerald G. Forman

Lessee: Western States Land Services, Inc.

Recording Information: Volume 722, Page 379 of the Official Records of Washington County, Texas

UPRC Lease No.: TXI-60541

Lease Date: October 15, 1993

✓ Lessor: Joylene Moellering

Lessee: Union Pacific Resources Company

Recording Information: Volume 714, Page 697 of the Official Records of Washington County, Texas

UPRC Lease No.: TXI-60541

Lease Date: October 15, 1993

✓ Lessor: Harvey Penkert

Lessee: Union Pacific Resources Company

Recording Information: Volume 714, Page 697 of the Official Records of Washington County, Texas

EXHIBIT "A"

Attached to and made a part of that certain Memorandum of Lease Extension dated September 4, 1996.

LEASE SCHEDULE

UPRC Lease No.: TXI-60695(1)

✓ Lease Date: November 4, 1993

Lessor: Chris Alan Jefferies

Lessee: Union Pacific Resources Company

Recording Information: Volume 721, Page 323 of the Official Records of Washington County, Texas

UPRC Lease No.: TXI-60695(2)

✓ Lease Date: November 4, 1993

Lessor: Annalee Jefferies

Lessee: Union Pacific Resources Company

Recording Information: Volume 721, Page 289 of the Official Records of Washington County, Texas

UPRC Lease No.: TXI-60704

✓ Lease Date: November 4, 1993

Lessor: Nellie Lee Zachry

Lessee: Union Pacific Resources Company

Recording Information: Volume 721, Page 307 of the Official Records of Washington County, Texas

UPRC Lease No.: TXI-61005

✓ Lease Date: November 4, 1993

Lessor: **Lueckemeyer Enterprises, Inc.**

Lessee: Union Pacific Resources Company

Recording Information: Volume 722, Page 358 of the Official Records of Washington County, Texas



EXHIBIT "A"

Attached to and made a part of that certain Memorandum of Lease Extension dated September 4, 1996.

LEASE SCHEDULE

UPRC Lease No.: TXI-60905

Lease Date: November 24, 1993

✓ Lessor: Arthur P. Joswiak and wife, Melodee Joswiak

Lessee: Union Pacific Resources Company

Recording Information: Volume 721, Page 421 of the Official Records of Washington County, Texas

UPRC Lease No.: TXI-60906

Lease Date: November 24, 1993

✓ Lessor: Louise Joswiak

Lessee: Union Pacific Resources Company

Recording Information: Volume 721, Page 424 of the Official Records of Washington County, Texas

UPRC Lease No.: TXI-60500(2)

Lease Date: November 29, 1993

✓ Lessor: **Pete L. Miller and wife, Suzanne N. Miller**

Lessee: Union Pacific Resources Company

Recording Information: Volume 721, Page 428 of the Official Records of Washington County, Texas

UPRC Lease No.: TXI-61054(1)

Lease Date: November 29, 1993

✓ Lessor: Frank B. Petroski and wife, Arlene Petroski

Lessee: Union Pacific Resources Company

Recording Information: Volume 725, Page 212 of the Official Records of Washington County, Texas

EXHIBIT "A"

Attached to and made a part of that certain Memorandum of Lease Extension dated September 4, 1996.

LEASE SCHEDULE

UPRC Lease No.: TXI-60887

Lease Date: December 15, 1993

✓ Lessor: David Marvin Hodde

Lessee: Union Pacific Resources Company

Recording Information: Volume 721, Page 403 of the Official Records of Washington County, Texas

UPRC Lease No.: TXI-61062

Lease Date: December 17, 1993

✓ Lessor: Irene Januszewski

Lessee: Union Pacific Resources Company

Recording Information: Volume 722, Page 863 of the Official Records of Washington County, Texas

UPRC Lease No.: TXI-61062

Lease Date: December 17, 1993

✓ Lessor: Leon M. Januszewski

Lessee: Union Pacific Resources Company

Recording Information: Volume 722, Page 863 of the Official Records of Washington County, Texas

UPRC Lease No.: TXI-61260

✓ Lease Date: December 22, 1993

Lessor: Leroy K. Klump and wife Madeline Klump

Lessee: Union Pacific Resources Company

Recording Information: Volume 725, Page 673 of the Official Records of Washington County, Texas

FILED
AT 11:15 A.M.
SEP 5 1996
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK WASHINGTON COUNTY

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



SEP 6 1996

Beth A. Rothermel
Beth Rothermel, County Clerk

MEMORANDUM OF LEASE EXTENSION

7012

STATE OF TEXAS }
COUNTY OF WASHINGTON } KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Union Pacific Resources Company is the present owner of the Oil, Gas and Mineral Leases more specifically described on the attached Exhibit "A" (the "Leases"); and

WHEREAS, the Leases provide Lessee the option to extend the Lease for a period of 2 year(s) from the expiration date of the original primary term by tendering an additional payment to Lessor.

NOW, THEREFORE, Union Pacific Resources Company represents that it has exercised its option to extend the Leases by tendering the aforementioned payment to Lessor in the manner and time set forth in the Lease.

EXECUTED this 18th day of November, 1996.

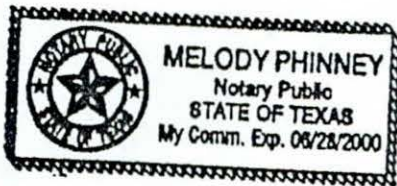
UNION PACIFIC RESOURCES COMPANY

By: Carolyn J. David
Its: Attorney-In-Fact

[Handwritten initials]
CB

STATE OF TEXAS }
COUNTY OF TARRANT }

This instrument was acknowledged before me on the 18th day of November, 1996 by Carolyn David, Attorney-In-Fact for Union Pacific Resources Company, a Delaware corporation, on behalf of said corporation.



Melody Phinney
Signature

Melody PHINNEY
Name (Print)

My Commission expires: 06/28/2000

EXHIBIT "A"

Attached to and made a part of that certain Memorandum of Lease Extension dated 18th day of November, 1996.

✓ Union Pacific Resources
 Company Lease No.: TX1-60142
 Lease Date: September 16, 1993
 Lessor: Lynn Oldrich Dusek, et ux
 Lessee: Western States Land Services, Inc.
 Recording Information: Volume 715, Page 599 Official Records of Washington County, Texas

✓ Union Pacific Resources
 Company Lease No.: TX1-60215
 Lease Date: September 22, 1993
 Lessor: Raymond L. Klump et ux
 Lessee: Western States Land Services, Inc.
 Recording Information: Volume 717, Page 741 Official Records of Washington County, Texas

✓ Union Pacific Resources
 Company Lease No.: TX1-60295
 Lease Date: October 12, 1993
 Lessor: Edison Anderson et ux
 Lessee: Western States Land Services, Inc.
 Recording Information: Volume 715, Page 392 Official Records of Washington County, Texas

✓ Union Pacific Resources
 Company Lease No.: TX1-60295
 Lease Date: December 6, 1993
 Lessor: Helen L. Weiss
 Lessee: Western States Land Services, Inc.
 Recording Information: Volume 719, Page 212 Official Records of Washington County, Texas

✓ Union Pacific Resources
 Company Lease No.: TX1-60307
 Lease Date: October 7, 1993
 Lessor: Henry Dusek, et ux
 Lessee: Western States Land Services, Inc.
 Recording Information: Volume 715, Page 436 Official Records of Washington County, Texas

✓ Union Pacific Resources
 Company Lease No.: TX1-60308
 Lease Date: October 7, 1993
 Lessor: Marilyn Dreyer, et vir Glynn Dreyer
 Lessee: Western States Land Services, Inc.
 Recording Information: Volume 715, Page 439 Official Records of Washington County, Texas

✓ Union Pacific Resources
 Company Lease No.: TX1-60309
 Lease Date: September 23, 1993
 Lessor: Roy Woods, et ux
 Lessee: Western States Land Services, Inc.
 Recording Information: Volume 715, Page 446 Official Records of Washington County, Texas

✓ Union Pacific Resources
 Company Lease No.: TX1-61074
 Lease Date: December 01, 1993
 Lessor: Ivodell Geiger et vir
 Lessee: Union Pacific Resources Company
 Recording Information: Volume 718, Page 657 Official Records of Washington County,
 Texas

✓ Union Pacific Resources
 Company Lease No.: TX1-60316
 Lease Date: September 27, 1993
 Lessor: A. Q. Plummer, Individually and as Trustee
 Lessee: Union Pacific Resources Company
 Recording Information: Volume 715, Page 371 Official Records of Washington County,
 Texas

✓ Union Pacific Resources
 Company Lease No.: TX1-60317
 Lease Date: September 21, 1993
 Lessor: Max Baranowski, et al
 Lessee: Union Pacific Resources Company
 Recording Information: Volume 715, Page 375 Official Records of Washington County,
 Texas

✓ Union Pacific Resources
 Company Lease No.: TX1-60497
 Lease Date: November 10, 1993
 Lessor: Amos Adamek
 Lessee: Union Pacific Resources Company
 Recording Information: Volume 719, Page 202 Official Records of Washington County,
 Texas

✓ Union Pacific Resources
 Company Lease No.: TX1-60681
 Lease Date: November 04, 1993
 Lessor: Donald M. Wilder
 Lessee: Union Pacific Resources Company
 Recording Information: Volume 719, Page 535 Official Records of Washington County,
 Texas

✓ Union Pacific Resources
 Company Lease No.: TX1-61084
 Lease Date: December 01, 1993
 Lessor: Michelle Steele, et vir
 Lessee: Union Pacific Resources Company
 Recording Information: Volume 722, Page 903 Official Records of Washington County,
 Texas

✓ Union Pacific Resources
 Company Lease No.: TX1-61275
 Lease Date: December 09, 1993
 Lessor: E. L. Sommerfeld, et ux
 Lessee: Union Pacific Resources Company
 Recording Information: Volume 725, Page 676 Official Records of Washington County,
 Texas

Union Pacific Resources

Company Lease No.: TX1-60372
Lease Date: October 20, 1993
Lessor: Ervin H. Sommerfeld, and Weda Preuss
Lessee: Western States Land Services, Inc.
Recording Information: Volume 717, Page 762 Official Records of Washington County, Texas

Union Pacific Resources

Company Lease No.: TX1-60574
Lease Date: October 20, 1993
Lessor: Regina Skweres; Charles F. Skweres; and Evelyn Kolar
Lessee: Western States Land Services, Inc.
Recording Information: Volume 719, Page 507 Official Records of Washington County, Texas

Union Pacific Resources

Company Lease No.: TX1-60502
Lease Date: October 18, 1993
Lessor: Richard P. Jares, et ux Jerry Frances Jares
Lessee: Union Pacific Resources Company
Recording Information: Volume 719, Page 217 Official Records of Washington County, Texas

Union Pacific Resources

Company Lease No.: TX1-60946
Lease Date: December 02, 1003
Lessor: Ike Nowak, Jr.
Lessee: Union Pacific Resources Company
Recording Information: Volume 722, Page 334 Official Records of Washington County, Texas

FILED
AT 4:25 P.M.
NOV 21 1996 IB
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 NOV 22 1996



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

MEMORANDUM OF LEASE EXTENSION

87

STATE OF TEXAS }
COUNTY OF WASHINGTON } KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Union Pacific Resources Company is the present owner of the Oil, Gas and Mineral Leases more specifically described on the attached Exhibit "A" (the "Leases"); and

WHEREAS, the Leases provide Lessee the option to extend the Lease for a period of 2 year(s) from the expiration date of the original primary term by tendering an additional payment to Lessor.

NOW, THEREFORE, Union Pacific Resources Company represents that it has exercised its option to extend the Leases by tendering the aforementioned payment to Lessor in the manner and time set forth in the Lease.

EXECUTED this 30th day of DECEMBER, 1996.

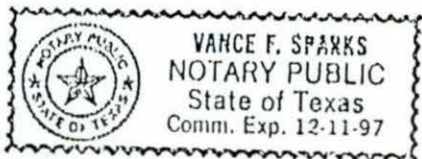
UNION PACIFIC RESOURCES COMPANY

By: Carolyn J. David
Its: Attorney-in-Fact

[Handwritten initials]
Y P J
CB

STATE OF TEXAS }
COUNTY OF TARRANT }

This instrument was acknowledged before me on the 30th day of DECEMBER, 1996 by CAROLYN J. DAVID, Attorney-In-Fact for Union Pacific Resources Company, a Delaware corporation, on behalf of said corporation.



Vance F. Sparks
Signature

VANCE F. SPARKS
Name (Print)

My Commission expires: 12-11-97

EXHIBIT "A"

Attached to and made a part of that certain Memorandum of Lease Extension dated ___ day of December, 1996.

LEASE SCHEDULE

UPRC Lease No.: TX1-62834 ✓
 Lease Date: March 16, 1994
 Lessor: Green Oaks paint and Body Shop, a partnership
 Lessee: Union Pacific Resources Company
 Recording Information: Volume 733, Page 495 Official Records of Washington County, Texas

UPRC Lease No.: TX1-62717 ✓
 Lease Date: March 10, 1994
 Lessor: W. R. Brinkoeter et ux Leslie S. Brinkoeter
 Lessee: Union Pacific Resources Company
 Recording Information: Volume 731, Page 744 Official Records of Washington County, Texas

UPRC Lease No.: TX1-63233
 Lease Date: January 19, 1994
 Lessor: Mike Somerlatte et ux Sandra Jean Somerlatte
 Lessee: Union Pacific Resources Company
 Recording Information: Volume 727, Page 485 Official Records of Washington County, Texas

UPRC Lease No.: TX1-60880
 Lease Date: January 21, 1994
 Lessor: Gary Dale Koerth et ux Deita Koerth
 Lessee: Union Pacific Resources Company
 Recording Information: Volume 722, Page 857 Official Records of Washington County, Texas

UPRC Lease No.: TX1-62719 ✓
 Lease Date: February 23, 1994
 Lessor: Wayne Clarence Wright et ux Cecilia Wright
 Lessee: Union Pacific Resources Company
 Recording Information: Volume 733, Page 124 Official Records of Washington County, Texas

UPRC Lease No.: TX1-62831
 Lease Date: March 15, 1994
 Lessor: Cecil Wayne Wright et ux Lee Ann Wright
 Lessee: Union Pacific Resources Company
 Recording Information: Volume 733, Page 499 Official Records of Washington County, Texas

UPRC Lease No.: TX1-61291
 Lease Date: January 20, 1994
 Lessor: Albert J. Wessinger et ux Mary V. Wessinger
 Lessee: Union Pacific Resources Company
 Recording Information: Volume 726, Page 517 Official Records of Washington County, Texas

UPRC Lease No.: TX1-62822
 Lease Date: March 8, 1994
 Lessor: Patsy C. Clinton et vir Rex A. Clinton, III
 Lessee: Union Pacific Resources Company
 Recording Information: Volume 733, Page 120 Official Records of Washington County, Texas

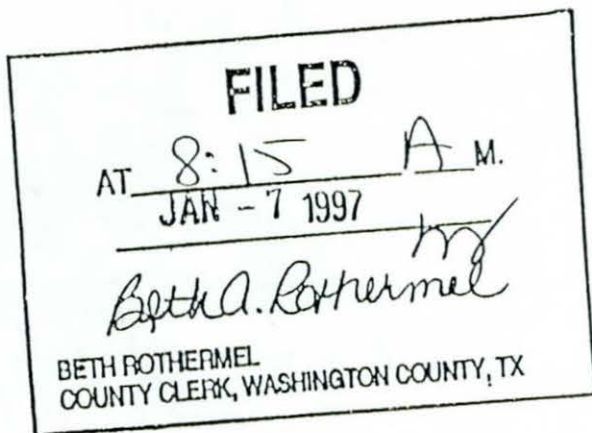
UPRC Lease No.: TX1-62821
 Lease Date: March 16, 1994
 Lessor: Raymond S. Schultz et ux Shirley Ann Schultz
 Lessee: Union Pacific Resources Company
 Recording Information: Volume 733, Page 118 Official Records of Washington County, Texas

UPRC Lease No.: TX1-61347(1)
 Lease Date: February 4, 1994
 Lessor: Pearlie L. Fitch
 Lessee: Union Pacific Resources Company
 Recording Information: Volume 726, Page 581 Official Records of Washington County, Texas

UPRC Lease No.: TX1-61263(2)
 Lease Date: February 10, 1994
 Lessor: Cecelia L. Vollmer
 Lessee: Union Pacific Resources Company
 Recording Information: Volume 727, Page 466 Official Records of Washington County, Texas

UPRC Lease No.: TX1-62836
 Lease Date: March 7, 1994
 Lessor: Genevieve Rybarski
 Lessee: Union Pacific Resources Company
 Recording Information: Volume 733, Page 429 Official Records of Washington County, Texas

UPRC Lease No.: TX1-61294
 Lease Date: January 1, 1994
 Lessor: Anna Margaret Meschwitz
 Lessee: Union Pacific Resources Company
 Recording Information: Volume 725, Page 659 Official Records of 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

JAN 08 1997



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

10.

MF 98476
ITEM Old Lease
TO _____
FROM _____
DATE 11/29/93



DO NOT DESTROY



MEMO
GLO-36-11-97

Unit # 2642

Operator Union Pacific Resources Company
Unit Name Cobb Unit Well No. 1
County Washington
Effective Date _____
Unitized for: Oil ___ Gas ___ Oil & Gas

1. M.F. No. 98476
Area County Roads Tr. _____
Sec. _____ Blk. _____ Survey _____
 $\frac{2.53}{1.000} \times \frac{1}{6} = .0421\%$
 $\frac{.00253}{.166667} = .00421$

2. M.F. No. 98922
Area County Roads Tr. _____
Sec. _____ Blk. _____ Survey _____
 $\frac{6.62}{1000.00} \times \frac{1}{5} = .1324\%$
 $\frac{.00662}{.20} = .00324$

3. M.F. No. _____
Area _____ Tr. _____
Sec. _____ Blk. _____ Survey _____
_____ x _____ %

4. M.F. No. _____
Area _____ Tr. _____
Sec. _____ Blk. _____ Survey _____
_____ x _____ %

REMARKS:

[Signature] 8-7-98

001745

Prepared by:

F. GARZA

Date

07-06-98

in Texas 8-24-98

DESIGNATION OF UNIT

COBB UNIT, WELL NO. 1

0807

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 "A", 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 lying within the outline depicted on the Plat attached hereto as Exhibit "B" and shall include the leases, or portions thereof, and the interval (if any), as described on Exhibit "A".

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 Exhibits "A" and "B" which is produced from any well drilled to the unitized interval underlying the Unit area. Production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion which the number of surface acres in each of such tracts bears to the total number of surface acres in the Unit.

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

By execution of this Designation of Unit, the undersigned does not exhaust its right to pool the leases and lands hereinabove described with other leases and lands as to any other minerals, horizon, or strata covered thereby, and it expressly reserves to itself, its assignees, or successors in interest, the right and power to pool or unitize the above described leases and lands with 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 may be combined to form a single original instrument for recording purposes. The failure of any one or more persons owning an interest in the Unit to execute this instrument or a counterpart or ratification thereof shall not in any manner affect the validity of same as to the parties who do execute this instrument. 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 27th day of January, 1998.

UNION PACIFIC RESOURCES COMPANY

Handwritten initials
CB

By: *Handwritten signature*
Its: Attorney-in-Fact

SWIFT ENERGY COMPANY

By: _____
Its: _____

JOHN H. YOUNG, INC.

By: _____
Its: _____

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 may be combined to form a single original instrument for recording purposes. The failure of any one or more persons owning an interest in the Unit to execute this instrument or a counterpart or ratification thereof shall not in any manner affect the validity of same as to the parties who do execute this instrument. 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 27th day of January, 1998.

UNION PACIFIC RESOURCES COMPANY

HPD
CB

By: *Robert K. Eills*
Its: Attorney-in-Fact

SWIFT ENERGY COMPANY

By: _____
Its: _____

JOHN H. YOUNG, INC.

By: *John K. Eills*
Its: *Vice Pres*

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 may be combined to form a single original instrument for recording purposes. The failure of any one or more persons owning an interest in the Unit to execute this instrument or a counterpart or ratification thereof shall not in any manner affect the validity of same as to the parties who do execute this instrument. 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 27th day of January, 1998.

UNION PACIFIC RESOURCES COMPANY

HPB
CB

By: *Robert Hensinger*
Its: Attorney-in-Fact

SWIFT ENERGY COMPANY

ROK
CB
CCW

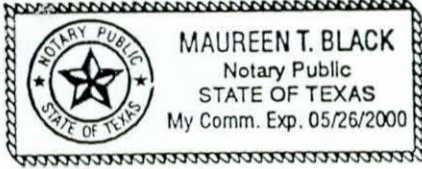
By: *James M. Kitterman*
Its: James M. Kitterman
Senior Vice President-Operations

JOHN H. YOUNG, INC.

By: _____
Its: _____

STATE OF TEXAS
COUNTY OF TARRANT

This instrument was acknowledged before me on the 27th day of JANUARY, 1998, by B.E. KLEINSORGE, Attorney-in-Fact of UNION PACIFIC RESOURCES COMPANY, a Delaware corporation, on behalf of said corporation.

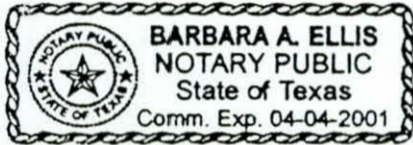


Maureen T. Black

Notary Public in and for the
State of Texas
My commission expires: 5-26-00

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on the 9th day of February, 1998, by James M. Kitterman, _____ of SWIFT ENERGY COMPANY, a Texas corporation, on behalf of said corporation.



Barbara A. Ellis

Notary Public in and for the
State of Texas
My commission expires: 04-04-2001

STATE OF TEXAS
COUNTY OF _____

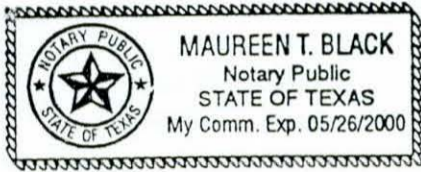
This instrument was acknowledged before me on the _____ day of _____, 1998, by _____, _____ of JOHN H. YOUNG, INC., a Texas corporation, on behalf of said corporation.

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

Law Department Approved
DESUNIT.1A

STATE OF TEXAS
COUNTY OF TARRANT

This instrument was acknowledged before me on the 27th day of JANUARY, 1998, by B.E. KLEINSORGE, Attorney-in-Fact of UNION PACIFIC RESOURCES COMPANY, a Delaware corporation, on behalf of said corporation.



Maureen T. Black

Notary Public in and for the
State of Texas
My commission expires: 5-26-00

STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on the ____ day of _____, 1998, by _____, _____ of SWIFT ENERGY COMPANY, a Texas corporation, on behalf of said corporation.

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

STATE OF TEXAS
COUNTY OF _____

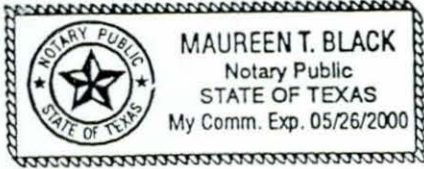
This instrument was acknowledged before me on the ____ day of _____, 1998, by _____, _____ of JOHN H. YOUNG, INC., a Texas corporation, on behalf of said corporation.

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

Law Department Approved
DESUNIT.1A

STATE OF TEXAS
COUNTY OF TARRANT

This instrument was acknowledged before me on the 27th day of JANUARY, 1998, by B.E. KLEINSORGE, Attorney-in-Fact of UNION PACIFIC RESOURCES COMPANY, a Delaware corporation, on behalf of said corporation.



Maureen T. Black
Notary Public in and for the
State of Texas
My commission expires: 5-26-00

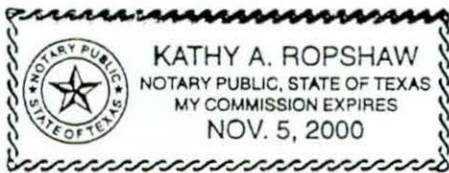
STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on the ____ day of _____, 1998, by _____ of SWIFT ENERGY COMPANY, a Texas corporation, on behalf of said corporation.

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

STATE OF TEXAS
COUNTY OF Harris

This instrument was acknowledged before me on the 30 day of January, 1998, by Gus K. Eifler, Vice President of JOHN H. YOUNG, INC., a Texas corporation, on behalf of said corporation.



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

Law Department Approved
DESUNIT.1A

EXHIBIT "A"

Attached to and made a part of that certain "DESIGNATION OF UNIT - COBB UNIT, WELL NO. 1" dated January 27, 1998.

LEASE NO. : TX1-81739
 DATE: November 15, 1996
 LESSOR: Nathan Joe Cobb and wife, Gloria Jean Cobb
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 835, Page 848 of the Official Records of Washington County, Texas

LEASE NO. : TX1-60500(1)
 DATE: October 20, 1993
 LESSOR: Brian D. Lamb, Alan E. Lamb, Sharon Gayle Lamb, Carol Jean Durio and Debra L. Stubblefield, each dealing herein with their own separate property
 LESSEE: Western States Land Services, Inc.
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 719, Page 220 of the Official Records of Washington County, Texas

LEASE NO. : TX1-60500(2)
 DATE: November 29, 1993
 LESSOR: Pete L. Miller and wife, Suzanne N. Miller
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 721, Page 428 of the Official Records of Washington County, Texas

LEASE NO. : TX1-60500(3)
 DATE: October 2, 1997
 LESSOR: June C. Hoffman a/k/a June Cecelia Hoffman
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 873, Page 63 of the Official Records of Washington County, Texas

LEASE NO. : TX1-90911
 DATE: October 2, 1997
 LESSOR: Larry Neumann
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 871, Page 598 of the Official Records of Washington County, Texas

LEASE NO. : TX1-60320
 DATE: September 4, 1993
 LESSOR: Marya McLean Ingram, a single woman
 LESSEE: Western States Land Services, Inc.
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 715, Page 382 of the Official Records of Washington County, Texas

LEASE NO. : TX1-72241
 DATE: December 6, 1994
 LESSOR: Paul Pete Antkowiak and wife, Lillian Marie Antkowiak
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 762, Page 392 of the Official Records of Washington County, Texas

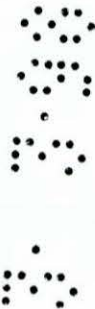
LEASE NO. : TX1-72247
 DATE: November 22, 1994
 LESSOR: Jody Kapchinski and wife, Loretta Kapchinski
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 762, Page 408 of the Official Records of Washington County, Texas

LEASE NO. : TX1-72573
DATE: December 16, 1994
LESSOR: Randy Kapchinski and wife, Judy Kapchinski
LESSEE: Union Pacific Resources Company
RECORDED: Oil, Gas and Mineral Lease filed in Volume 773, Page 247 of the Official Records of Washington County, Texas

LEASE NO. : TX1-90708
DATE: October 8, 1997
LESSOR: John M. Budnick, a single man
LESSEE: Union Pacific Resources Company
RECORDED: Oil, Gas and Mineral Lease filed in Volume 872, Page 105 of the Official Records of Washington County, Texas

LEASE NO. : TX1-60317
DATE: September 21, 1993
LESSOR: Max Baranowski, Jr., Clem Baranowski, Dorothy B. Antkowiak, Patricia B. Kuhlmann and Marie B. Prenzler, all dealing in their own separate property
LESSEE: Western States Land Services, Inc.
RECORDED: Oil, Gas and Mineral Lease filed in Volume 715, Page 375 of the Official Records of Washington County, Texas

LEASE NO: TX1-85559
DATE: April 7, 1997
LESSOR: Linda Ann White, dba Sugarberry Circle Ranch
LESSEE: Union Pacific Resources Company
RECORDED: Memorandum of Oil, Gas and Mineral Lease Volume 856, Page 316, Official Records of Washington County, Texas



LEASE NO: TX1-72572
DATE: December 30, 1994
LESSOR: Tommy Przyborski
LESSEE: Union Pacific Resources Company
RECORDED: Memorandum of Oil, Gas and Mineral Lease Volume 773, Page 287, Official Records of Washington County, Texas

LEASE NO. : TX1-72689
DATE: March 6, 1995
LESSOR: Nadine Rau, joined pro forma by her husband, Cleburne Rau
LESSEE: Union Pacific Resources Company
RECORDED: Oil, Gas and Mineral Lease filed in Volume 776, Page 713 of the Official Records of Washington County, Texas

LEASE NO. : TX1-89413
DATE: June 13, 1997
LESSOR: Sophelia Predom Love, formerly known as Sophelia Conley
LESSEE: Union Pacific Resources Company
RECORDED: Oil, Gas and Mineral Lease filed in Volume 861, Page 550 of the Official Records of Washington County, Texas

LEASE NO. : TX1-72419
DATE: December 6, 1994
LESSOR: Johnnie Lusk, a single man
LESSEE: Union Pacific Resources Company
RECORDED: Oil, Gas and Mineral Lease filed in Volume 773, Page 209 of the Official Records of Washington County, Texas

LEASE NO. : TX1-72244
DATE: November 16, 1994
LESSOR: Herman L. Shelton, Jr., a single man
LESSEE: Union Pacific Resources Company
RECORDED: Oil, Gas and Mineral Lease filed in Volume 762, Page 401 of the Official Records of Washington County, Texas

LEASE NO. : TX1-72520
DATE: November 17, 1994
LESSOR: Tillian M. Swanson, dealing in her sole and separate property
LESSEE: Union Pacific Resources Company
RECORDED: Oil, Gas and Mineral Lease filed in Volume 772, Page 382
of the Official Records of Washington County, Texas

LEASE NO. : TX1-72516
DATE: December 16, 1994
LESSOR: Lillian Sowell, dealing in her sole and separate property
LESSEE: Union Pacific Resources Company
RECORDED: Oil, Gas and Mineral Lease filed in Volume 772, Page 388
of the Official Records of Washington County, Texas

LEASE NO. : TX1-89412(1)
DATE: June 7, 1997
LESSOR: Jerlene Williams, Lee Ray Williams, Ernest Williams, McKenney Williams,
Elizabeth Figgs, Alvin Williams and Aletha Williams
LESSEE: Union Pacific Resources Company
RECORDED: Oil, Gas and Mineral Lease filed in Volume 861, Page 346
of the Official Records of Washington County, Texas

LEASE NO. : TX1-89412(2)
DATE: June 7, 1997
LESSOR: Jack Williams
LESSEE: Union Pacific Resources Company
RECORDED: Oil, Gas and Mineral Lease filed in Volume 862, Page 889
of the Official Records of Washington County, Texas

LEASE NO. : TX1-72233
DATE: November 9, 1994
LESSOR: Annie L. Edmonds, a widow
LESSEE: Union Pacific Resources Company
RECORDED: Oil, Gas and Mineral Lease filed in Volume 762, Page 437
of the Official Records of Washington County, Texas

LEASE NO. : TX1-72242
DATE: November 15, 1994
LESSOR: Alvin Lusk and wife, Margie Lee Lusk
LESSEE: Union Pacific Resources Company
RECORDED: Oil, Gas and Mineral Lease filed in Volume 762, Page 398
of the Official Records of Washington County, Texas

LEASE NO. : TX1-72567
DATE: January 4, 1995
LESSOR: Joyce Cooper, Life Tenant and Leonard Elmo Dawsey, remainderman
LESSEE: Union Pacific Resources Company
RECORDED: Oil, Gas and Mineral Lease filed in Volume 773, Page 259
of the Official Records of Washington County, Texas

LEASE NO. : TX1-72523
DATE: December 1, 1994
LESSOR: Robert Lusk, a single man
LESSEE: Union Pacific Resources Company
RECORDED: Oil, Gas and Mineral Lease filed in Volume 775, Page 234
of the Official Records of Washington County, Texas

LEASE NO. : TX1-72239
DATE: November 15, 1994
LESSOR: Mark Lusk, Jr.
LESSEE: Union Pacific Resources Company
RECORDED: Oil, Gas and Mineral Lease filed in Volume 762, Page 456
of the Official Records of Washington County, Texas

LEASE NO: TX1-61607
 DATE: February 11, 1994
 LESSOR: Bonnie M. Sonnier, a widow
 LESSEE: Union Pacific Resources Company
 RECORDED: Memorandum of Oil, Gas and Mineral Lease
 Volume 728, Page 92, Official Records of Washington County, Texas

LEASE NO. : TX1-72236
 DATE: November 16, 1994
 LESSOR: H. Clayton Evans and wife, Mary Ann Evans
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 762, Page 447
 of the Official Records of Washington County, Texas

LEASE NO. : TX1-72517
 DATE: December 6, 1994
 LESSOR: Evelyn Meyer, a widow, also known as Evelyn F. Meyer
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 772, Page 385
 of the Official Records of Washington County, Texas

LEASE NO. : TX1-49365
 DATE: August 12, 1993
 LESSOR: Charlie Buerger and wife, Mildred L. Buerger
 LESSEE: Western States Land Services, Inc.
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 715, Page 473
 of the Official Records of Washington County, Texas

LIMITATION: **INSOFAR AND ONLY INSOFAR** as said lease covers that certain tract of land described on the attached Exhibit "A-1"

LEASE NO. : TX1-85389
 DATE: November 8, 1996
 LESSOR: Ronald C. Holle and wife, Dorothy Ann Holle
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 841, Page 344,
 of the Official Records of Washington County, Texas

LIMITATION: **INSOFAR AND ONLY INSOFAR** as said lease covers 92.113 acres of land, more or less out of the James Schrier Survey, A-98, Washington County, Texas and being the same land described as Tract 1 in a Warranty Deed dated October 31, 1990 from John S. Garnett and wife, Emma Garnett to Ronald C. Holle and Dorothy Ann Holle and recorded in Volume 636, Page 22 of the Official Records of Washington County, Texas.

LEASE NO. : TX1-91011
 DATE: October 29, 1997
 LESSOR: Ronald C. Holle and wife, Dorothy Ann Holle
 LESSEE: Union Pacific Resources Company
 RECORDED: Memorandum of Oil, Gas and Mineral Lease
 Volume 875, Page 85, Official Records of Washington County, Texas

LEASE NO: TX1-62821
 DATE: March 16, 1994
 LESSOR: Raymond S. Schultz, Jr. and wife, Shirley Ann Schultz
 LESSEE: Union Pacific Resources Company
 RECORDED: Memorandum of Oil, Gas and Mineral Lease
 Volume 733, Page 118, Official Records of Washington County, Texas

LEASE NO. : TX1-90704
 DATE: October 9, 1997
 LESSOR: Howard N. Barbour, II and wife, Louise Willis Barbour
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 873, Page 201,
 of the Official Records of Washington County, Texas

LEASE NO. : TX1-72420
 DATE: December 12, 1994
 LESSOR: Elsie L. Sander, a widow
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 773, Page 205,
 of the Official Records of Washington County, Texas

LEASE NO. : TX1-72380
 DATE: November 15, 1994
 LESSOR: Ronald Haevischer and wife, Judy Ann Haevischer
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 773, Page 215,
 of the Official Records of Washington County, Texas

LEASE NO. : TX1-60067
 DATE: August 20, 1993
 LESSOR: Arthur Lee Nordt and wife, Debra Jean Nordt
 LESSEE: Western States Land Services, Inc.
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 715, Page 521
 of the Official Records of Washington County, Texas

LEASE NO. : TX1-60070
 DATE: August 20, 1993
 LESSOR: Annie Mae Nordt, a feme sole
 LESSEE: Western States Land Services, Inc.
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 715, Page 585
 of the Official Records of Washington County, Texas

LEASE NO. : TX1-72234
 DATE: November 22, 1994
 LESSOR: David A. Ruley and wife, Joyce Ruley
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 762, Page 440,
 of the Official Records of Washington County, Texas

LEASE NO. : TX1-72575
 DATE: December 28, 1994
 LESSOR: Larry R. Birkelbach and wife, Alice M. Birkelbach
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 773, Page 241,
 of the Official Records of Washington County, Texas

LEASE NO. : TX1-72568
 DATE: January 5, 1995
 LESSOR: Jose Carlos Estrada and wife, Andrea Estrada
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 773, Page 253,
 of the Official Records of Washington County, Texas

LEASE NO: TX1-73059
 DATE: March 14, 1995
 LESSOR: George E. Dillingham and wife, Cassandra F. Dillingham
 LESSEE: Union Pacific Resources Company
 RECORDED: Memorandum of Oil, Gas and Mineral Lease
 Volume 787, Page 500, Official Records of Washington County, Texas

LEASE NO. : TX1-89020
 DATE: April 30, 1997
 LESSOR: John A. Hood and wife, Kathie M. Hood
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 856, Page 411,
 of the Official Records of Washington County, Texas

LEASE NO: TX1-72629
 DATE: December 26, 1994
 LESSOR: Edwin D. Shupak, Jr. and wife, Dee Sue Lawler Shupak
 LESSEE: Union Pacific Resources Company
 RECORDED: Memorandum of Oil, Gas and Mineral Lease
 Volume 775, Page 260, Official Records of Washington County, Texas

LEASE NO. : TX1-79664
 DATE: August 25, 1995
 LESSOR: Ralph E. Summers and wife, Margo L. Summers
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 815, Page 556,
 of the Official Records of Washington County, Texas

LEASE NO. : TX1-90912
 DATE: November 10, 1997
 LESSOR: Jason C. Grimm
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 874, Page 921,
 of the Official Records of Washington County, Texas

LEASE NO. : TX1-72709
 DATE: February 14, 1995
 LESSOR: Aubrey D. Jaster and wife, Beverly Jaster
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 776, Page 671,
 of the Official Records of Washington County, Texas

LEASE NO: TX1-90617(2)
 DATE: March 1, 1995
 LESSOR: Reuben O. Mikeska, a single man
 LESSEE: Union Pacific Resources Company
 RECORDED: Memorandum of Oil, Gas and Mineral Lease
 Volume 781, Page 410, Official Records of Washington County, Texas

LEASE NO. : TX1-73448
 DATE: June 12, 1995
 LESSOR: Sterling H. Crabtree, Jr. and wife, Patricia A. Crabtree
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 793, Page 840,
 of the Official Records of Washington County, Texas

LEASE NO: TX1-90617(4)
 DATE: January 27, 1995
 LESSOR: Charles Kelm and wife, Patricia Kelm
 LESSEE: Union Pacific Resources Company
 RECORDED: Memorandum of Oil, Gas and Mineral Lease
 Volume 772, Page 411, Official Records of Washington County, Texas

LEASE NO. : TX1-90617(3)
 DATE: November 22, 1994
 LESSOR: Roy W. Finke, Jr. and wife, Vilette R. Finke
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 762, Page 414,
 of the Official Records of Washington County, Texas

LEASE NO. : TX1-90617(1)
 DATE: August 25, 1997
 LESSOR: Harry A. Zorn; Frieda H. Zorn, by Carolyn Maxine Littrell, Attorney-in-Fact
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 868, Page 43,
 of the Official Records of Washington County, Texas

LEASE NO. : TX1-90617(5)
 DATE: September 22, 1997
 LESSOR: Harry A. Zorn; Frieda H. Zorn, by Carolyn Maxine Littrell, Attorney-in-Fact
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 870, Page 461,
 of the Official Records of Washington County, Texas

LEASE NO. : TX1-72240
 DATE: December 6, 1994
 LESSOR: Duane E. Fritz, a single man
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 762, Page 395,
 of the Official Records of Washington County, Texas

LEASE NO. : TX1-89411
 DATE: May 2, 1997
 LESSOR: Grady E. Kissel and wife, Cindy A. Kissel
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 860, Page 474,
 of the Official Records of Washington County, Texas

LEASE NO. : TX1-60506(1)
 DATE: October 22, 1993
 LESSOR: Eugene Fritz and wife, Ruth Carol Fritz
 LESSEE: Western States Land Services, Inc.
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 719, Page 225
 of the Official Records of Washington County, Texas

LIMITATION: **INSOFAR AND ONLY INSOFAR** as said lease covers 1.923 acres of
 land, more or less out of the James Schrier Survey, A-98, Washington
 County, Texas and being the same land described in that certain Partition
 Deed dated February 6, 1986, recorded in Volume 529, Page 680, Official
 Records of Washington County, Texas.

LEASE NO. : TX1-60506(2)
 DATE: October 22, 1993
 LESSOR: Mary Lee Lauter, a single person
 LESSEE: Western States Land Services, Inc.
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 719, Page 228
 of the Official Records of Washington County, Texas

LIMITATION: **INSOFAR AND ONLY INSOFAR** as said lease covers 1.923 acres of
 land, more or less out of the James Schrier Survey, A-98, Washington
 County, Texas and being the same land described in that certain Partition
 Deed dated February 6, 1986, recorded in Volume 529, Page 680, Official
 Records of Washington County, Texas.

LEASE NO. : TX1-60506(3)
 DATE: October 22, 1993
 LESSOR: Annie Marie Fritz, the widow of Lee Roy Fritz, deceased
 LESSEE: Western States Land Services, Inc.
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 719, Page 232
 of the Official Records of Washington County, Texas

LIMITATION: **INSOFAR AND ONLY INSOFAR** as said lease covers 1.923 acres of
 land, more or less out of the James Schrier Survey, A-98, Washington
 County, Texas and being the same land described in that certain Partition
 Deed dated February 6, 1986, recorded in Volume 529, Page 680, Official
 Records of Washington County, Texas.

LEASE NO. : TX1-90705
 DATE: October 9, 1997
 LESSOR: Mary G. Kwiatkowski, a widow, Alphonse J. Kwiatkowski, a married man
 & Willie A. Kwiatkowski, a married man, both dealing in their sole and
 separate non-homestead property
 LESSEE: Union Pacific Resources Company
 RECORDED: Oil, Gas and Mineral Lease filed in Volume 873, Page 196,
 of the Official Records of Washington County, Texas

LEASE NO. : TX1-90914
DATE: October 8, 1997
LESSOR: Paul Pete Antkowiak and wife, Lillian Marie Antkowiak
LESSEE: Union Pacific Resources Company
RECORDED: Oil, Gas and Mineral Lease filed in Volume 872, Page 293,
of the Official Records of Washington County, Texas

LEASE NO. : TX1-90913
DATE: November 28, 1997
LESSOR: John A. Kwiatkowski
LESSEE: Union Pacific Resources Company
RECORDED: Oil, Gas and Mineral Lease filed in Volume 872, Page 627,
of the Official Records of Washington County, Texas

LEASE NO. : TX1-90707
DATE: October 9, 1997
LESSOR: Kathryn A. Tamez and husband, Demetrio I. Tamez
LESSEE: Union Pacific Resources Company
RECORDED: Oil, Gas and Mineral Lease filed in Volume 872, Page 296,
of the Official Records of Washington County, Texas

LEASE NO. : TX2-
DATE: August 5, 1997
LESSOR: Commissioner of the General Land Office of the State of Texas-M-98476
LESSEE: Union Pacific Resources Company
RECORDED: M-98476 General Land Office of the State of Texas
LIMITATION: **LESS AND EXCEPT** that certain tract of land described on the attached
Exhibit "A-2"

LEASE NO. : TX2-
DATE: February 3, 1998
LESSOR: Commissioner of the General Land Office of the State of Texas-M-98922
LESSEE: Union Pacific Resources Company
RECORDED: M-98922 General Land Office of the State of Texas



LIMITED to the production of Oil and/or Gas from the Austin Chalk, Buda and/or Georgetown formations, as such formations are found in the wellbore of the Pan American Petroleum Corp. Woodrow Free #1 located in the James Walker Survey, A-106, Washington County, Texas between the depths of 14,626' and 15,170 K.B.

EXHIBIT "A-1"

COBB UNIT, WELL NO. 1
 CHARLIE BURGER, ET UX
 TRACT NO. 27
 67.90 ACRES

All that certain tract or parcel of land, lying and being situated in Washington County, Texas, part of the James Schrier Survey, A-98, being part of the same land described as 111.03 acres in the deed from J. J. Elick, et ux, to Charlie Buerger, dated January 12, 1946, as recorded in Vol. 144, Page 477, in the Deed Records of Washington County, Texas, and being more fully described by metes and bounds as follows:

BEGINNING at the North corner hereof, being on the Northwest line of said original tract, a 1/2 inch iron rod found at the base of a fence corner post for the occupied North corner of said original tract bears N 50°07'05" E 534.36 feet;

THENCE along the Northeast lines hereof, S 38°24'56" E 1044.40 feet and S 47°18'10" E 502.95 feet to the East corner hereof, being situated in the center of Tigerpoint Road;

THENCE along the center of said Tigerpoint Road as follows: S 38°51'27" W 56.90 feet, S 32°14'20" W 62.58 feet, and S 19°22'45" W 50.81 feet to an exterior corner hereof, being situated in the center of said Tigerpoint Road;

THENCE N 50°34'33" W 55.92 feet to an interior corner hereof;

THENCE along the Southeast lines hereof, as follows: S 41°54'08" W 1511.54 feet, S 43°54'43" W 599.43 feet, S 49°14'54" W 69.66 feet, S 55°04'23" W 20.20 feet, and S 55°39'24" W 21.50 feet to the South corner hereof;

THENCE along the West and Southwest lines hereof, as follows: N 12°12'06" W 23.11 feet, N 09°56'26" W 315.18 feet, N 22°58'36" W 380.38 feet, N 23°20'44" W 546.56 feet, and N 16°56'29" W 570.65 feet to the West corner hereof;

THENCE along the Northwest lines hereof, as follows: N 41°19'33" E 237.35 feet and N 42°28'35" E 538.29 feet to a 1/2 inch iron rod found at the base of a fence corner post;

THENCE along a West line hereof, S 15°53'54" E 336.43 feet to an interior ell corner hereof;

THENCE along a North line hereof, N 77°24'30" E 563.84 feet to an interior ell corner hereof;

THENCE N 12°35'31" W 767.92 feet to an exterior corner hereof;

THENCE along North and Northwest lines hereof, as follows: N 88°46'41" E 21.66 feet and N 43°45'48" E 23.17 feet to a 3/8 inch iron rod found at the base of a fence corner post for an exterior corner hereof;

THENCE along an East line hereof, S 20°17'44" E 104.17 feet to a fence corner post for an interior ell corner hereof;

THENCE along a Northwest line hereof, N 50°10'04" E 127.44 feet to a fence corner post and N 50°07'05" E 60.70 feet to the place of beginning and containing 67.90 acres of land.

THE STATE OF TEXAS

COUNTY OF WASHINGTON

5.92 ACRES

All that certain tract or parcel of land, lying and being situated in Washington County, Texas, part of the James Schrier Survey, A-98, being a portion of a 60 foot County Road known as Baranowski Road and being more fully described by metes and bounds as follows, To-Wit:

BEGINNING at the Northwest corner hereof, being on the North line of the Genevieve Rybarski tract called 5.04 acres as described in the deed recorded in Vol. 267, Page 464, in the Deed Records of Washington County, Texas and being on the apparent West margin of said Baranowski Road, being S 70°44'09" W 5.23 feet from the occupied Northeast corner of said Rybarski tract;

THENCE along the North line hereof, N 70°44'09" E 60.02 feet to the Northeast corner hereof, being on the apparent East margin of said Baranowski Road;

THENCE along the apparent East and Northeast margin of said Baranowski Road for the East and Northeast lines hereof, as follows: S 17°54'50" E 464.51 feet, S 17°01'55" E 301.38 feet, S 19°35'30" E 143.98 feet, S 31°54'49" E 72.00 feet, S 44°30'49" E 470.54 feet, S 46°15'42" E 140.57 feet, S 48°14'23" E 574.53 feet, and S 47°15'58" E 2114.40 feet to the East corner hereof, being at the intersection of said Northeast margin of said Baranowski Road with the centerline of F. M. Highway No. 332;

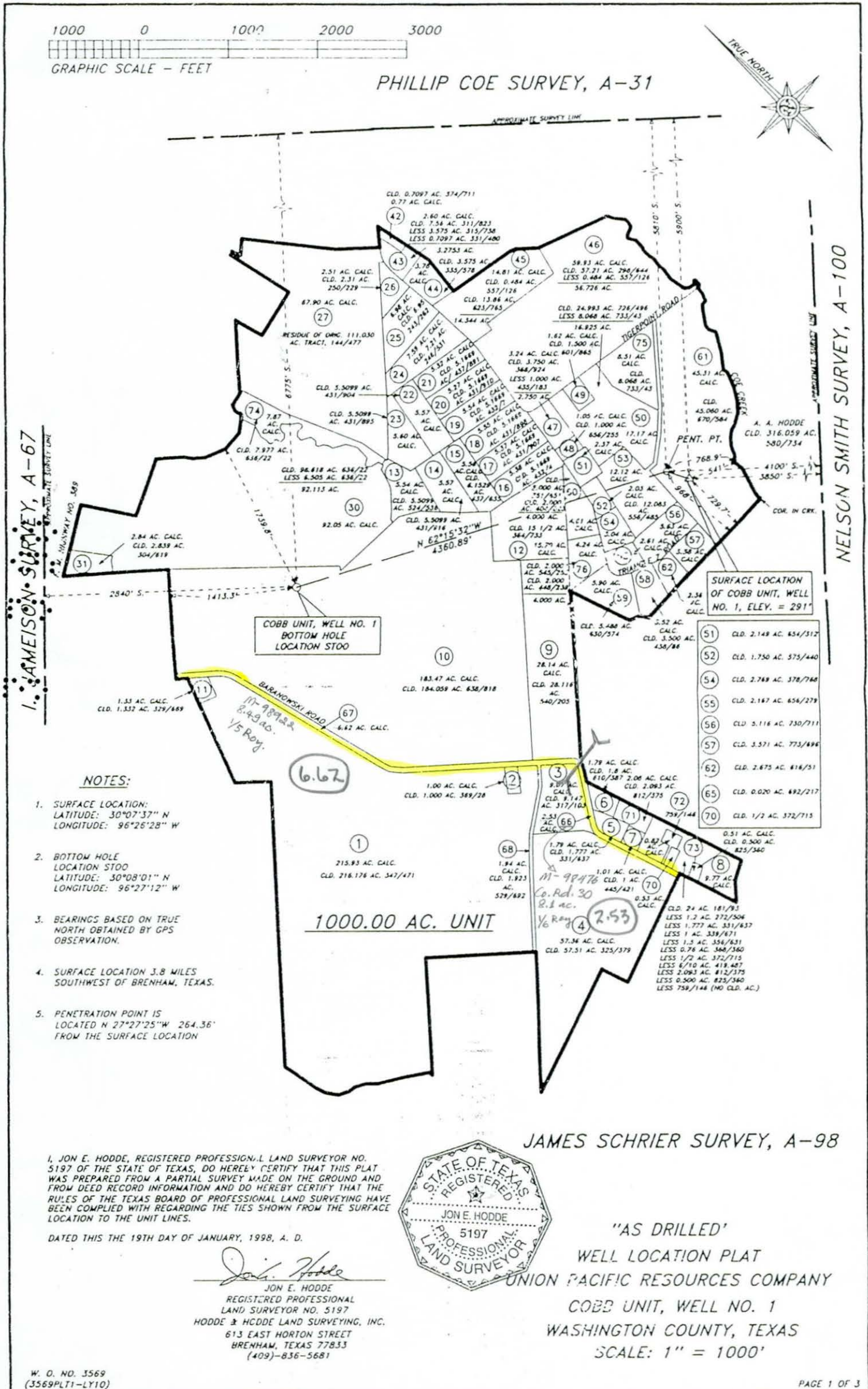
THENCE along a curved portion of the centerline of said F. M. Highway No. 332, being a curve to the left, through a central angle of 0°11'01", having a radius of 14,323.95 feet, a chord of S 42°07'09" W 45.88 feet, for an arc distance of 45.88 feet, to the end of said curved portion of same;

THENCE continuing along the centerline of said F. M. Highway No. 332, S 42°01'39" W 14.12 feet to the South corner hereof, being at the intersection of the Southwest margin of said Baranowski Road with the centerline of said highway;

THENCE along the Southwest and West margin of said Baranowski Road, as follows: N 47°15'58" W 2114.55 feet, N 48°14'23" W 575.06 feet, N 46°15'42" W 142.53 feet, N 44°30'49" W 478.08 feet, N 31°54'49" W 85.10 feet, N 19°35'30" W 151.79 feet, N 17°01'55" W 302.26 feet, and N 17°54'50" W 462.63 feet to the place of beginning and containing 5.92 acres of land.

EXHIBIT "B"

Attached to and made a part of that certain "DESIGNATION OF UNIT - COBB UNIT, WELL NO. 1", dated January 27, 1998.



JAMES SCHRIER SURVEY, A-98

I, JON E. HODDE, REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5197 OF THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM A PARTIAL SURVEY MADE ON THE GROUND AND FROM DEED RECORD INFORMATION AND DO HEREBY CERTIFY THAT THE RULES OF THE TEXAS BOARD OF PROFESSIONAL LAND SURVEYING HAVE BEEN COMPLIED WITH REGARDING THE TIES SHOWN FROM THE SURFACE LOCATION TO THE UNIT LINES.

DATED THIS THE 19TH DAY OF JANUARY, 1998, A. D.

Jon E. Hodde
 JON E. HODDE
 REGISTERED PROFESSIONAL
 LAND SURVEYOR NO. 5197
 HODDE & HODDE LAND SURVEYING, INC.
 613 EAST HORTON STREET
 BRENHAM, TEXAS 77833
 (409)-836-5681



"AS DRILLED"
 WELL LOCATION PLAT
 UNION PACIFIC RESOURCES COMPANY
 COBB UNIT, WELL NO. 1
 WASHINGTON COUNTY, TEXAS
 SCALE: 1" = 1000'

COBB UNIT, WELL NO. 1

UNIT PERIMETER BEARINGS & DISTANCES

1.	215.93 ACRES	BRIAN D. LAMB, ET AL
2.	1.00 ACRE	LARRY NEUMANN
3.	9.07 ACRES	PETE L. MILLER, ET AL
4.	57.36 ACRES	MARYA MCLAN INGRAM
5.	1.79 ACRES	PAUL PETE ANTKOWIAK, ET UX
6.	1.79 ACRES	JODY KAPCHINSKI, ET UX
7.	1.01 ACRES	RANDY KAPCHINSKI, ET UX
8.	9.77 ACRES	JOHN M. BUDNICK
9.	28.14 ACRES	MAX BARANOWSKI, JR., ET AL
10.	183.47 ACRES	LINDA ANN WHITE, ET AL
11.	1.33 ACRES	TOMMY PRZYBORSKI
12.	15.70 ACRES	NADINE RAU, ET VIR
13.	5.54 ACRES	SOPHELIA PREDOM LOVE
14.	5.57 ACRES	JOHNNIE LUSK
15.	5.56 ACRES	HERMAN L. SHELTON, JR.
16.	5.38 ACRES	TILLIAN SWANSON
17.	5.37 ACRES	LILLIAN SOWELL
18.	5.55 ACRES	JERLENE WILLIAMS, ET AL
19.	5.54 ACRES	ANNIE L. EDMONDS
20.	5.27 ACRES	ALVIN LUSK, ET UX
21.	5.32 ACRES	JOYCE COOPER, ET AL
22.	5.57 ACRES	ROBERT LUSK
23.	5.60 ACRES	MARK LUSK, JR.
24.	7.59 ACRES	BONNIE M. SONNIER
25.	6.98 ACRES	H. CLAYTON EVANS, ET UX
26.	2.51 ACRES	EVELYN MEYER
27.	67.90 ACRES	CHARLIE BUERGER, ET UX
28.	"OMITTED"	
29.	"OMITTED"	
30.	92.05 ACRES	RONALD C. HOLLE, ET UX
31.	2.84 ACRES	RAYMOND S. SCHULTZ, JR., ET UX
32.	"OMITTED"	
33.	"OMITTED"	
34.	"OMITTED"	
35.	"OMITTED"	
36.	"OMITTED"	
37.	"OMITTED"	
38.	"OMITTED"	
39.	"OMITTED"	
40.	"OMITTED"	
41.	"OMITTED"	
42.	0.77 ACRES	HOWARD N. BARBOUR, II, ET UX
43.	2.60 ACRES	ELSIE L. SANDER
44.	3.78 ACRES	RONALD HAEVISCHER, ET UX
45.	14.81 ACRES	ARTHUR LEE NORDT, ET UX
46.	59.93 ACRES	ANNIE MAE NORDT
47.	3.24 ACRES	DAVID A. RULLEY, ET UX
48.	1.05 ACRES	LARRY R. BIRKELBACH, ET UX
49.	1.62 ACRES	JOSE CARLOS ESTRADA, ET UX
50.	17.17 ACRES	GEORGE E. DILLINGHAM, ET UX
51.	2.37 ACRES	JOHN A. HOOD, ET UX
52.	2.03 ACRES	EDWIN D. SHUPAK, JR., ET UX
53.	12.12 ACRES	RALPH E. SUMMERS, ET UX
54.	3.04 ACRES	KENNETH R. GOODRUM, ET UX
55.	2.61 ACRES	AUBREY D. JASTER, ET UX
56.	5.63 ACRES	REUBEN O. WIKESKA
57.	3.38 ACRES	STERLING H. CRABTREE, JR., ET UX
58.	3.52 ACRES	CHARLES KELM, ET UX
59.	5.90 ACRES	ROY W. FINKE, JR., ET UX
60.	4.61 ACRES	DUANE E. FRITZ
61.	45.31 ACRES	NATHAN JOE COBB, ET UX
62.	2.36 ACRES	GRADY E. KISSEL, ET UX
63.	"OMITTED"	
64.	"OMITTED"	
65.	"OMITTED"	
66.	2.53 ACRES	STATE OF TEXAS
67.	6.62 ACRES	STATE OF TEXAS
68.	1.94 ACRES	EUGENE FRITZ, ET AL
69.	"OMITTED"	
70.	0.53 ACRES	MARY G. KWIAKOWSKI, ET AL
71.	2.08 ACRES	PAUL PETE ANTKOWIAK, ET UX
72.	0.82 ACRE	JOHN A. KWIAKOWSKI
73.	0.51 ACRE	KATHRYN A. TAMEZ, ET VIR
74.	7.87 ACRES	RONALD C. HOLLE, ET AL
75.	8.51 ACRES	GEORGE E. DILLINGHAM, ET AL
76.	4.24 ACRES	ROY W. FINKE, JR., ET AL

COURSE	BEARING	DISTANCE	COURSE	BEARING	DISTANCE
L-1	N 43°30'11"E	25.92'	L-72	N 44°02'05"E	40.37'
L-2	N 42°24'23"E	3170.95'	L-73	S 77°33'00"E	14.37'
L-3	N 45°58'22"W	217.62'	L-74	S 00°01'20"W	60.63'
L-4	N 47°26'40"W	184.57'	L-75	S 42°26'47"W	32.83'
L-5	N 20°50'26"E	967.40'	L-76	N 81°34'15"W	19.35'
L-6	N 21°17'26"E	314.18'	L-77	S 05°36'05"W	73.18'
L-7	N 48°52'19"W	126.86'	L-78	S 21°21'05"W	93.50'
L-8	N 40°38'47"E	383.75'	L-79	S 85°36'05"W	51.00'
L-9	N 41°22'25"E	837.41'	L-80	S 43°36'05"W	59.00'
L-10	N 48°31'56"W	624.30'	L-81	S 34°36'05"W	177.00'
L-11	N 48°48'26"W	551.66'	L-82	S 05°06'05"W	60.00'
L-12	N 59°04'58"E	823.50'	L-83	S 27°38'55"E	72.00'
L-13	S 33°31'36"E	630.32'	L-84	S 17°06'05"W	28.00'
L-14	N 64°27'51"E	673.59'	L-85	S 30°21'05"W	208.00'
L-15	S 50°14'26"E	113.84'	L-86	S 37°51'05"W	201.00'
L-16	S 48°49'26"E	204.61'	L-87	S 10°23'55"E	54.00'
L-17	S 34°24'26"E	87.75'	L-88	S 21°36'05"W	195.00'
L-18	S 48°54'26"E	142.44'	L-89	S 32°36'05"W	151.00'
L-19	S 68°05'26"E	245.86'	L-90	S 41°36'05"W	135.00'
L-20	N 85°32'34"E	235.98'	L-91	S 61°21'05"W	145.00'
L-21	N 53°30'34"E	161.95'	L-92	S 75°51'05"W	57.00'
L-22	N 44°39'34"E	49.22'	L-93	S 53°06'05"W	89.00'
L-23	N 11°35'34"E	18.95'	L-94	S 40°51'05"W	101.00'
L-24	N 39°16'26"W	28.00'	L-95	S 24°21'05"W	104.50'
L-25	N 06°46'26"W	35.93'	L-96	S 45°06'05"W	87.00'
L-26	N 22°16'34"E	70.34'	L-97	S 15°38'55"E	37.00'
L-27	N 77°30'34"E	93.70'	L-98	S 04°08'55"E	76.00'
L-28	N 73°45'34"E	76.37'	L-99	S 18°21'05"W	87.50'
L-29	N 26°34'34"E	23.66'	L-100	S 17°51'05"W	209.00'
L-30	N 41°19'33"E	248.01'	L-101	S 09°06'05"W	63.00'
L-31	N 42°28'35"E	538.29'	L-102	S 12°53'55"E	28.60'
L-32	S 15°53'54"E	336.43'	L-103	S 88°12'49"W	793.13'
L-33	N 77°24'30"E	563.84'	L-104	S 89°07'50"W	373.12'
L-34	N 12°35'31"W	767.92'	L-105	S 87°44'21"W	668.79'
L-35	N 88°46'41"E	21.66'	L-106	N 32°57'06"W	100.81'
L-36	N 43°45'48"E	23.17'	L-107	N 66°54'01"W	127.30'
L-37	S 20°17'44"E	104.17'	L-108	N 18°44'03"W	733.49'
L-38	N 50°10'04"E	127.44'	L-109	S 41°55'09"W	1917.96'
L-39	N 50°07'05"E	60.70'	L-110	S 11°01'35"W	27.61'
L-40	S 38°24'56"E	1044.40'	L-111	S 28°25'06"W	53.03'
L-41	S 47°18'10"E	502.95'	L-112	S 32°51'03"W	140.32'
L-42	N 38°51'27"E	119.17'	L-113	S 17°44'34"E	416.91'
L-43	N 40°49'50"E	121.82'	L-114	S 18°08'53"E	667.16'
L-44	S 11°40'55"E	347.76'	L-115	S 17°48'46"E	852.17'
L-45	S 10°21'12"E	44.02'	L-116	S 62°26'33"W	232.04'
L-46	S 11°30'48"E	193.22'	L-117	S 42°26'23"W	249.82'
L-47	S 11°46'43"E	107.54'	L-118	N 17°01'55"W	241.50'
L-48	S 06°12'02"W	439.92'	L-119	N 17°54'50"W	464.51'
L-49	S 79°37'05"E	775.89'	L-120	S 70°44'09"W	582.08'
L-50	S 67°13'12"E	66.91'	L-121	S 70°52'38"W	767.87'
L-51	S 47°31'59"E	259.31'	L-122	N 18°32'45"W	323.30'
L-52	S 69°41'46"E	864.14'	L-123	S 71°25'31"W	165.18'
L-53	S 22°54'26"E	65.23'	L-124	S 71°30'08"W	1380.42'
L-54	S 38°32'46"E	138.04'	L-125	N 42°05'01"E	196.28'
L-55	S 06°03'40"E	38.06'	L-126	N 42°37'06"E	182.79'
L-56	S 15°41'55"W	53.48'	L-127	N 43°47'26"E	297.33'
L-57	S 40°45'30"W	27.35'	L-128	N 45°10'55"E	85.96'
L-58	S 71°28'40"W	81.86'	L-129	N 43°22'03"E	547.95'
L-59	S 44°26'03"W	31.82'	L-130	N 42°38'19"E	269.03'
L-60	S 03°04'30"E	16.93'	L-131	N 48°02'50"W	1239.24'
L-61	S 31°19'14"E	85.25'	L-132	S 42°01'28"W	1319.88'
L-62	S 04°21'27"W	107.87'	L-133	N 03°06'17"W	44.44'
L-63	S 25°34'34"W	32.98'	L-134	N 55°26'42"W	284.00'
L-64	S 01°52'47"E	93.28'	L-135	N 58°57'42"W	310.10'
L-65	S 13°37'01"E	49.85'	L-136	N 44°38'42"W	131.79'
L-66	S 07°03'13"W	107.88'	L-137	N 61°18'42"W	116.67'
L-67	S 07°06'22"E	51.04'	L-138	N 78°34'42"W	93.82'
L-68	S 08°04'32"W	139.18'	L-139	N 63°25'42"W	119.91'
L-69	S 11°19'47"E	184.63'	L-140	N 35°47'42"W	152.24'
L-70	S 53°32'41"E	46.55'	L-141	N 18°05'42"W	120.19'
L-71	S 77°44'14"E	65.95'	L-142	N 09°23'42"W	280.55'
			L-143	N 11°43'42"W	136.79'

1000.00 ACRE UNIT

FILED FOR RECORD
WASHINGTON COUNTY, TEXAS
'98 FEB 11 PM 1 25
Beth A. Rothermel
WASHINGTON CO. 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

FEB 12 1998



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

EXHIBIT "A"

"AS DRILLED"

WELL LOCATION PLAT

UNION PACIFIC RESOURCES COMPANY

COBB UNIT, WELL NO. 1

WASHINGTON COUNTY, TEXAS

SCALE: 1" = 1000'

February 27, 1998

Paul Devoric
Commissioner of General Land Office
State of Texas
1700 North Congress Avenue
Austin TX 78701-1495

**Re: Designation of Unit
Cobb Unit Well No. 1
Washington County, TX
State Lease M-98476
State Lease M-98922**

Dear Mr. Devoric:

Enclosed please find a copy of the above referenced Designation of Unit duly recorded in the official records of Washington County, Tx. in Volume 883 and Page 236.

Should you require further, please call me at (817)255-7672.

Sincerely,



Maureen Black
Land Analyst

cc: Cobb Unit Well File
Janett Hodge
Suzanne Naylor w/o attachment
Greg Smith

File No. MF-98476

Design of pooled

unit

Date Filed: 8/24/98

Jerry E. Patterson, Commissioner

By _____

①①

DESIGN OF POOLED

UNIT 8-24-98

9 238

DENNIS MAHLMANN
Petroleum Land Services
208 W. Alamo
Brenham, Texas 77833
409/836-3260

August 20, 1997

Texas General Land Office
Lease Administration
1700 N. Congress Ave.
Austin, Texas 78701

170

Attn.: Mr. Drew Reid

RE: Oil and Gas Lease, 8.10 acres of land,
Right-of-way, M-98476
Washington County, Texas

X 863.26

97064310

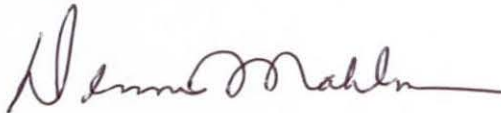
Dear Mr. Reid:

Simmons & Associates Inc ✓

The application by Union Pacific Resources Company to lease the referenced tract has been approved as of August 8, 1997. Enclosed please find Simmons & Associates, Inc. check no. 5137 for the amount of \$863.26 which amount includes \$850.50 as bonus consideration plus \$12.76 for the 1.5% sales fee. Please forward the executed lease to me at the above address.

Thank you for your assistance in acquiring this lease.

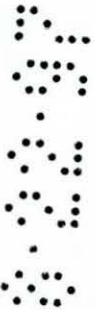
Sincerely yours,



Dennis Mahlmann
Landman
Union Pacific Resources Company

Enclosure

RECEIVED
97 AUG 22 PM 2:02
ENERGY RESOURCES



M-98476 01040070
⑫ Letter 8/20/97. 1-22-99

File No. MF-98476
Letter 8/20/97
Date Filed: 1/22/99
Jeffrey E. Patterson, Commissioner
By _____

000000