

STATE LEASE

MF099088

*Expired in error*  
~~EXPIRED~~

CONTROL	BASEFILE	COUNTY
65-902394	000 -	WASHINGTON /239

SURVEY : WASHINGTON COUNTY ROADS  
 BLOCK :  
 TOWNSHIP : 00  
 SECTION/TRACT:  
 PART :  
 ACRES : 10.80  
 DEPTH LIMITS : NO

Rentals: *MT.*  
 Lease *DL*  
 Admin:  
 Mineral *MC*  
 Maps:

LESSEE : MARATHON OIL CO  
 LEASE DATE : May 05 1998  
 PRIMARY TERM : 1 yrs  
 BONUS (\$) : 1644.00  
 RENTAL (\$) : 0.00  
 ROYALTY : 0.25000000  
 VAR ROYALTY :

TERMINATION

DATE 4/1/06  
 LEASING *[Signature]*  
 MAPS \_\_\_\_\_  
 GIS \_\_\_\_\_



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| 4. Letter                      | 3/9/98   |
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| 6. Plat                        | -        |
| 7. Affidavit                   | 3-9-98   |
| 8. Deed                        | 5-28-60  |
| 9. Letter                      | 10/10/97 |
| 10. Adj. Lease                 | 8/26/97  |
| 11. DIVISION ORDER             | 10-21-98 |
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| 13. Expired                    | 9/20/99  |
| 14. Letters + Assignment       | +700     |
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GENERAL LAND OFFICE

GARRY MAURO  
COMMISSIONER

MEMORANDUM

-----  
Docket #165

DATE: April 29, 1998

TO: Linda Fisher / School Land Board

From: Drew Reid / Minerals Leasing

RE: Applications To Lease Highway Right-of-Way

- A) Applicant - UPRC  
Description - 4.201 ac. along St. Hwy. 14,, situated in the  
Mary Cook Sur., A-149 in Falls Co.  
Terms - \$35.00/Ac. Bonus, 4/25 Royalty, 3 Years Paid-up
- B) Applicant - Alyana Energy  
Description - 8.61 ac. along St. Hwy. 90A, situated  
in the Waco MFG. Co. #15 Sur., A-618 in Colorado Co.  
Terms- \$50.00/Ac. Bonus, 3/16 Roulalty, 1 year
- C) Applicant - Swift Energy Co.  
Description - .5 ac. along Co. Rd. 250, situated in the  
J.M. Burton Sur.,A-25 in Fayette Co.  
Terms - \$75.00/Ac. Bonus, 1/6 Royalty, 3 Years Paid-up
- D) Applicant - Marathon Oil Co. of Tyler  
Description - 10.8 ac. along FM 1935 and Co.Rd. 96,  
situated in the W.&P. Kerr Sur., A-69 and in the  
E. Calmpit Sur., A-25 in Washington Co.  
Terms - \$150.00/Ac. Bonus, 1/4 Royalty, 1 Year

E) Applicant - J. Charles Hollimon, Inc.  
Description - 2.71 ac. along St. Hwy. 71, situated in the  
I.&G.N. RR. Co. Sur. #1, A-215 in Wharton Co.  
Terms - \$150.00/Ac. Bonus, 22.5% 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.

① MF 99088  
ITEM App to Bil  
TO \_\_\_\_\_  
FROM \_\_\_\_\_  
DATE 4/29/98

# The State of Texas



Austin, Texas

PAID-UP  
OIL AND GAS LEASE NO. M-99088  
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 **Marathon Oil Company**, whose address is **909 ESE Loop 323, Suite 500, Tyler, TX 75713**, hereinafter called "Lessee".

1. Lessor, in consideration of **One Thousand Six Hundred Forty Four Dollars and 00/100 (\$1,644.00)**, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of **Washington**, State of Texas, and is described as follows:

**10.8** 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 **10.8** acres, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. **PRIMARY TERM:** This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of **one (1) year** from **May 5, 1998**, 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 fourth (1/4)** 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 fourth (1/4)** 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 fourth (1/4)** 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 fourth (1/4)** 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 **\$216.00**. 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

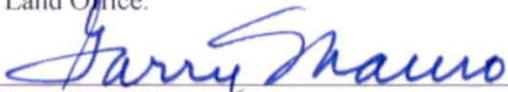
lessee either on the leased premises or acreage pooled therewith, when requested to do so. Said information shall remain confidential as required by statute.

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 **\$432.00**, 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

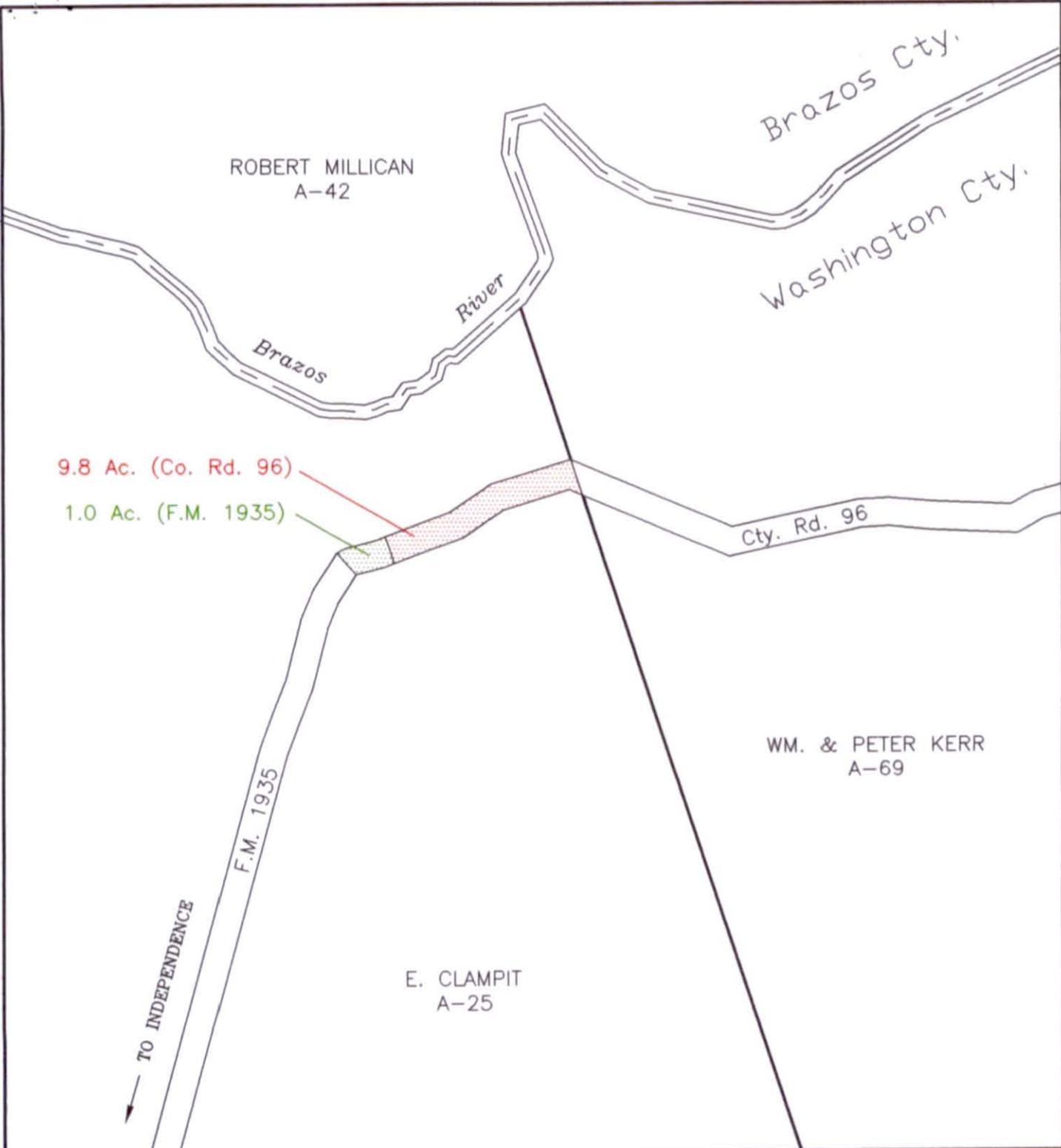
Approved:  
Energy: RN  
Executive: SL

## Exhibit "A"

Acreage to be Leased from the State of Texas in Washington  
County, Texas, being part of FM 1935 and CO. Rd. 96

10.8 acres of land, more or less, situated in the W. & P. Kerr Survey, A-69 and the E. Clampitt Sur., A-25 in Washington County, Texas and being the same land described in the following Deeds Recorded in the Deed Records of Washington County, Texas:

1. Deed from J.F.W. Roehling to Washington County, dated 5/11/31 and recorded in V.104, P.307, of the Deed Records of Washington County, Texas. (10.46 ac.)
2. Deed from the William Roehling Estate et al to Washington County, dated 5/28/60 and recorded in V.229, P.262, of the Deed Records of Washington County, Texas. (.34 ac.)



CR96/EM/4-98

MAP SHOWING  
 A PORTION OF COUNTY ROAD 96 AND FM 1935  
 10.8 ACRES  
 APPROXIMATELY 5.1 MILES NORTHEAST OF INDEPENDENCE  
 WASHINGTON COUNTY

② 99088  
ITEM \_\_\_\_\_  
TO \_\_\_\_\_  
FROM \_\_\_\_\_  
DATE 5/5/98

Southern Region



909 ESE Loop 323, Suite 500  
P.O. Box 130849  
Tyler, TX 75713-0849  
Telephone 903/581-6820

March 3, 1998

Texas General Land Office  
Lease Administration  
1700 N. Congress Avenue, Rm. 640  
Austin, Texas 70701

Re: Washington County Prospect; Richard Powell, et ux; W. & P. Kerr  
Survey, A-69 and E. Clampit Survey, A-25, Washington County, Texas;  
School Land Board Lease Covering State Highway 1935 Tract and County  
Road Extending Therefrom

Gentlemen:

Raymond H. Goodrich, Consulting Professional Landman, currently represents Marathon Oil  
Company in its activity to acquire a lease on State Highway 1935 and Bluff Road.

If you have any questions regarding his representation, please contact me at 1-800-442-8467 ext.  
5545.

Sincerely,

A handwritten signature in blue ink that reads 'Dianne N. Wright'.

Dianne N. Wright  
Landman

DNW/pls

tx-gen.lnd

(3)

MF 99088  
ITEM Letter  
TO \_\_\_\_\_  
FROM \_\_\_\_\_  
DATE 3-3-98

## DETACH BEFORE DEPOSITING

FOR PAYMENT OF:  O & G LEASE  ASSIGNMENT  OPTION  DAMAGES  RIGHT of WAY  OTHER

MORE FULLY DESCRIBED AS: 10.80 acs., mol, out of the E. Clampit SY., A-25  
and the W. & P. Kerr SY., A-69, affecting SH FM 1935 and  
Washington County Road 96, a/k/a Bluff Road, according to  
survey plat by Harry L. Johnson & Associates, Tyler, Texas  
dated 3-3-1998, Map No. W-983-1

# 13620<sup>00</sup>

CHARGE OR AREA: \_\_\_\_\_

1099/TAX IDENTIFICATION INFORMATION MUST BE COMPLETED UNDER THE INTEREST AND DIVIDEND TAX COMPLIANCE ACT OF 1983.

TAXPAYER IDENTIFICATION NUMBER (TIN) AND EXEMPT STATUS.

1.-TIN: SOC. SEC. NO. \_\_\_\_\_ OR - EMPLOYER ID NO. 14-6000108

2.-EXEMPT STATUS: NON-EXEMPT  EXEMPT   
 REASON FOR EXEMPTION: CORPORATION  , GOV'T. AGENCY  , NON-PROFIT ORG.  , OTHER   
 DESCRIBE \_\_\_\_\_

Quivira Resources Company  
A Texas General Partnership

March 9, 1998

Texas General Land Office  
Stephen F. Austin Building  
1700 North Congress Ave.  
Austin, Texas 78701-1495  
Attn: Mr. Drew Reid

10.8 ac. total

150.00  
1/4  
1 yr

Shut in 20.00

In Re: Our Washington County, Prospect; Richard Powell, et ux; W. & P. Kerr Survey, A-69 and E. Clampit Survey, A-25, Washington County, Texas; School Land Board Lease Covering SH 1935 and Washington County Road 96 Extending Therefrom

Dear Drew:

STM  
↓  
1 ac

↓  
9.8 ac

This following letter shall serve as a letter of application on behalf of Marathon Oil Company of Tyler, Texas to submit the captioned tracts to the oil, gas and mineral leasing procedures conducted by the State of Texas General Land Office ("GLO"). Accompanying this letter application, please find the following items pursuant to your recommendation and the requirements of the GLO:

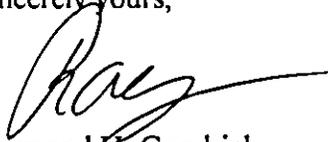
1. Well Location Plat of the subject vicinity depicting the subject tracts;
2. Name and address of adjacent mineral owners;
3. \$100.00 Processing Fee;
4. Certified copies of adjacent leases;
5. Notarized affidavit of consideration paid;
6. Original Drillsite Title Opinion by The Dougherty Law Firm, Tyler, Texas;
7. Statement of Relinquishment Act status of subject lands;
8. Letter from Marathon Oil Company authorizing the undersigned to act as its agent for the stated purposes.

Please immediately accept this application by Marathon Oil Company for an Oil, Gas and Mineral Lease from the State of Texas covering the tracts which underlie the

(D)  
5.5-98

public roads as submitted and begin the process of issuing the requested lease. If you require additional information or if I may be of any assistance whatsoever, please contact me at the address or number shown below.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Ray', with a long horizontal flourish extending to the right.

Raymond H. Goodrich

/rhg  
enclosures

NAMES AND ADDRESSES OF ADJACENT MINERAL OWNERS

Marathon Oil Company  
Post Office Box 130849  
909 ESE Loop 323, Suite 500  
Tyler, Texas 75713  
TEL903-581-6820  
Attn: Dianne N. Wright, Landman

4

99088

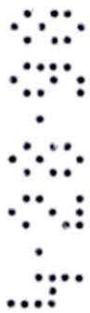
ITEM Letter

TO \_\_\_\_\_

FROM \_\_\_\_\_

DATE 3/9/98

170



X100.00

98043396

RECEIVED  
50 APR 28 PM 2:30  
ENERGY RESOURCES

RAYMOND OR MELISSA GOODRICH  
DBA QUIVIRA RESOURCES COMPANY

9411 CARACAS DRIVE  
AUSTIN, TEXAS 78733-2632

30-9/1140  
35

4859

Date 3-9-93

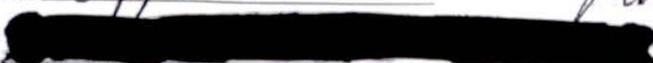
Pay to the Order of General band office \$ 100.00

ONE HUNDRED & 00/100 Dollars



Frost National Bank  
Austin, Texas 78761

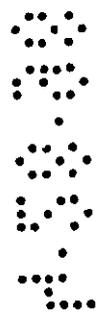
For operation MDC Raymond Goodrich



⑤ MF 99088  
ITEM Copy of CK stub  
TO \_\_\_\_\_  
FROM \_\_\_\_\_  
DATE 3-9-98

20334080

20334080

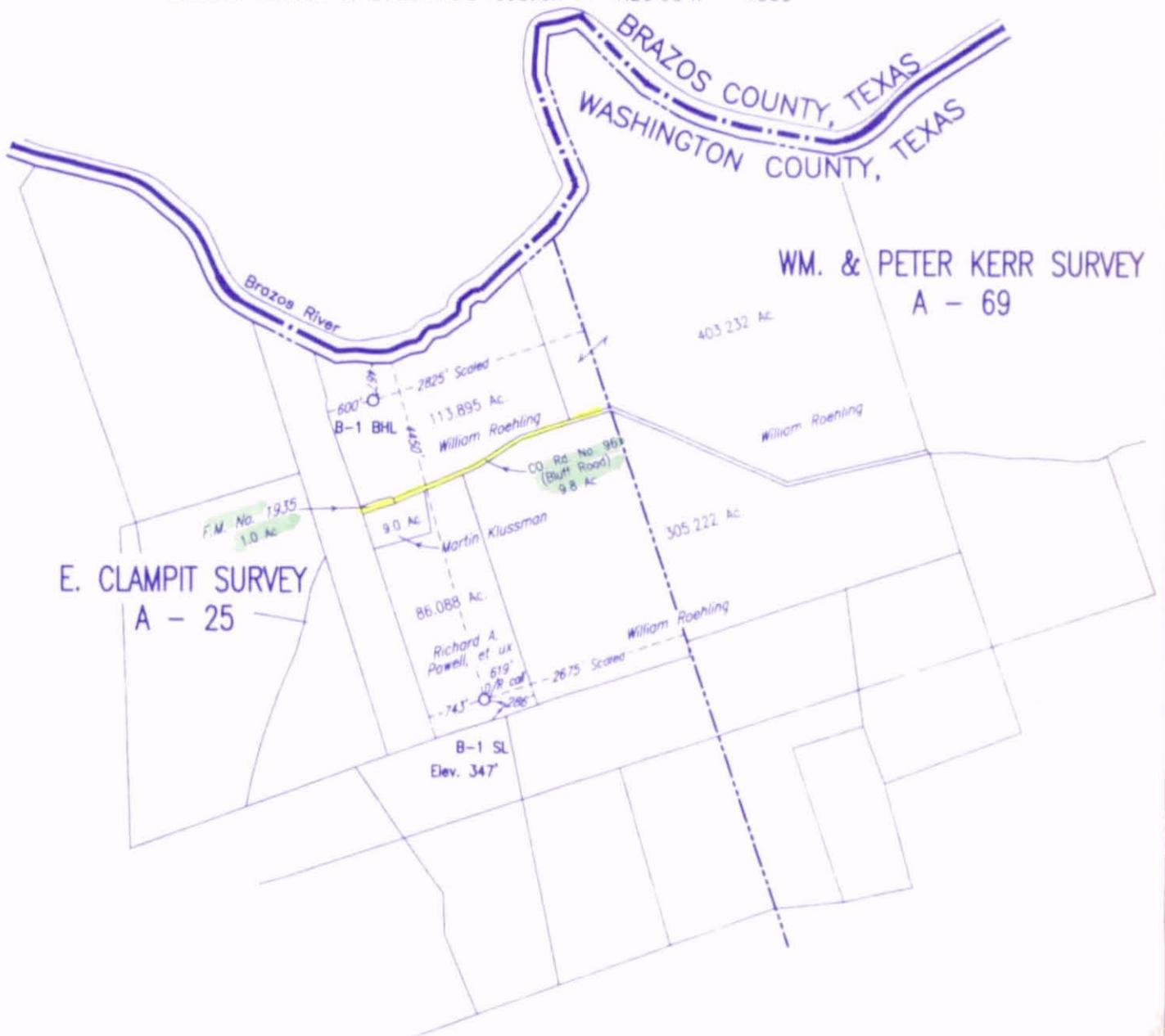


Note: Location is staked from tract lines as evidenced by occupation. Distances shown are not intended to be definitive in establishing actual title boundaries. Plat compiled from ownership maps and deed record data. Acreages in roads are scaled.

SURFACE LOCATION DATA  
 1927 NORTH AMERICAN DATUM  
 Texas Central Zone  
 X = 3,282,619.83  
 Y = 270,493.51  
 Latitude = 30°20'45.38"N  
 Longitude = 96°15'58.73"W

BOTTOMHOLE LOCATION DATA  
 1927 NORTH AMERICAN DATUM  
 Texas Central Zone  
 X = 3,281,192.15  
 Y = 274,300.85  
 Latitude = 30°21'23.56"N  
 Longitude = 96°16'13.43"W

Surface location to Bottomhole location = N20°33'W - 4066'



FOR THE EXCLUSIVE USE OF  
 MARATHON OIL COMPANY

STATE OF TEXAS - - COUNTY OF SMITH  
 I, E. L. Sartain, Registered Professional Land  
 Surveyor, do hereby certify the above plat to be  
 true and correct to the best of my knowledge.

Date: January 12, 1998 Tyler, Texas

Harry L. Johnson & Associates  
 E.L.S. Surveying & Mapping, Inc.

*E. L. Sartain*  
 Registered Professional Land Surveyor No. 1978



Location is approx 5.1 miles NE of Independence, Texas  
 "Independence" Quadrangle

WELL LOCATION PLAT  
 MARATHON OIL COMPANY  
 POWELL "B" NO. 1 WELL  
 E. CLAMPIT SURVEY, A-25  
 WASHINGTON COUNTY, TEXAS

SCALE: 1" = 2000'

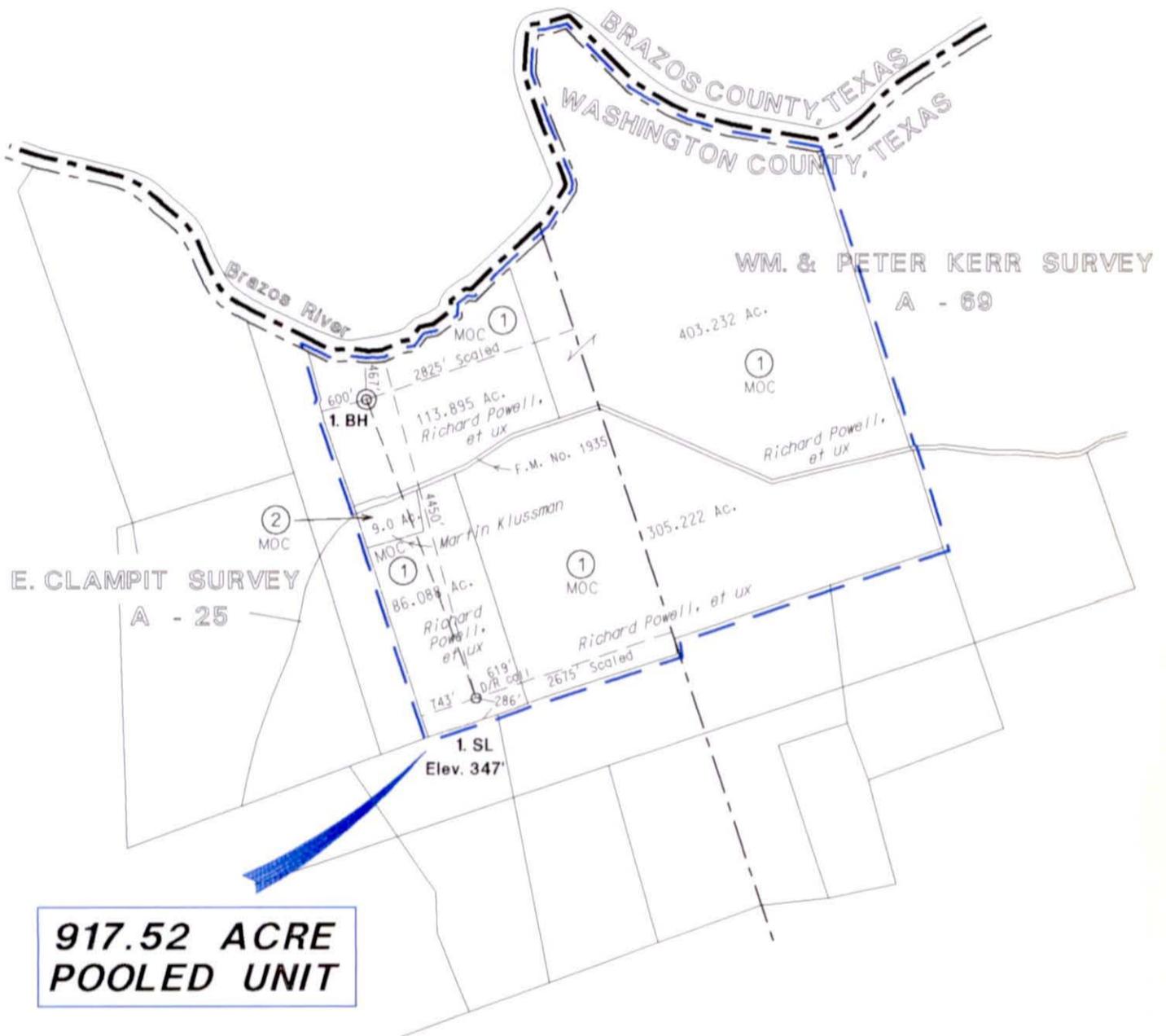
From the Office of E.L.S. Surveying & Mapping, Inc. / Harry L. Johnson & Associates - Tyler, Texas

Note: Location is staked from tract lines as evidenced by occupation. Distances shown are not intended to be definitive in establishing actual title boundaries. Plat compiled from ownership maps and deed record data.

**SURFACE LOCATION DATA**  
 1927 NORTH AMERICAN DATUM  
 Texas Central Zone  
 X = 3,282,619.83  
 Y = 270,493.51  
 Latitude = 30°20'45.38"N  
 Longitude = 96°15'58.73"W

**BOTTOMHOLE LOCATION DATA**  
 1927 NORTH AMERICAN DATUM  
 Texas Central Zone  
 X = 3,281,192.15  
 Y = 274,300.85  
 Latitude = 30°21'23.56"N  
 Longitude = 96°16'13.43"W

Surface location to Bottomhole location = N20°33'W - 4066'



**917.52 ACRE  
 POOLED UNIT**

Location is approx 5.1 miles NE of Independence, Texas  
 "Independence" Quadrangle



MARATHON OIL COMPANY  
 WELL LOCATION PLAT

*Powell "B" No.1*

E. CLAMPIT SURVEY, A-25  
 WASHINGTON COUNTY, TEXAS

SCALE: 1" = 2000'  
 DATE: JANUARY 19, 1998

I hereby certify that this plat is true and correct to the best of my knowledge.

\_\_\_\_\_  
 NAME  
 LANDMAN  
 \_\_\_\_\_  
 TITLE DATE

① 99088  
ITEM PIAT  
TO \_\_\_\_\_  
FROM \_\_\_\_\_  
DATE \_\_\_\_\_

**AFFIDAVIT OF FACT**

STATE OF TEXAS            )  
  )  
COUNTY OF TRAVIS        )

Before me, the undersigned authority, came and personally appeared Raymond H. Goodrich, who, after being duly sworn by me, did state the following:

“My name is Raymond H. Goodrich. I am a resident of Travis County, Texas. I am of the age of majority. I have never been convicted of a felony or crime of moral turpitude. I have personal knowledge of the facts to make this statement. I am a duly authorized agent of Marathon Oil Company.

“Marathon Oil Company has offered to pay as bonus consideration for an Oil, Gas and Mineral Lease covering certain tracts underlying public roads in Washington County, Texas the sum of \$150.00 per net mineral acre covered, or a total of \$1,569.00.

“Marathon Oil Company has offered to pay as royalty the fraction one-quarter of produced oil and gas as calculated under the State of Texas lease form.

“Further Affiant sayeth not.”



*Raymond H. Goodrich*  
\_\_\_\_\_  
Raymond H. Goodrich

STATE OF TEXAS            )  
  )  
COUNTY OF TRAVIS        )

SWORN TO AND SUBSCRIBED before me on this the \_\_\_ day of March, 1998 by Raymond H. Goodrich.

*B. Gundersen*  
\_\_\_\_\_  
NOTARY PUBLIC

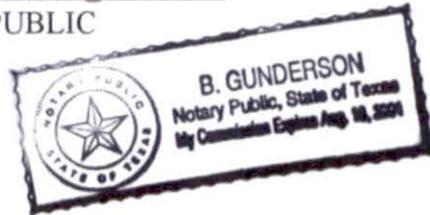
8-18-2001  
COMMISSION EXPIRES

STATE OF TEXAS        )  
                                  )  
COUNTY OF TRAVIS    )

This instrument was acknowledged before me on 9 March, 1998 by Raymond H. Goodrich.

B. Gunderson  
NOTARY PUBLIC

8-18-2001  
COMMISSION EXPIRES



① MF 99088  
ITEM Affidavit  
TO \_\_\_\_\_  
FROM \_\_\_\_\_  
DATE 3-9-98



Texas Highway Department  
Form D-15-14-57

DEED

STATE OF TEXAS

1461

County of Washington

KNOW ALL MEN BY THESE PRESENTS:

That William Roehling Estate, by Mrs. Dora Roehling, a widow,  
Bydia Roehling Gindorf, and husband, O.C. Gindorf

of the County of Washington, State of Texas, hereinafter referred to as Grantors, whether one or more, for and in consideration of the sum of Ten and 71/100 (\$10.71)-- DOLLARS, to Grantors in hand paid by the State of Texas, acting by and through the State Highway Commission, receipt of which is hereby acknowledged, and for which no lien is retained, either expressed or implied, have this day sold, and do by these presents grant, bargain, sell and convey unto the State of Texas, all that certain tract or parcel of land, situate in the County of Washington, State of Texas, and being more particularly described as follows, to-wit:

PART 1:

Being a 0.10 acre strip or parcel of land 116.0 feet in length and having an average width of 10.3 feet out of a 400.0 acre tract of land in the Ezeckiel Clampitt League conveyed to William Roehling on January 21, 1868, by Ann M. Blue as recorded in Volume U Page 689, Deed Records of Washington County, Texas, and being more particularly described as follows:

COMMENCING at the south corner of the William Roehling Estate 400.0 tract, thence N 19°20' W, 2996.0 feet along the William Roehling Estate southwest property line to a point in the proposed southeast right-of-way line of Farm-to-Market Highway No. 1935, 50.0 feet from and at right angles to centerline Station 148+84.0, said point being the PLACE OF BEGINNING;

THENCE 245.5 feet in a northeasterly direction along the proposed right-of-way line, 50.0 feet from and parallel to the centerline of Farm-to-Market Highway No. 1935, said centerline being on a 5° circular curve to the right whose central angle is 57°22' right, to a point 50.0 feet from and at right angles to centerline Station 151+41.9, said point being the P.T. of the aforementioned 5° centerline curve;

THENCE N 74°56' E, 158.1 feet along the proposed right-of-way line, 50.0 feet from and parallel to the centerline of Farm-to-Market Highway No. 1935, to a point 50.0 feet from and at right angles to centerline Station 153+00;

THENCE N 15°04' W, 11.0 feet to a point in the right-of-way line of the Wm. Penn-Bluff county road 39.0 feet from and at right angles to centerline Station 153+00;

THENCE in a southwesterly direction along the meanders of the William Roehling Estate northwest property line, the same being the southeast right-of-way line of the Wm. Penn - Bluff county road, to a point 22.0 feet from and at right angles to centerline Station 148+88.0;

THENCE S 19°20' E, 29.0 feet along the William Roehling Estate southwest property

line to a point in the right-of-way line of Farm-to-Market Highway No. 1935, 50.0 feet from and at right angles to centerline Station 148+84.0, said point being the PLACE OF BEGINNING.

The parcel of land herein described contains 0.10 acre, more or less.

PART 2:

Being a 0.24 acre strip or parcel of land 400.0 feet in length and having an average width of 26.5 feet out of a 400.0 acre tract of land in the Ezeckiel Clampitt League conveyed to William Roehling on January 21, 1868, by Ann M. Blue as recorded in Volume U Page 689, Deed Records of Washington County, Texas, and being more particularly described as follows;

COMMENCING at the northwest corner of the William Roehling Estate 400.0 acre tract, thence S 19°20' E, 2299.0 feet along the William Roehling Estate southwest property line to a point in the proposed northwest right-of-way line of Farm-to-Market Highway No. 1935, 50.0 feet from and at right angles to centerline Station

149+00, said point being the PLACE OF BEGINNING;  
THENCE 252.5 feet in a northeasterly direction along the proposed right-of-way line, 50.0 feet from and parallel to the centerline of Farm-to-Market Highway No. 1935, said centerline being on a 5° circular curve to the right whose central angle is 57°22' Right, to a point 50.0 feet from and at right angles to centerline Station 151+41.9, said point being the P.T. of the aforementioned 5° centerline curve;

THENCE N 74°56' E, 158.1 feet along the proposed right-of-way line, 50.0 feet from and parallel to the centerline of the Farm-to-Market Highway No. 1935, to a point 50.0 feet from and at right angles to centerline Station 153+00;

THENCE S 15°04' E, 29.0 feet to a point in the right-of-way line of the Wm. Penn - Bluff county road 21.0 feet from and at right angles to centerline Station 153+00;

THENCE in a southwesterly direction along the meanders of the William Roehling Estate southeast property line, the same being the northwest right-of-way line of the Wm. Penn - Bluff county road to a point 35.0 feet from and at right angles to centerline Station 148+97.0;

THENCE N 19°20' W, 16.0 feet along the William Roehling Estate southwest property line to a point in the right-of-way line of Farm-to-Market Highway No. 1935, 50.0 feet from and at right angles to centerline Station 149+00, said point being the PLACE OF BEGINNING.

The parcel of land herein described contains 0.24 acre, more or less.

Part 1 = 0.10 Acre  
Part 2 = 0.24 Acre  
Total = 0.34 Acre

Under the terms and provisions of this deed it is distinctly understood and agreed that the undersigned property owners do hereby relinquish and quitclaim all title to any and all portions of the existing county road which lie within the limits of the right-of-way described above.

13

SAVE AND EXCEPT HOWEVER, it is expressly understood and agreed that grantors are retaining title to the following described improvements located on the above described property, to-wit:

SUBJECT HOWEVER, to the limitation that in the event grantors fail or refuse, for any reason, to remove such above described improvements by \_\_\_\_\_ subject, however, to such extensions of time as may be granted by the State in writing, the title to all or any part of such improvements not so removed, shall pass without further consideration to and rest in the State of Texas forever.

-2-

The Grantors reserve all of the oil, gas and sulphur in and under said land, but waive all rights of ingress and egress for the purpose of exploring, developing, mining or drilling for the same; however, nothing in this reservation shall affect the title and rights of the State to take and use, without additional compensation, all other minerals and materials thereon, therein or thereunder.

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 State of Texas and its assigns forever. And the Grantors, whether one or more, do hereby bind ourselves, our heirs, executors, administrators, successors and assigns, to warrant and forever defend all and singular the said premises, unto the said State of Texas, and its assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof.

It is expressly understood that nothing contained herein shall be a limitation of any type on the fee-simple title conveyed by this instrument.

IN WITNESS WHEREOF, Grantors have caused this instrument to be executed on this

28th day of May, 19 60  
M.F. Schreier  
Rosburn Klee  
 By WILLIAM ROHLING ESTATE  
Mrs. Dora Roehling  
Lydia Roehling Gindorf  
O.C. Gindorf  
O. Gindorf

**SINGLE ACKNOWLEDGMENT**

THE STATE OF TEXAS,

County of Washington

Before me, the undersigned, a notary public in and for said County and State, on this day personally appeared Mrs. Dora Roehling, a widow, and O.C. Gindorf

known to me (or proved to me on oath of \_\_\_\_\_, a credible witness) to be the person s \_\_\_\_\_ whose name s \_\_\_\_\_ are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 28th day of May



R.F. Schreier  
 Notary Public in and for Washington County, Texas.

**WIFE'S SEPARATE ACKNOWLEDGMENT**

THE STATE OF TEXAS,

County of Washington

Before me, the undersigned, a notary public in and for said County and State, on this day personally appeared Lydia Roehling Gindorf, wife of O.C. Gindorf, known to me (or proved to me on the oath of \_\_\_\_\_, a credible witness) 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 Lydia Roehling Gindorf acknowledged such instrument to be her act and deed, and 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 the 28th day of May, 19 60



R.F. Schreier  
 Notary Public in and for Washington County, Texas.

Recorded on the 15 day of July, A.D. 1960 at 10 o'clock A.M.  
 on the 18 day of July, A.D. 1960 at 9:45 o'clock A.M.

1461

CHAS. E. WIEDE County Clerk  
 Washington County, Texas

E. Schreier  
 Clerk

8.

MF 99088  
ITEM Deed  
TO \_\_\_\_\_  
FROM \_\_\_\_\_  
DATE 5-28-60

DOUGHERTY LAW FIRM  
A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW  
708 FIRST PLACE  
TYLER, TEXAS 75702

ROBERT P. DOUGHERTY, JR.  
BOARD CERTIFIED - OIL, GAS & MINERAL LAW  
TEXAS BOARD OF LEGAL SPECIALIZATION

RECEIVED  
OCT 13 1997  
MOC Tyler  
TELEPHONE (903) 597-5524  
FAX (903) 597-5367

October 10, 1997

**ORIGINAL TITLE OPINION**

**State:** Texas  
**County:** Washington  
**Mineral Fee:** Richard Powell, et al

**IN RE:**

**Tract No. 1** All that tract or parcel of land situated in Washington County, Texas, out of the E. Clampitt Survey, A-25 and being out of a called 400 acre tract of land conveyed by Ann M. Blue to William Roehling by Deed as recorded in Volume U, Page 689, of the Deed Records of Washington County, Texas, more particularly described as follows:

Beginning at an old iron pin lying in the South right-of-way line of FM Highway 1935 where it intersects with the West line of the called 400 acre tract of land, same being the Northwest corner of the tract of land herein described;

Thence North 74° 31' East, 244.83 feet with said highway line to a concrete monument;

Thence North 80° 57' East, 158.34 feet with said highway line to a concrete monument;

Thence North 28° 57' 45' East, 15.26 feet to a fence corner marking the end of said highway line and the beginning of the South line of County Road #96;

Thence North 73° 16' 13" East, 425.70 feet along said County Road line to an iron pin set for corner;

Thence South 3° 58' 07" East, 537.00 feet to an iron pin set for corner;

Thence South 79° 14' 24" West, 758.18 feet to an iron pin set in the fenced West line of the called 400 acre tract of land;

Thence North 12° 27' 48" West, 461.99 feet with said line to the place of beginning, and containing 9.00 acres of land.

**Tract No. 2** All that tract or parcel of land situated in Washington County, Texas, out of the E. Clampitt Survey, A-25, and the William and Peter Kerr Survey A-69, and being out of the called 400 acre and 517-1/2 acre tracts of land conveyed to William Roehling by deeds as recorded in Volume U, Page 689, and Volume 4, Page 508, respectively, of the Washington County Deed Records, more particularly described as follows:

Beginning at an old iron pin lying in the South right-of-way line of FM Highway #1935 where it intersects with the West line of the called 400 acre tract of land, same being the northwest corner of the Martin Klussman 9 acre tract of land;

Thence South 12° 27' 48" East, 461.99 feet with the fenced West line of the called 400 acre tract of land to an iron pin and the place of beginning of the tract of land herein described;

Thence North 79° 14' 24" East, 758.18 feet to a set iron pin;

Thence North 3° 58' 07" West, 537.00 feet to an iron pin set in the South line of County Road #96;

Thence with the fenced South line of said County Road as follows:

N 73° 03 min. 02 sec. E, 669.62 ft. to an angle point;  
N 64° 42 min. 45 sec. E, 97.88 ft. to an angle point;  
N 62° 34 min. 57 sec. E, 557.28 ft. to an angle point;  
N 64° 06 min. 30 sec. E, 93.17 ft. to an angle point;  
N 77° 19 min. 50 sec. E, 1180.37 ft. to an angle point;  
S 61° 39 min. E, 787.83 ft. to an angle point;  
S 60° 44 min. 10 sec. E, 1643.75 ft. to an angle point;  
N 82° 21 min. 12 sec. E, 1870.13 ft. to an old iron pin and fence corner lying in the East line of the called 517-1/2 acre tract of land;

Thence South 11° 40' 28" East, 1300.92 ft. along the fenced west line of the Schroeder tract to a set iron pin and fence corner;

Thence South 77° 26' 57" West, 2007.02 ft. to an old iron pin in the fence line for angle point;

Thence South 78° 03' 21" West, 136.07 ft. to a fence line angle point;

Thence South 76° 59' 42" West, 1509.71 ft. along a fenced line to an old iron pin and fence corner lying in the division line between the E. Clampitt Survey A-25 and the William and Peter Kerr Survey A-69;

Thence South 4° 54' 22" East, 193.52 ft. with the fence line to an old iron pin and fence corner;

Thence South 77° 46' 47" West, 1233.95 ft. with the fenced line to a fence corner set in concrete;

Thence South 77° 36' 29" West, 492.22 ft. to a tree angle point;

Thence South 75° 44' 50" West, 702.57 ft. with the fenced line to an angle point;

Thence South 77° 54' 48" West, 969.13 ft. to an iron pin and fence corner marking the Southwest corner of the tract of land herein described;

Thence North  $12^{\circ} 31' 15''$  West, 2532.11 ft. with the fenced East line of the Sommer tract to the place of beginning, and containing 391.310 acres of land.

**Tract No. 3** All that tract or parcel of land situated in Washington County, Texas, out of the E. Clampitt Survey A-25 and the William and Peter Kerr Survey A-69 and being out of the called 400 acre and 517-1/2 acre tracts of land conveyed to William Roehling by Deed as recorded in Volume U, Page 689, and Volume 4, Page 508, respectively, of the Washington County Deed Records, more particularly described as follows:

Beginning at an old iron pin and fence corner marking the intersection of the North line of FM Highway #1935 with the west line of the tract of land herein described;

Thence North  $13^{\circ} 11' 14''$  West, 1387.35 ft. with the fenced East line of the F. C. Sommer tract to a tree angle point;

Thence North  $25^{\circ} 04' 22''$  East, 52.72 ft. as fenced to an iron pin set at fence corner;

Thence North  $10^{\circ} 03' 37''$  West, 546.76 ft. as fenced to an iron pin set at fence corner and continuing along the same line unfenced for a distance of 86.00 ft., the total distance along said line being 632.76 ft. to a point lying in the South bank of the Brazos River;

Thence with the meander line of said South bank as follows:

S  $58^{\circ} 31$  min. E, 309.17 ft.;  
S  $76^{\circ} 13$  min. E, 310.63 ft.;  
N  $83^{\circ} 15$  min. E, 347.68 ft.;  
N  $87^{\circ} 43$  min. E, 162.23 ft.;  
N  $78^{\circ} 04$  min. E, 194.77 ft.;  
N  $85^{\circ} 24$  min. E, 173.81 ft.;  
N  $41^{\circ} 49$  min. E, 206.11 ft.;

N 85° 02 min. E, 145.93 ft.;  
N 58° 56 min. E, 227.30 ft.;  
N 61° 18 min. E, 156.62 ft.;  
N 8° 05 min. E, 152.34 ft.;  
N 57° 28 min. E, 109.50 ft.;  
S 81° 06 min. E, 92.64 ft.;  
N 50° 36 min. E, 432.07 ft.;  
N 53° 16 min. E, 912.90 ft.;  
N 38° 39 min. E, 577.84 ft.;  
N 11° 31 min. E, 102.36 ft.;  
N 9° 58 min. W, 122.68 ft.;  
N 17° 21 min. W, 770.94 ft.;  
N 13° 25 min. W, 611.98 ft.;  
N 7° 32 min. E, 210.73 ft.;  
N 10° 15 min. E, 275.16 ft.;  
N 87° 22 min. E, 189.64 ft.;  
N 78° 03 min. E, 172.77 ft.;  
S 39° 15 min. E, 1132.24 ft.;  
S 53° 49 min. E, 607.82 ft.;  
S 61° 16 min. E, 273.50 ft.;  
S 68° 15 min. E, 543.09 ft.;  
S 74° 39 min. E, 1187.60 ft. to a point for Northeast corner of the tract of land herein described;

Thence South 11° 59' 32" East, 43.36 ft. to a fence corner and continuing along said line as fenced for a distance of 3898.90 ft., the total distance along said line being 3942.26 ft. to an old iron pin and fence corner in the North line of County Road #96, same being the Southeast corner of the tract of land herein described;

Thence with the fenced North line of said County Road as follows:

S 82° 30 min. 37 sec. W, 242.43 ft. to an angle point;  
S 82° 13 min. 30 sec. W, 890.29 ft. to an angle point;  
S 82° 10 min. 50 sec. W, 705.48 ft. to an angle point;  
N 82° 57 min. 14 sec. W, 14.43 ft. to an angle point;  
N 60° 35 min. 23 sec. W, 1302.96 ft. to an angle point;

N 61° 47 min. 24 sec. W, 292.89 ft. to an angle point;  
N 61° 43 min. 17 sec. W, 831.76 ft. to an angle point and set iron  
pin;  
S 77° 38 min. 25 sec. W, 1202.04 ft. to an angle point;  
S 63° 16 min. W, 101.32 ft. to an angle point;  
S 64° 51 min. 45 sec. W, 46.12 ft. to an angle point;  
S 62° 42 min. 34 sec. W, 585.14 ft. to an angle point;  
S 72° 57 min. 17 sec. W, 1090.75 ft. to a fence corner marking the  
beginning of the North line of FM Highway #1935;

Thence with said highway line as follows:

N 48° 12 min. 40 sec. W, 36.24 ft. to a highway monument;  
S 80° 55 min. 45 sec. W, 158.33 ft. to a highway monument;  
S 74° 51 min. 53 sec. W, 251.02 ft. to the place of beginning, and  
containing 517.127 acres of land.

Dianne N. Wright, Landman  
Marathon Oil Company  
P. O. Box 130849  
Tyler, Texas 75713-0849

Dear Ms. Wright:

In accordance with your request, we have examined the following materials for the purpose of determining the record title to the captioned property, to-wit:

1. Runsheet consisting of 16 pages prepared by Sandi Wagner, Landman with Stephen F. King & Associates, purporting to set forth all recorded instruments pertinent to the captioned tracts of land from Sovereignty of the soil to September 3, 1997, at 5:00 p.m.

2. The records of the County Clerk's Office and the District Clerk's Office of Washington County, Texas, as to the instruments shown by the above referenced runsheet as being pertinent to this title.

3. Researcher's Introduction consisting of one page.
4. Copy of Statement of Account from Brenham Independent School District showing no taxes due as of September 5, 1997, on 191.31 acres, Ezekiel Clampit Survey, A-25, Tract 19, assessed in the name of Barbara Andrau Powell.
5. Copy of Statement of Account from Brenham Independent School District showing no taxes due as of September 5, 1997, on 517.13 acres, William and Peter Kerr Survey, A-69, Tract 25, assessed in the name of Barbara Andrau Powell.
6. Copy of Statement of Account from Brenham Independent School District showing no taxes due as of September 5, 1997, on 9.00 acres, Ezekiel Clampit Survey, A-25, Tract 63, assessed in the name of Martin F. Klussmann.
7. Copy of Statement of Account from Brenham Independent School District showing no taxes due as of September 5, 1997, on 200.00 acres, Ezekiel Clampit Survey, A-25, Tract 66, assessed in the name of Richard Powell.
8. Copy of Memorandum of Oil and Gas Lease, unrecorded, dated August 26, 1997, executed by Richard Powell and wife, Barbara A. Powell.
9. Copy of Oil and Gas Lease, unrecorded, dated August 26, 1997, executed by Richard Powell and wife, Barbara A. Powell, in favor of Marathon Oil Company.
10. Plats indicating the location of the captioned land.

From an examination of the above, and basing our opinion solely thereon, you are advised that record title to the captioned tracts of land, subject to the comments and requirements set forth hereinbelow, as of September 3, 1997, at 5:00 p.m., is vested as follows:

**FEE SIMPLE TITLE VESTED AS FOLLOWS**

**SURFACE AND MINERALS, EXCLUSIVE OF THE BELOW ROYALTIES ON OIL AND GAS**

As to Tract No. 1 captioned above

Martin F. Klussman and  
wife, Esther Klussmann All

As to Tract Nos. 2 and 3 captioned above

As to 200 acres of Tract Nos. 2 and 3 captioned above, being tracts of 113.192 acres and 86.088 acres as described in the Deed at Volume 420, Page 13

Richard Powell and  
wife, Barbara A. Powell All

As to the remainder of Tract Nos. 2 and 3 captioned above

Barbara A. Powell,  
separate property All

**ROYALTIES ON OIL AND GAS**

As to Tract No. 1 captioned above

Martin F. Klussman and  
wife, Esther Klussmann All **Unleased**

As to Tract Nos. 2 and 3 captioned above

As to 200 acres of Tract Nos. 2 and 3 captioned above, being tracts of 113.192 acres and 86.088 acres as described in the Deed at Volume 420, Page 13

Betty Stirek	1/20 x 1/12 NPRI
Lydia Fuesse	1/20 x 1/12 NPRI
Lena Bjorsen	1/20 x 1/12 NPRI
Norma Luedemann	1/20 x 1/12 NPRI
Martin F. (Buster) Klussmann	1/20 x 1/12 NPRI
Bertha Schumacher	1/20 X 1/12 NPRI
Elsa Homeyer	1/20 x 1/12 NPRI
R. L. Luedemann	1/4 x 1/20 x 1/12 NPRI
Erwin Luedemann	1/4 x 1/20 x 1/12 NPRI
Gertrude Krueger	1/4 x 1/20 x 1/12 NPRI
Norma Luedemann	1/4 x 1/20 x 1/12 NPRI
Lydia Mueller	1/20 x 1/12 NPRI
Theo. Gindorf	1/20 x 1/12 NPRI
Paul Gindorf	1/20 x 1/12 NPRI
Fred Schwartz	1/20 x 1/12 NPRI
Martin Schwartz	1/20 x 1/12 NPRI

Meta Lueckemeyer	1/20 x 1/12 NPRI
Ella Brockermeier	1/20 x 1/12 NPRI
Walter Schwartz	1/20 x 1/12 NPRI
Minnie Eikenhorst	1/20 x 1/12 NPRI
Geraldine Pohlmeier	1/7 x 1/20 x 1/12 NPRI
Edgar Schwartz	1/7 x 1/20 x 1/12 NPRI
Milton Schwartz	1/7 x 1/20 x 1/12 NPRI
Kenneth Schwartz	1/7 x 1/20 x 1/12 NPRI
Edward Schwartz	1/7 x 1/20 x 1/12 NPRI
Gloria Ann Klussmann	1/7 x 1/20 x 1/12 NPRI
Trenton Dean Schwartz	1/7 x 1/20 x 1/12 NPRI
Alfred Pohlmeier	1/4 x 1/20 x 1/12 NPRI
LaVerne White	1/4 x 1/20 x 1/12 NPRI
Shirley Klussmann	1/4 x 1/20 x 1/12 NPRI
Lois Holle	1/4 x 1/20 x 1/12 NPRI
Thelma Arendale	1/3 x 1/20 x 1/12 NPRI
Nelda Malone	1/3 x 1/20 x 1/12 NPRI

Elroy Schwarze	1/3 x 1/20 x 1/12 NPRI
Richard Powell and wife, Barbara A. Powell	25% less 1/12

As to the remainder of Tract Nos. 2 and 3 captioned above

Betty Stirek	1/20 x 1/12 NPRI
Lydia Fuesse	1/20 x 1/12 NPRI
Lena Bjorsen	1/20 x 1/12 NPRI
Norma Luedemann	1/20 x 1/12 NPRI
Martin F. (Buster) Klussmann	1/20 x 1/12 NPRI
Bertha Schumacher	1/20 X 1/12 NPRI
Elsa Homeyer	1/20 x 1/12 NPRI
R. L. Luedemann	1/4 x 1/20 x 1/12 NPRI
Erwin Luedemann	1/4 x 1/20 x 1/12 NPRI
Gertrude Krueger	1/4 x 1/20 x 1/12 NPRI
Norma Luedemann	1/4 x 1/20 x 1/12 NPRI
Lydia Mueller	1/20 x 1/12 NPRI
Theo. Gindorf	1/20 x 1/12 NPRI
Paul Gindorf	1/20 x 1/12 NPRI
Fred Schwartz	1/20 x 1/12 NPRI

Martin Schwartz	1/20 x 1/12 NPRI
Meta Lueckemeyer	1/20 x 1/12 NPRI
Ella Brockermeier	1/20 x 1/12 NPRI
Walter Schwartz	1/20 x 1/12 NPRI
Minnie Eikenhorst	1/20 x 1/12 NPRI
Geraldine Pohlmeier	1/7 x 1/20 x 1/12 NPRI
Edgar Schwartz	1/7 x 1/20 x 1/12 NPRI
Milton Schwartz	1/7 x 1/20 x 1/12 NPRI
Kenneth Schwartz	1/7 x 1/20 x 1/12 NPRI
Edward Schwartz	1/7 x 1/20 x 1/12 NPRI
Gloria Ann Klusmann	1/7 x 1/20 x 1/12 NPRI
Trenton Dean Schwartz	1/7 x 1/20 x 1/12 NPRI
Alfred Pohlmeier	1/4 x 1/20 x 1/12 NPRI
LaVerne White	1/4 x 1/20 x 1/12 NPRI
Shirley Klusmann	1/4 x 1/20 x 1/12 NPRI
Lois Holle	1/4 x 1/20 x 1/12 NPRI
Thelma Arendale	1/3 x 1/20 x 1/12 NPRI
Nelda Malone	1/3 x 1/20 x 1/12 NPRI

Elroy Schwarze	1/3 x 1/20 x 1/12 NPRI
Barbara A. Powell, separate property	25% less 1/12

**LEASEHOLD ESTATE**

As to Tract No. 1 captioned above

<b>Unleased</b>	All
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As to Tract Nos. 2 and 3 captioned above

Marathon Oil Company	75% NRI 100% WI
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**ANALYSIS OF LEASE**

Dated:	August 26, 1997
Recorded:	Unrecorded; Unrecorded copy of Memorandum of Oil and Gas Lease furnished
Lessor:	Richard Powell and wife, Barbara A. Powell
Lessee:	Marathon Oil Company
Description:	708.52 acres, being the land described in two tracts in Deed at Volume 405, Page 886, and 200 acres, being the land described in two tracts in Deed at Volume 420, Page 13
Primary Term:	Twelve (12) Months

Royalties: On oil, 25% (determined by posted price in county where produced); on gas, including casinghead gas, 25% of greater of gross proceeds received by lessee or market value of gas at place of sale; on condensate and sulphur, 25%; with minimum royalty clause stating that if for any lease year after the primary term the total royalties paid to lessor, including shut-in payments, are less than the product of \$20.00 times the total number of net mineral acres covered by this lease, lessee shall pay to lessor, in cash, the difference between such amounts; with shut-in royalty clause authorizing payment of sum of \$20.00 per acre per year with first payment due within 60 days after date well is shut-in.

Depository: Pay direct to Lessor at 12409 FM 1935, Brenham, Texas 77833

Delay Rentals: Not applicable; paid-up lease

Pooling: Except as provided below, pooling for oil and gas from any zone or depth is expressly denied and prohibited except as to that certain 9.00 acres (Tract No. 1 captioned above), more or less, out of the E. Clampit Survey, A-25, Washington County, Texas, and described by metes and bounds in that certain deed dated January 24, 1980, Norma Luedemann and J. D. Mueller, Independent Co-Executors of the Estate of Lydia Gindorf, Deceased, Grantors, and Martin F. Klussmann, husband of Esther Klussmann, Grantees, and recorded in Volume 387, Page 822, Official Records, Washington County, Texas, or any subsequent subdivision thereof.

In developing the leased premises, Lessee agrees to form a proration unit for each well drilled on the leased premises which is capable of producing oil or gas in commercial quantities. Each such unit shall contain only lands covered by this Lease and each shall conform in all respects to the applicable rules and regulations permitted or prescribed by the State of Texas. If, after Lessee has fully developed the leased premises as provided herein, there remains a portion of the leased premises not included in any such units, then, and only then, may Lessee pool the entirety of such remaining acreage with other lands not covered by this Lease to form a unit the size of which must also conform to the size permitted or prescribed by appropriate governmental authority.

Special Provisions: This lease is a special lease form and contains many special provisions that are not usually present in leases analyzed for Marathon Oil Company.

### **CHAIN OF TITLE**

The Peter Kerr and William Kerr Survey, A-69, was granted by Coahuila and Texas to Peter and William Kerr August 12, 1824, by Grant in Spanish Land Grant Volume, Page 224.

The Ezekiel Clampitt Survey, A-25, was granted by Coahuila and Texas to Ezekiel Clampitt March 23, 1831, by Grant at Volume 386, Page 879.

The early title to this survey and the land under examination is irregular and it will be necessary to rely on limitations to cure these early defects. It would serve no useful purpose to chain the very early title and title is therefore partially chained as follows:

1. On January 13, 1868, by Deed at Volume U, Page 689, Ann M. Blue conveyed 400 acres of the Clampitt League to William Rayling.

2. On April 15, 1876, by Deed at Volume 4, Page 508, Alonzo Cooper conveyed 517.5 acres of the Kerr League to William Rahling.

3. By Affidavit dated November 27, 1929, at Volume 97, Page 497, J. F. W. Roehling stated he is the same person as William Roehling and has lived on tracts of 400 acres and 517.5 acres all of his life. Affiant's father was William Roehling a/k/a William Roehling, William Ruhlin, William Rayling, and William Rohling. He was born about 1837 and married Caroline Winklemann in 1859, prior to acquisition of the tracts of land. William and Caroline Roehling were each married once and only once and only one child was born of their marriage, being affiant. William Roehling died intestate in 1918. Caroline Roehling died intestate February 20, 1925.

Affiant married Dora Martin December 11, 1888. Two children were born of this marriage:

- (A) Laura Roehling who died in 1900 single and unmarried; and
- (B) Lydia Roehling who married O. C. Gindorf in 1915.

4. On May 11, 1931, by Deed at Volume 104, Page 307, J. F. W. Roehling conveyed 10.46 acres, being 4.56 acres of the 400 acre tract and 5.90 acres of the 517.5 acre tract, to Washington County.

5. On February 18, 1935, by Affidavit at Volume 110, Page 283, C. L. Wilkins, F. H. Bosse and T. A. Low stated J. F. W. Roehling and Mrs. Dora Roehling lived together as husband and wife until the death of J. F. W. Roehling. Only two children were born of this marriage:

- (A) Laura Roehling who died at age 9; and
- (B) Lydia Roehling, wife of O. C. Gindorf.

6. On March 9, 1935, by Affidavit at Volume 110, Page 283, C. L. Wilkins, F. H. Bosse and T. A. Low stated J. F. W. Roehling and Mrs. Dora Roehling lived together as husband and wife until the death of J. F. W. Roehling.

J. F. W. Roehling died intestate December 29, 1934. Only two children were born of this marriage:

- (A) Laura Roehling who died at age 9; and
- (B) Lydia Roehling, wife of O. C. Gindorf.

7. On May 28, 1960, by Deed at Volume 229, Page 262, the William Roehling Estate, by Mrs. Dora Roehling, a widow, and Lydia Roehling Gindorf and husband, O. C. Gindorf, conveyed tracts of .10 acres and .24 acres to the State of Texas. Grantors reserve all oil, gas and sulphur in and under said land but waive all rights of ingress and egress thereto.

Grantors further relinquish and quitclaim all title to any and all portions of the existing county road which lie within the limits of the right-of-way described herein.

8. By Affidavit dated June 27, 1962, at Volume 241, Page 327, Ernest Boenker and Fred Schwartz stated that J. F. W. Roehling and Dora Roehling were married only once and to each other in 1888. J. F. W. Roehling died December 29, 1934, survived by his wife, Dora Roehling, and one daughter, Lydia Roehling Gindorf, wife of O. C. Gindorf.

Of the marriage of J. F. W. Roehling and wife, Dora Roehling, there were born only two children. One of said children, Laura Roehling, was born in 1892 and died in 1901. The other child born of this marriage was Lydia Roehling, wife of O. C. Gindorf. Dora Roehling was married only once and to J. F. W. Roehling, and died intestate May 27, 1962. Dora Roehling left as her sole and only heir, her daughter, Lydia Gindorf. Dora Roehling never adopted any child or children.

9. Lydia Gindorf died testate December 20, 1979. Under the terms of her will and four codicils thereto, probated in Cause No. 8599, in the County Court of Washington County, Texas, Sitting in Probate, she devised 9 acres (being Tract No. 1 captioned above) to Martin F. (Buster) Klussmann and wife, Esther Klussmann. The executors of the estate were Norma Luedemann and J. D. Mueller.

The rest, remainder and residue of her estate was devised to her executors to be sold with proceeds divided into twenty (20) equal shares as set forth in the

will and the second codicil thereto. If any of these persons be not living at the death of testatrix, then the share that would have passed to said deceased person shall then pass to and vest in fee simple in the living descendants of such deceased person living at the time of death of testatrix. The descendants of such deceased person to take per stirpes and if any of the named persons constituting one of the parts shall not be living at the date of death of testatrix and shall have left no descendants then living, the share of such person shall drop out thereby increasing the share of the other numbered parts. However, if any child in either Part No. 8, 18, 19 or 20 should die without leaving any living descendants, then such child's part shall drop out but then increase the share of the other children named under said particular part. The twenty (20) parts, being twenty (20) equal shares, shall be delivered to and pass as follows:

- (1) Betty Stirek;
- (2) Lydia Fuesse;
- (3) Lena Bjorsen;
- (4) Norma Luedemann;
- (5) Martin F. (Buster) Klussmann;
- (6) Bertha Schumacher;
- (7) Elsa Homeyer;
- (8) The four children of Natalie Luedemann, deceased, namely:
  - (A) R. L. Luedemann;
  - (B) Erwin Luedemann;
  - (C) Gertrude Krueger; and
  - (D) Norma Luedemann.
- (9) Lydia Mueller;
- (10) Theo. Gindorf;
- (11) Paul Gindorf;
- (12) Fred Schwartz;
- (13) Martin Schwartz;
- (14) Meta Lueckemeyer;
- (15) Ella Brockeremeyer;
- (16) Walter Schwartz;
- (17) Minnie Eikenhorst;
- (18) The seven children of Henry Schwartz, deceased, namely:
  - (A) Geraldine Pohlmeier;
  - (B) Edgar Schwartz;

- (C) Milton Schwartz;
  - (D) Kenneth Schwartz;
  - (E) Edward Schwartz;
  - (F) Gloria Ann Klussmann; and
  - (G) Trenton Dean Schwartz.
- (19) The four children of Lydia Pohlmeyer, deceased, namely:
- (A) Alfred Pohlmeyer;
  - (B) LaVerne White;
  - (C) Shirley Klussmann; and
  - (D) Lois Holle.
- (20) The three children of W. C. Schwarze, deceased, namely:
- (A) Thelma Arendale;
  - (B) Nelda Malone; and
  - (C) Elroy Schwarze.

10. On January 24, 1980, by Executor's Deed at Volume 387, Page 822, Norma Luedemann and J. D. Mueller, Independent Executors of the Estate of Lydia Gindorf, deceased, conveyed 9 acres of the 400 acre tract, being Tract No. 1 captioned above, to Martin F. Klussmann and wife, Esther Klussmann.

11. On December 16, 1980, by Executor's Deed at Volume 405, Page 886, Norma Luedemann and J. D. Mueller, Independent Executors of the Estate of Lydia Gindorf, deceased, conveyed 391.31 acres, being out of the 400 acre and 517-1/2 acre tracts, and being Tract No. 2 captioned above, to John M. Hewett, Jr. and wife, Helene B. Hewett, and 517.127 acres, also out of the 400 acre and 517-1/2 acre tracts, being Tract No. 3 captioned above, to John M. Hewett, Jr. and wife, Helene B. Hewett.

There is hereby reserved unto the Estate of Lydia Gindorf, Deceased, a one-twelfth (1/12) non-participating royalty interest in all oil and gas which may be produced from these tracts for a term of twenty-five (25) years from the date of this instrument, and for so long thereafter as production may continue. If, at the end of said term of twenty-five (25) years, there is no production, or at such time thereafter as production ceases, the one-twelfth (1/12) non-participating royalty interest reserved herein by the Estate of Lydia Gindorf, Deceased, shall revert to John M. Hewett, Jr. and wife, Helene B. Hewett. Under the terms of this reservation, the Estate of Lydia Gindorf, Deceased, its successors or assigns, shall

receive a one-twelfth (1/12) portion of the gross production in the event oil or gas is produced from the property herein described; however, the Estate of Lydia Gindorf, Deceased, its successors or assigns, shall not participate in any bonus, rental or shut-in gas royalty paid under any oil and gas lease.

12. On July 1, 1981, by Deed at Volume 420, Page 13, John M. Hewett, Jr. and wife, Helene B. Hewett, conveyed 113.912 acres, being part of Tract No. 3 captioned above, and 86.088 acres, being part of Tract No. 2 captioned above, to Richard Powell and wife, Barbara A. Powell.

13. On January 31, 1989, by Deed of Gift at Volume 602, Page 212, John M. Hewett, Jr., and wife, Helene B. Hewett, conveyed 708.437 acres and being Tract Nos. 2 and 3 captioned above save and except those tracts totalling 200 acres of land described in the Deed at Volume 420, Page 13, to Barbara Andrau Powell, separate property.

#### Supplemental Chain of Title

14. On August 26, 1997, By Memorandum of Oil and Gas Lease, unrecorded, Richard Powell and wife, Barbara A. Powell, gave notice that they had executed a 12 month oil and gas lease dated August 26, 1997, in favor of Marathon Oil Company covering tracts of 708.52 acres and 200 acres.

15. On August 26, 1997, by Oil and Gas Lease, unrecorded, Richard Powell and wife, Barbara A. Powell, executed the lease analyzed above in favor of Marathon Oil Company.

## REQUIREMENTS

1.

### REQUIREMENT

We require that we be furnished with at least two competent affidavits showing fully the history of the use, occupancy and possession of the land under examination for the last twenty-five or more years.

If the land under examination, or any part thereof, is occupied by anyone other than the record owners thereof, you should investigate to determine by what right or claim such persons are in possession and report your findings to us.

If the premises are occupied by a tenant having a lease or tenancy contract antedating your Oil and Gas Lease analyzed above, you should secure a Tenant's Consent Agreement prior to conducting any operations thereon.

2.

### REQUIREMENT

The premises should be surveyed in order to determine the exact boundaries and the acreage content thereof.

3.

### COMMENT

We have been furnished with copies of Statements of Account from Brenham Independent School District as set forth hereinabove in materials examined Nos. 4, 5, 6, and 7. In reliance upon this information, we make no requirement concerning payment of taxes.

### REQUIREMENT

None; advisory only.

4.

REQUIREMENT

We require that we be furnished with a complete production history concerning the land under examination showing that there has never at any time been any production of any oil, gas or other minerals therefrom, or from a pool or unit in which all or a portion of the captioned tracts was included.

5.

COMMENT

The following Oil, Gas and Mineral Leases covering the captioned tracts and other tracts are past their primary terms and are assumed by us to be expired:

1. Dated November 23, 1950, at Volume 169, Page 433, from O. C. Gindorf and wife, Lydia Gindorf, and Dora Roehling, to W. E. Belt, Jr.
2. Dated April 28, 1980, at Volume 394, Page 393, from J. D. Mueller and Norma Luedemann, Co-Executors of the Estate of Lydia Roehling Gindorf, Deceased, to Clayton W. Williams, Jr.
3. Dated April 28, 1980, at Volume 395, Page 35, from Martin F. Klussmann and wife, Esther Klussmann, to Clayton W. Williams, Jr.
4. Dated February 24, 1994, at Volume 733, Page 471, from Martin F. Klussmann and wife, Esther Klussmann, to Union Pacific Resources Company.
5. Dated March 31, 1994, at Volume 737, Page 862, from Richard Powell and wife, Barbara A. Powell, to Union Pacific Resources Company.

REQUIREMENT

We require that you secure and file for record in Washington County, Texas, releases of the above leases from the record owners thereof.

In the alternative, you should satisfy yourselves that these leases are no longer in force and effect.

6.

COMMENT

The Peter Kerr and William Kerr Survey, A-69, was granted by Coahuila and Texas to Peter and William Kerr August 12, 1824, by Grant in Spanish Land Grant Volume, Page 224. This copy of this grant is written entirely in Spanish. We are unable to translate this instrument but assume that same is a valid land grant and encompasses all of the land under examination.

REQUIREMENT

We should be furnished with a translated copy of the Grant for the Peter Kerr and William Kerr Survey, A-69, so that we may verify the validity of this grant and that same encompasses all of the land under examination.

7.

COMMENT

Your attention is directed to the unleased mineral interests credited hereinabove to Martin F. Klussmann and wife, Esther Klussmann, in Tract No. 1 captioned above.

REQUIREMENT

We require that you secure and file for record in Grimes County, Texas, an oil and gas lease from Martin F. Klussmann and wife, Esther Klussmann, covering Tract No. 1 captioned above.

8.

COMMENT

Your attention is directed to those persons set forth hereinabove as being owners of non-participating royalty interest in Tract Nos. 2 and 3 captioned above.

On December 16, 1980, by Executor's Deed at Volume 405, Page 886, Norma Luedemann and J. D. Mueller, Independent Executors of the Estate of Lydia Gindorf, deceased, conveyed 391.31 acres, being out of the 400 acre and 517-1/2 acre tracts, and being Tract No. 2 captioned above, to John M. Hewett, Jr. and wife, Helene B. Hewett, and 517.127 acres, also out of the 400 acre and 517-1/2 acre tracts, being Tract No. 3 captioned above, to John M. Hewett, Jr. and wife, Helene B. Hewett. There is hereby reserved unto the Estate of Lydia Gindorf, Deceased, a one-twelfth (1/12) non-participating royalty interest in all oil and gas which may be produced from these tracts for a term of twenty-five (25) years from the date of this instrument, and for so long thereafter as production may continue. If, at the end of said term of twenty-five (25) years, there is no production, or at such time thereafter as production ceases, the one-twelfth (1/12) non-participating royalty interest reserved herein by the Estate of Lydia Gindorf, Deceased, shall revert to John M. Hewett, Jr. and wife, Helene B. Hewett. Under the terms of this reservation, the Estate of Lydia Gindorf, Deceased, its successors or assigns, shall receive a one-twelfth (1/12) portion of the gross production in the event oil or gas is produced from the property herein described; however, the Estate of Lydia Gindorf, Deceased, its successors or assigns, shall not participate in any bonus, rental or shut-in gas royalty paid under any oil and gas lease.

You are advised that these non-participating royalty interests will expire twenty-five (25) years from December 16, 1980, or if there is production of oil or gas from this land on such date, when such production ceases.

These non-participating royalty interests were created prior to execution of the oil and gas lease analyzed above and would not be subject to the pooling provisions thereof.

## REQUIREMENT

We require that you secure and file for record in Washington County, Texas, a ratification of the lease analyzed above from those persons set forth hereinabove as being owners of non-participating royalty interests in Tract Nos. 2 and 3 captioned above.

9.

## COMMENT

Your attention is directed to the description contained in the lease analyzed above. This land is described as follows:

\*FIRST TRACT: 708.52 acres of land, more or less, located in the WM. & PETER KERR SURVEY, A-69, and the E. CLAMPIT SURVEY, A-25, Washington County, Texas, being the same land described in Two Tracts in a Warranty Deed dated December 16, 1980, from Norma Luedemann, et al, Independent Executors of the Estate of Lydia Gindorf, Deceased, to John M. Hewett, Jr. and his wife, Helen B. Hewett, recorded in Volume 405, Page 886, Deed Records, Washington County, Texas.

\*SECOND TRACT: 200 acres of land, more or less, being a part of the WM. & PETER KERR SURVEY, A-69, and the E. CLAMPIT SURVEY, A-25, Washington County, Texas, and being the same land described in Two Tracts in a Warranty Deed dated July 1, 1981, from John M. Hewett, Jr. and his wife, Helen B. Hewett, to Richard Powell and his wife, Barbara A. Powell, recorded in Volume 420, Page 13, Deed Records, Washington County, Texas."

You will note that the Deed at Volume 405, Page 886, covers 391.31 acres (Tract No. 2 captioned above) and 517.127 acres (Tract No. 3 captioned above), aggregating 908.437 acres. As such, the acreage call contained in "First Tract" in the description to the lease analyzed above cannot be correct. For this deed reference to be a correct description, it should cover 908.437 acres, being the two

tracts described in the Deed at Volume 405, Page 886, less therefrom 200 acres (being Second Tract in the lease).

REQUIREMENT

We require that you secure and file for record in Washington County, Texas, a change of lease description for the lease analyzed above, which description correctly describes the land covered by this lease.

10.

COMMENT

Your attention is directed to the lease analyzed above. This lease form is unique to these lessors and contains many provisions not ordinarily contained in leases analyzed on behalf of Marathon Oil Company. You will note that this lease does not authorize pooling except with Tract No. 1 captioned above unless and until all of the acreage covered by the lease has been included within pro ration units. Further, this lease does not allow assignment without written consent of lessor.

REQUIREMENT

You should thoroughly familiarize yourselves with and adhere to the provisions contained in this lease.

11.

COMMENT

We are unable to determine from the materials examined whether the highway which bisects the captioned tracts is included within the captioned tracts. We have assumed that this highway does not constitute any portion of the land under examination.

On May 11, 1931, by Deed at Volume 104, Page 307, J. F. W. Roehling conveyed 10.46 acres, being 4.56 acres of the 400 acre tract and 5.90 acres of the 517.5 acre tract, to Washington County.

On May 28, 1960, by Deed at Volume 229, Page 262, the William Roehling Estate, by Mrs. Dora Roehling, a widow, and Lydia Roehling Gindorf and husband, O. C. Gindorf, conveyed tracts of .10 acres and .24 acres to the State of Texas. Grantors reserve all oil, gas and sulphur in and under said land but waive all rights of ingress and egress thereto. Grantors further relinquish and quitclaim all title to any and all portions of the existing county road which lie within the limits of the right-of-way described herein.

You are advised that the minerals under the 10.46 acres described in the Deed at Volume 104, Page 307, are owned of record by Washington County, Texas. You are further advised that the minerals under the .10 acres and the .24 acres described in the Deed at Volume 229, Page 262, are owned by Richard Powell and Barbara A. Powell.

The lease analyzed above executed by Richard Powell and wife, Barbara A. Powell, does not contain a "cover-all" clause. However, the lease does state that in the event the described lands are found to contain more acres than stated, then the actual figure shall control. As we have required a survey, we make no requirement concerning the minerals under the .10 acres and the .24 acres described in the Deed at Volume 229, Page 262.

You are advised that the 10.46 acres described in the Deed at Volume 104, Page 307, owned of record by Washington County, Texas, is not subject to an oil and gas lease.

#### REQUIREMENT

In the event your surveyor determines that the 10.46 acres described in the Deed at Volume 104, Page 307, is contained within the captioned tracts, we will require that you secure and file for record in Washington County, Texas, an oil and gas lease from the State of Texas covering this 10.46 acres.

12.

COMMENT

We have been furnished with an unrecorded memorandum evidencing execution of the lease analyzed above.

REQUIREMENT

You should file this memorandum for record in Washington County, Texas.

13.

COMMENT

This opinion covers only surface and oil and gas.

REQUIREMENT

None; advisory only.

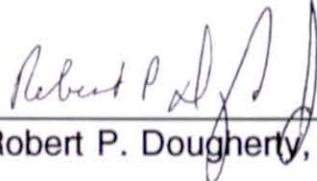
This opinion is based solely on our examination of the above data, and we do not certify as to parties in possession, surveys, boundaries, capacities of the parties, payment of taxes or other matters not apparent from the data examined.

This Title Opinion is rendered solely and exclusively for the benefit of Marathon Oil Company, and is not a representation of the title of the property to any other party.

Very truly yours,

DOUGHERTY LAW FIRM, P. C.

By:

  
Robert P. Dougherty, Jr.

⑨ MF 99088  
ITEM Letter  
TO  
FROM  
DATE 10/10/97

OIL AND GAS LEASE

STATE OF TEXAS §

COUNTY OF WASHINGTON §

THIS AGREEMENT, effective as of this 26th day AUGUST, 1992, between RICHARD POWELL and his wife, BARBARA A. POWELL, whose address is 12409 FM 1935, Brenham, Texas 77833, hereinafter called Lessor, and MARATHON OIL COMPANY, whose address is P. O. Box 130849  
TYLER, TX 75701, hereinafter called Lessee,

WITNESSETH:

1. Lessor, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) cash in hand paid, and other valuable consideration, receipt and sufficiency of which is hereby acknowledged, hereby grants, leases and lets exclusively unto Lessee for the purpose of exploring for and producing oil, gas and other liquid hydrocarbons (including sulphur, only produced incidental to or in conjunction with the production of or processing for sale of any liquid or gaseous hydrocarbons produced from the leased premises), together with the non-exclusive use of the surface of the land for the purposes reasonably necessary and incident to the exploration for and production, ownership, possession, separation, sale and removal of same and the right of ingress and egress over and across the leased premises during the term of this lease for such purposes, including the right to construct, maintain and use roads and pipelines thereon for such purposes, upon the terms and conditions as are more particularly set forth below, the following described lands in Washington County, Texas, to wit:

(SEE ATTACHED EXHIBIT "A" FOR LEGAL DESCRIPTION,  
WHICH EXHIBIT "A" IS ATTACHED HERETO AND MADE A  
PART HEREOF FOR ALL PURPOSES)

There is expressly reserved and excepted unto Lessor all sulphur (except as hereinabove provided), coal, lignite, uranium and other fissionable materials, thermal and geothermal energy, base and precious metals and any and all other mineral substances (except those expressly covered by this lease) owned by Lessor in, under, or upon the leased premises, together with rights of ingress and egress for the purposes of exploration for and production of those mineral substances and forms of energy hereby reserved and excepted unto Lessor. There is further reserved unto Lessor the right to perform or to authorize others to perform any and all geophysical and geological surveys or tests on the leased premises reasonably necessary and incident to the exploration for such mineral substances and forms of energy hereby reserved and excepted; provided, however, such tests and surveys shall not unreasonably interfere with the operations of the Lessee herein.

For determining the amount of the bonus or shut-in gas royalty payments hereunder, the lands leased hereunder shall be deemed to comprise 908.437 acres. In the event that the described lands are found to contain more acres than stated, then that actual acreage figure shall control. Lessee agrees to provide Lessor copies of all land surveys, if any, made by Lessee of the leased lands and Lessor agrees to execute any supplemental instrument which, in the opinion of Lessor, provides a more accurate and complete description of the leased premises.

2. This is a PAID UP LEASE and, subject to the other provisions contained herein, this lease shall be for a term of twelve (12) months from the date hereof (called "primary term"), and as long thereafter as oil or hydrocarbon gas is produced from the leased premises in paying quantities or as long as drilling or reworking operations are being conducted on the leased premises as hereinafter provided.

3. The royalties to be paid by Lessee to Lessor on production from the leased premises are:

01-TV-22205

(a) OIL: Twenty-five Percent (25%) of the gross production or the market value thereof, at the option of the Lessor, such value to be determined by the highest posted price for oil, distillate, or other liquid hydrocarbons (except condensate which is provided for below) of like type and gravity for the county or field where produced and when run.

(b) GAS: On all gas produced from said lands, including casinghead gas and residue gas sold at the tailgate of any plant through which gas produced from said lands may be processed, Twenty-five Percent (25%) of the greater of (1) the gross proceeds received by Lessee from the sale of such gas or (2) the market value of the gas at the place of sale. Prior to the sale of any gas produced from said lands, Lessee shall run such gas through a field-type separator or other comparable equipment ordinarily used in the industry for the purpose for separating, extracting and saving liquids and liquefiable hydrocarbons recoverable from the gas; provided, however, Lessee shall not be required to run the gas through a field-type separator or comparable equipment if (a) the gas is to be processed in a recycling, absorption, pressuring or other plant belonging wholly or in part to Lessee or any affiliated company; or (b) the liquid hydrocarbon content of such gas is so small as to make the installation and operations of field-type separators or comparable equipment unprofitable; or (c) the pressure of the gas is such that running the gas through separators or comparable equipment would make it economically unfeasible for Lessee to sell and deliver the separated gas against existing gathering system or pipeline pressure; or (d) the market value of the gas, by virtue of its BTU content without being run through a field-type separator, equals or is in excess of the total of the value of the liquids which would be recovered and the value of the gas with its reduced BTU content. On all liquid hydrocarbons saved in field-type separators or comparable equipment, Lessee shall account to and pay Lessor Twenty-five Percent (25%) of the market value of such liquid hydrocarbons saved.

(c) CONDENSATE: (i) On condensate and all other products separated, extracted or manufactured from gas produced from said lands by any extraction, absorption, pressuring or other plant belonging wholly or in part to Lessee or any affiliated company, Twenty-five Percent (25%) of the market value at the plant of all such condensate and other products so separated, extracted or manufactured, or Twenty-five Percent (25%) of the gross amount received for the sale of same, whichever is greater.

(ii) On condensate and all other products separated, extracted or manufactured from gas produced from said lands by any extraction, absorption, pressuring or other plant belonging to a third party or parties, Twenty-five Percent (25%) of the gross proceeds received by Lessee from the sale of the condensate or other products separated, extracted or manufactured by said plant and credited to Lessee under the terms of Lessee's contract with such plant.

(d) SULPHUR: While this lease covers only oil and gas and associated hydrocarbons, where sulphur is produced necessarily with and incidental to the production of oil or gas, this lease shall also cover the sulphur so produced. On all sulphur so produced, Lessee shall account to Lessor for Twenty-five Percent (25%) of the gross proceeds received by Lessee from the sale of such sulphur.

(e) MARKET VALUE: "Market Value", as used herein with respect to gas, shall mean the amount realized under any bona fide contract or contracts for the sale of gas produced hereunder made or entered into by Lessee, with interests of itself and its royalty owners in mind, with some third person or entity in which Lessee has no interest, direct or indirect, or through a subsidiary; provided that such contract at the time made prescribes a price for the gas at least as high as the highest price reasonably obtainable under new gas contracts made at or near the time that such contract for the sale of gas produced hereunder is made, in the county and/or field for the sale of gas of substantially the same quantity and quality delivered under comparable conditions. If gas is sold at the well(s)—whether or not it may be redelivered at some point downstream—under a bona fide contract meeting the test for market value herein provided, Lessee shall not be required to account for royalties on any basis other than the amount realized under such contract.

In the event a contract signed by Lessee shall include any deduction for the expense of producing, gathering, dehydrating, compressing, transporting, manufacturing, processing, treating or marketing of gas, then such deductions shall be added to the market value of such gas so that Lessor's royalty shall not be chargeable, directly or indirectly, with any of such expenses or adjustments.

(f) OTHER ROYALTY: On all oil or gas (including helium, carbon dioxide and other substances produced from the lease premises and sold or used) for which no royalty is otherwise specified in this lease, Lessor shall be paid as royalty Twenty-five Percent (25%) of the greater of (a) the gross amount realized from any sale or (b) the market value at the point of sale or use of all such substances sold or used.

(g) FREE ROYALTY: Lessee agrees that all royalties accruing under this Lease shall be without deduction for the cost of producing, gathering, separating, compressing, dehydrating, storing, treating, processing, transporting, and otherwise making the oil, gas and leased substances produced hereunder ready for sale or use, except Lessor's proportionate share of all severance and ad valorem taxes.

(h) REIMBURSEMENTS: Lessee further agrees to reimburse Lessor for Lessor's proportionate part of any reimbursement which Lessee or its assignees may obtain from a gatherer or purchaser for severance taxes or any other expense which Lessor may have directly or indirectly shared in.

(i) RELATIONSHIP: Anything herein to the contrary notwithstanding, it is expressly provided that Lessee and any affiliate or assignee of Lessee shall at all times exercise due diligence in the marketing of all products produced under the terms of this Lease.

(j) PAYMENTS: Except for any reasonable delay at the inception of production from lands covered hereby occasioned by delay in Lessee or the purchaser of the production being furnished with and examining instruments or abstracts of title, Lessee WARRANTS that all royalties payable hereunder shall be due and payable directly to Lessor or tendered by U.S. Mail to Lessor at the address shown above within thirty (30) days of receipt by Lessee of the proceeds from the sale of oil or gas or any other products covered hereby but in no event shall the initial royalty payment be made later than the 25th day of the third month succeeding the month of first sales. The execution and delivery of a division order shall never be a requirement or condition precedent to distributing actual royalties to Lessor. Any royalty not paid within the time specified herein shall be deemed delinquent and Lessee shall have thirty (30) days after receipt of written notice thereof by Lessor in which to cure the delinquency by the actual payment to Lessor of the royalties deemed delinquent. Failure to timely cure the delinquency as provided herein shall, at the option of Lessor (as confirmed in writing by Lessor to Lessee at the address shown below), cause immediate termination of this Lease in its entirety.

4. If for any lease year after the primary term, the total royalties paid to Lessor hereunder (including shut-in payments) are less than the product of Twenty Dollars (\$20.00) times the total number of net mineral acres (as hereinafter defined) covered by this lease at the end of such lease year, then Lessee shall pay to Lessor, in cash within sixty (60) days after the end of such lease year, the difference between such amounts. The product of Twenty Dollars (\$20.00) times the total number of net mineral acres covered by this lease at the end of any lease year shall be the minimum royalty payable in order to consider that oil, gas or other liquid hydrocarbons are being produced in paying quantities from the leased premises. The term "lease year" shall mean each year that this Lease is in force, commencing on the anniversary date of this Lease. The term "net mineral acres" shall mean the number of acres, divided or undivided, on which Lessor had the right to execute a lease covering the mineral interest in the lands described herein. Payments provided in this paragraph shall be paid by check of Lessee to Lessor.

5. If, at any time or from time to time, there shall be a well or wells on any part of the leased premises as to which this Lease is in force and effect capable of producing gas or gas and/or condensate in paying quantities but from which such hydrocarbons are not being sold or used, Lessee shall pay to Lessor a shut-in payment equal to the sum of Twenty Dollars (\$20.00) per acre per year for each acre of the leased premises as to which Lessee would be entitled to retain around such gas well under the provisions of Section 6 hereof. The first such yearly payment shall be made to Lessor within sixty (60) days after the date the well is shut-in, and succeeding payments shall be made annually thereafter on or before the day of the month upon which such well was shut-in (which shut-in date will be the beginning date of each annual period thereafter for which payment is made), such payments to be made by check from Lessee to Lessor by depositing same in the U.S. mail on or before the due date, and when such rental is paid as above provided, this Lease, insofar as it covers such gas well and the acreage for which such payment is made, shall, subject to the other terms and provisions hereof, remain in force and effect as though such well was producing gas in paying quantities. The payment of shut-in gas rental as to one such unit shall have no effect upon the continuance of the Lease as to any other unit or units. It is expressly provided, however, that after the expiration of the primary term, Lessee shall not have the right to continue this Lease in force as to any such gas unit by payment of shut-in gas well rentals for any single period of more than two (2) successive years or three (3) years in the aggregate.

6. Except as provided below, pooling for oil and gas from any zone or depth is expressly denied and prohibited except as to that certain tract or parcel of land embracing 9.00 acres, more or less, out of the E. Clampt Survey, A-25, Washington County, Texas, and described by metes and bounds in that certain deed dated January 24, 1980, Norma Luedemann and J. D. Mueller, Independent Co-Executors of the Estate of Lydia Gindorf, Deceased, Grantors, and Martin F. Klussmann, husband of Esther Klussmann, Grantees, and recorded in Volume 387, Page 822, Official Records, Washington County, Texas, or any subsequent subdivision thereof.

In developing the leased premises, Lessee agrees to form a proration unit for each well drilled on the leased premises which is capable of producing oil or gas in commercial quantities. Each such unit shall contain only lands covered by this Lease and each shall conform in all respects to the applicable rules and regulations permitted or prescribed by the appropriate governmental authorities of the State of Texas. If, after Lessee has fully developed the leased premises as provided herein, there remains a portion of the leased premises not included in any such units, then, and only then, may Lessee pool the entirety of such remaining acreage with other lands not covered by this Lease to form a unit the size of which must also conform to the size permitted or prescribed by appropriate governmental authority.

Should Lessee pool a portion of the leased premises as authorized above, Lessee shall file in the records of Washington County, Texas, an instrument identifying and describing the pooled acreage, and Lessee shall immediately furnish Lessor a copy thereof. For the purpose of computing the royalties to which owners of royalties thereof shall be entitled upon production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the acreage covered by this Lease and included in such pooled unit that pro rata portion of the oil and gas, or either of them produced from such pooled unit, which the number of surface acres covered by this Lease and included in such pooled unit bears to the total number of surface acres included in such pooled unit.

7. This Lease is accepted by Lessee subject to outstanding mineral ownership, royalty ownership, leases, or other claims to the extent that such matters are of record. If this Lease covers a lesser interest in the oil, gas and sulphur or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest herein is 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. And it is expressly provided that, except for possible reduction by virtue of the preceding proportionate reduction clause, the royalty interest payable to lessor hereunder shall not be reduced by reason of the failure of any non-participating royalty interest owner to confirm or ratify this lease or any pooling instrument affecting this lease; nor shall there be any "communitization" of such non-participating royalty interests with the mineral interest owned by lessor or the royalty interest payable to lessor hereunder.

8. If, at the expiration of the primary term, oil or gas is not being produced on the leased premises but lessee is then engaged in actual drilling or actual reworking operations thereon, or shall have completed a dry hole thereon within ninety (90) days prior to the end of the primary term, this lease shall remain in force so long as such drilling or reworking operations continue with no cessation of more than ninety (90) consecutive days and, if such operations result in the production of oil or gas, for so long thereafter as oil or gas is produced from the leased premises. If, after the expiration of the primary term hereof and after oil or gas is produced from the leased premises, the production thereof should cease from any cause, this lease shall not terminate if lessee commences actual drilling or reworking operations within ninety (90) days after cessation of such production; provided, however, this lease shall remain in force for so long only as such operations are prosecuted with no cessation of more than ninety (90) consecutive days and, if such operations result in production of oil or gas, for so long thereafter as oil or gas is produced from the leased premises in paying quantities.

9. At the end of the primary term of this lease or upon the failure of lessor to comply with the drilling or reworking requirements of Paragraph 8 above, this lease shall terminate automatically as to (a) all the mineral estate lying below one hundred (100) feet below the deepest producing depth in which lessee has completed a commercial oil or gas well and (b) all lands not then included in units as required or authorized in Paragraph 6. above. As to all such deeper depths and lands, lessor shall file an instrument in the records of Washington County, Texas, releasing all its rights, titles and interests therein and shall immediately provide lessor with a copy thereof.

10. Lessee may at any time, and from time to time, execute and deliver to lessor and place of record a release covering all or any portion of the leased premises and thereupon be relieved of all obligations as to the acreage so released. All such releases shall apply to and release all of lessee's rights to all depths underlying the portion or portions of the leased premises so released.

11. The covenants and agreements contained herein, expressed or implied, shall be subject to all valid Federal and State laws, executive orders, rules or regulations, and this lease shall not be terminated, in whole or in part, nor shall lessee be held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such law, order, rule or regulation. If, after the primary term hereof and from such cause, lessee is prevented from conducting drilling or reworking operations on or producing oil or gas from the leased premises, the time while lessee is so prevented shall not be counted against lessee and this lease shall be extended for a period of time equal to that during which lessee is so prevented from conducting such operations on the leased premises. Similarly, should drilling or other operations be delayed or interrupted by storm, flood, Acts of God, rebellion, or as a result of governmental order, the time of such delay or interruption shall not be counted against lessee, anything to the contrary notwithstanding. In such event, this lease shall be extended for a period of time equal to that during which lessee is prevented from conducting operations on or producing oil or gas from the leased premises. It is expressly provided, however, that lessee shall, within thirty (30) days of the occurrence of any such act or event as contemplated herein, notify lessor of same and shall state in such notice what, in lessee's judgement, is to be the effect on lessee's operations hereunder. Similarly, lessee shall notify lessor promptly of

the terminations of such occurrences or events. Provided, further, that the provisions hereof shall in no way abridge the right of Lessor to receive nor relieve the obligation of Lessee to pay the minimum sums described and provided for in this Lease. Anything to the contrary notwithstanding, this Lease shall not be suspended by reason of this paragraph for a period longer than one aggregate year.

12. This Lease may not be assigned by Lessee without the prior written consent of Lessor, which consent will not be unreasonably withheld. It is specifically understood and agreed that the Lessee shall not be relieved from any liability or responsibility under this Lease in the event of assignment without the said written consent of Lessor.

13. During the existence of this Lease and for a period of one month after the termination hereof, Lessee shall provide Lessor with current reports of all operations conducted by Lessee upon the leased premises including, but not limited to, copies of any reports or forms submitted to Federal, State or other governmental bodies or agencies; the date and location, including location plats of all wells drilled on the leased premises; one copy of each electric log made in connection with a well drilled on the leased premises or on lands pooled therewith; the date of cessation of production of each well; and other such data as may be necessary to inform Lessor of the condition of the leased premises. If requested by Lessee in writing, such information shall be regarded by Lessor as confidential. During drilling or reworking operations, Lessee agrees to allow Lessor, or Lessor's authorized representatives, well site privileges, at Lessor's own risk and expense.

14. As a part of the consideration of this Lease, Lessee agrees:

(a) to use those gates and roadways designated by Lessor to enter and leave the premises and all such gates shall be kept closed except during actual entry and exit. Any new entrances required by Lessee into the leased premises shall have gates and cattleguards installed at no cost to Lessor and the same shall be of welded construction using steel pipe, railroad rail, or similar metals for full roadway length, said cattleguards to be 10 feet wide and 20 feet long and capable of supporting vehicles conforming to State of Texas highway load limits. When deemed advisable or necessary, Lessee shall install culverts under roads used or constructed by Lessee for access to its operations hereunder, said culverts to be capable of supporting vehicles conforming to State of Texas highway load limits and designed to prevent flooding, erosion and interference with the natural drainage of the leased premises. If cutting a fence is necessary for Lessee's access to the leased premises, Lessee shall adequately brace same on either side of the fence where it is to be cut prior to cutting. Such braces shall consist of double H braces with 8" diameter posts placed not less than 48" in the ground and extending 54" above the ground. Fences shall have posts placed on 6 foot centers with 6 wires so as to conform with new fences Lessor has constructed on the leased premises. A cattleguard or gate will be installed by Lessee at any point where a fence is cut.

(b) to consult with Lessor prior to the construction of any new road or pipeline to be located on the leased premises. All new roads constructed on the leased premises shall be completed prior to the commencement of drilling operations and shall be covered with gravel or caliche.

(c) that, upon termination of this Lease, all such gates, cattleguards, culverts, bridges, crossings, caliche and gravel as referenced above shall become the exclusive property of Lessor.

(d) to pay Lessor the actual amount of loss suffered by Lessor for all damage to livestock, water wells, springs, fences, roads, personal property, building or other improvements as a result of Lessee's operations hereunder.

(e) that all slush pits, tanks, separators, treaters and any and all other pertinent well and lease equipment located on the surface of the leased premises shall be enclosed and kept enclosed with fence

capable of turning livestock promptly after completion of drilling operations and such fence shall be maintained by Lessee for so long as such equipment remains on the leased premises. Further, promptly after abandonment of each well location, Lessee shall fill and level all slush pits and other excavations pertinent thereto and return the surface to its original condition as nearly as practical within a reasonable period of time after such abandonment, which reasonable time shall be not longer than 6 months following each such abandonment.

(f) each water well drilled on the leased premises by Lessee, together with all pipe and casing in or on said well, shall become the property of the Lessor. Lessor shall have the concurrent right to use water therefrom during the term of this lease insofar as such use does not interfere with Lessee's operations hereunder. Upon termination of this lease, Lessor shall become the owner of such water well(s). It is expressly provided that water from wells located on the lands covered by this lease shall not be used or sold off the leased premises for any purpose without the prior written consent of Lessor.

(g) that a condition to the granting of this lease and its continuation is that no employee, representative or contractor of Lessee, or any other person allowed to come on the leased premises by Lessee, shall be permitted to hunt, fish, swim, camp or picnic on the leased premises. Further, neither Lessee nor its agents, employees, contractors or invitees shall hunt for or remove artifacts, arrowheads, petrified rocks, stones, gems or like matters from the leased premises.

(h) to secure Lessor's prior consent regarding the construction and location of pipelines located on the leased premises, which consent will not be unreasonably withheld. All pipelines shall be buried to a depth of not less than three (3) feet below the surface of the earth and the right-of-way shall not exceed twenty (20) feet in width and shall be contoured and terraced so as not to prevent soil erosion and same shall be seeded with four to six pounds of appropriate grass per acre. Upon laying the line, subsoil will be replaced first and topsoil last.

(i) to secure Lessor's prior consent regarding the location of any well proposed to be drilled on the leased premises, which consent will not be unreasonably withheld. With respect to such drilling, it is expressly agreed that, without such prior consent, no surface location of any well shall be closer than 400 feet of Lessor's house, barns, outbuildings, water wells, tanks, springs or ponds.

(j) that no houses or other structure shall be erected on the leased premises except those of a purely temporary nature which are necessary to Lessee's actual drilling, re-working or completion operations.

15. Lessee agrees to indemnify, protect and hold Lessor harmless of and from any and all claims, demands, costs (including attorney and expert fees), expenses, damages, losses, causes of action or suits for damages arising out of injury to persons (including death) and injury or damage to or loss of any property or improvements caused by Lessee, its agents, employees, servants, contractors or any person acting under its direction or control.

16. Except as may be required in an emergency or for its drilling, completing and/or reworking operations hereunder, Lessee is specifically denied the right or authority of injecting any substances into the subsurface of the leased premises.

17. This lease and all of Lessee's operations hereunder shall be in keeping with the standard of conduct of a reasonably prudent operator and shall be done in good faith and in compliance with all valid and applicable laws, rules and regulations, both Federal and State and any agency thereof. Lessee agrees to designate, in writing, the name of the person or persons to be present from time to time on the leased premises as current operations are being conducted with whom Lessor may handle directly any claim of injury to livestock, surface area or improvements occasioned by or arising from Lessee's operations or other activity hereunder.

All notices required to be given hereunder shall be given to the following persons who are hereby designated the initial agents of Lessor and Lessee, respectively:

LESSOR: Richard or Barbara Powell  
12409 FM 1935  
Brenham, Texas 77833  
Tel: 409-836-1822 or 409-836-1824  
Fax: 409-836-1810

LESSEE: LAND MANAGER  
MARATHON OIL COMPANY  
P. O. Box 130849  
TYLER, TX 75701

Either party hereto may from time to time designate a different address or agent for the giving and/or receiving of any notice contemplated or required hereunder; provided, however, that any such change shall not be binding upon the other party until written evidence thereof shall have been received by the other party.

18. In lieu of filing this agreement for record in Washington County, Texas, Lessor and Lessee agree that a memorandum of this Lease, making appropriate reference hereto, shall be filed in said county. The provisions of this Lease are binding upon the parties hereto, their respective heirs, successors and assigns. Lessee, by its acceptance hereof, agrees and obligates itself to all terms and provisions of this Lease. This Lease shall be governed by and construed in accordance with the laws of the State Of Texas.

19. Lessee agrees to provide Lessor, immediately after its filing, a copy of any document filed in the records of Washington County, Texas, by it, its agents or its representatives that affect any portion of the lands or interests covered by this Lease.

20. Lessor makes no representation that oil, gas or constituent parts thereof may be found under the leased premises. Further, Lessor makes no warranty of title of the minerals under the leased premises. If Lessor owns an interest in the oil, gas or leased substances on, in or under the lands covered hereby less than the entire fee simple estate, whether or not this Lease purports to cover the whole or fractional part thereof, then the rentals, shut-in royalties, royalties and minimum royalties to be paid Lessor hereunder shall be reduced in the proportion that Lessor's interest therein bears to the whole and undivided fee, in accordance with the nature of the estate of which Lessor is seized.

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

LESSOR: Barbara A. Powell Richard Powell  
Barbara A. Powell Richard Powell

LESSEE: Marathon Oil Company

By: [Signature]  
(name) A.S. Duzinski  
(title) Region Prod. Mgr.

Attest: \_\_\_\_\_

EXHIBIT "A"

(Attached to and made a part of that certain Oil And Gas Lease between Richard Powell and his wife Barbara A. Powell, Lessor, and Marathon Oil Company, Lessee, dated effective as of the 26th day of AUGUST, 1977, and covering 908.52 acres of land, more or less, in Washington County, Texas)

FIRST TRACT: 708.52 acres of land, more or less, located in the WM. & PETER KERR SURVEY, A-69 and the E. CLAMPIT SURVEY, A-25, Washington County, Texas, being the same land described in Two Tracts in a Warranty Deed dated December 15, 1980, from Norma Luedemann, et al, Independent Executors of the Estate of Lydia Gindorf, Deceased, to John M. Hewett, Jr. and his wife, Helen B. Hewett, recorded in Volume 405, Page 886, Deed Records, Washington County, Texas.

SECOND TRACT: 200 acres of land, more or less, being a part of the WM. & PETER KERR SURVEY, A-69, and the E. CLAMPIT SURVEY, A-25, Washington County, Texas, and being the same land described in Two Tracts in a Warranty Deed dated July 1, 1981, from John M. Hewett, Jr. and his wife, Helen B. Hewett, to Richard Powell and his wife, Barbara A. Powell, recorded in Volume 420, Page 13, Deed Records, Washington County, Texas.

SIGNED FOR IDENTIFICATION:

Lessor:

Richard Powell Barbara A. Powell  
RICHARD POWELL, BARBARA A. POWELL

Lessee: MARATHON OIL COMPANY

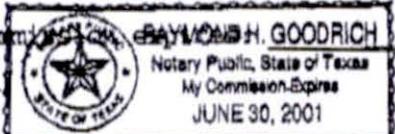
By:

R Powell

ACKNOWLEDGMENTS

State of Texas )  
County of Washington )

This instrument was acknowledged before me, the undersigned Notary Public, on the 26<sup>th</sup> day of August, 1997 by Richard Powell and by his wife, Barbara A. Powell.

My commission expires:  RAYMOND H. GOODRICH  
Notary Public, State of Texas  
My Commission Expires  
JUNE 30, 2001

Raymond H. Goodrich  
Notary Public  
State of Texas

State of TEXAS )  
County of SMITH )

This instrument was acknowledged before me, the undersigned Notary Public, on the 29 day of August, 1997 by R. J. Duerstel, Region Manager of Marathon Oil Company, an Ohio corporation, on behalf of the said corporation.

My commission expires: 2-2-99

 DANA R. RICE  
Notary Public  
STATE OF TEXAS  
My Comm. Exp. 2-2-99

Dana R. Rice  
Notary Public  
State of TEXAS

PAID-UP  
OIL, GAS AND MINERAL LEASE

TX-32160  
5442

THIS AGREEMENT made and entered into this 6th day of August, 1997, between  
MARTIN F. KLUSSMAN AND WIFE, ESTHER KLUSSMAN

hereinafter called "Lessor" (whether one or more), whose post office address is  
12502 FM 1935, Brenham, Texas 77833 and  
MARATHON OIL COMPANY hereinafter  
called "Lessee," whose address is P.O. Box 3128, Houston, Texas 77253

1. Lessor, in consideration of ten and no/100's and other valuable consideration Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged, of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets, exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas and all other minerals, injecting gas, waters, other fluids, air and other gaseous substances into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, electric transmission lines, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals and other products manufactured

therefrom, and housing and otherwise caring for its employees, the following described land in WASHINGTON County, Texas, to wit:

9.0 acres of land, more or less, being a part of the E. Clampit Survey, A-25, Washington County, Texas, and being more fully described in that certain Deed dated January 24, 1980 from Norma Luedeman and J.D. Mueller, Independent Executors of the Estate of Lydia Gindorf, deceased to Martin F. Klussman and wife, Esther Klussman, and recorded in Volume 387 at page 822 of the Deed Records of Washington County, Texas.

Notwithstanding any particular description, it is nevertheless the intention of Lessor to include within this lease, and Lessor does hereby lease, not only the land so described but also any and all other land owned or claimed by Lessor in the herein named survey or surveys, or in adjoining surveys, and adjoining the herein described land up to the boundaries of the abutting landowners, the leased lands being hereinafter referred to as "said land." For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 9.10 acres, whether actually containing more or less. Lessor agrees to execute any supplemental instrument(s) requested by Lessee for a more complete or accurate description of said land or instrument(s) to perfect title deficiencies.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of two (2) years from this date (called "primary term"), and as long thereafter as oil, gas or other mineral is produced from said physical land or land with which said land or any part thereof is pooled, or this lease is maintained by virtue of some other provision hereof.

3. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term.

4. The royalties to be paid by Lessee are: (a) on oil and on other liquid hydrocarbons saved at the well, 1/5 of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipeline to which the wells may be connected with Lessor's interest in either case bearing its proportion of any expense for treating oil to make it marketable as crude and Lessee having the option, at any time or from time to time, to purchase Lessor's oil at the well, paying therefore the lawful market price on the date of purchase for oil of like grade and gravity prevailing for the field nearest where such oil is produced; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold by Lessee, 1/5 of the amount realized from such sale thereof, after deduction of a proportionate part of the production, severance and other excise taxes and the cost incurred by Lessee in delivering, processing, compressing, or otherwise making such gas or other substances merchantable; (c) on gas, including casinghead gas and all gaseous substances, produced from said land and used off said land by Lessee and not benefiting Lessor, the market value at the mouth of the well of 1/5 of the gas so used off said land; (d) on all minerals mined and marketed, 1/5, either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be One Dollar (\$1.00) per long ton; and (e) if at any time while there is a gas well or wells on the said land or land pooled therewith (for the purposes of this clause (e) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are shut-in, and this lease is not being maintained otherwise as provided herein, this lease shall nevertheless remain in force and effect following the shutting-in of the well(s), whether it be during or after the primary term (unless released by Lessee), and it shall be considered that gas is being produced from the land covered by this lease. When the lease is continued in force in this manner and the well or wells are shut-in for a period of at least ninety (90) consecutive days, Lessee shall pay or tender as an advanced

annual royalty to the parties who at the time of such payment would be entitled to receive royalty hereunder if the well were producing, or deposit to their credit in the Pay directly to Lessor bank (Account No. \_\_\_\_\_), \_\_\_\_\_ \$1.00 per net acre for the acreage then held under this lease by the party making such payment or tender. The first payment of such sum shall be made on or before either: (1) ninety (90) days from the date such well or wells are shut-in; (2) ninety (90) days from the effective date for inclusion of said land or a portion thereof within a unit on which is located a shut-in gas well; or (3) ninety (90) days from the date this lease ceases to be otherwise maintained as provided herein, whichever is the later date, and it shall be considered that gas is being produced from said land in paying quantities within the meaning of Paragraph 2 hereof for one (1) year from the date of such payment, and in like manner subsequent advance annual royalty payments may be made or tendered and it will be considered that gas is being produced from said land in paying quantities within the meaning of said Paragraph 2 during any annual period for which such royalty is so paid or tendered; such advanced annual royalty payment shall be credited against any royalty accruing to the owners thereof on any production from said land during any annual period for which such advanced annual payment has been made. Lessee's failure to pay or tender or to pay or tender properly or timely any such sum as royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease. All royalty interests, whether or not owned by the undersigned, shall be paid out of the royalty as provided for in said lease.

5. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee at its sole discretion deems it necessary or proper to do in order to develop or operate prudently the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir is at least one hundred (100) feet. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling, completion, or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling, completion or reworking operations on the leased premises, except that 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. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. Also each such drilling or production unit, when limited to any one or more formations and to any one or more of the minerals therein or produced therefrom, may from time to time be enlarged and extended by Lessee to include additionally any other formation or formations and any other mineral or minerals therein or produced therefrom. In making such a revision, Lessee shall file or record a written declaration describing the revised unit and stating the effective date of revision. 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. Lessee may place and use on each unit created hereunder common measuring and reworking tanks for production from such unit. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

6. If, at the expiration of the primary term, oil, gas or other mineral is not being produced from said land or land pooled therewith but Lessee is then engaged in operations for drilling, mining or reworking of any well or mine thereon or shall have completed a dry hole thereon within ninety (90) days prior to the end of the primary term, this lease shall remain in force so long as operations on said well or for the drilling or reworking of an additional well are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than ninety (90) consecutive days, and, if they result in production, so long thereafter as oil, gas or other mineral is produced from said land or 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 land pooled therewith, production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within ninety (90) 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 ninety (90) 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 land pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within two hundred (200) feet of and draining said land, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances. The judgment of the Lessee, when not fraudulently exercised, in carrying out the purpose of this lease shall be conclusive.

7. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder including repressuring, pressure maintenance, cycling and secondary recovery operations, and the royalty shall be computed after deducting any so used. Any structures and facilities placed on said land by Lessee for operations hereunder and any well or wells on said land drilled or used for the injection of salt water or other fluids may also be used for Lessee's operations on other lands in the same area. 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.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, representatives, 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. No such change or division in the ownership of the land or royalties shall be binding upon Lessee for any purpose until such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting the chain of title

01-TX-32160

from the original Lessor. An assignment of this lease, in whole, or in part, shall, to the extent of such assignment, relieve and discharge Lessee of any obligations hereunder, and, if Lessee or assignee of part or parts hereof shall fail to comply with any provision of this lease, such default shall not affect this lease insofar as it covers a part of said land upon which Lessee or any assignee thereof shall not be in default. Should more than six parties become entitled to royalties hereunder, Lessee may require the appointment of a single agent to receive payment for all and may withhold payment until such appointment has been made.

9. When drilling or other operations are delayed or interrupted by storm, flood or other act of God, fire, war, rebellion, insurrection, riot, strikes, differences with workmen, unavailability of material or equipment, failure of carriers to transport or furnish facilities for transportation, some order, requisition or necessity of the government or as a result of any cause whatsoever beyond the control of the Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State laws. Executive orders, rules or regulations and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith if compliance is prevented by, or if such failure is the result of, any such law, order, rule or regulation. If from such causes Lessee is prevented from conducting drilling or reworking operations on, or producing oil or gas from said land or land pooled therewith, the time while Lessee is so prevented shall not be counted against Lessee, and this lease shall be extended for a period of time equal to that during which such Lessee is so prevented from conducting drilling or reworking operations on, or producing oil or gas from said land or land pooled therewith, notwithstanding any other provision hereof.

10. 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. In the event 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 (60) days after receipt of notice in which to commence the compliance with the obligations imposed by virtue of this instrument. After the discovery of oil, gas or other mineral in paying quantities on said land, Lessee shall reasonably develop the acreage retained hereunder, but in discharging this obligation it shall in no event be required to drill more than one (1) well per forty (40) acres, plus an acreage tolerance not to exceed ten per cent (10%) of forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one (1) well per six hundred forty (640) acres, plus an acreage tolerance not to exceed ten per cent (10%) of six hundred forty (640) acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities.

11. 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 in the event of default of payment by Lessor, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title, it is agreed that, if Lessor owns an interest in said land less than the entire fee simple estate, whether stated hereinabove as a whole or partial interest, then the royalties to be paid Lessor shall be reduced proportionately. 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 hereinabove as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

12. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor or Lessor's heirs, representatives, successors and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, express or implied, of this agreement as to the acreage so surrendered, and thereafter the advance annual royalties payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases. SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

IN WITNESS WHEREOF, this instrument is executed as of the date above written.

Martin F. Klussman  
MARTIN F. KLUSSMAN

Esther Klussman  
ESTHER KLUSSMAN

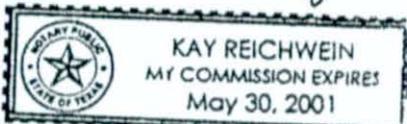
SS# [REDACTED]

SS# [REDACTED]

INDIVIDUAL ACKNOWLEDGMENT

THE STATE OF TEXAS  
COUNTY OF WASHINGTON

This instrument was acknowledged before me on August 14, 1997 by MARTIN F. KLUSSMAN

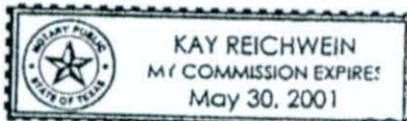


Kay Reichwein  
Notary Public Signature

INDIVIDUAL ACKNOWLEDGMENT

THE STATE OF TEXAS  
COUNTY OF WASHINGTON

This instrument was acknowledged before me on August 14, 1997 by ESTHER KLUSSMAN



Kay Reichwein  
Notary Public Signature

CORPORATE ACKNOWLEDGMENT

THE STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

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

Notary Public Signature

2113

ADP 0802 BCE 132

EXHIBIT "A"

Attached hereto and made a part hereof that certain Oil, Gas & Mineral Lease dated August 6, 1997 by and between Martin F. Klussman and wife Esther Klussman as Lessor, and Marathon Oil Company, as Lessee.

13. It is expressly agreed and understood that this lease covers oil and gas only, along with the related products and by-products produced in conjunction therewith, but this lease does not cover or include any other minerals of any type including uranium, thorium, and other fissionable materials, iron ore, lignite, copper, coal or any minerals of any type.

14. Lessee agrees that it will conduct no drilling operations on the surface of said land. It is further agreed and understood that Lessee shall have the right to drill and operate directional wells through and under said land, irrespective of the bottom hole locations of said wells. To this end, Lessor hereby grants to Lessee a subsurface easement for all purposes associated with such directional wells.

SIGNED FOR IDENTIFICATION Martin F. Klussman  
Esther Klussman

FILED FOR RECORD  
WASHINGTON COUNTY, TX  
SEP 17 AM 10 37  
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

SEP 18 1997



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

NOV 08 2004

pd 13.00 marathon

MEMORANDUM OF OIL AND GAS LEASE

5295

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

THAT, RICHARD POWELL AND BARBARA A. POWELL, husband and wife, hereinafter called "LESSOR", whose mailing address is 12409 Farm-to-Market Road 1935, Brenham, TX 77833, and Marathon Oil Company, whose mailing address is P. O. Box 130849, Tyler, Texas 75713, hereinafter called "LESSEE", hereby acknowledge and give notice that Lessor has executed and delivered to Lessee an Oil and Gas Lease under date of August 26, 1997 under the terms of which Lessor has granted, delivered and let exclusively unto Lessee (subject to each and all of the other provisions thereof), for the purpose of investigating, exploring, drilling, and mining for and producing oil and gas and for the purpose of laying pipelines, building tanks, roads, telephone lines, and all other structures thereon necessary or convenient to produce, save, take care of, treat, transport, and own said products, all that land situated in Washington County, Texas, being more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Leased Premises").

Said Oil and Gas Lease shall apply only to oil, gas and other minerals or liquid or liquifiable hydrocarbons, and such other mineral substances as may be produced incidental to and as a part of or mixed with oil, gas and other gaseous, liquid or liquifiable hydrocarbons.

Said Oil and Gas lease has been executed and acknowledged by Lessor and provides for a primary term of Twelve (12) Months from the date of execution, and as long thereafter as oil and gas 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 of the exceptions, reservations, terms, conditions and provisions as set forth therein. Both Lessor and Lessee have possession of a fully executed copy of said Oil and Gas Lease dated August 26, 1997.

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

IN WITNESS WHEREOF this instrument is executed this the 26th day of August, 1997.

LESSOR:

Richard Powell
RICHARD POWELL

Barbara A. Powell
BARBARA A. POWELL

LESSEE:

R. Duencel  
MARATHON OIL COMPANY

ACKNOWLEDGMENTS

STATE OF TEXAS ) (  
COUNTY OF WASHINGTON ) (

This instrument was acknowledged before me on August 26, 1997 by Richard Powell and Barbara A. Powell, husband and wife.



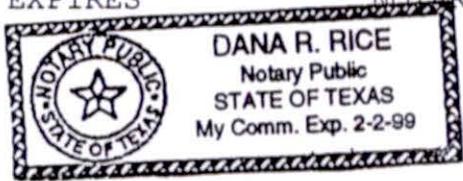
Raymond H. Goodrich  
NOTARY PUBLIC

STATE OF TEXAS ) (  
COUNTY OF Smith ) (

This instrument was acknowledged before me on August 29, 1997 by R.J. Duencel of Marathon Oil Company, an Ohio corporation, on behalf of said corporation.

2-2-99  
COMMISSION EXPIRES

Dana R. Rice  
NOTARY PUBLIC



END OF ACKNOWLEDGMENTS

EXHIBIT "A"  
TO MEMORANDUM OF OIL AND GAS LEASE  
DATED \_\_\_\_\_, 1997  
RICHARD POWELL AND BARBARA POWELL,  
LESSORS AND  
MARATHON OIL COMPANY,  
LESSEE

FIRST TRACT: 708.52 acres of land, more or less, located in the WM. AND PETER KERR SURVEY, A-69, and the E. CLAMPIT SURVEY, A-25, Washington County, Texas, and being the same land described in two (2) tracts in that certain Warranty Deed dated December 16, 1980, Norma Luedemann, et al, Independent Executors of the Estate of Lydia Gindorf, Deceased, Grantors, and John M. Hewitt, Jr., et ux, Helen B. Hewitt, Grantees, and recorded in Volume 405, Page 886, Deed Records, Washington County, Texas.

SECOND TRACT: 200 acres of land, more or less, located in the WM. AND PETER KERR SURVEY, A-69, and the E. CLAMPIT SURVEY, A-25, Washington County, Texas, and being the same land described in two (2) tracts in that certain Warranty Deed dated July 1, 1981, John M. Hewitt, Jr., et ux, Helen B. Hewitt, Grantors, and Richard Powell, et ux, Barbara A. Powell, Grantees, and recorded in Volume 420, Page 13, Deed Records, Washington County, Texas.

*BAP*  
*RP*

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 11 1997



*Beth A. Rotharmel*  
Beth Rotharmel, County Clerk  
Washington County, Texas

FILED FOR RECORD  
WASHINGTON COUNTY, TX  
1997 SEP 10 PM 2 03  
*Beth A. Rotharmel*  
WASHINGTON CO. CLERK



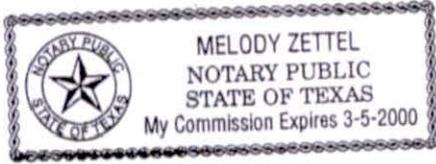
STATE OF TEXAS

§  
§  
§

COUNTY OF WASHINGTON

This instrument was acknowledged before me, the undersigned authority, on this the \_\_\_\_\_ day of Jan 23, 1998, 1998, by NORMA LUEDEMANN.

Melody Zettel  
NOTARY PUBLIC  
STATE OF TEXAS  
COMMISSION EXPIRES: \_\_\_\_\_



AFFIDAVIT OF USE AND POSSESSION AND NON-PRODUCTION

THE STATE OF TEXAS       ↓  
COUNTY OF WASHINGTON   ↓

4402

BEFORE ME, the undersigned authority, personally appeared Arthur H. Ehrig, known to me to be a credible person over the age of twenty-one (21) years, who, first being sworn by me according to law, upon oath states:

My name is Arthur H. Ehrig and I am seventy-eight (78) years old. I have lived in and been a resident of Washington County, Texas, for over twenty-five (25) years. I have been a close personal friend of O. C. Gindorf and his wife, Lydia Roehling Gindorf, and I am familiar with and know the history of the use and possession of the land described below:

908.437 acres of land, more or less, and being more fully described in two tracts of land as follows, to-wit:

FIRST TRACT: 517.5 acres of land, more or less, out of the William and Peter Kerr Survey, A-69, Washington County, Texas, and being more fully described in a deed from Alonzo Cooper to William Roehling dated April 15, 1876, recorded in Volume 4, Page 508, of the Deed Records of Washington County, Texas.

SECOND TRACT: 400.0 acres of land, more or less, out of the E. Clampitt Survey, A-25, Washington County, Texas, and being more fully described in a deed from Ann M. Blue to William Roehling dated January 13, 1868, recorded in Volume U, Page 689 of the Deed Records of Washington County, Texas, SAVE and EXCEPT 9.0 acres of land conveyed to Martin Klussmann and wife Esther Klussmann in Deed dated January 24, 1980, from Norma Luedemann and J. D. Mueller, Independent Executors of the Estate of Lydia Gindorf, deceased.

This land is bounded on the South by lands now owned or formerly owned by: Ernest Boenker, Fred Schwartz, Jr., and Betty Schwartz in Ezekiel Clampitt League and by lands now owned or formerly owned by Henry R. Schwartz and Walter Schwartz in William and Peter Kerr League.

Bounded on the East by lands now owned or formerly owned by Fred C. Sommers in Ezekiel Clampitt League.

Bounded on the West by lands now owned or formerly owned by M. C. Butscher in the William and Peter Kerr League and land bounded to the North by the Brazos River.

I understand William Roehling bought 517 1/2 acres in the William and Peter Kerr League from Alonzo Cooper and wife, Julia S. Cooper around the year 1876.

I understand in 1868, William Roehling bought 400 acres in the Ezekiel Clampitt League from Ann M. Blue by Warranty Deed on which acreage the Blues', using slave labor, built the two story ~~stone~~.

house which is still in existence.

I have been told William Roehling and Caroline Winkleman were married in 1860, and lived all their married lives in the house built by the Blues. They died in 1918 and 1925, respectively leaving as their only son, J.F.W. Roehling, also known as William Roehling.

I understand William Roehling and Doratheia Martin were married in 1888. They lived all their married lives in the house built by the Blues. William Roehling died in 1934, leaving as his heirs, Mrs. Dora Martin Roehling, widow of the deceased, and Lydia Roehling Gindorf, daughter.

In 1934 the widow of William Roehling, Mrs. Dora Martin Roehling and daughter, Mrs. Lydia Roehling Gindorf, renovated the two story stone house built by the Blues, and continued to live there. Mrs. Dora Martin Roehling died in 1962, leaving her daughter, Mrs. Lydia Roehling Gindorf, heir.

There were never any children born to or adopted by Lydia Roehling Gindorf or her husband O. C. Gindorf.

O. C. Gindorf died in 1972. Mrs. Lydia Roehling Gindorf died in 1979, naming J. D. Mueller and Norma Luedemann, Co-Executors of her Estate.

The Roehlings and their descendents, planted row crops such as cotton and corn and feed crops such as haygrazer. They ran some cattle for their own use and for sale. For many years, Martin F. Klussmann lived on the land, by verbal agreement, as a sharecropper. He was conveyed nine (9) acres of land pursuant to the probation of the will, by the Co-Executors of the Estate of Lydia Roehling Gindorf. Martin F. Klussman helped build most of the fences, which are of five (5) strands of barbed wire and cedar posts. There are several man-made ponds on both tracts of land and several drilled water wells located in upper portion of acreage toward the Brazos River.

The land is approximately eighty (80%) percent cleared land and the remainder is in timber such as post oak, pecan and yupon. Most of the land and improved pastures are terraced. The fences have been kept in good repair and are capable of holding and turning cattle. The fences are along the same lines as I always knew them. County Road 96 and Farm-to-market 1935 runs west to east across the entire estate.

To the best of my knowledge and belief, Mrs. Lydia Roehling Gindorf and husband, O. C. Gindorf, and their predecessors in title have held this property in quiet, peaceable, open, notorious and continuous possession; and there has never been an adverse claim to this land or any part of any fence or boundary of the same during the many years the Roehlings' and Gindorfs' have owned it.

Due to a recent sale of this land by the Co-Executors of the Estate of Lydia Roehling Gindorf, J. D. Mueller and Norma Luedemann, this land is now owned by John M. Hewett, Jr., and his wife, Helene B. Hewett.

There is not a well or wells on this property capable of producing oil or gas or both, and I have never heard of any well or wells capable of producing oil or gas or both having been drilled on this land, and there is not now nor has there ever been any equipment capable of refining, storing, or transporting oil, and or gas on this property.

Executed this 10 day of July, 1981.

Arthur H. Ehrig  
Affiant

SUBSCRIBED and sworn to before me this the 10<sup>th</sup> day  
of July, 1981.

My Commission Expires:  
October 24, 1981

Margie Vasek  
Margie Vasek  
Notary Public in and for the State  
of Texas



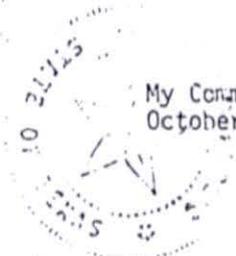
THE STATE OF TEXAS    |  
COUNTY OF               |

BEFORE ME, the undersigned authority, on this day personally appeared  
Arthur H. Labrig, known to me to be the person  
whose name is subscribed to the foregoing instrument, and acknowledge  
to me that he executed the same for the purpose and consideration therein  
expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 10<sup>th</sup> day  
of July, 1981.

My Commission Expires:  
October 24, 1981

Margie Vasek  
Margie Vasek  
Notary Public in and for the State  
of Texas



SUPPORTING AFFIDAVIT

THE STATE OF TEXAS    |  
COUNTY OF               |

Before me, the undersigned authority, on this day personally  
appeared MARTIN F. KLUSSMANN, whose address is  
Route 2, Brenham, Texas 77833, known to me to be a  
credible person over the age of eighteen (18) years, and who by me  
being duly sworn according to law, upon oath deposes and says;

My name is MARTIN F. KLUSSMANN, I am 69  
years old and have lived in Washington County, Texas all my life.  
I have carefully read the foregoing affidavit executed and sworn to by  
Arthur H. Ehrig. I am personally familiar with the facts stated  
therein and affirm that said affidavit is true and correct to the best  
of my knowledge and belief.

*Martin F. Klussmann*  
Affiant -

Subscribed and sworn to before me, the undersigned authority  
this the 10<sup>th</sup> day of July, 1981.



THE STATE OF TEXAS    |  
COUNTY OF               |

Margie Casek  
Notary Public for the State of Texas

Before me, the undersigned authority, on this day personally  
appeared MARTIN F. KLUSSMANN, 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 10<sup>th</sup> day  
July, 1981.



My Commission expires:  
10-24-81

Margie Casek  
Notary Public for the State for Texas

FILED  
 AT 10:30 A.M.  
 JUL 14 1981  
*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 Deed RECORDS of Washington County, Texas, as stamped hereon by me on JUL 20 1981



*Gertrude Lehmann*  
Gertrude Lehmann, County Clerk  
Washington County, Texas

10.

MF 99088

ITEM Adj. Lease

TO \_\_\_\_\_

FROM \_\_\_\_\_

DATE 8/26/97



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

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

June 26, 1998

MARATHON OIL CO  
ATTN DIVISION ORDER DEPT  
PO BOX 2069  
HOUSTON TX 77252 2069

Re: Property Name: POWELL B 01  
Mineral File No. M-099088  
Property Number: 8172099

Dear Sir or Madam:

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

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

If you should have any questions, please feel free to call me at (512) 475-1479.

Sincerely,

Scott G. Veach  
Accounts Examiner  
Royalty and Revenue Processing  
Energy Resources



P.O. Box 2069  
Houston, TX 77252-2069  
Telephone 713/296-4665  
FAX 713/296-4490  
INTERNET: ANScott@MarathonOil.com



Enclosed is Marathon's Division Order which credits you with your interest(s) in the property(ies) identified on the exhibit. Please correct errors in your name and/or address, indicate your social security or tax identification number, sign and return one copy of the Division Order, and retain the other copy for your records. If you are authorized to sign on behalf of the owner, furnish written evidence of your right to sign. If you no longer own the interest(s), furnish the new owner's name, address, and a recorded copy of the conveyance.

If the owner is deceased, notify us in writing, and we will advise what we need to transfer the interest(s) to the new owner. If signing for a corporation, show the title of the signatory party.



If you do not furnish your social security or tax identification number, the law requires Marathon to withhold, and pay the Internal Revenue Service (IRS), thirty-one percent (31%) of your proceeds until you furnish Marathon with your tax number. Marathon cannot refund any proceeds paid to the IRS on your behalf.



For your convenience, Marathon offers an automated 24-hour Owner Information Network that answers many routine questions involving Royalty Check Information, Changes to Name and/or Address, Transfer of Interest, Division Order Information, and Form 1099 Miscellaneous Information. The phone number is 1-419-421-2222. Since some of the information available is confidential, have your owner number and last four digits of your social security or tax identification number available prior to calling. You may also call Marathon's Division Order section between the hours of 7:30 a.m to 4:00 p.m. CST, at 1-713-296-4665. The secretary will connect you with the appropriate personnel to answer your questions.



Please see the reverse side for instructions on how to read Marathon's royalty check stub.



Thank you for the opportunity to serve and do business with you.

## HOW TO READ THE ATTACHMENT TO MARATHON'S CHECK

Below is an example of a check stub which will accompany your check. You may wish to refer to this when reviewing your payment.

1 ST CD	2 PROPERTY NO	3 SALES DATE MO YR	4 LINE CD	5 GROSS						11 OWNER DISTRIBUTION DECIMAL	12 TYP INT	13 YOUR INTEREST							
				6 QUANTITY	7 PRICE	8 VALUE	9 TAXES	10 ADJUSTMENTS	14 NET VALUE			15 QUANTITY	16 VALUE	17 TAXES	18 ▲ ADJUST	19 ◆	23 NET VALUE		
MI	3900869	D.O. NAME: MORaine LAND CO 4 CCU TR 42 0397	OIL	151.88	17.073	2592.98	103.71	0.00	2489.27	0.012676900	RI	1.92	32.88	1.31	SEVER	0.00		31.57	
NM	5900108	D.O. NAME: HANCOCK 42-12 FRUITLAND COAL SF-079116 0297	RAWGAS	9232.00	1.163	10740.47	103.57	0.00	9784.10	0.006302068	ORI	58.00	67.69	0.65	ADVAL	0.00		61.66	
							852.80	0.00						5.38	SEVER	0.00			
588963		4/24/97	00123456																93.23
CHECK NO.		CHECK DATE	OWNER NO.																YOUR PAYMENT

LEGEND									
■ LINE CODE				● TYPE INTEREST		▲ TAX CODE		◆ ADJUSTMENT CODE	
OIL	Oil Sales (bbl)	GRAD	Graduated Royalty	RI	Royalty	SEVER	Severance	TRCHG	Trucking Charge
RAWGAS	Raw/Wet Gas (mcf)	OILINT	Oil Interest Income	ORI	Overriding Royalty	EXTR	Extraction	PLCHG	Pipeline Charge
LIQPGS	Liquid Petro Gas (bbl)	GASINT	Gas Interest Income	WI	Working	ADVAL	Advalorem	TRANS	Other Transportation
GASOL	Natural Gasoline (bbl)	TAXREC	Tax Recovery	PPI	Production Payment	MISC	Miscellaneous	TXRMB	Tax Reimbursement
COND	Condensate (bbl)	OTHER	Special Transaction	CWI	Carried Working	CONS	Conservation	INTXP	Interest Expense
CONDPD	Condensate Product (bbl)	GASOTH	Gas Special Transaction	MI	Mineral			BACKW	31% No Tax ID/SS
DRYGAS	Dry/Residue Gas (mcf)	OILOTH	Oil Special Transaction	NPI	Net Profits			NRES	Non-Resident Tax
SULFUR	Sulfur (tons)			OTH	Other			INCOM	Income Tax
								OTHER	Other Adjustments
								PROC	Processing Charge
								CO W	Severage W/H

- 1 The **State Code** identifies the state where the property is located.
- 2 The **Property No.** is assigned by Marathon to identify the property. Property name is also printed on the same line immediately to the right.
- 3 The **Sales Date** is the month and year that a sales transaction occurred.
- 4 The **Line Codes** are used to denote the nature of the entry on the line. While most codes identify the sale of petroleum products, some refer to interest payments or special withholdings. Line codes in the ■ column are explained in the LEGEND.
- 5 **Quantity** is the total volume of petroleum products involved in the transaction.
- 6 **Price** is the average price for a month's gross sales (per bbl., mcf or ton). Average prices are not calculated for prior month adjustments.
- 7 **Value** is gross value of sales from the property.
- 8 **Taxes** show the gross state taxes associated with sales from the lease. The tax codes in the ▲ column are explained in the LEGEND.
- 9 **Adjustments** show the gross value of any adjustment being made to the sale proceeds. Adjustment codes are shown in the ◆ column and explained in the LEGEND.
- 10 **Net Value** of total sales from the property after taxes are deducted and adjustments are made.
- 11 **Owner Distribution Decimal** is the decimal used to calculate an interest owner's share of property revenue and taxes.
- 12 **Type of Interest** in the property is principally related to royalty, overriding royalty, working or production payment interests. The codes in the ● column are explained in the LEGEND.
- 13 **Quantity** of the interest owner's share of sales volume.
- 14 **Value** indicates the interest owner's share of sales prior to any tax deductions or adjustments.
- 15 **Taxes** show the interest owner's share of taxes paid on sales from the property.
- 16 **Tax Code** shows the type of tax being paid. The tax codes in the ▲ column are explained in the LEGEND.
- 17 **Adjustments** show the interest owner's share of adjustments.
- 18 **Adjustment Code** shows the nature of any adjustment made to an interest owner's payment. Adjustment codes in the ◆ column are explained in the LEGEND.
- 19 Interest owner's **Net Value** of sales after deductions and adjustments.
- 20 **Check No.** shows the distinct number issued for a payment.
- 21 **Check Date** is the date an interest owner's check is mailed.
- 22 **Owner No.** is assigned by Marathon to identify an owner. This number should be referenced when making inquiries about your interests.
- 23 **Your Payment** indicates the summation of all amounts in the Net Value column. This figure is the amount of your check. Please remember to deduct any amounts labeled with a minus sign "-", and also exclude any line labeled as a total line by property.

RETAIN FOR FUTURE REFERENCE

MF-99088

SWM  
0101 TX 32154

NADOA MODEL FORM DIVISION ORDER (ADOPTED 9/95)

DIVISION ORDER

TO: MARATHON OIL COMPANY  
P.O. BOX 2069  
HOUSTON, TX 77252-2069

Date: 6/15/1998

Property Number: SEE EXHIBIT  
Property Name: SEE EXHIBIT  
Operator: SEE EXHIBIT  
County and State: SEE EXHIBIT  
Property Description: SEE EXHIBIT  
Production: Oil: SEE EXHIBIT

Effective Date: DATE OF FIRST SALE

Gas: Other: SEE EXHIBIT

OWNER & ADDRESS: STATE OF TEXAS  
GENERAL LAND OFFICE  
LEASE NO M-99088  
1700 N CONGRESS AVE  
AUSTIN, TX 78704-3524

OWNER NUMBER: 81867636

TYPE OF INTEREST: SEE EXHIBIT  
DECIMAL INTEREST: SEE EXHIBIT

The undersigned certifies the ownership of their decimal interest in production or proceeds as described above payable by Marathon Oil Company (PAYOR).

Payor shall be notified, in writing, of any change in ownership, decimal interest or payment address. All such changes shall be effective the first day of the month following receipt of such notice.

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by undersigned. The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$100.00, or pay annually whichever occurs first, or as required by applicable state statute.

This Division Order does not amend any lease or operating agreement between the undersigned and the lessee or operator or any other contracts for the purchase of oil or gas.

In addition to the terms and conditions of this Division order, the undersigned and Payor may have certain statutory rights under the laws of the state in which the property is located.

Special Clauses: See Exhibit

Owner(s) Signature(s): \_\_\_\_\_

Owner(s) SS# or Tax I.D.#: \_\_\_\_\_

Owner(s) Daytime Telephone #: \_\_\_\_\_

Owner(S) FAX Telephone #: \_\_\_\_\_

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 31% tax withholding and will not be refundable by Payor.

YOUR COPY

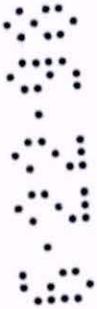
EXHIBIT

PROPERTY NAME: POWELL B 01  
 OPERATOR: MARATHON OIL COMPANY  
 EFFECTIVE DATE: DATE OF FIRST SALE

PROPERTY NO: 8172099  
 CONTRACT NO: 0  
 FILE NO: 0101 TX 032154  
 DATE ISSUED: 6/15/1998

LAND DESCRIPTION: 880.00 ACRES, MORE OR LESS, OUT OF THE WILLIAM & PETER KERR SURVEY, A-69 AND THE EZEKIEL CLAMPIT SURVEY, A-25 WASHINGTON COUNTY, TEXAS

MOD	DECIMAL INTEREST	CARRIED INTEREST	GROSS WI	INT TYPE	TYPE PROD	OWNER STATUS	PAY STATUS
81867636	STATE OF TEXAS						
0	0.0029361			RI	GAS		PAY
0	0.0029361			RI	OIL		PAY



(11)

MF 99088  
ITEM D.O.  
TO  
FROM  
DATE 6-26-98

0.53.00

**DO NOT DESTROY**



**Texas General Land Office**  
**UNIT AGREEMENT MEMO**

PA04-124

Unit Number 2728  
Operator Name MARATHON OIL COMPANY Effective Date 4/23/1998  
TaxID: [REDACTED] Unitized For Oil & Gas  
Unit Name Powell "B" Unit Unit Term 0 Months  
County1 Washington  
County2 [REDACTED] Old Unit Number Inactive Status Date  
County3 [REDACTED] 0  
RRC District: 03 0  
Unit Type: Permanent 0  
State Royalty Interest: 0.0029360795455 0  
State Part in Unit: 0.0117443181818 0  
Unit Depth Well:  
Below Depth 0 Formation:  
Above Depth 0 Participation Basis: Surface Acreage  
[If Exclusions Apply: See Remarks]

MF Number MF099088 Tract Number 3  
Lease Acres 10.335 / Total Unit Acres 880 =  
Tract Participation: 0.0117443 X  
Lease Royalty 0.25 = Manual Tract Participation: [ ] See Remark  
Tract Royalty Participation 0.0029361 Manual Tract Royalty: [ ]

Tract Royalty Reduction No  
Tract Royalty Rate 0  
Tract On-Line Date:



# DO NOT DESTROY



## UNIT AGREEMENT MEMO

Unit No. 2728

Operator Marathon Oil Co.

Unit Name Powell B

County Washington

Effective Date First Sale (April '98)

Unitized for: Oil  Gas  Oil & Gas

1. M.F. No. 99088  
Area Washington Cnty Rds Tr. 3  
Sec. 10.335/880 Blk. x Survey A-69 E' A-25  
1/4 .29361 %  
0117443 .25 .0029361

2. M.F. No. \_\_\_\_\_  
Area \_\_\_\_\_ Tr. \_\_\_\_\_  
Sec. \_\_\_\_\_ Blk. \_\_\_\_\_ Survey \_\_\_\_\_  
\_\_\_\_\_ x \_\_\_\_\_ %

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

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

REMARKS: well ID-168691

API 477-30857

Prepared by: Donna L Smith Date 10-20-98

Map & GIS updated by: \_\_\_\_\_ Date \_\_\_\_\_

Keyed into database by: \_\_\_\_\_ Date \_\_\_\_\_

# Marathon Oil Company

Contracts and Division Order Department

P.O. Box 2069

Houston, Texas 77252-2069

PH: (713)296-4669

FAX: (713)513-4115

## FACSIMILE TRANSMITTAL

TO:       DONNA SMITH       FAX #:       512-475-1543      

COMPANY:       GENERAL LAND OFFICE - STATE OF TEXAS      

FROM:    STEVE MURCHISON    TOTAL NUMBER OF PAGES SENT:    3   

DATE:       October 20, 1998      

REMARKS: CALCULATION FOR STATE OF TEXAS - POWELL "B" UNIT, WASHINGTON COUNTY, TEXAS

10.335/880.00 x .25 = .0029361

*.017443 x .25 = .0029361*

*.017443*

PLAT AND SCHEDULE OF LEASES INCLUDED.

---

If you do not receive all of the pages, please contact me as soon as possible at (713)296-4669

**EXHIBIT "A"**  
**SCHEDULE OF LEASES**  
 Attached to and made a part of that certain  
 Declaration of Pooled Unit  
**POWELL "B" UNIT**  
 dated effective as of date of first production

STATE OF TEXAS                   §  
   §  
 COUNTY OF WASHINGTON       §

UNIT TRACT:                    1  
FILE NUMBER:               TX-32205  
LESSOR:                       Richard Powell and wife, Barbara A. Powell  
LESSEE:                       Marathon Oil Company  
LEASE DATE:                 August 26, 1997  
RECORDING DATA:         Memorandum of Oil and Gas Lease, Volume 869, Page 124  
DESCRIPTION:               908.52 acres of land, more or less, out of the Wm. & Peter Kerr Survey, A-69, and the E. Clampit Survey, A-25, Washington County, Texas and being all of the lands described in said lease, less and except a 47.855 acre tract situated along the most easterly northeast line of said lease acreage, said 47.855 acres consisting of a 35.8292 acre acre tract and a 12.0258 acre tract, as set out on the plat attached hereto as Exhibit "B".

908.52  
 - 47.855  
 -----  
 860.665

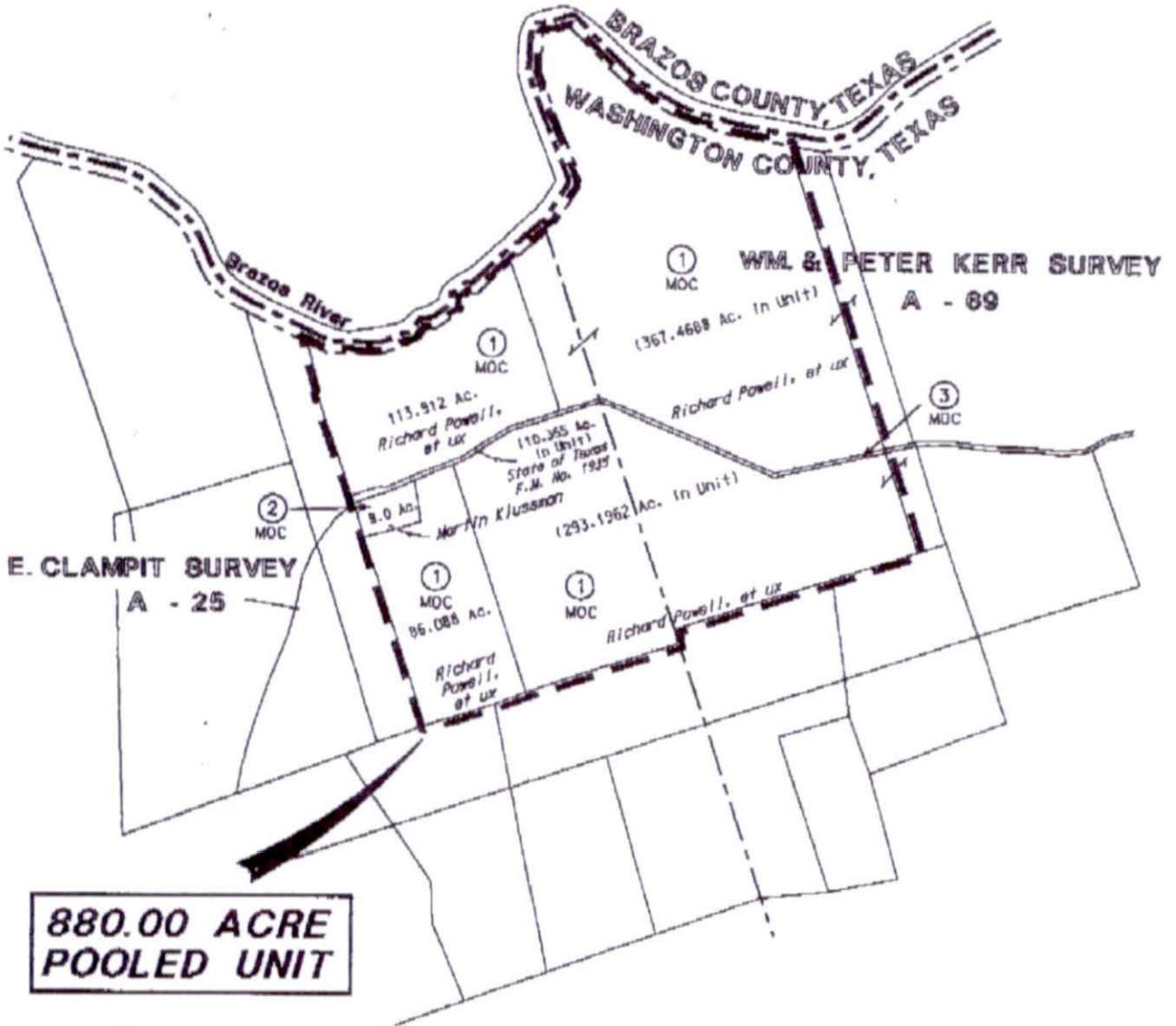
UNIT TRACT:                    2  
FILE NUMBER:               TX-32160  
LESSOR:                       Martin F. Klussman and wife, Esther Klussman  
LESSEE:                       Marathon Oil Company  
LEASE DATE:                 August 6, 1997  
RECORDING DATA:         Volume 869, Page 735  
DESCRIPTION:               9.00 acres of land, more or less, out of the E. Clampit Survey, A-25, Washington County, Texas and being all of the lands described in said lease.

UNIT TRACT:                    3  
FILE NUMBER:               TX-32795  
LESSOR:                       State of Texas  
   General Land Office Lease #M-99088  
LESSEE:                       Marathon Oil Company  
LEASE DATE:                 May 5 1998  
RECORDING DATA:         Volume 894, Page 167  
DESCRIPTION:               10.8 acres of land, more or less, out of the E. Clampit Survey, A-25 and the Wm. & Peter Kerr Survey, A-69, Washington County, Texas, and being all of the lands described in said lease, less and except the most easterly 0.465 acres of said lease acreage as set out on the plat attached hereto as Exhibit "B".

10.8  
 - .465  
 -----  
 10.335

ownership maps and deed record data.  
Acreages in roads are scaled.

113,912  
367,488  
293,1962  
86,092  
-----  
860,665



RD  
FY, TX  
023  
YML  
LERK

Location is approx 5.1 miles NE of Independence, Texas  
"Independence" Quadrangle

FILED FOR RECORD  
WASHINGTON COUNTY,

'98 JUN 12 AM 10

*Beth A. Rothman*

WASHINGTON CO. CLE

STATE OF TEXAS  
COUNTY OF WASHINGTON

I hereby certify that the 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

JUN 15 1998



*Beth A. Rothman*

MARATHON OIL COMPANY  
SOUTHERN REGION

EXHIBIT "B"  
TO POOLING DESIGNATION  
Dated DATE: MAY 22 1998

*Powell "B" No.1*

E. CLAMPT SURVEY, A-26  
WM. B. PETER KERR SVY. A-69

TOTAL P. 03

M.F. 99088

Correspondence File  
To Unit Agreement Memo & Plat  
From

Dated 10-20-98

LEASE TERMINATION / EXPIRATION WORKSHEET

REVISED 11/21/94

RENTAL SECTION		RENTAL ANALYST	ANALYST	DATE
			L. ANDERSON	SEP 1, 1999
LEASE NUMBER	M-099088	LEASE TERMINATED ?	EXPIRED?	XXXXXX
LEASE DATE	5/5/98	PRIMARY TERM	1 year	
IF THE LEASE IS UTILIZED		TOTAL UNIT ACRES	TOTAL NON-UNIT ACRES	
		UNIT ACRES TO TERM	NON-UNIT ACRES TO TERM	
COMMENTS-	LEASE EXPIRED			

MAP SECTION		MAP ANALYST	ANALYST	DATE
NEW WELL LOCATIONS ON MAP OR UNPOSTED W-1S?		YES	NO	
COMMENTS-				
IF YES, FORWARD TO GEOLOGY				

GEOLOGY SECTION		GEOLOGIST	GEOLOGIST	DATE
RESULTS OF ADDITIONAL RESEARCH-				

MAP SECTION	MAP UPDATED TO REFLECT GEOLOGIST'S COMMENTS?	ANALYST	DATE

RENTAL SECTION		RENTAL ANALYST	ANALYST	DATE
			P. ROGERS	9/20/99
DATE LEASE TERMINATED/EXPIRED		5/5/99		
DATE TERMINATION LETTER MAILED				
LEASE FILE ENDORSED?	YES	NO	DATE	
RENTAL MAPS	XXXXXX		9/20/99	

13,

File No. MF099088

Expired

Date Filed: 9/20/99

By David Dewhurst, Commissioner  
David Dewhurst

Texas General  
Land Office



David Dewhurst  
Commissioner

COPY

January 7, 2000

Mr. Gary L. Adams  
Supervisor, Contracts  
Marathon Oil Company  
P.O. Box 2069  
Houston, Texas 77252-2069

RE: Mineral Lease Assignment

Dear Mr. Adams:

The General Land Office received the following instrument on December 15, 1999, and has filed it in MF099088.

Assignment of Oil and Gas Lease (100%) with an execution date of November 12, 1999, from Marathon Oil Company, as Assignor, to Marathon Oil (East Texas), as Assignee, recorded in Washington County, Texas.

Filing fees of \$50.00 were received in connection with the above assignment. If you have any questions, please feel free to call me at (512) 475-2230.

Sincerely,

  
Jim Baumgardner  
Landman  
Energy Resources

Stephen F. Austin Building

1700 North  
Congress Avenue

Austin, Texas  
78701-1495

512-463-5001

Marathon Oil, MF099088

**From:** Jim Baumgardner  
**To:** Gary Adams  
**Date:** Thu, Jan 6, 2000 12:40 PM  
**Subject:** Assignment- Washington County

Gary:

At your convenience, could you see if you can determine which lease is the state lease on the Exhibit A of the Washington County Assignment? Your cover letter is dated December 7.

Thanks. I appreciate your continued assistance in this matter as well as Ed's.

Hope your vacation was pleasant.

Jim Baumgardner  
Minerals Leasing  
(512) 475-2230  
Facsimile (512) 475-1543

MF99088

2853



**Receiver Add/Change/Delete/Transfer  
or Duplicate Register Number  
Request Form**  
Texas General Land Office

Requestor Misty Sanchez		Date 10/26/99		<b>ORIGINAL DISTRIBUTION SLIP INFORMATION:</b>	
Division Support Services		Phone No. 463-5389		Remitter Marathon oil Co	Date 12/21/99
				Mail Code 121	
<b>CHECK ONE:</b>		Amount \$ 50.00		FY 2000	
<input checked="" type="checkbox"/> Original distribution slip attached <input type="checkbox"/> Duplicate slip required (original lost) <input type="checkbox"/> Item previously cleared		<b>REQUESTOR COMMENTS:</b> Wrong Mail code keyed.			
If information is known, please complete. If not, Receiver will complete.					
Deposit or clearance #		Cleared to GLO account (5 digits)		Original FY deposited or cleared	
<b>REASON FOR UPDATE (check one):</b>					
<input checked="" type="checkbox"/> Change mail code from <u>121</u> to <u>126</u> <input type="checkbox"/> Draft transfer to _____ <input type="checkbox"/> Transfer from Royalty to 900 "G" <input type="checkbox"/> Transfer from Rental to 900 "N" <input type="checkbox"/> Original slip lost <input type="checkbox"/> Add to fund 900 for refund (complete #7)		<input type="checkbox"/> Transfer to 156 <input type="checkbox"/> Transfer to 571 code <input type="checkbox"/> Add to 156 for refund <input type="checkbox"/> Add to 571 for refund <input type="checkbox"/> Other (explain _____)			
<b>REFUND:</b>					
Reason			File number (required for Royalty and Rental)		
Remitter Address (optional)					
<b>ACTION REQUIRED BY ASSET OR VLB:</b>					
<input type="checkbox"/> Delete from lockbox 571		<input type="checkbox"/> Delete from asset susp 156		<input type="checkbox"/> Date completed & initials (Return to Receiver) _____	

**OFFICE USE ONLY**

ACTION REQUIRED BY RECEIVER:	DATE COMPLETED & INITIALS
<input type="checkbox"/> Change mail code _____ to _____	<input type="checkbox"/> Duplicate distribution slip
<input checked="" type="checkbox"/> Add to 900 suspense with cod <u>129 S</u>	<input type="checkbox"/> Delete from 900
<input type="checkbox"/> Add to Royalty suspense 122 (32520)	<input type="checkbox"/> Delete from Royalty
<input type="checkbox"/> Add to Rental suspense 121 (31620)	<input checked="" type="checkbox"/> Delete from Rental <u>121N</u>
<input type="checkbox"/> Add to vet lockbox with code _____	<input type="checkbox"/> Delete hot check from 900
<input type="checkbox"/> Add to asset lockbox 156 (79030)	<input type="checkbox"/> N or "G" distribution slip
<input type="checkbox"/> Add cancel warrant to code _____	<input type="checkbox"/> Other _____
Comments:	

**COMPLETED**

DEC 22 1999

By Receiver

Check No		Check Date		Bank No	Vendor No	 <b>Marathon Oil Company</b> 539 South Main Street Findlay, Ohio 45840			Direct Inquiries to:		
857612		12/10/99		3723	T05752				ACCOUNTS PAYABLE DEPARTMENT		
							MOC Corporate Group				
							PHONE: 419-421-3035				
Mo	Vou	Sub	P.O. Number	Invoice/Packing Slip Number	Invoice Date	Rem	Comment	Invoice/Pay Amt			
12	551	962		12071999806AM	12/07/99		Total Remittance: U.S. Dollars	50.00			
								50.00			
								00019556			

(FOLD ON PERFORATION BELOW AND DETACH CHECK STUB BEFORE DEPOSITING)



P.O. Box 2069  
Houston, TX 77252-2069  
Telephone 713/629-6600

CERTIFIED, RETURN RECEIPT REQUESTED

December 7, 1999

Texas General Land Office  
Stephen F. Austin Bldg.  
1700 N. Congress Ave.  
Austin, TX 78701-1495

RE: GLO Oil & Gas Leases in Washington County, TX

Gentlemen:

Under the terms of the referenced leases, Marathon Oil Company is required to provide you with a certified copy of the **assignment** at such time as we convey our interest in your leases.

Enclosed please find a certified copy of our assignment, along with a check, which represents \$25.00 for the **Assignment** and \$25.00 for the GLO lease highlighted on the exhibit. Should you have any questions or need additional information, please advise.

Sincerely,

A handwritten signature in cursive script that reads 'Gary L. Adams'.

Gary L. Adams  
Supervisor, Contracts

GLA:mms

Enclosure

RECEIVED  
99 DEC 15 PM 4:12  
ENERGY RESOURCES

12.15.99

**WORKSHEET FOR CERTIFIED COPY OF RECORDED  
ASSIGNMENT TO "TEXAS GENERAL LAND OFFICE"**

*TX General Land Office*

COUNTY: WASHINGTON Co. TX

TOTAL PAGES TO ASSIGNMENT: 14

COMPUTATION AREA FOR TOTAL FEES DUE

\$25.00 Fee per Assignment  
+\$25.00 Fee (#of leases X \$25.00 per lease)

TOTAL AMOUNT DUE: \$ 50.00

12.15.99

# ASSIGNMENT AND QUITCLAIM

6757

STATE OF TEXAS

§

COUNTY OF WASHINGTON

§

SS. KNOW ALL MEN BY THESE PRESENTS:

§

Marathon Oil Company, an Ohio corporation, hereinafter referred to as Assignor, whose address is P. O. Box 3128, Houston, Texas 77253, in accordance with the Agreement Of Limited Partnership Of Marathon Oil (East Texas) LP, hereby assigns, conveys and quitclaims to Marathon Oil (East Texas) LP, a Texas limited partnership, hereinafter referred to as Assignee, whose address is P. O. Box 3128, Houston, Texas 77253, all of Assignor's right, title and interest in and to the following:

1. all working, royalty, overriding royalty, production payment, net profits, and other interests owned by Assignor in the oil and gas and oil, gas and mineral leases listed in Exhibit "A" to this Assignment and Quitclaim;
2. all mineral interests owned by Assignor in lands described in the deeds listed in Exhibit "B" to this Assignment and Quitclaim;
3. all interests owned by Assignor, whether as the owner of a working, royalty, overriding royalty, production payment, net profits or other interest, in and under any and all unit agreements, unit operating agreements, joint operating agreements, pooling agreements, and communitization agreements covering the interests described above;
4. all leases and lands pooled with the interests described above;
5. all wells, equipment and facilities which are located on or used in connection with the production, treatment or transportation of oil and gas from the interests described above;
6. all oil and gas and other minerals produced from or allocated to the interests described above before the effective time, and which are unsold as of the effective time, and all oil and gas and other minerals produced from or allocated to the interests described above after the effective time;
7. all contracts for the sale of oil and gas and other minerals produced from or allocated to the interests described above and in the proceeds of such sale;
8. all proceeds from the sale of oil and gas and other minerals produced from or allocated to the interests described above, due and owing to Assignor as of the effective time;

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 Beth Rothermel, County Clerk  
 Washington County, TX. Harrison Deputy  
 Latrisha Patterson

12.15.99

- 9. all gas processing agreements under which gas produced from the interests described above is processed;

By acceptance of this Assignment and Quitclaim Assignee acknowledges that the interests conveyed herein are subject to the terms of the leases, agreements and instruments also conveyed herein, and Assignee agrees to and assumes, and promises to perform, comply with and be bound by, all obligations of Assignor under the leases, agreements and instruments conveyed herein. Assignor shall be responsible for payment of all ad valorem taxes for calendar year 1999 on the property conveyed hereby. Assignee shall be responsible for payment of all ad valorem taxes for calendar year 2000 and all subsequent years. The parties will treat the value of the right, title and interest hereby assigned as being allocated to Assignor's General and Limited Partnership interests in Assignee in the same proportion as set forth in the Agreement Of Limited Partnership Of Marathon Oil (East Texas) LP.

This Assignment and Quitclaim shall be effective as of 4:00 P.M. Central Standard Time on December 31, 1999 regardless of the date of execution hereof.

IN WITNESS WHEREOF, this Assignment and Quitclaim is executed this 12th day of November, 1999.

**ASSIGNOR:**

**MARATHON OIL COMPANY**

**ASSIGNEE:**

**MARATHON OIL (EAST TEXAS) LP  
BY MARATHON OIL COMPANY,  
GENERAL PARTNER**

By:

*John T. Mills*

John T. Mills

Attorney-in-Fact of Marathon Oil Company, acting on behalf of Marathon Oil Company in its individual capacity as Assignor, and on behalf of Marathon Oil Company as General Partner of Marathon Oil (East Texas) LP on behalf of Marathon Oil (East Texas) LP, Assignee

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ACKNOWLEDGMENT

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

The foregoing instrument was acknowledged before me this 12th day of November, 1999, by John T. Mills as Attorney-in-Fact of Marathon Oil Company, acting on behalf of Marathon Oil Company in its individual capacity as Assignor, and on behalf of Marathon Oil Company as General Partner of Marathon Oil (East Texas) LP on behalf of Marathon Oil (East Texas) LP, Assignee.

*Cynthia Adler*  
\_\_\_\_\_  
Notary Public, State of Texas  
Printed Name: Cynthia Adler



My commission expires: October 25, 2003

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Beth Rothermel, County Clerk  
Washington County, TX *Battison* Deputy  
Latrisha Pattison

EXHIBIT "A"

Attached to and made a part of that certain  
 ASSIGNMENT AND QUITCLAIM dated effective 12/31/1999 by and between  
 MARATHON OIL COMPANY (Assignor) and MARATHON OIL (EAST TEXAS) LP (Assignee)

LEASE NO	LESSOR	DOCUMENT TYPE	DOC DATE	COUNTY	RECORDING		
					BK	PG	DOC #
TX-023923-	DARCUS, PAULINE	OIL & GAS LEASE	07/08/1980	WASHINGTON	397	748	
TX-023924-	DOTSON, JASPER	OIL & GAS LEASE	06/18/1980	WASHINGTON	398	46	
TX-023925-	JOHNSON, PAUL	OIL & GAS LEASE	06/18/1980	WASHINGTON	397	620	
TX-023926-	BLOWEY, WILLIAM E	OIL & GAS LEASE	08/20/1980	WASHINGTON	399	636	
TX-023927-	FLASOWSKI, JUSTIN	OIL & GAS LEASE	04/21/1982	WASHINGTON	434	247	
TX-023928-	BURROUGHS, KENNETH R	OIL & GAS LEASE	07/11/1980	WASHINGTON	399	66	
TX-023929-	MT ZION MISSIONARY BAPTIST CHURCH	OIL & GAS LEASE	08/20/1980	WASHINGTON	399	477	
TX-023930-	ROHDE, D G	OIL & GAS LEASE	08/01/1980	WASHINGTON	398	233	
TX-023931-	DARCUS, PAULINE	OIL & GAS LEASE	07/08/1980	WASHINGTON	397	746	
TX-023932-	JOHNSON, HAYS	OIL & GAS LEASE	06/18/1980	WASHINGTON	397	750	
TX-023933-	HEARD, P E	OIL & GAS LEASE	09/11/1980	WASHINGTON	402	709	
TX-023934-	PURDY, GERALD M	OIL & GAS LEASE	04/19/1982	WASHINGTON	433	809	
TX-023935-	LEVEE, JOHN E	OIL & GAS LEASE	05/05/1982	WASHINGTON	436	327	
TX-023936-	MARINELAND INC, A TEXAS COOP	OIL & GAS LEASE	07/29/1980	WASHINGTON	398	445	
TX-023937-	LEACHMAN, ROBERT D	OIL & GAS LEASE	06/10/1980	WASHINGTON	399	629	
TX-023938-	GARRETT, LARRY C	OIL & GAS LEASE	05/28/1980	WASHINGTON	394	893	
TX-023939-	SCHWARZE, DOUGLAS R	OIL & GAS LEASE	05/29/1980	WASHINGTON	395	131	
TX-023940-	BREHAM CEMETERY ASSOCIATION	OIL & GAS LEASE	04/15/1982	WASHINGTON	433	812	
TX-023941-	BASSEL, J D	OIL & GAS LEASE	04/19/1982	WASHINGTON	434	829	
TX-023942-	WATFORD, GLADYS	OIL & GAS LEASE	05/01/1982	WASHINGTON	433	806	
TX-023943-	HOLT, BILLY G	OIL & GAS LEASE	11/14/1980	WASHINGTON	404	383	
TX-023944-	SHERROUSE, CHARLES	OIL & GAS LEASE	11/03/1980	WASHINGTON	403	827	
TX-023945-	STIMSON, ARTHUR E	OIL & GAS LEASE	06/23/1980	WASHINGTON	396	174	
TX-023946-	ATCHISON TOPEKA & SANTA FE RAILWAY CO	OIL & GAS LEASE	11/20/1980	WASHINGTON	406	407	
TX-023947-	KILGORE, W LEONARD	OIL & GAS LEASE	04/29/1982	WASHINGTON	434	330	
TX-023948-	WALTON, CONRAD G	OIL & GAS LEASE	05/30/1982	WASHINGTON	435	631	
TX-023949-	KOKINAKIS, IOKIM	OIL & GAS LEASE	04/29/1982	WASHINGTON	436	325	
TX-023950-	WHEAT, CLEM	OIL & GAS LEASE	05/29/1982	WASHINGTON	435	633	
TX-023951-	HILL, MILBOURNE G	OIL & GAS LEASE	05/29/1982	WASHINGTON	435	635	
TX-023952-	SLOAN, ROBERT C	OIL & GAS LEASE	09/15/1980	WASHINGTON	403	299	
TX-023953-	SLOAN, JOHN	OIL & GAS LEASE	09/08/1980	WASHINGTON	403	297	

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 MARATHON OIL COMPANY (Assignor) and MARATHON OIL (EAST TEXAS) LP (Assignee)

LEASE NO	LESSOR	DOCUMENT TYPE	DOC DATE	COUNTY	RECORDING		
					BK	PG	DOC #
TX -023954-A	PENNIE JR, JAMES W	OIL & GAS LEASE	09/15/1980	WASHINGTON	411	46	
TX -023954-B	LOFTIS, MYRTLE	OIL & GAS LEASE	09/15/1980	WASHINGTON	411	42	
TX -023955-	DAHMAN, FREDDIE	OIL & GAS LEASE	09/15/1980	WASHINGTON	403	286	
TX -023956-	HIGHTOWER, MARGIE ANN	OIL & GAS LEASE	08/25/1980	WASHINGTON	403	778	
TX -023957-	VAUGHN, CAROLYN	OIL & GAS LEASE	08/22/1980	WASHINGTON	403	790	
TX -023958-	HIGHTOWER, RAY CHARLES	OIL & GAS LEASE	08/25/1980	WASHINGTON	404	804	
TX -023959-	HIGHTOWER, SPENCER	OIL & GAS LEASE	08/22/1980	WASHINGTON	403	787	
TX -023960-	BUCHANAN, HELEN	OIL & GAS LEASE	08/22/1980	WASHINGTON	403	775	
TX -023961-	HILL, GRACE	OIL & GAS LEASE	08/12/1980	WASHINGTON	402	200	
TX -023962-	HIGHTOWER, PRENTIS	OIL & GAS LEASE	09/12/1980	WASHINGTON	403	781	
TX -023963-	HIGHTOWER, PRENTIS	OIL & GAS LEASE	09/12/1980	WASHINGTON	403	784	
TX -023964-	TODD, DEBRA ANN MOSELY	OIL & GAS LEASE	08/12/1980	WASHINGTON	403	292	
TX -023965-A	WRIGHT, JESSIE MAE	OIL & GAS LEASE	10/11/1980	WASHINGTON	405	315	
TX -023965-B	RICHARDS, LUCINDA	OIL & GAS LEASE	09/02/1980	WASHINGTON	403	539	
TX -023965-C	EVANS, TULLY	OIL & GAS LEASE	09/02/1980	WASHINGTON	403	288	
TX -023965-D	SHEPARD, ESSIE	OIL & GAS LEASE	09/02/1980	WASHINGTON	403	295	
TX -023965-E	HARTFIELD, ANNIE	OIL & GAS LEASE	09/02/1980	WASHINGTON	403	290	
TX -025976-A	MILLER JR, A C	OIL & GAS LEASE	11/15/1990	WASHINGTON	638	498	
TX -025976-B	SCHLENKER, THOMAS MABRY	OIL & GAS LEASE	12/10/1990	WASHINGTON	642	166	
TX -025976-C	SCHLENKER MARY GENE MABRY	OIL & GAS LEASE	12/10/1990	WASHINGTON	641	491	
TX -025976-D	MILLER, FRED B	OIL & GAS LEASE	11/15/1990	WASHINGTON	641	498	
TX -025976-E	BYRD TRUST, LOIS MILLS	OIL & GAS LEASE	12/18/1990	WASHINGTON	644	1	
TX -025976-F	SPRANKLE, GEORGE W	OIL & GAS LEASE	02/25/1991	WASHINGTON	645	77	
TX -026062-A	SCHMIDT, RUBEN	OIL & GAS LEASE	07/04/1990	WASHINGTON	634	488	
TX -026062-B	SLOAN JR, ROBERT	OIL & GAS LEASE	06/24/1981	WASHINGTON	425	501	
TX -026062-C	HILLSMAN TRUST, LUCILLE B	OIL & GAS LEASE	06/24/1981	WASHINGTON	425	503	
TX -026062-D	BUSCH, VERE HILLSMAN	OIL & GAS LEASE	06/24/1981	WASHINGTON	425	508	
TX -026062-E	LUECKMEYER, WILLIE MAE	OIL & GAS LEASE	10/07/1978	WASHINGTON	128	800	
TX -026062-F	KRAUS, IDELL	OIL & GAS LEASE	10/09/1978	WASHINGTON	371	245	
TX -026125-	KLATTE, HERBERT	OIL & GAS LEASE	11/15/1990	WASHINGTON	641	486	

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LEASE NO	LESSOR	DOCUMENT TYPE	DOC DATE	COUNTY	RECORDING		
					BK	PG	DOC #
TX -028279-	FINCHER LIVING TRUST, HAROLD J & SARA E	OIL & GAS LEASE	08/02/1993	WASHINGTON	694	542	
TX -028280-	FINCHER JR, THOMAS ROSCOE	OIL & GAS LEASE	08/02/1993	WASHINGTON	694	547	
TX -031727-	POHLMAYER, GLEN E	OIL & GAS LEASE	02/20/1997	WASHINGTON	854	32	
TX -031732-	SCHWARTZ, MILTON	OIL & GAS LEASE	02/20/1997	WASHINGTON	853	663	
TX -031757-	SCHWARTZ, EDGAR	OIL & GAS LEASE	02/25/1997	WASHINGTON	854	563	
TX -031764-	KLUSSMAN, RAYMOND O	OIL & GAS LEASE	02/22/1997	WASHINGTON	854	559	
TX -031783-	SCHWARTZ JR, FRED	OIL & GAS LEASE	02/28/1997	WASHINGTON	863	208	
TX -031784-	SCHWARTZ, CARL J	OIL & GAS LEASE	02/28/1997	WASHINGTON	855	616	
TX -031785-	GASKAMP, MELVIN	OIL & GAS LEASE	03/14/1997	WASHINGTON	855	620	
TX -031786-	GASKAMP, RAYMOND	OIL & GAS LEASE	03/14/1997	WASHINGTON	855	624	
TX -031787-	KRAMER, GERTRUDE	OIL & GAS LEASE	03/14/1997	WASHINGTON	855	628	
TX -031835-A	SCHROEDER, LORINE	OIL & GAS LEASE	03/25/1997	WASHINGTON	856	255	
TX -031835-B	SCHROEDER, MICHAEL	OIL & GAS LEASE	03/25/1997	WASHINGTON	856	260	
TX -031837-	KRUGER, WELDON D	OIL & GAS LEASE	03/19/1997	WASHINGTON	856	264	
TX -031838-	SCHWARTZ, TRENTON DEAN	OIL & GAS LEASE	03/25/1997	WASHINGTON	856	268	
TX -031862-	KETTLER, EDWIN H	OIL & GAS LEASE	02/07/1997	WASHINGTON	862	8	
TX -031863-	SCHWARTZ, KENNETH	OIL & GAS LEASE	04/07/1997	WASHINGTON	862	13	
TX -031918-	JACOBSON, HARVEY W	OIL & GAS LEASE	05/12/1997	WASHINGTON	863	204	
TX -031919-A	SAUER JR, CARL WILLIAM	OIL & GAS LEASE	05/01/1997	WASHINGTON	861	398	
TX -031919-B	STARCKE, EDGAR N	OIL & GAS LEASE	04/01/1997	WASHINGTON	861	402	
TX -031919-C	SCHWARTZ, JOSEPHINE	OIL & GAS LEASE	04/01/1997	WASHINGTON	863	212	
TX -031920-	BROCKERMEYER, FLOYD C	OIL & GAS LEASE	05/01/1997	WASHINGTON	861	491	
TX -031951-	HARTSTACK JR, ALBERT W	OIL & GAS LEASE	05/05/1997	WASHINGTON	861	986	
TX -031957-A	THEECK, JAMES A	OIL & GAS LEASE	05/20/1997	WASHINGTON	862	1	
TX -031958-	GASKAMP, BERNICE	OIL & GAS LEASE	05/27/1997	WASHINGTON	862	6	
TX -031959-	HARTSTACK, LIN	OIL & GAS LEASE	06/25/1997	WASHINGTON	863	744	
TX -031960-	HARTSTACK JR, ALBERT W	OIL & GAS LEASE	06/25/1997	WASHINGTON	863	740	
TX -031961-	VIERUS, SUE HARTSTACK	OIL & GAS LEASE	06/25/1997	WASHINGTON	863	747	
TX -031993-	HUBERT, DOROTHY	OIL & GAS LEASE	05/30/1997	WASHINGTON			
TX -031994-	FLICK, JAMES A	OIL & GAS LEASE	05/30/1997	WASHINGTON	864	344	4112

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LEASE NO	LESSOR	DOCUMENT TYPE	DOC DATE	COUNTY	RECORDING		
					BK	PG	DOC #
TX -032047-	HARTSTACK, GARY WAYNE	OIL & GAS LEASE	06/25/1997	WASHINGTON	864	751	4217
TX -032050-A	ROBSON, JOHN B	OIL & GAS LEASE	06/09/1997	WASHINGTON	864	755	4218
TX -032050-B	ROBSON JR, HENRY C	OIL & GAS LEASE	06/09/1997	WASHINGTON	864	758	4219
TX -032053-	GASKAMP, MELVIN H	OIL & GAS LEASE	06/19/1997	WASHINGTON	864	761	4220
TX -032054-	BENTKE, GLENN A	OIL & GAS LEASE	06/16/1997	WASHINGTON	864	764	4221
TX -032055-	ZIBILSKI, LOUISE	OIL & GAS LEASE	06/19/1997	WASHINGTON	864	767	4222
TX -032056-	ZIBILSKI, NELSON F	OIL & GAS LEASE	06/19/1997	WASHINGTON	864	772	4223
TX -032073-	BENTKE, MICHAEL W	OIL & GAS LEASE	06/25/1997	WASHINGTON	866	501	
TX -032074-	BLUM, EARL	OIL & GAS LEASE	06/25/1997	WASHINGTON	866	504	
TX -032075-	SCHROEDER, IDA MAY	OIL & GAS LEASE	06/24/1997	WASHINGTON	866	507	
TX -032076-	PELKEMEYER, FRED W	OIL & GAS LEASE	06/25/1997	WASHINGTON	866	512	
TX -032100-A	WETHEROLD, MARY VONCELL	OIL & GAS LEASE	06/25/1997	WASHINGTON	866	241	
TX -032100-B	GUISADO, ANA R	OIL & GAS LEASE	08/04/1997	WASHINGTON	973	585	
TX -032100-C	CARTAYA, ZOILA	OIL & GAS LEASE	08/04/1997	WASHINGTON	873	587	
TX -032102-	SCOTT, RUBY M	OIL & GAS LEASE	06/30/1997	WASHINGTON	878	468	
TX -032103-	PELKEMEYER, JAMES A	OIL & GAS LEASE	06/25/1997	WASHINGTON	866	245	
TX -032109-	STULTS, RUTH	OIL & GAS LEASE	06/13/1997	WASHINGTON	868	208	
TX -032125-A	GILES, CHARLES ETTA	OIL & GAS LEASE	07/08/1997	WASHINGTON	867	544	
TX -032125-B	FORD, VERN G	OIL & GAS LEASE	07/08/1997	WASHINGTON	867	547	
TX -032125-C	FORD, CLARENCE H	OIL & GAS LEASE	07/08/1997	WASHINGTON	867	550	
TX -032125-D	FORD, SALLY	OIL & GAS LEASE	07/08/1997	WASHINGTON	870	141	
TX -032126-	KELM, NORMA	OIL & GAS LEASE	06/30/1997	WASHINGTON	867	553	
TX -032127-	BERG, CYNTHIA	OIL & GAS LEASE	07/22/1997	WASHINGTON	867	556	
TX -032128-A	NIEMEYER, DINAH FAYE	OIL & GAS LEASE	07/23/1997	WASHINGTON	867	559	
TX -032128-B	LEHDR, GREGORY WARREN	OIL & GAS LEASE	07/23/1997	WASHINGTON	867	562	
TX -032128-C	LEHDE, CALVIN A	OIL & GAS LEASE	07/23/1997	WASHINGTON	868	329	
TX -032128-D	LITTLE, JANE ELOISE	OIL & GAS LEASE	07/23/1997	WASHINGTON	869	732	
TX -032129-	NIEMEYER, ALLEN NEAL	OIL & GAS LEASE	07/23/1997	WASHINGTON	867	565	
TX -032130-	WINTERS, RANDY H	OIL & GAS LEASE	07/10/1997	WASHINGTON	867	568	
TX -032131-A	MILLER, WILLIAM EDWARD	OIL & GAS LEASE	07/21/1997	WASHINGTON	867	571	

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LEASE NO	LESSOR	DOCUMENT TYPE	DOC DATE	COUNTY	RECORDING		
					BK	PG	DOC #
TX -032157-	SCHROEDER, EDGAR H	OIL & GAS LEASE	07/31/1997	WASHINGTON	869	348	
TX -032158-	EMSHOFF, ERWIN W	OIL & GAS LEASE	07/28/1997	WASHINGTON	869	351	
TX -032160-	KLUSSMAN, MARTIN F	OIL & GAS LEASE	08/09/1997	WASHINGTON	869	735	
TX -032170-	BUCK, CURTIS WAYNE	OIL & GAS LEASE	05/02/1997	WASHINGTON	859	159	
TX -032171-	PAWLAK, MARILYN	OIL & GAS LEASE	05/02/1997	WASHINGTON	858	877	
TX -032172-	BLUM, HELEN	OIL & GAS LEASE	05/02/1997	WASHINGTON	860	873	
TX -032173-	MAAS, ELROY WILLIAM	OIL & GAS LEASE	05/17/1997	WASHINGTON	858	889	
TX -032174-	LENTZ, EDGAR	OIL & GAS LEASE	06/14/1997	WASHINGTON	859	155	
TX -032175-	RUNGE, NINA FAY	OIL & GAS LEASE	05/05/1997	WASHINGTON	858	868	
TX -032176-A	PALOUSEK, JOHN L	OIL & GAS LEASE	06/09/1997	WASHINGTON	859	756	
TX -032176-B	HARTMAN, GERHARDT G	OIL & GAS LEASE	06/09/1997	WASHINGTON	861	139	
TX -032177-	GLAESER, CHARLOTTE	OIL & GAS LEASE	05/02/1997	WASHINGTON	858	873	
TX -032178-	JONES, ISAAC B	OIL & GAS LEASE	06/18/1997	WASHINGTON	860	894	
TX -032179-A	WILSON, WALTER C	OIL & GAS LEASE	05/02/1997	WASHINGTON	859	765	
TX -032179-B	FOLSOM, TERRY J	OIL & GAS LEASE	05/01/1997	WASHINGTON	858	881	
TX -032180-A	WILSON FARMS INC	OIL & GAS LEASE	06/12/1997	WASHINGTON	862	274	
TX -032180-B	FOLSOM, MURRAY C	OIL & GAS LEASE	05/01/1997	WASHINGTON	858	885	
TX -032181-	IRVING, MARC W	OIL & GAS LEASE	05/07/1997	WASHINGTON	860	264	
TX -032182-	WAGNER, GARY W	OIL & GAS LEASE	05/07/1997	WASHINGTON	860	260	
TX -032183-	KOLBE JR, WALTER E	OIL & GAS LEASE	05/18/1997	WASHINGTON	863	631	
TX -032184-	JONES, ISAAC B	OIL & GAS LEASE	06/18/1997	WASHINGTON	862	746	
TX -032185-	DONNELL, ROBERT	OIL & GAS LEASE	05/01/1997	WASHINGTON	858	893	
TX -032186-	SWOBODA, JOHN J	OIL & GAS LEASE	05/01/1997	WASHINGTON	858	897	
TX -032187-	JONES, JAMES RAY	OIL & GAS LEASE	05/15/1997	WASHINGTON	861	142	
TX -032188-A	ANCONE, JACK	OIL & GAS LEASE	05/02/1997	WASHINGTON	862	121	
TX -032188-B	GARRETT, HARRIS C	OIL & GAS LEASE	08/13/1997	WASHINGTON	866	763	
TX -032189-A	GREGOR, LUTHER	OIL & GAS LEASE	08/24/1997	WASHINGTON	860	886	
TX -032189-B	KETTLER, JAMES H	OIL & GAS LEASE	08/24/1997	WASHINGTON	861	145	
TX -032189-C	MAASS, HENRY C	OIL & GAS LEASE	08/24/1997	WASHINGTON	860	890	
TX -032190-A	TATUM, LESTER L	OIL & GAS LEASE	05/12/1997	WASHINGTON	858	901	

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 Deputy  
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					BK	PG	DOC #
TX -032190-B	HASTINGS, YVONNE	OIL & GAS LEASE	05/29/1997	WASHINGTON	860	257	
TX -032190-C	MARSHALL, GEORGE K	OIL & GAS LEASE	05/29/1997	WASHINGTON	859	274	
TX -032190-D	KALDIS, PETE G	OIL & GAS LEASE	08/03/1997	WASHINGTON	859	762	
TX -032190-E	ELDRIDGE, JAMES L	OIL & GAS LEASE	05/14/1997	WASHINGTON	860	254	
TX -032190-F	VALERA, BRENDA B	OIL & GAS LEASE	05/24/1997	WASHINGTON	860	877	
TX -032190-G	STANDLEY, CYNTHIA ANN KIGER	OIL & GAS LEASE	05/29/1997	WASHINGTON	863	903	
TX -032190-H	MUSKE, BRUCE A	OIL & GAS LEASE	05/24/1997	WASHINGTON	859	753	
TX -032190-I	MILLETT, DONALD A	OIL & GAS LEASE	05/29/1997	WASHINGTON	859	759	
TX -032190-J	DOHERTY, LARRY	OIL & GAS LEASE	06/28/1997	WASHINGTON	863	899	
TX -032190-K	KIRTS, DAVID L	OIL & GAS LEASE	05/29/1997	WASHINGTON	862	118	
TX -032190-L	BENTKE, BRIAN LEE	OIL & GAS LEASE	05/29/1997	WASHINGTON	859	277	
TX -032190-M	BAME, SUSAN R	OIL & GAS LEASE	05/20/1997	WASHINGTON	860	883	
TX -032190-N	MACKEY, DEBORAH J	OIL & GAS LEASE	05/20/1997	WASHINGTON	860	880	
TX -032190-O	NUTI, LOUIS CARL	OIL & GAS LEASE	06/17/1997	WASHINGTON	860	268	
TX -032196-	FINKE, JIMMY R	OIL & GAS LEASE	07/21/1997	WASHINGTON	880	85	
TX -032205-	POWELL, RICHARD	OIL & GAS LEASE	08/26/1997	WASHINGTON	869	124	
TX -032206-	ESCHBERGER, DOUG P	OIL & GAS LEASE	08/27/1997	WASHINGTON	869	738	
TX -032219-	ROSENBAUM, BENITA	OIL & GAS LEASE	07/31/1997	WASHINGTON	871	8	
TX -032220-	ROSENBAUM, WINSTON	OIL & GAS LEASE	07/24/1997	WASHINGTON	871	12	
TX -032244-A	WELLS, GODFREY	OIL & GAS LEASE	08/15/1997	WASHINGTON	880	91	
TX -032244-B	CASELL, JANICE E	OIL & GAS LEASE	08/15/1997	WASHINGTON	871	15	
TX -032244-C	NORMAN, ELNA MARIE	OIL & GAS LEASE	08/15/1997	WASHINGTON	871	18	
TX -032244-D	GIBBS, LLOYD	OIL & GAS LEASE	08/15/1997	WASHINGTON	874	338	
TX -032244-E	FLANAGAN, VIOLA	OIL & GAS LEASE	08/15/1997	WASHINGTON	880	88	
TX -032259-	CARPENTER, GAHLEN W	OIL & GAS LEASE	07/25/1997	WASHINGTON	873	530	
TX -032263-A	HUESKE, FLOYD F	OIL & GAS LEASE	09/02/1997	WASHINGTON	873	533	
TX -032269-A	WOODS JR, CYE F	OIL & GAS LEASE	09/01/1997	WASHINGTON	873	538	
TX -032289-A	KLINGSPORN, ROBERT	OIL & GAS LEASE	08/29/1997	WASHINGTON	873	518	
TX -032327-	YOUNG, ROBERT A	OIL & GAS LEASE	08/08/1997	WASHINGTON	875	682	
TX -032331-	HODDE, A A	OIL & GAS LEASE	10/17/1997	WASHINGTON	873	226	

A CERTIFIED COPY issued NOV 23 1999

Beeth Rothermel, County Clerk  
 Washington County, TX  
 Latrishia Pattison, Deputy

## EXHIBIT "A"

Attached to and made a part of that certain  
 ASSIGNMENT AND QUITCLAIM dated effective 12/31/1999 by and between  
 MARATHON OIL COMPANY (Assignor) and MARATHON OIL (EAST TEXAS) LP (Assignee)

LEASE NO	LESSOR	DOCUMENT TYPE	DOC DATE	COUNTY	RECORDING		
					BK	PG	DOC #
TX -032337-	WELLMAN, ROBERT	OIL & GAS LEASE	10/14/1997	WASHINGTON	875	671	
TX -032342-A	SOMMER, FLOYD	OIL & GAS LEASE	09/30/1997	WASHINGTON	875	676	
TX -032343-	KRAMER, BILLY JO	OIL & GAS LEASE	08/07/1997	WASHINGTON	875	679	
TX -032344-A	LYS, ROBERT	OIL & GAS LEASE	10/01/1997	WASHINGTON	878	485	
TX -032344-B	DIETZ, J V	OIL & GAS LEASE	05/22/1998	WASHINGTON	895	477	
TX -032344-C	DIPPEL VENTURE CAPITAL CORP	OIL & GAS LEASE	05/22/1998	WASHINGTON	895	473	
TX -032361-A	BURCH, BESS HABEKOTTE	OIL & GAS LEASE	10/22/1997	WASHINGTON	875	685	
TX -032361-B	RYBARSKI, NANCY BURCH	OIL & GAS LEASE	10/24/1997	WASHINGTON	875	690	
TX -032361-C	BURCH, GEORGE ROBERT	OIL & GAS LEASE	10/23/1997	WASHINGTON	878	445	
TX -032361-D	DAUGHERTY, BONNIE LEE BURCH	OIL & GAS LEASE	10/24/1997	WASHINGTON	878	981	
TX -032362-	SCHROEDER, DOROTHY H	OIL & GAS LEASE	10/22/1997	WASHINGTON	875	694	
TX -032363-	BURCH, BESS HABEKOTTE	OIL & GAS LEASE	10/22/1997	WASHINGTON	875	699	
TX -032364-	RYBARSKI, DEAN MITCHELL	OIL & GAS LEASE	11/14/1997	WASHINGTON			
TX -032365-	BURCH, BESS HABEKOTTE	OIL & GAS LEASE	10/22/1997	WASHINGTON	875	703	
TX -032366-A	SCHROEDER, DOROTHY H	OIL & GAS LEASE	11/14/1997	WASHINGTON	916	287	
TX -032366-B	BURCH, BESS HABEKOTTE	OIL & GAS LEASE	11/14/1997	WASHINGTON	878	477	
TX -032367-	SCHROEDER, DOROTHY H	OIL & GAS LEASE	10/22/1997	WASHINGTON	875	708	
TX -032368-	WELLMAN, HARRY	OIL & GAS LEASE	10/29/1997	WASHINGTON	875	715	
TX -032371-A	FIELDER, MIKE	OIL & GAS LEASE	10/01/1997	WASHINGTON	875	712	
TX -032383-A	MATHEWSON, BENJAMIN E	OIL & GAS LEASE	10/09/1997	WASHINGTON	876	199	
TX -032388-A	MABLE, LEONA WELLS	OIL & GAS LEASE	10/20/1997	WASHINGTON	876	209	
TX -032388-B	WASHINGTON, BLANCHE WELLS	OIL & GAS LEASE	10/20/1997	WASHINGTON	876	207	
TX -032411-A	CASTLEBERRY, JOHN H	OIL & GAS LEASE	10/07/1997	WASHINGTON	876	203	
TX -032431-	GILLARD, ANNIE JEAN	OIL & GAS LEASE	10/21/1997	WASHINGTON	878	462	
TX -032438-	ADDICKS, WILBURN	OIL & GAS LEASE	10/29/1997	WASHINGTON	878	458	
TX -032439-A	BENTKE, BOBBY GENE	OIL & GAS LEASE	09/30/1997	WASHINGTON	878	474	
TX -032440-	LATHAN JR, EDDIE	OIL & GAS LEASE	10/21/1997	WASHINGTON	878	455	
TX -032443-	WELLMAN, ERNEST	OIL & GAS LEASE	10/29/1997	WASHINGTON	878	450	
TX -032446-	FORD, RAY P	OIL & GAS LEASE	09/10/1997	WASHINGTON	878	471	
TX -032504-A	SENNETTE, EVELYN	OIL & GAS LEASE	10/14/1997	WASHINGTON	884	537	

NOV 29 1999

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Beth Rothermel, County Clerk  
 Washington County, TX  
 Latrisha Pattison, Deputy

Latrisha Pattison

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LEASE NO	LESSOR	DOCUMENT TYPE	DOC DATE	COUNTY	RECORDING		
					BK	PG	DOC #
TX -032504-B	FREEMAN, GLORIA NOLAN	OIL & GAS LEASE	10/14/1997	WASHINGTON	884	540	
TX -032504-C	NOLAN, TIFFANY	OIL & GAS LEASE	10/14/1997	WASHINGTON	887	862	
TX -032508-	VAN EMAN, CHARLES KENNETH	OIL & GAS LEASE	12/04/1997	WASHINGTON	880	634	
TX -032517-	THOMPSON, BILLIE LOUISE VAN EMAN	OIL & GAS LEASE	12/05/1997	WASHINGTON	880	631	
TX -032568-	THORNTON, DAVID L	OIL & GAS LEASE	01/16/1998	WASHINGTON	883	375	
TX -032569-	THORNTON, WILLIAM EUGENE	OIL & GAS LEASE	01/16/1998	WASHINGTON	883	370	
TX -032752-A	BILSKI JR, BILLIE	OIL & GAS LEASE	06/26/1998	WASHINGTON	890	748	
TX -032780-B	PETERKIN JR, GEORGE A	OIL & GAS LEASE	04/29/1998	WASHINGTON	895	137	
TX -032795-	BUCHANAN, WILLIE	OIL & GAS LEASE	05/05/1998	WASHINGTON	894	167	3500
TX -032803-A	VICKERY JR, C R	OIL & GAS LEASE	05/15/1997	WASHINGTON	859	270	
TX -032862-	STOLTENBURG, JEFFREY R	OIL & GAS LEASE	05/13/1998	WASHINGTON	895	459	
TX -032891-A	MECOM, LANNIE	OIL & GAS LEASE	08/01/1998	WASHINGTON	896	526	
TX -032891-B	MCLEOD, ROBERT D	OIL & GAS LEASE	06/27/1998	WASHINGTON	899	428	
TX -032892-A	AHRENS, ARLENE	OIL & GAS LEASE	06/06/1998	WASHINGTON	896	528	
TX -032967-	ROBERTSON, RAYMOND	OIL & GAS LEASE	05/18/1998	WASHINGTON	895	487	
TX -032979-	ROBERTSON, ROBERT DAVE	OIL & GAS LEASE	05/18/1998	WASHINGTON	895	484	
TX -032980-	ROBERTSON, LEON	OIL & GAS LEASE	05/21/1998	WASHINGTON	895	481	
TX -032990-	CULVER, MARY ELLEN S	OIL & GAS LEASE	06/09/1998	WASHINGTON	898	447	
TX -033051-A	HOWARD, JUNE A	OIL & GAS LEASE	05/21/1998	WASHINGTON	896	4	
TX -033051-B	RICHARDSON, GAYLON	OIL & GAS LEASE	05/21/1998	WASHINGTON	896	24	
TX -033051-C	RICHARDSON, STEPHANIE	OIL & GAS LEASE	05/21/1998	WASHINGTON	896	32	
TX -033051-D	RICHARDSON JR, CLARENCE	OIL & GAS LEASE	05/21/1998	WASHINGTON	896	36	
TX -033051-E	RICHARDSON, REGINALD	OIL & GAS LEASE	05/21/1998	WASHINGTON	896	28	
TX -033051-F	RICHARDSON, ALONZO	OIL & GAS LEASE	05/21/1998	WASHINGTON	896	8	
TX -033051-G	RICHARDSON, MARCUS	OIL & GAS LEASE	05/21/1998	WASHINGTON	896	12	
TX -033051-H	RICHARDSON, ARTIS	OIL & GAS LEASE	05/21/1998	WASHINGTON	896	16	
TX -033051-I	RANDLE, RUBY	OIL & GAS LEASE	05/21/1998	WASHINGTON	895	469	
TX -033051-J	RICHARDSON, DWIGHT	OIL & GAS LEASE	05/21/1998	WASHINGTON	896	20	
TX -033051-K	VENTERS, DOMINIC FRANCHOT	OIL & GAS LEASE	05/21/1998	WASHINGTON	898	792	
TX -033051-L	RICHARDSON, JOCK	OIL & GAS LEASE	05/21/1998	WASHINGTON	898	788	

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 Beth Rothermel, County Clerk  
 Washington County, TX  
 Deputy  
 Latrisha Pattison

## EXHIBIT "A"

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 MARATHON OIL COMPANY (Assignor) and MARATHON OIL (EAST TEXAS) LP (Assignee)

LEASE NO	LESSOR	DOCUMENT TYPE	DOC DATE	COUNTY	RECORDING		
					BK	PG	DOC #
TX -033051-M	RICHARDSON, GODFREY	OIL & GAS LEASE	05/21/1998	WASHINGTON	907	281	
TX -033053-A	JOHNSON, SHIRLEY L	OIL & GAS LEASE	06/04/1998	WASHINGTON	897	563	
TX -033053-B	JOHNSON, BILLIE	OIL & GAS LEASE	06/04/1998	WASHINGTON	399	751	
TX -033065-	MARSHALL, MATTIE M F	OIL & GAS LEASE	06/04/1998	WASHINGTON	896	42	
TX -033066-A	ROGERS, ALZENA	OIL & GAS LEASE	06/04/1998	WASHINGTON	897	567	
TX -033066-B	MAYES, MARJORIE	OIL & GAS LEASE	06/04/1998	WASHINGTON	897	551	
TX -033067-	FRANKLIN, JOHN T	OIL & GAS LEASE	06/04/1998	WASHINGTON	897	554	
TX -033078-A	HOPKINS, BETTY	OIL & GAS LEASE	05/29/1998	WASHINGTON	897	557	
TX -033078-B	SMITH, JIMMIE N	OIL & GAS LEASE	05/29/1998	WASHINGTON	897	560	
TX -033078-C	COLEMAN, THELMA	OIL & GAS LEASE	05/29/1998	WASHINGTON	903	274	
TX -033078-D	SCALES, LEONARD	OIL & GAS LEASE	05/29/1998	WASHINGTON	905	640	
TX -033078-E	SCALES, MARSHALL	OIL & GAS LEASE	05/29/1998	WASHINGTON	914	41	
TX -033079-	BOEKER, EDNA	OIL & GAS LEASE	06/25/1998	WASHINGTON	900	186	
TX -033083-	SCHMIDT, DARRELL WAYNE	OIL & GAS LEASE	06/25/1998	WASHINGTON	900	179	
TX -033084-	SCHMIDT, WILLIE H	OIL & GAS LEASE	06/25/1998	WASHINGTON	900	189	
TX -033088-A	WHITING, ADDIE L	OIL & GAS LEASE	06/05/1998	WASHINGTON	898	785	
TX -033088-B	STEEN, THOMYE	OIL & GAS LEASE	06/19/1998	WASHINGTON	898	773	
TX -033088-C	WHITING, WARREN G	OIL & GAS LEASE	06/19/1998	WASHINGTON	898	782	
TX -033088-D	WHITING, STANLEY W	OIL & GAS LEASE	06/21/1998	WASHINGTON	898	779	
TX -033088-E	WHITING, CHARLES E	OIL & GAS LEASE	06/23/1998	WASHINGTON	898	770	
TX -033088-F	FINLEY, BESSIE J	OIL & GAS LEASE	06/19/1998	WASHINGTON	898	767	
TX -033088-G	MOODY, NELDA	OIL & GAS LEASE	06/21/1998	WASHINGTON	898	776	
TX -033088-H	RANDLE, RUBY	OIL & GAS LEASE	06/19/1998	WASHINGTON	899	745	
TX -033088-I	WASHINGTON, MATTIE L	OIL & GAS LEASE	06/19/1998	WASHINGTON	899	748	
TX -033088-J	WHITING, JOHNNY E	OIL & GAS LEASE	06/21/1998	WASHINGTON	899	742	
TX -033088-K	WHITING, WILFRED D	OIL & GAS LEASE	06/21/1998	WASHINGTON	899	755	
TX -033088-L	BOYD, SHERRY WHITING	OIL & GAS LEASE	06/21/1998	WASHINGTON	903	277	
TX -033192-	JACOBS, MATTHEW P	OIL & GAS LEASE	08/11/1998	WASHINGTON	904	817	
TX -033195-	DANNHAUS, JOHN W	OIL & GAS LEASE	08/12/1998	WASHINGTON	904	837	
TX -033196-	DANNHAUS, ELWOOD D	OIL & GAS LEASE	08/13/1998	WASHINGTON	904	833	

NOV 29 1999

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Beith Rothenmel, County Clerk  
 Washington County, TX. *Beith Rothenmel* Deputy  
 Latrishia Pattison

EXHIBIT "A"

Attached to and made a part of that certain  
 ASSIGNMENT AND QUITCLAIM dated effective 12/31/1999 by and between  
 MARATHON OIL COMPANY (Assignor) and MARATHON OIL (EAST TEXAS) LP (Assignee)

LEASE NO	LESSOR	DOCUMENT TYPE	DOC DATE	COUNTY	RECORDING		
					BK	PG	DOC #
TX -033197-	BAADE, PAULA GAIL	OIL & GAS LEASE	08/18/1998	WASHINGTON	904	825	
TX -033198-	MOEHLMANN, MELISSA RUTH	OIL & GAS LEASE	08/19/1998	WASHINGTON	904	829	
TX -033238-	LOPEZ, PAULINO	OIL & GAS LEASE	08/31/1998	WASHINGTON	908	366	
TX -033338-	WALTON ESTATE, MAXINE D	OIL & GAS LEASE	09/18/1998	WASHINGTON	913	712	
TX -033603-	LASKOWSKI, JULIAN A	OIL & GAS LEASE	03/24/1999	WASHINGTON	926	748	
TX -033608-	LASKOWSKI, FRANCES	OIL & GAS LEASE	03/24/1999	WASHINGTON	926	751	
TX -033110-	TEGELER, ELLA LUECKE	OIL & GAS LEASE	07/01/1998	WASHINGTON			
TX -033194-	DANNHAUS, BILLY R	OIL & GAS LEASE	08/12/1998	WASHINGTON	904	813	
TX -033209-	SCHWARZE, WILLIE A	OIL & GAS LEASE	08/04/1998	WASHINGTON			
TX -033575-	WEISS, DONALD E	OIL & GAS LEASE	02/16/1999	WASHINGTON	926	744	
TX -028090-A	STUERMER, SUSAN RAE	OIL & GAS LEASE	02/10/1992	WASHINGTON	671	240	
TX -028090-B	TEXAS OSAGE ROYALTY POOL INC	OIL & GAS LEASE	04/01/1992	WASHINGTON	671	248	
TX -028090-C	KERR MCGEE CORP	OIL & GAS LEASE	04/03/1992	WASHINGTON	671	245	

NOV 29 1999  
 A CERTIFIED COPY issued  
 Beth Rothsmel, County Clerk  
 Washington County, TX  
 Latrisha Pattison, Deputy

12.5.99

EXHIBIT "B"

Attached to and made a part of that certain  
ASSIGNMENT AND QUITCLAIM dated effective 12/31/1999 by and between  
MARATHON OIL COMPANY (Assignor) and MARATHON OIL (EAST TEXAS) LP (Assignee)

THERE IS NO EXHIBIT "B" FOR WASHINGTON COUNTY, TEXAS

BETH A. ROTHERMEL  
WASHINGTON CO. CLERK

99 NOV 29 AM 11:47

FILED FOR RECORD  
WASHINGTON COUNTY, TX

CERTIFIED COPY CERTIFICATE  
STATE OF TEXAS  
COUNTY OF WASHINGTON

The above is a full, true, and correct photographic  
copy of the original record now in my lawful custody  
and possession, as the same appears of record under  
File No. 6757 of the Official  
Records in my office. I hereby certify on

NOV 29 1999



BETH ROTHERMEL  
COUNTY CLERK  
WASHINGTON COUNTY, TEXAS

By Latrisha Pattison  
Deputy

Latrisha Pattison

14.

File No. MF099088

Letter and  
Assignment

Date Filed: 9-7-2000

By (C. D. Bogas)  
Commissioner

SECRET

REVIEWER: <u>Aaron</u>		LEASE REVIEW WORKSHEET			DATE REVIEWED: <u>01/30/2015</u>		
Lease No.	MF099088	Lease Type:	RAL GULF BAY UPLANDS HROW 32.207 52.076 TPWD				
Lease Date: 05/05/1998		Term: 1	Lease Expiration: 05/05/1999	Ret. Ac. Date:			
Lessee: Marathon Oil Company			Operator: Marathon Oil Company				
Lease Description:	Gross Acres: 10.8	Net Acres: 10.8					
Section:	Block:	T:	Survey:	Abstract #: A-			
Land ID:	Basefile No.:	Mapped correctly?	If "No", notify Jesse				
Depth Restrictions: All depths allowed							
Desc. Other: Part:							
County: Washington		District: 03	GLO Staff Assigned: Mary Beth		Notice:		
ALAMO Status: Unitized		Does ALAMO info match lease info?					
ALAMO Comments: HROW/PAID-UP LEASE							
Option To Extend Provision? (Ck Exhibit "A"-May also be inserted as a Delay Rentals Provision)						Exercised?	
If Yes, new Primary Term Expiration					Comment in Globase?		
Pugh Clause Par. 16(A)(B) or 7(A)(B)?			Retained Acreage Date?				
<b>RENTALS</b>	2nd Year Rentals Due \$		Paid?	3rd Year Rentals Due \$	Paid?		
Paid Up?	4th Year Rentals Due \$		Paid?	5th Year Rentals Due \$	Paid?		
Rentals Entered in ALAMO?							
<b>REVENUE:</b>	Most Recent	Oil: \$ 0	Production M/Y:		Received Date:		
	Most Recent	Gas: \$ 47.97	Production M/Y: Apr-06		Received Date: 06/15//2006		
If no rental or revenue, check Wall Street for unassigned:		By Lease No.	By Operator:				
Does lease have Continuous Development clause?							
<b>UNITS</b>	Unit #: 2728	Unit Name: Plow "b" Unit				PA #:	
Unit Type:	Permanent	Temporary	ALAMO Status:	Status Correct?			
Unit Term:		Unit Eff. Date:		Unit Exp.:			
Total Acres in Unit:		State Acres:	Private Acres:	List other State leases in Notes.			
Mineral Pooled:		Depths:					
<b>WELLS CHECK</b>	API #	RRC#	Well Name & No.	Status	Date	Unit #	
File:	42-477-30857	168691	1	Plugged	3/5/2009	2728	
ALAMO WI:	42-						
GIS:	42-						
RRC GIS:	42-						
	42-						
	42-						
	42-						
	42-						







\*\*\* OIL AND GAS W-2/G-1 RECORD \*\*\*

INQUIRY

API #: 477 30857

SOURCE: RRC

DIST: 03 LSE/ID: 168691

WELL#: 1

TYPE: GAS

CNTY: WASHINGTON

FLD: GIDDINGS (AUSTIN CHALK, GAS)

LSE: POWELL "B"

OPER: MARATHON OIL COMPANY

COMPLETION: 04 23 1998

DRILLING PERMIT #: 472801

W2-G1: 06 03 1998 BUILT: 07 21 1998

R-37 EXCEP CASE #:

ATTACHMENTS: ON FILE

WATER INJECT PERM #:

KEY 'S' TO VIEW ATTACH: \_

SALT WATER DISP #:

DRILL COMPLETED: 04 06 1998

DOCKET NUMBER:

ELEVATION: 347 GR

DIST W3 APPR DATE: MM DD YYYY

TOTAL DEPTH: 16740

WELLBORE PLUGGED: YES

PLUGBACK DEPTH: 16740

LOCATION SEC: SUR: E. CLAMPIT

BLK:

ABST: 25

SUR/SECT: 002675 FT FROM NE

AND 004450 FT FROM N (RIVER)

NOTE=> REMARKS ON FILE FOR THIS DATE

\* SCREEN OPTIONS: 12=FORM/SQZE 13=REMARKS 14=WATER 19=PERMITS/WELLIDS

\* SELECT OPTION: (01=WBTM, 00=HELP, 21=DIST PLUG)

PRESS 'ENTER' FOR NEXT SCREEN

\*\*\* OIL AND GAS DIVISION \*\*\*  
 PLUGGING DATA

INQUIRY

TYPE/WELL(O/G/D/S): G API NUMBER: 477 30857  
 DIST: 03 LEASE/ID: 168691 WELL #: 1  
 FIELD NAME: GIDDINGS (AUSTIN CHALK, GAS)  
 LEASE NAME: POWELL "B"  
 OPER NAME: MARATHON OIL COMPANY  
 DRILL PERM ISSUED: 01 / 30 / 1998 PERMIT #: 472801 SFPC:  
 DRILL COMPLETED: 04 / 27 / 1998 WELL PLUGGED: 03 / 05 / 2009  
 DATE W-3 FILED: 04 / 01 / 2009 TOTAL DEPTH: 16740  
 DIST W3 APPR DATE: MM / DD / YYYY  
 WAS THIS A MULTIPLE COMPLETION? N WELL WAS CONVERTED TO FRESH WATER USE? N

	PLUG 1	PLUG 2	PLUG 3	PLUG 4	PLUG 5	PLUG 6	PLUG 7	PLUG 8
BOTT DEP:	12440	12430	2615	1155	650	16	_____	_____
SACK CEM:	4	4	70	55	52	9	_____	_____
CALC TOP:	12430	12420	2440	1045	550	4	_____	_____
TOP/PLUG:				1045			_____	_____
TYPE CEM:	H	H	H	H	H	H	_____	_____

\*

\* SCREEN OPTIONS: 17=PLUG CAS/TUB/PERFS, 18=WATER/LOGS/REMARKS \*

\* SELECT OPTION: \_\_\_\_\_ (01=RETURN TO MENU, 00=HELP AND OTHER OPTIONS) \*

DEPRESS ENTER TO SEE PLUG CASING/TUBING/PERFS

File No. MF099088

Lease Review County

Date Filed: 2/2/15

George P. Bush, Commissioner

By  \_\_\_\_\_