8719

STATE LEASE

MF099332

CONTROL	BASEFILE		COUNTY	
65-902394	000	-	WASHINGTON	/239

SURVEY : WASHINGTON COUNTY ROADS
BLOCK :
TOWNSHIP : 00
SECTION/TRACT:
PART :
ACRES : 4.18
DEPTH LIMITS : NO

LESSEE : UNION PACIFIC RESOURCES COMPANY
LEASE DATE : Sep 01 1998
PRIMARY TERM : 3 yrs
BONUS ($) : 627.00
RENTAL ($) : 0.00
ROYALTY : 0.20000000
VAR ROYALTY :

Rentals:

Lease Admin:

Mineral Maps:
26

CONTENTS OF FILE NO. ~~M-99322~~ M-99337

1. App. to Bid	8-25-98	scanned pf 8-12-2019
2. Lease	9-1-98	See MF094949 #30. Assign #10883 Ev Prop to Harvest Gid Kor 8-6-19
3. Letter	8-12-98	Scanned sm 10/01/2019
4. Letter	8-12-98	
5. Map	—	
6. Letter	8-12-98	
7. Letter	9-10-98	
8. Map missing	—	
9. Affidavit	8-13-98	
10. Affidavit	8-13-98	
11. Map	—	
12. Deed	—	
13. Adj. Lease	3-17-98	
14. Ltr. 11/16/98 + certified copy of the lease.	1-22-99	
See item #14 in M-99024		
15. ASSIGNMENT FILED IN MF-	7/31/07	
ASSIGNMENT FILED IN MF 096606 #20.	7/21/09	
Scanned sm 3/13/15		
16. Plat showing separation of State & County Rds	9/22/17	
See MF099024 item #25 for Unit 8719 packet		
scanned pf 7-8-2019		
See MF094949 #26. Assign #10876 EnerVest to Magnolia	7-26-19	

GLO-S-08-(1-82)

GENERAL LAND OFFICE

GARRY MAURO
COMMISSIONER

MEMORANDUM

Docket #

DATE: August 25, 1998

65-902394

TO: Linda Fisher / School Land Board

From: Drew Reid / Minerals Leasing

RE: Applications To Lease Highway Right-of-Way

A) Applicant – Coastal Oil & Gas USA, LP
Description – 10.04 ac. along US. Hwy. 77, situated in the Nicholas Peck Sur., A-357 in Lavaca Co.
Terms - $400.00/Ac. Bonus, 1/4 Royalty, 3 Years Paid-up

B) Applicant – UPRC
Description – 4.18 ac. along Salem Cemetary Lane and FM 3456 situated in the Phillip Coe League, A-33, the James Schrier League, A-98, the Nelson Smith League, A-100 and the John Carrington Sur., A-120 in Washington Co.
Terms- $150.00/Ac. Bonus, 1/5 Royalty, 3 Years Paid-up

C) Applicant – Chesapeake Operating, Inc.
Description – 14.95 ac. along Highway 109, situated in the the Nelson Smith League, A-100 in Washington Co. and the James Cooper Sur., A-35 Washington Co. and A-27 Austin Co.; and John Hodge Sur., A-61 Washington Co. and A-49 Austin Co.
Terms - $70.00/Ac. Bonus, 1/6 Royalty, 3 Years Paid-up

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

Texas Department of Transportation

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

August 25, 1998

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

Contact ROW

Dear Commissioner Mauro:

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

County	Nominator	Bonus	Royalty	Primary Term	Delay Rental
Lavaca	Coastal Oil & Gas	$400.00	1/4	3 years	Paid-up
Washington	UPRC	$150.00	1/5	3 years	Paid-up
Washington	Chesapeake Operating Co.	$165.00	1/6	3 years	Paid-up

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

Sincerely,

A. James Henry, III

A. James Henry, III
Interim Director of Right of Way

(1) MF 99832
ITEM App to Bid
TO
FROM
DATE 8-25-98

HROW Lease
Revised 10/89

The State of Texas

Austin, Texas

PAID-UP
OIL AND GAS LEASE NO. M-99332
GENERAL LAND OFFICE
AUSTIN, TEXAS

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress, Austin, Texas, 78701, hereinafter called "Lessor", hereunto authorized by the School Land Board, pursuant to the provisions of Chapters 32 and 52 of the Natural Resources Code (hereinafter called N.R.C.), and amendments thereto, and all applicable rules promulgated by the School Land Board, and **Union Pacific Resources Company,** whose address is **P.O. Box 7, Fort Worth, TX 76101**, hereinafter called "Lessee".

1. Lessor, in consideration of **Six Hundred Twenty Seven and 00/100 Dollars ($627.00),** 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:

> **4.18** acres of land, more or less, situated in said **Washington** County, Texas, more particularly described in Exhibit "A" attached hereto and made a part hereof together with a plat, attached hereto as Exhibit "B", depicting said right-of-way and surrounding area for purposes of illustration only.

For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **4.18** acres, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. PRIMARY TERM: This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of **three (3) years** from **September 1, 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 fifth (1/5)** 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 fifth (1/5)** 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 fifth (1/5)** 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 fifth (1/5)** of such gas and casinghead gas.

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

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

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

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

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

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

4. POOLING: (a) Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons. Units pooled for oil hereunder shall not exceed 160 acres each in area, and units pooled for gas hereunder shall not exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, unless oil or gas units of a greater size are allowed under or prescribed by rules of the Railroad Commission of Texas. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, as operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) the proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force for so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

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

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

5. RELEASE: Lessee may relinquish the rights granted hereunder to the State at any time by recording the relinquishment in the county where this area is situated and filing the recorded relinquishment or certified copy

of same in the General Land Office within ninety (90) days after its execution accompanied by the prescribed filing fee. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

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

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

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

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

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

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

12. WELL INFORMATION: Lessee agrees to forthwith furnish Lessor, upon written request, with copies of all drilling logs, electrical logs, cores and core records and other information pertaining to all wells drilled by

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

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

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

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

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

Garry Mauro

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

Approved:
Energy: RH
Executive: SR

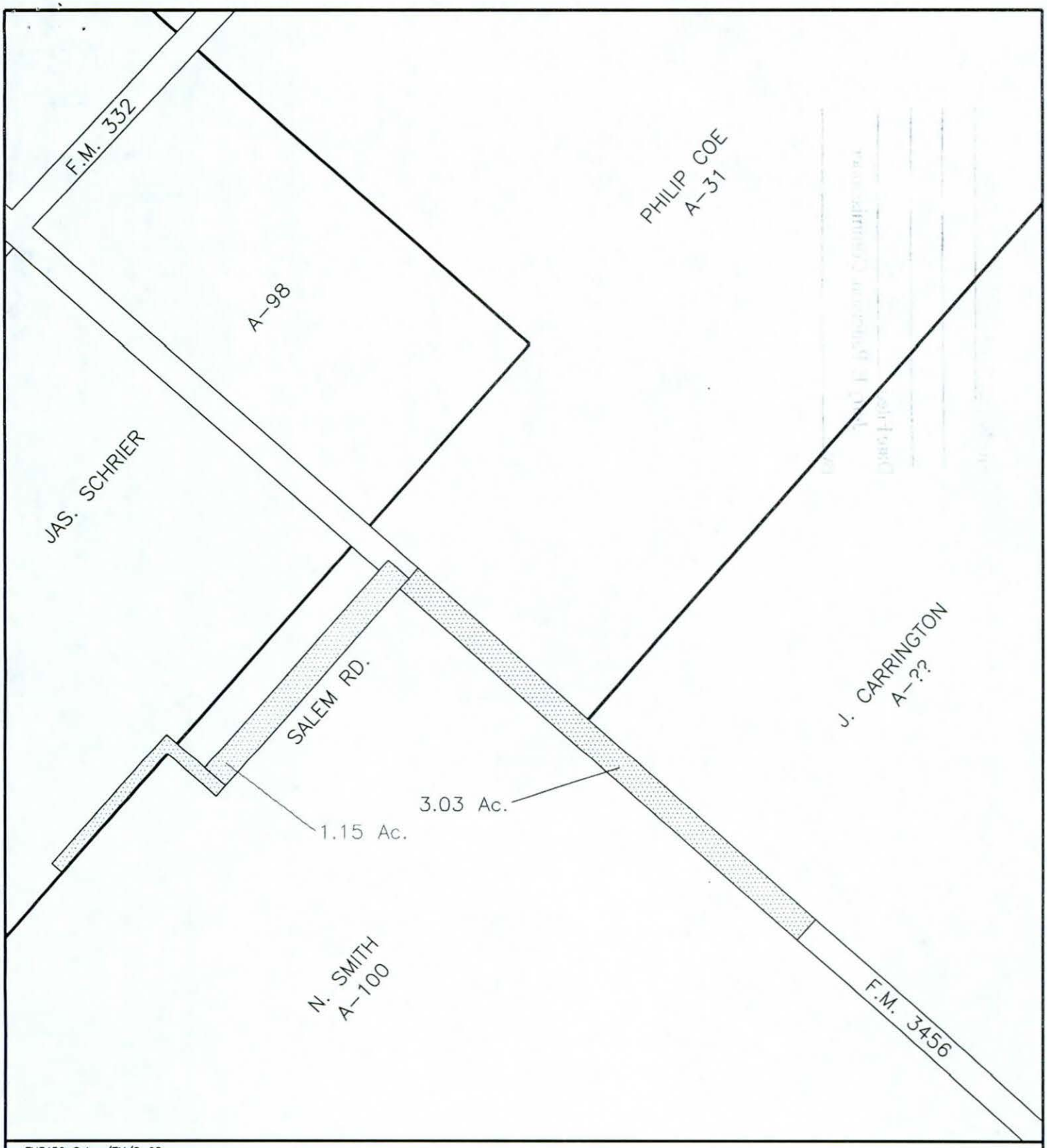
Exhibit "A"

Acreage to be Leased from the State of Texas in Washington County, Texas, being part of Salem Cemetary Lane, F.M. 3456

4.18 acres of land, more or less, situated in the Phillip Coe League, A-33, the James Schrier League, A-98, the Nelson Smith League, A-100, and the John Carrington Sur., A-120 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 William Sommerfeld to Washington County, Texas, dated 11/23/14 and recorded in V.65, P.543, of the Deed Records of Washington County, Texas. (1.15 ac.)

2. A portion of a deed from Wm. Sommerfeld, et al to Washington County, Texas, dated 3/6/08 and recorded in V.56, P.444, of the Deed Records of Washington County, Texas, a deed from John Loesch, et al to Washington County, Texas, dated 3/9/12 and recorded in V.62, P.482, of the Deed Records of Washington County, Texas. (3.03 ac.)



FM3456-Salem/EM/8-98

MAP SHOWING

A PORTION OF F.M. 3456 AND SALEM LANE

4.18 ACRES

APPROXIMATELY 2 MILES SOUTH OF BRENHAM

WASHINGTON COUNTY

2.

File No. HF-099332

Lease

Date Filed: 9/1/98

Jerry E. Patterson, Commissioner

By

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

August 12, 1998

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

Attn.: Mr. Drew Reid

RE: 4.18 acres of land, more or less, FM Highway 3456, and Salem Cemetry Lane, Washington County, Texas

Dear Mr. Reid:

We have examined title to the following land located in Washington County, Texas.

4.18 acres of land, more or less, a part of the Phillip Coe League, A-33, the James Schrier League, A-98, the Nelson Smith League, A-100, and the John Carrington Survey, A-120, Washington County, Texas, being described as the following two tracts, to-wit:

TRACT ONE: 1.15 acre of land, more or less, a part of the Nelson Smith League, A-100, and the James Schrier League, A-98, Washington County, Texas and being the same land described in that certain Deed, dated November 23, 1914, from Wm. Sommerfeld to Washington County, Texas, recorded in Volume 65, Page 543 of the Deed Records of Washington County, Texas.

TRACT TWO: 3.03 (calculated) acres of land, more or less, a part of the Phillip Coe League, A-33, the Nelson Smith League, A-100, and the John Carrington Survey, A-120, Washington County, Texas and being a portion of the land described in that certain deed dated March 6, 1908, from Wm. Sommerfeld, et al to Washington County, Texas, recorded in Volume 56, Page 444 of the Deed Records of Washington County, Texas and a portion of the land described in that certain deed dated March 9, 1912, from John Loesch, et al to Washington County, Texas, recorded in Volume 62, Page 482 of the Deed Records of Washington County, Texas and being a strip of land twenty-five (25) feet on either side of the northeast line of the Nelson Smith League, beginning at a point on said northeast line 410 varas N47°20'W from the South Corner of the Coe League, (coinciding with the west corner of the 89.8 acres of land, described in that certain deed dated January 21, 1952, from Ed. W. Hodde and wife, Alma Hodde to Raymond Schilling and Evelyn Schilling, recorded in Volume 185, Page 449 of the Deed Records of Washington County, Texas), and running thence S47°20'E with said northeast line of the Smith League, 951 varas to the south corner of said 89.9 acre tract.

We find title to the captioned tracts is vested as follows:

	SURFACE ESTATE		EXECUTIVE RIGHTS & MINERAL FEE	
TRACT ONE:	**1.15 acres of land**			
	Washington County, Texas	1.000	State of Texas	1.000
TRACT TWO:	**3.03 acres of land**			
	State of Texas	1.000	State of Texas	1.000

Please feel free to call on me if you have any questions or comments.

Respectfully Submitted,

Dennis Mahlmann
Landman and Agent
Union Pacific Resources Company

BY 99554
ITEM Letter
TO
FROM
DATE 8-12-98

(B)

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

August 12, 1998

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

150.00
1/5
3yr Paid-up

Attn.: Mr. Drew Reid

RE: Oil and Gas Lease, 4.18 acres of land,
Salem Cemetery Lane and
Farm-to-Markey Highway 3456,
Washington County, Texas

98063091

170

Dear Mr. Reid:

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

1) Check for $100.00 to cover the processing fee;

2) Application to lease right-of-way, with attachments;

3) Waiver of notice by Union Pacific Resources Company;

4) Affidavit re: horizontal drilling;

5) Affidavit re: consideration paid for adjacent leases;

6) Map indicating ownership of adjacent tract;

7) Copies of leases on adjacent lands.

8) Title opinion letter covering subject tracts.

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

Sincerely yours,

Dennis Mahlmann
Landman and Agent
Union Pacific Resources Company

Enclosures

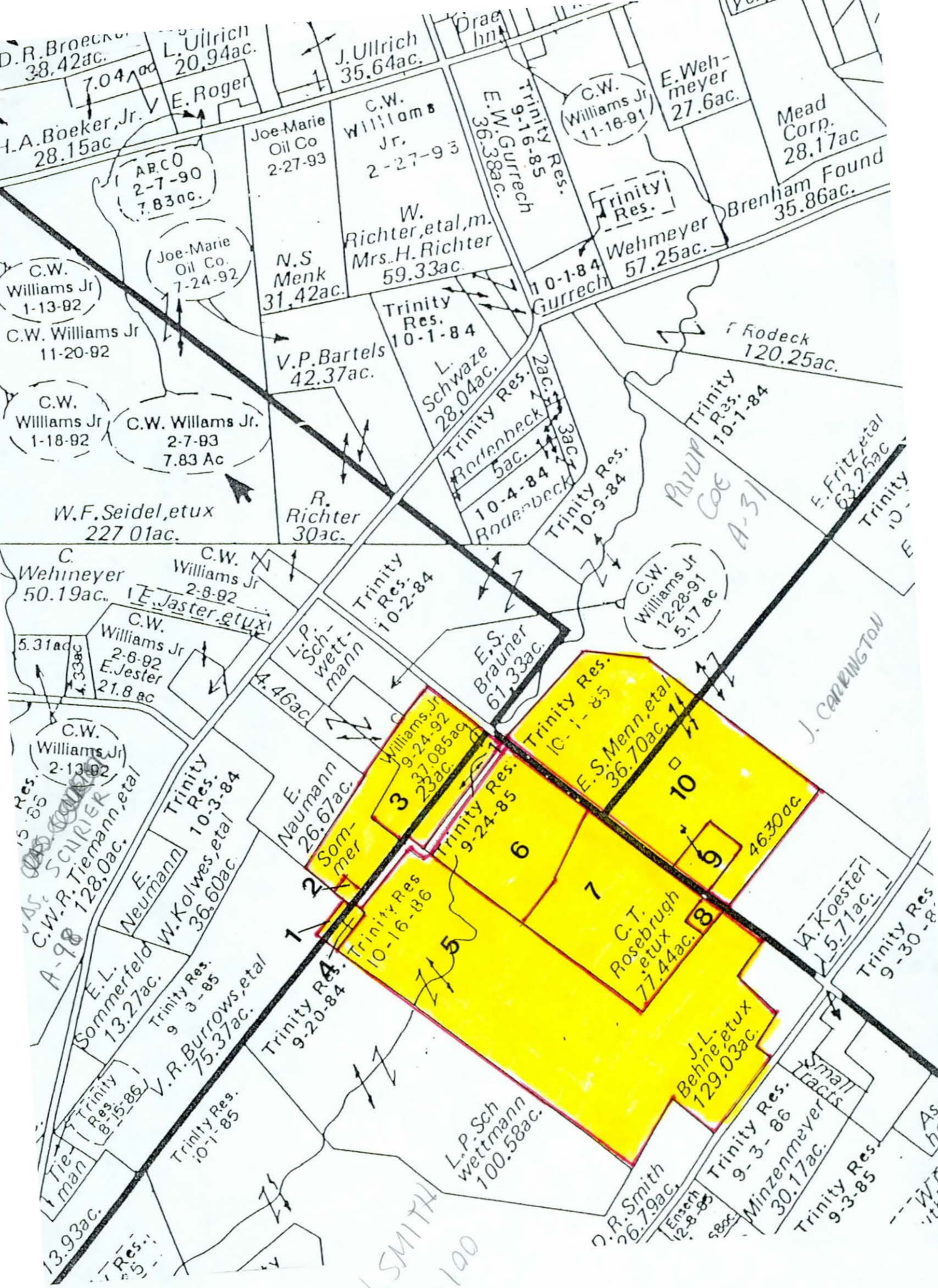
(4.) 99332

ITEM letter

TO

FROM

DATE 8-12-98


D.R.Broecker 38.42ac.
L.Ullrich 20.94ac.
J.Ullrich 35.64ac.
7.04ac
E.Roger
H.A.Boeker,Jr. 28.15ac
Joe-Marie Oil Co 2-27-93
C.W. Williams Jr. 2-27-93
E.W.Gurrech 36.38ac.
Trinity Res. 9-16-85
C.W. Williams Jr 11-18-91
E.Wehmeyer 27.6ac.
Mead Corp. 28.17ac
ABCO 2-7-90 7.83ac.
Joe-Marie Oil Co. 7-24-92
W. Richter,etal,m. Mrs.H.Richter 59.33ac.
Trinity Res.
Wehmeyer 57.25ac.
Brenham Found 35.86ac.
C.W. Williams Jr 1-13-92
C.W. Williams Jr 11-20-92
N.S Menk 31.42ac.
10-1-84 Gurrech
V.P.Bartels 42.37ac.
Trinity Res. 10-1-84
L. Schwaze 28.04ac.
Rodeck 120.25ac.
C.W. Williams Jr 1-18-92
C.W. Williams Jr. 2-7-93 7.83 Ac
Trinity Res. Rodenbeck 5ac.
2ac.
3ac.
10-4-84 Rodenbeck
Trinity Res. 10-9-84
Trinity Res. 10-1-84
E.Fritz,etal 63.25ac
W.F.Seidel,etux 227.01ac.
R. Richter 30ac.
C. Wehmeyer 50.19ac.
C.W. Williams Jr 2-8-92
E.Jaster,etux
Trinity Res. 10-2-84
C.W. Williams Jr 12-28-91 5.17 ac
5.31ac
4.33ac
C.W. Williams Jr 2-6-92 E.Jester 21.8 ac
L.P. Schwettmann
E.S. Brauner 61.33ac.
4.46ac
C.W. Williams Jr 2-13-92
Trinity Res. 10-3-84
E. Naumann 26.67ac.
Williams Jr 9-24-92 37.085ac 23ac.
Trinity Res. E.S.Menn,etal 36.70ac.
Trinity Res. 9-24-85
Sommer
C.W.R.Tiemann,etal 128.0ac.
E. Neumann
W.Kolwes,etal 36.60ac
Trinity Res 10-16-86
C.T. Rosebrugh etux 77.44ac.
46.30ac.
J.L.Behne,etux 129.03ac.
E.L. Sommerfeld 13.27ac.
Trinity Res. 9-3-85
V.R.Burrows,etal 75.37ac.
Trinity Res. 9-20-84
A.Koester 5.71ac.
Trinity Res 9-30-8
Trinity Res. 8-15-86
Trinity Res. 10-1-85
L.P.Schwettmann 100.58ac.
Small tracts
Trinity Res. 9-3-86
Minzenmeyer 30.17ac.
Trinity Res. 9-3-85
D.R.Smith 26.79ac.
13.93ac.
1
2
3
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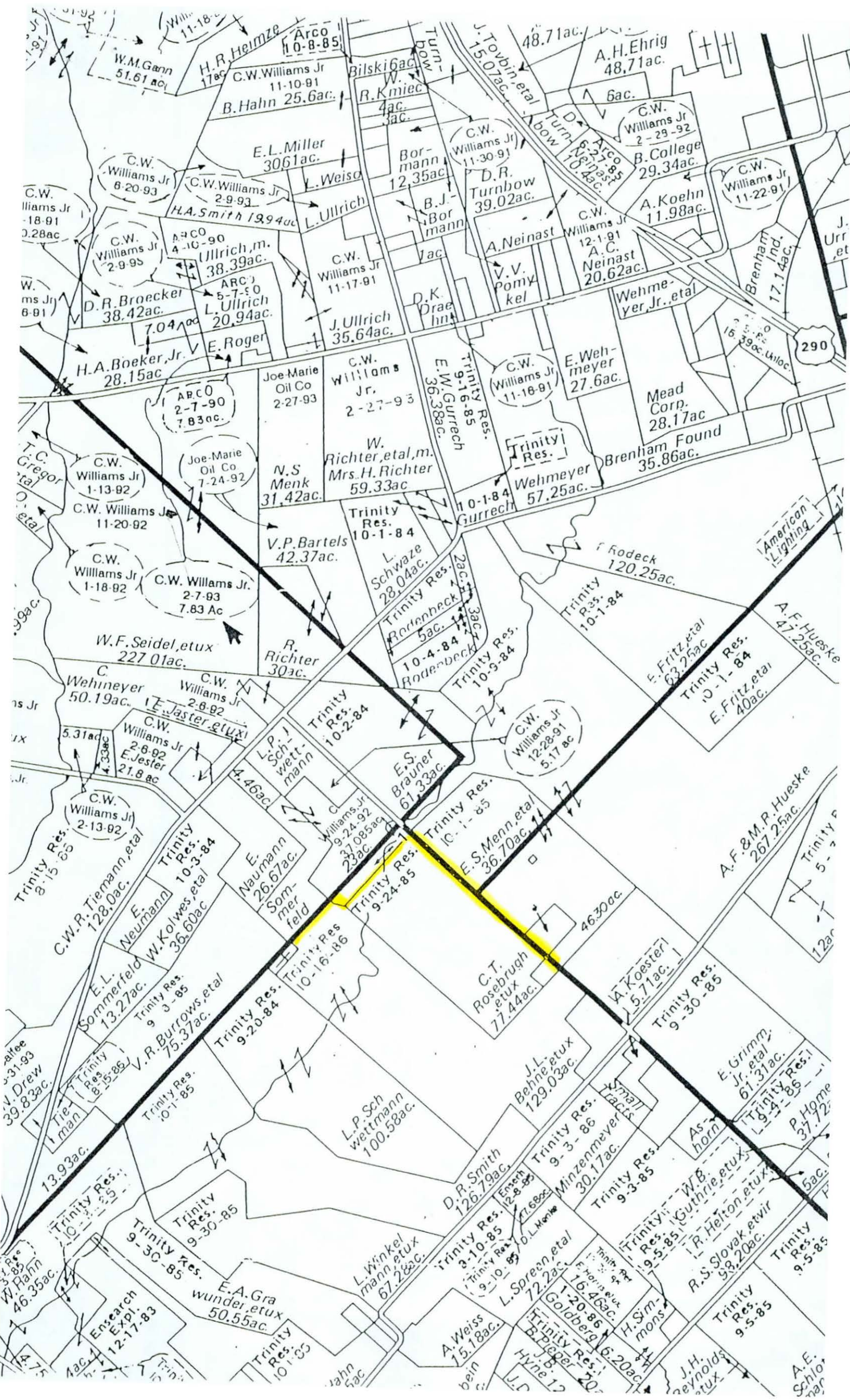
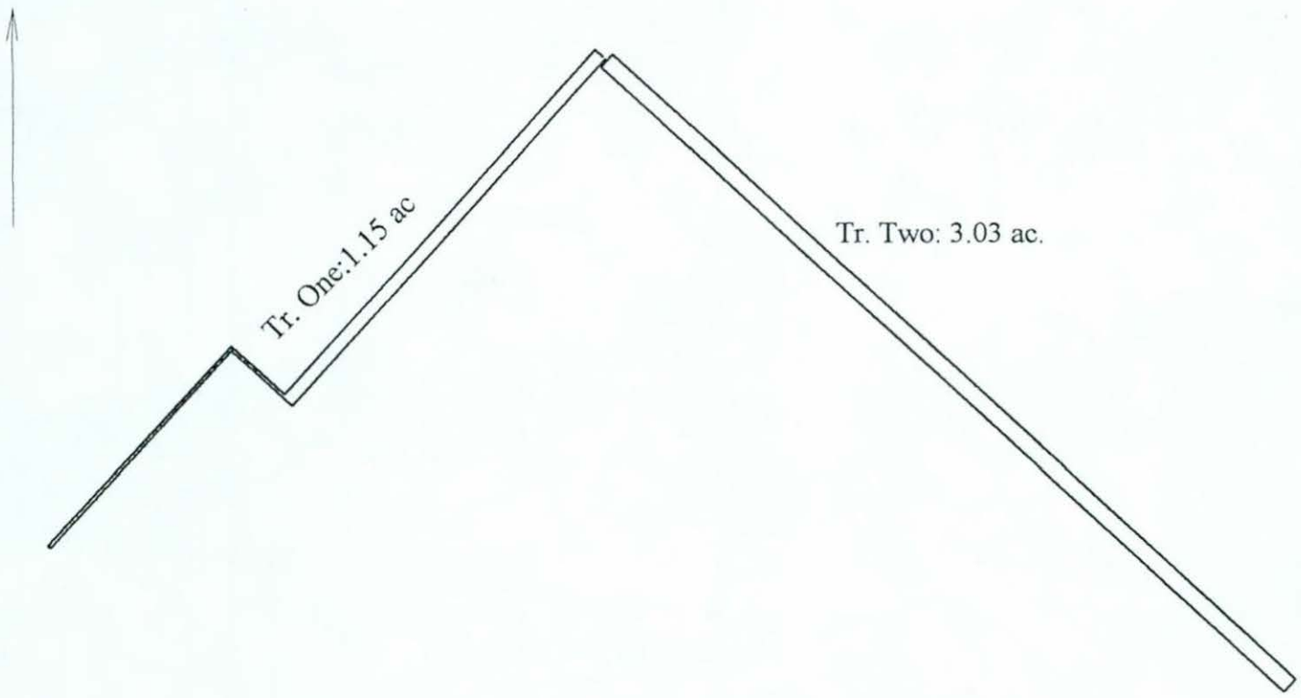
7
8
9
10

EXHIBIT "A"

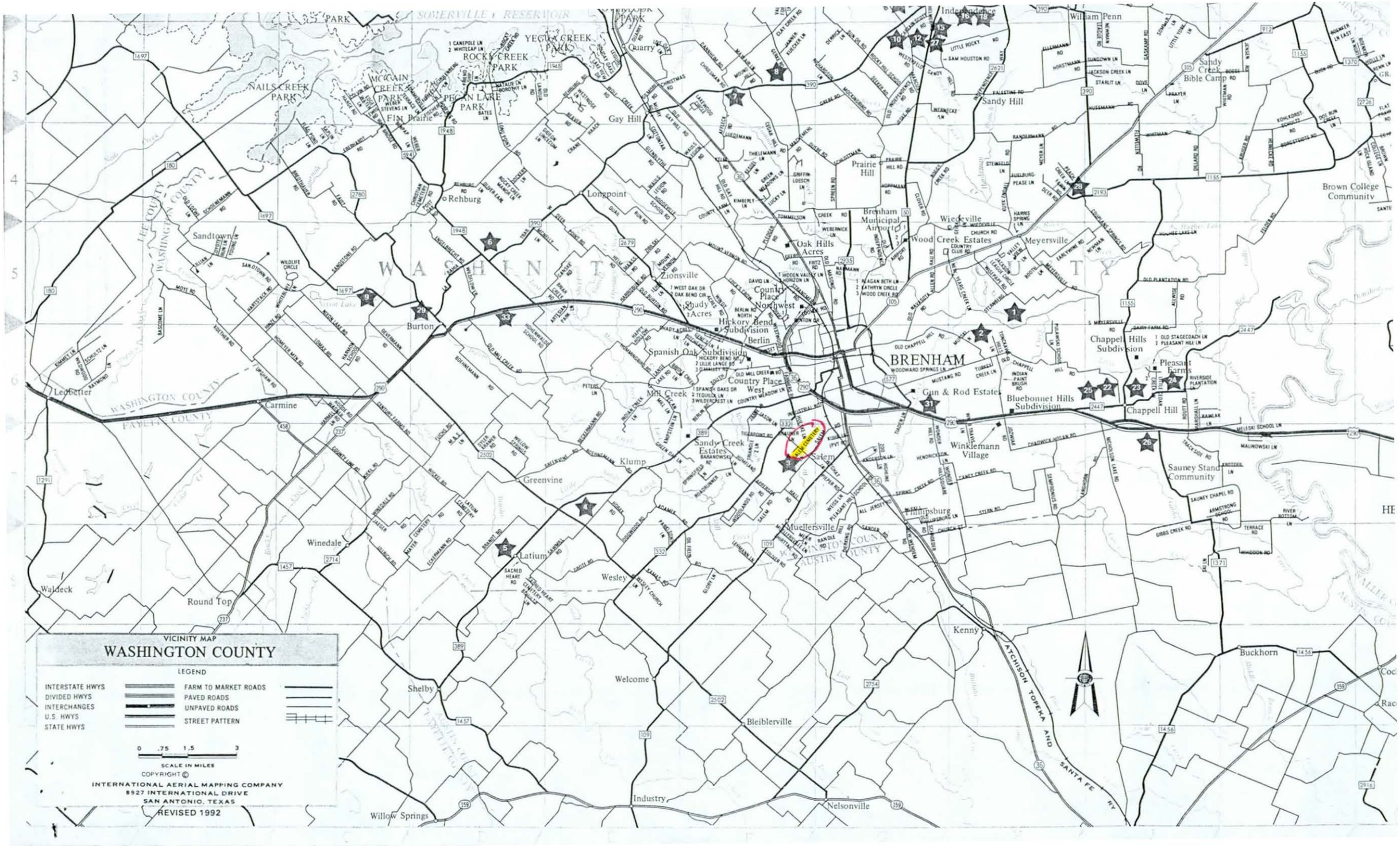

W.M.Gann 51.61 ac.
H.R.Heimze 17ac.
Arco 10-8-85
C.W.Williams Jr 11-10-91
B.Hahn 25.6ac.
Bilski 6ac.
W. R.Kmiec 4ac. 3ac.
Turn-bow
J.Toybin,etal 15.07ac.
48.71ac.
A.H.Ehrig 48.71ac.
6ac.
D. Turn-bow
Arco 10-8-85
C.W. Williams Jr 2-29-92
B.College 29.34ac.
E.L.Miller 30.61ac.
Bor-mann 12.35ac.
C.W. Williams Jr 11-30-91
D.R. Turnbow 39.02ac.
C.W. Williams Jr 6-20-93
C.W.Williams Jr 2-9-93
L.Weiso
L.Ullrich
H.A.Smith 19.94ac
B.J. Bor-mann
C.W. Williams Jr 11-22-91
A.Koehn 11.98ac.
C.W. Williams Jr 2-9-95
ARCO 4-10-90
Ullrich,m. 38.39ac.
C.W. Williams Jr 11-17-91
1ac.
A.Neinast
C.W. Williams Jr 12-1-91
A.C. Neinast 20.62ac.
V.V. Pomy-kel
Brenham Ind. 17.14ac.
D.R.Broecker 38.42ac.
ARCO 5-7-90
L.Ullrich 20.94ac.
D.K. Drae-hn
Wehme-yer,Jr.,etal
7.04ac
J.Ullrich 35.64ac.
E.Roger
H.A.Boeker,Jr. 28.15ac
290
Joe-Marie Oil Co 2-27-93
C.W. Williams Jr. 2-27-93
Trinity Res. 9-16-85
E.W.Gurrech 36.38ac.
C.W. Williams Jr 11-18-91
E.Weh-meyer 27.6ac.
Mead Corp. 28.17ac
ARCO 2-7-90 7.83ac.
W. Richter,etal,m. Mrs.H.Richter 59.33ac
Trinity Res.
Brenham Found 35.86ac.
Joe-Marie Oil Co 7-24-92
N.S Menk 31.42ac.
Wehmeyer 57.25ac.
C.W. Williams Jr 1-13-92
C.W. Williams Jr 11-20-92
Trinity Res. 10-1-84
10-1-84 Gurrech
V.P.Bartels 42.37ac.
L. Schwaze 28.04ac.
American Lighting
Rodeck 120.25ac.
C.W. Williams Jr 1-18-92
C.W. Willams Jr. 2-7-93 7.83 Ac
Trinity Res. Rodenbeck 5ac.
2ac.
3ac.
10-4-84 Rodenbeck
Trinity R.35. 10-1-84
A.F.Hueske 47.25ac.
W.F.Seidel,etux 227.01ac.
R. Richter 30ac.
Trinity Res. 10-3-84
E.Fritz,etal 63.25ac
Trinity Res. 10-1-84
E.Fritz,etal 40ac.
C. Wehmeyer 50.19ac.
C.W. Williams Jr 2-6-92
E.Jaster,etux
5.31ac
4.33ac
C.W. Williams Jr 2-6-92 E.Jester 21.8 ac
Trinity Res. 10-2-84
L.P.J. Sch-wett-mann
E.S. Brauner 61.33ac.
C.W. Williams Jr 12-28-91 5.17 ac
4.46ac
C.W. Williams Jr 9-24-92 37.085ac 23ac.
Trinity Res. 10-1-85
E.S.Menn,etal 36.70ac.
A.F.&M.P.Hueske 267.25ac.
C.W. Williams Jr 2-13-92
Trinity Res. 8-15-85
C.W.R.Tiemann,etal 128.0ac.
Trinity Res. 10-3-84
E. Naumann 26.67ac.
Som-mer-feld
Trinity Res. 9-24-85
E. Neumann
W.Kolwes,etal 36.60ac
46.30ac.
Trinity Res. 10-16-86
E.L. Sommerfeld 13.27ac.
Trinity Res. 9-3-85
V.R.Burrows,etal 75.37ac.
Trinity Res. 9-20-84
C.T. Rosebrugh etux 77.44ac.
A.Koester 5.71ac.
Trinity Res. 9-30-85
Trinity Res. 8-15-85
Tie-man
Trinity Res. 10-1-85
L.P.Sch wettmann 100.58ac.
J.L. Behne,etux 129.03ac.
E.Grimm, Jr.,etal 61.31ac.
Trinity Res. 9-4-85
Small Tracts
As-horn
13.93ac.
Trinity Res. 9-3-86
Minzenmeyer 30.17ac.
D.R.Smith 126.79ac.
Trinity Res. 9-3-85
Trinity Res. 9-30-85
Trinity Res. 9-30-85
L.Winkel mann,etux 67.28ac.
Trinity Res. 3-10-85
L.Sprecn,etal 72.2ac.
Trinity Res. 9-5-85
W.B. Guthrie,etux
R.R.Helton,etux
R.S.Slovak,etux 93.20ac.
Trinity Res. 9-5-85
W.Hahn 46.35ac.
Enserch Expl. 12-17-83
E.A.Gra wunder,etux 50.55ac.
Trinity Res. 10-1-85
A.Weiss 15.18ac.
Trinity Res. 1-20-86
Goldberg 6.20ac.
H.Sim-mons
J.H. Reynolds etux



Title: Salem Cemetery Road 1.15 ac.	Date: 08-03-1998
Scale: 1 inch = 500 feet	File: 65-543.DES

Tract 1: 1.200 Acres: 52292 Sq Feet: 4858.1 Sq Meters: Closure = s48.0349e 9.08 feet: Precision =1/516: Perimeter = 4689 feet
Tract 2: 3.032 Acres: 132074 Sq Feet: 12270.1 Sq Meters: No significant closure error. : Perimeter = 5383 feet

001=s42w 482v	007=n42e 478.4v	013=n42e 50
002=n47.20w 84v	008=s47e 10.8v	014=n47.20w 951v
003=s42.30w 276v	009=@1	015=s42w 25
004=n47w 3.6v	010=/s47.20e 6.5	
005=n42.30e 279.6v	011=s42w 25	
006=s47.20e 73.5v	012=s47.20e 951v	


VICINITY MAP
WASHINGTON COUNTY
LEGEND
INTERSTATE HWYS
DIVIDED HWYS
INTERCHANGES
U.S. HWYS
STATE HWYS
FARM TO MARKET ROADS
PAVED ROADS
UNPAVED ROADS
STREET PATTERN
0 .75 1.5 3
SCALE IN MILES
COPYRIGHT ©
INTERNATIONAL AERIAL MAPPING COMPANY
8927 INTERNATIONAL DRIVE
SAN ANTONIO, TEXAS
REVISED 1992
BRENHAM
Burton
Carmine
Chappell Hill
Chappell Hills Subdivision
Brown College Community
Sauney Stand Community
Pleasant Farms
Bluebonnet Hills Subdivision
Gun & Rod Estates
Winklemann Village
Wiedeville
Wood Creek Estates
Meyersville
Brenham Municipal Airport
Prairie Hill
Sandy Hill
Sandy Creek Bible Camp
Independence
William Penn
Oak Hills Acres
Country Place Northwest
Country Place West
Hickory Bend Subdivision
Spanish Oak Subdivision
Sandy Creek Estates
Mill Creek
Berlin
Zionsville
Longpoint
Gay Hill
Rehburg
Sandtown
Fint Prairie
NAILS CREEK PARK
MCCAIN CREEK PARK
PECAN LAKE PARK
ROCKY CREEK PARK
YEGUA CREEK PARK
SOMERVILLE RESERVOIR
Quarry
Leo Better
Greenvine
Klump
Latium
Winedale
Waldeck
Round Top
Shelby
Wesley
Welcome
Bleiblerville
Industry
Willow Springs
Nelsonville
Muellersville
Phillipsburg
Kenny
Buckhorn
Salem
ATCHISON TOPEKA AND SANTA FE RY
WASHINGTON COUNTY
FAYETTE COUNTY
AUSTIN COUNTY

(5) MF 99332
ITEM MAP
TO
FROM
DATE

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

August 12, 1998

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

Attn.: Mr. Drew Reid

RE: Oil and Gas Lease, 4.18 acres of land,
Salem Cemetery Lane and
Farm-to-Market Highway 3456,
Washington County, Texas

Dear Mr. Reid:

Union Pacific Resources Company hereby makes application to lease a 4.18 acre right-of-way tract located in Washington County, Texas. Union Pacific Resources Company is an "adjacent mineral owner" to the tract as a result of currently existing oil and gas leases.

Attached to this application are the following:

1) Plat or map of the right-of-way tract showing the boundaries of said tract;

2) Vicinity map indicating the location of the 4.18 acres to be leased;

3) Copies of source deeds into the Washington County.

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

Sincerely yours,

Dennis Mahlmann
Landman and Agent,
Union Pacific Resources Company

Enclosures

6) MF 99332
ITEM Letter
TO
FROM
DATE 8-12-98

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

September 10, 1998

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

Attn.: Mr. Drew Reid

RE: Bonus Check, Oil and Gas Lease, 99002475
Right-of-way tract,
Washington County, Texas

170

Dear Mr. Reid:

Enclosed please find check from Union Pacific Resources Company covering the bonus and sales fee for the following Oil and Gas Lease which was approved by the School Land Board on September 1, 1998.

mineral file no.	acreage	check no.	amount
M-99332	4.18	10318847	$636.41

Thank you for your assistance in acquiring this lease.

Sincerely yours,

Dennis Mahlmann
Landman
Union Pacific Resources Company

Enclosure

1.

MF 99332

ITEM Letter

TO

FROM

DATE 9-10-98

AFFIDAVIT

STATE OF TEXAS

COUNTY OF WASHINGTON

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

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

RIGHT-OF-WAY TRACTS TO BE LEASED IN WASHINGTON COUNTY, BEING KNOWN AS SALEM CEMETERY LANE AND A PORTION OF FARM-TO-MARKET HIGHWAY 3456.

4.18 acres of land, more or less, a part of the Phillip Coe League, A-33, the James Schrier League, A-98, the Nelson Smith League, A-100, and the John Carrington Survey, A-120, Washington County, Texas, being described as the following two tracts, to-wit:

TRACT ONE: 1.15 acre of land, more or less, a part of the Nelson Smith League, A-100, and the James Schrier League, A-98, Washington County, Texas and being the same land described in that certain Deed, dated November 23, 1914, from Wm. Sommerfeld to Washington County, Texas, recorded in Volume 65, Page 543 of the Deed Records of Washington County, Texas.

TRACT TWO: 3.03 (calculated) acres of land, more or less, a part of the Phillip Coe League, A-33, the Nelson Smith League, A-100, and the John Carrington Survey, A-120, Washington County, Texas and being a portion of the land described in that certain deed dated March 6, 1908, from Wm. Sommerfeld, et al to Washington County, Texas, recorded in Volume 56, Page 444 of the Deed Records of Washington County, Texas and a portion of the land described in that certain deed dated March 9, 1912, from John Loesch, et al to Washington County, Texas, recorded in Volume 62, Page 482 of the Deed Records of Washington County, Texas and being a strip of land twenty-five (25) feet on either side of the northeast line of the Nelson Smith League, beginning at a point on said northeast line 410 varas N47°20'W from the South Corner of the Coe League, (coinciding with the west corner of the 89.8 acres of land, described in that certain deed dated January 21, 1952, from Ed. W. Hodde and wife, Alma Hodde to Raymond Schilling and Evelyn Schilling, recorded in Volume 185, Page 449 of the Deed Records of Washington County, Texas), and running thence S47°20'E with said northeast line of the Smith League, 951 varas to the south corner of said 89.9 acre tract.

Further affiant sayeth not.

Dated this 13th day of August, 1998.

DENNIS MAHLMANN

SUBSCRIBED AND SWORN TO BEFORE ME this 13th day of August, 1998.

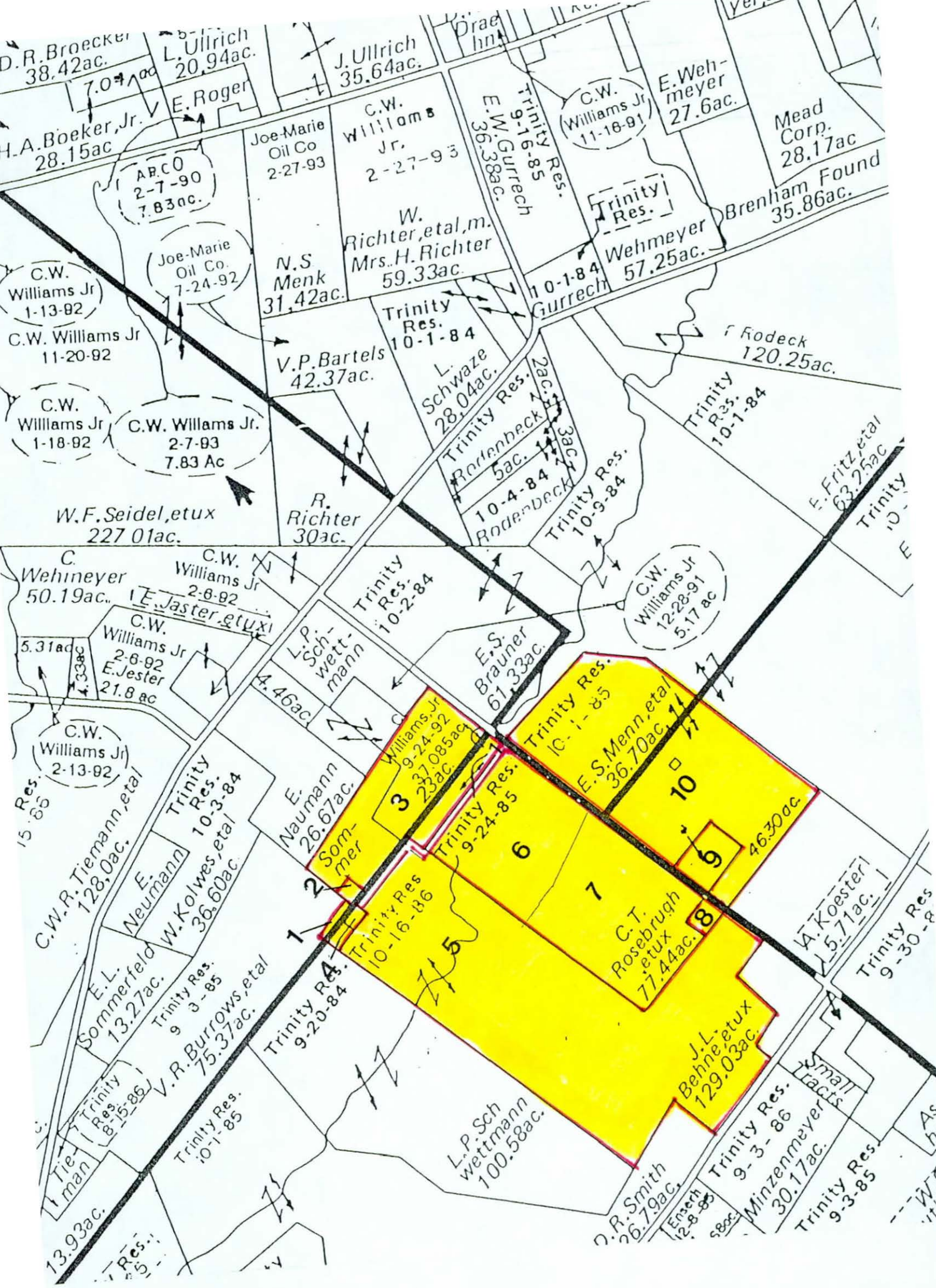
ELVIS D. HOLLIS
NOTARY PUBLIC
State of Texas
Comm. Exp. 07-02-2000

Notary Public, State of Texas

(9.)
MF 99332
ITEM Affidavit
TO
FROM
DATE 8-13-98

ADJACENT MINERAL OWNER STATUS OF LANDS SURROUNDING PROPOSED LEASE OF 4.18 ACRE RIGHT-0F-WAY TRACTS (SAID ROAD SKNOWN AS SALEM CEMETERY LANE AND FARM-TO-MARKET HIGHWAY 3456, WASHINGTON COUNTY, TEXAS) FROM THE STATE OF TEXAS TO UNION PACIFIC RESOURCES COMPANY. SEE ATTACHED PLAT LABELED EXHIBIT "A".

TRACT NO.	ACRES	WORKING INTEREST OWNERSHIP
1	0.65	Union Pacific Resources Company P. O. Box 7 Fort Worth, Texas 76101
2	1.00	Union Pacific Resources Company P. O. Box 7 Fort Worth, Texas 76101
3	31.408	Union Pacific Resources Company P. O. Box 7 Fort Worth, Texas 76101
4	2.238	Union Pacific Resources Company P. O. Box 7 Fort Worth, Texas 76101
5	126.915	Chesapeake Operating, Inc. 6206 North Western Oklahoma City, OK 73118
6	31.375	Thomas E. Bartley et ux, Anne Cravens Bartley 3100 FM 3456 Brenham, Texas 77833
7	44.465	Chesapeake Operating, Inc. 6206 North Western Oklahoma City, OK 73118
8	1.499	Chesapeake Operating, Inc. 6206 North Western Oklahoma City, OK 73118
9	5.000	Union Pacific Resources Company P. O. Box 7 Fort Worth, Texas 76101
10	83.900	Union Pacific Resources Company P. O. Box 7 Fort Worth, Texas 76101


D.R. Broecker 38.42ac.
L. Ullrich 20.94ac.
J. Ullrich 35.64ac.
E. Roger
H.A. Boeker, Jr. 28.15ac
ARCO 2-7-90 7.83ac.
Joe-Marie Oil Co 2-27-93
C.W. Williams Jr. 2-27-93
E.W. Gurrech 36.38ac.
Trinity Res. 9-16-85
C.W. Williams Jr 11-18-91
E. Wehmeyer 27.6ac.
Mead Corp. 28.17ac
Brenham Found 35.86ac.
Joe-Marie Oil Co. 7-24-92
W. Richter, etal, m. Mrs. H. Richter 59.33ac.
N.S Menk 31.42ac.
Trinity Res.
Wehmeyer 57.25ac.
10-1-84 Gurrech
C.W. Williams Jr 1-13-92
C.W. Williams Jr 11-20-92
V.P. Bartels 42.37ac.
Trinity Res. 10-1-84
L. Schwaze 28.04ac.
F. Rodeck 120.25ac.
C.W. Williams Jr 1-18-92
C.W. Willams Jr. 2-7-93 7.83 Ac
Trinity Res. Rodenbeck 5ac.
2ac.
3ac.
10-4-84 Rodenbeck
Trinity Res. 10-9-84
Trinity Res. 10-1-84
E. Fritz, etal 63.25ac
W.F. Seidel, etux 227.01ac.
R. Richter 30ac.
C. Wehmeyer 50.19ac.
C.W. Williams Jr 2-8-92
E. Jaster, etux
C.W. Williams Jr 2-8-92 E. Jester 21.8 ac
5.31ac
4.33ac
Trinity Res. 10-2-84
L.P. Schwettmann
E.S. Brauner 61.33ac.
C.W. Williams Jr 12-28-91 5.17 ac
4.46ac
C.W. Williams Jr 2-13-92
Williams Jr 9-24-92 37.085ac 23ac.
Trinity Res. 10-1-85
E.S. Menn, etal 36.70ac.
10
9
46.30ac.
E. Naumann 26.67ac.
Sommer
3
2
1
Trinity Res. 9-24-85
6
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C.T. Rosebrugh etux 77.44ac.
8
Trinity Res 10-16-86
5
4
C.W.R. Tiemann, etal 128.0ac.
Trinity Res. 10-3-84
E. Neurmann
W. Kolwes, etal 36.60ac
E.L. Sommerfeld 13.27ac.
Trinity Res. 9-3-85
V.R. Burrows, etal 75.37ac.
Trinity Res. 9-20-84
J.L. Behne, etux 129.03ac.
A. Koester 5.71ac.
Trinity Res 9-30-8
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Tiemann
Trinity Res. 10-1-85
L.P. Schwettmann 100.58ac.
Small Tracts
Trinity Res. 9-3-86
Minzenmeyer 30.17ac.
Trinity Res. 9-3-85
D.R. Smith 26.79ac.
13.93ac.

EXHIBIT "A"

(11.)

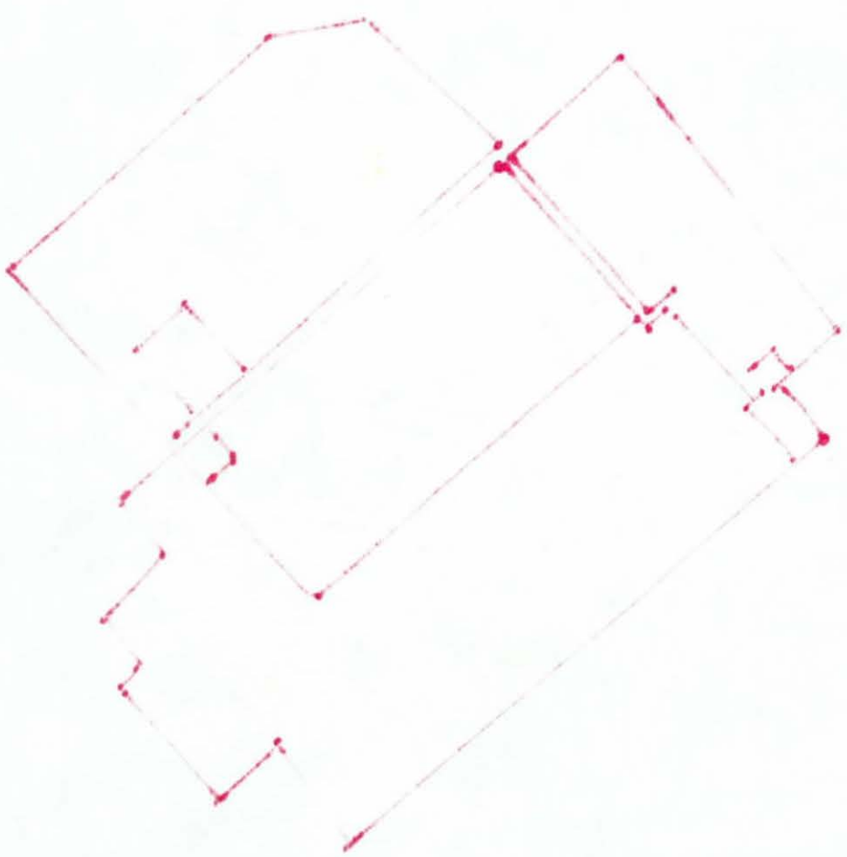
MF 99332

ITEM MAP

TO

FROM

DATE —



AFFIDAVIT

STATE OF TEXAS

COUNTY OF WASHINGTON

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

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

4.18 acres of land, more or less, a part of the Phillip Coe League, A-33, the James Schrier League, A-98, the Nelson Smith League, A-100, and the John Carrington Survey, A-120, Washington County, Texas, being described as the following two tracts, to-wit:

TRACT ONE: 1.15 acre of land, more or less, a part of the Nelson Smith League, A-100, and the James Schrier League, A-98, Washington County, Texas and being the same land described in that certain Deed, dated November 23, 1914, from Wm. Sommerfeld to Washington County, Texas, recorded in Volume 65, Page 543 of the Deed Records of Washington County, Texas.

TRACT TWO: 3.03 (calculated) acres of land, more or less, a part of the Phillip Coe League, A-33, the Nelson Smith League, A-100, and the John Carrington Survey, A-120, Washington County, Texas and being a portion of the land described in that certain deed dated March 6, 1908, from Wm. Sommerfeld, et al to Washington County, Texas, recorded in Volume 56, Page 444 of the Deed Records of Washington County, Texas and a portion of the land described in that certain deed dated March 9, 1912, from John Loesch, et al to Washington County, Texas, recorded in Volume 62, Page 482 of the Deed Records of Washington County, Texas and being a strip of land twenty-five (25) feet on either side of the northeast line of the Nelson Smith League, beginning at a point on said northeast line 410 varas N47°20'W from the South Corner of the Coe League, (coinciding with the west corner of the 89.8 acres of land, described in that certain deed dated January 21, 1952, from Ed. W. Hodde and wife, Alma Hodde to Raymond Schilling and Evelyn Schilling, recorded in Volume 185, Page 449 of the Deed Records of Washington County, Texas), and running thence S47°20'E with said northeast line of the Smith League, 951 varas to the south corner of said 89.9 acre tract.

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

LESSORS	REF.	ROYALTY	BONUS	RENTAL
TRACT 1: 0.65 Acre				
General Land Office	894/883	1/5	$150/Ac	Pd Up
TRACT 2: 1.00 Acres				
Robert W. Stright, et ux	884/785	1/6	$125/Ac	Pd Up
TRACT 3: 31.408 Acres				
Edward Lee Sommerfeld	725/676	1/6	$75/Ac	Pd Up
Three year primary term with option for two additional years at $50/Ac.				
Memorandum of Lease Extension filed at 842/349.				
TRACT 4: 2.238 Acres				
Salem Evangelical Lutheran Church	873/560	1/6	$125/Ac	Pd Up
TRACT 5: 126.915 Acres				
John L. Behne, et ux	782/484	1/6	$75/Ac.	Pd Up
Union Pacific Resources has AMI agreement with Chesapeake Operating, Inc. Chesapeake will participate in well.				
TRACT 6: 31.375 Acres				
Thomas E. Bartley, et ux	UNLEASED			
TRACT 7: 44.465 Acres				
Crawford T. Rosebrugh, et ux	794/287	1/6	$100/Ac.	Pd Up
Raymond D. Haywood, et ux	796/79	1/6	$100/Ac.	Pd Up
Primary Terms of these two leases were extended for additional two years @ $50/Ac by Memorandums of Extension dated May 5, 1998 and recorded at 892/16 and 892/17.				
Union Pacific Resources has AMI agreement with Chesapeake Operating, Inc. Chesapeake will participate in well.				

TRACT 8:	1.499 Acres				
William L. Hunt, et ux		803/205	1/6	$100/Ac.	Pd Up

Primary Term of this lease was extended for additional two years @ $50/Ac by Memorandum of Extension dated Jult 7, 1998 and recorded at 899/86.
Union Pacific Resources has AMI agreement with Chesapeake Operating, Inc. Chesapeake will participate in well.

TRACT 9:	5.00 Acres				
Franklin Eckert		866/919	1/6	$100/Ac.	Pd Up
TRACT 10:	83.9 Acres				
Evelyn Menn, et vir		866/916	1/6	$100/Ac	Pd Up
Gloria Kaye Arnold		867/323	1/6	$100/Ac	Pd Up
Sharon Faye Martella		867/326	1/6	$100/Ac	Pd Up

Affiant further states that said lands listed as TRACT 1 through TRACT 10, herein, correspond to the lands listed as same on the attached map, labeled Exhibit "A".

Dated this 13th day of August, 1998.

DENNIS MAHLMANN

SUBSCRIBED AND SWORN TO BEFORE ME this 13th day of August, 1998.

ELVIS D. HOLLIS
NOTARY PUBLIC
State of Texas
Comm. Exp. 07-02-2000

Elvis D. Hollis
Notary Public, State of Texas

(10)

MF 99332

ITEM Affidavit

TO

FROM

DATE 8-13-98

Filed for record Dec.7,A.D.1914 at 9 O'clock,-----A.M.(GREEN MORGAN.C.C.C.W.C.
Recorded Dec.8,A.D.1914 at3 O'clock,---------- P.M. () BY A. J. Wendt Deputy.

DEED---WM.SOMMERFELD TO WASHINGTON CO.

THE STATE OF TEXAS.

COUNTY OF WASHINGTON] KNOW ALL MEN BY THESE PRESENTS: That I, William Sommerfeld of the County of Washington, State of Texas, for and in consideration of the sum of One Hundred Dollars, to mein hand paid by Washington County, Texas,the receipt of which is hereby acknowledged.

Have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey,unto W.R.Ewing, County Judge of the County of Washington, State of Texas, all that certain lot or parcel of land lying and being situated in Washington Co.Texas, and a part of the Nelson Smith &Jas. Schrier League.

-- Beginning at the East corner of a 67 acre tract,sold me by John Loesch,this being north cornerof a tract sold by John Loesch to Ed Jahnke in the N.E. line of the Smith League.Then with Jahnkes N.W. line S.42-1/2° W. 482 vrs. to corner in N.E. line of a 20 ft. road Then with said Road N.47-1/3 W.84 vrs. to corner in Jas. Schriers S.E. line Then with same S.42-1/2° W.276 vrs. to corner at Cemetery,then N.47° W.3-6/10 vrs. to corner Then N.42-1/2° E.279-6/10 vrs. to corner. Then S.47-1/3° E.73-1/2 vrs. to corner Then N.42° E. parallel with &30ft.N.W. from the first called line in this survey 478-4/10 vrs. to corner in sd. N.Smith League line .Then with said line S.47° E.10-8/10vrs.to the beginning corner, containing 1-15/100 acres of land.

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

Witness my hand at Brenham, Tex. this 23 day of Nov.A.D.1914.

WM.SOMMERFELD.

THE STATE OF TEXAS.

COUNTY OF WASHINGTON (Before me,Green Morgan,County Clerk in and for Washington County, Texas, on this day personally appeared Wm.Sommerfeld,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 23 day of Nov.A.D.1914.

(seal)

GREEN MORGAN. COUNTY CLERK,
WASHINGTON COUNTY. TEXAS.
BY A.J.WENDT DEPUTY.

Filed for record Nov.23,A.D.1914 at 2 O'clock,----P.M.(GREEN MORGAN.C.C.C.W.C.
Recorded Dec.8,A.D.1914 at 3"130 O'clock,-------- P.M.() BY A. J. Wendt Deputy.

In Testimony Whereof, I hereunto set my hand, and affix the seal of said County Court, at office, in the city of Brenham, this the 5th day of April 1876.
[Seal] H. M. Lewis, Clerk of the County Court of Washington County.

Filed for Record Apr. 2, 1908 at 2 o'clock P.M. C. H. Seward, Clk. C.C.W.C.
Recorded Apr. 3, 1908 at 11 o'clock A. M. By R. V. Hoffmann Deputy

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No 196
Sommerfeld Wm et al to Deed Washington County

The State of Texas }
County of Washington } Know all Men by these Presents: That We, Wm. Sommerfeld, Adolph Weiss, John Loesch, Wm. Kemper, G. H. Weisepape, Willie Schawe, Mrs. H. Wenkelmann, L. F. Wenkelmann, Otto Loesch and W. Schwettmann of the County of Washington and State of Texas for and in consideration of the sum of Two hundred and Twenty five and 25/100 Dollars to us in hand paid by C. P. Curry, County Judge of Washington Co. Texas, The receipt of which is hereby acknowledged, Paid. To Wm. Sommerfeld for 1 1/10 acres $40 00/100, To Adolph Weiss for 2 14/100 acres $53.50, John Loesch for 36/100 acres $9.00, Wm. Kemper for 1 40/100 acres $35.75, G. H. Weisepape for 81/100 acres $20.25, Willie Schawe for 1 1/10 acres $27.50, Mrs. H. Wenkelmann for 36/100 acres $9.00, L. F. Wenkelmann for 48/100 acres $12.00, Otto Loesch for 37/100 acres $9.25 and to W. Schwettmann for 36/100 acres $9.00 have Granted, Sold and Conveyed, and by these presents do Grant Sell and Convey, unto the said C. P. Curry, County Judge and his successors in office of the County of Washington State of Texas, all that certain Tract or parcel of land situated in Washington County, Texas, or part of the Nelson Smith & Jno. Carrington league and more fully described as follows: (Beginning at the North East corner of Wm. Sommerfeld's tract in the Brenham & Gesley Road, Then with sd. Gesley road N. 84° W. 30 ft. Then S 1/2° E 172 vrs. to corner near Gin lot. Then S 11 1/2° E 63 3/4 vrs to corner, Then S 22° E 154 vrs. to corner 29 vrs from the center of a spring branch, Taking from sd. Sommerfeld to this point 30 ft. Road on the East side of the lines above named (Then the parallel line to the last course and distance above given would be 29 vrs. longer, and course ~~into~~ sd. Spring branch.) Then S 23 1/3° W. 182 1/2 vrs to corner S 33 2/3° W. 14 10/10 vrs to cor. in the center of sd. Spring branch and the Road to include all land between the last named two lines & sd. branch. Then S 33 2/3° W. 150 vrs. to the N & E. bdy. line of the Nelson Smith League line and to include 30 ft on the S & E

side of this line from center branch to League line and all the land on the N.W. side of same to the center of the branch and extending to sd. League line of land owned by Adolph Weiss. Then with sd. League line S 47° E at 436 vrs. pass John Loesch S.E corner or East corner taking 15 ft. from sd. Jno Loesch + from Adolph Weiss 15 ft. Then with said League line same course as sd. line runs between sd. Adolph Weiss home tract and his tract from Mrs. Loesch. starting with 15 ft. on each side of League line at 540 vrs 30 ft. on his Loesch side to W. Kempers North corner. Then with said League line taking 30 ft from Wm Kempers tract to joint corner of Kempers + Weisepape. Then with line between sd. Kemper + Weisepape S 43° W. taking 18⅔ ft. from Kemper + 11⅓ ft. from W.H. Weisepape's tract to Kempers South corner. Then with line between sd Weisepape + church lot taking 11⅓ ft. from sd. Weisepape to start with at this corner and at 345⅓ taking 21 ft. from Weisepape at intersection of the school lot. Then crossing the school lot to the North corner of the Schawe tract. Then with the line between sd. Schawe + the church land 15 ft. from each S 43° W at 123⅓ vrs. cor. of Mrs. A. Henkelmanns tract on N.W. and taking 15 ft. from her land to the land of L.F. Henkelmann at a dist of 487⅓ vrs. from aforesaid Schawe corner at the whole dist. of 982 vrs. the South corner of sd. L.F. Henkelmann tract, the road taking 15 ft. from his tract also. Then with the line between Schawe + Wm. Schwettmann S. 47° E taking to start with 21 ft from the Schawe side + 9 ft. from the Schwettmann side at 164 vrs the Schawe + Otto Loesch corner. taking 11 ft from Schawe + 19 ft from sd. Schwettmann then S. 47° E with Otto Loesch + sd. Schwettmann 6 vrs taking from Schwettmann 19 ft + Loesch 11 ft. Then with line between sd. Loesch + Schwettmann S 39½° W. starting with 6 ft. from Loesch + 24 ft. from Schwettmann at 280 vrs. pass sd. Schwettmanns South cor. at which place 30 ft. to be taken from sd. Loesch at 317½ vrs. to Loesch West corner still 30 ft from sd. Loesch side of sd. line to the intersection of the Road running from direction of the Buls Residence to Rosenbaum store.

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 E.P. Curry and his successors in office and assigns forever, and we do hereby bind ourselves + our heirs, executors and administrators to Warrant and Forever Defend, all and singular the

said premises unto the said E. P. Curry & his successors in office and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof. Witness our hands at Brenham, this 6th day of March A.D. 1908.

Ad. Weiss
H. Schwettmann
Wm. Kemper

Mrs. H. Winkelmann
per L. F. Winkelmann
Otto Loesch
Wm. Sommerfeld
H. H. Wiesepape
Mrs. Theo. Schanz per H. F. Schanz
John Loesch.

The State of Texas.
County of Washington. } Before me, O. A. Seward, Clerk County Court in and for Washington County, Texas, on this day personally appeared Mrs. H. Winkelmann, L. F. Winkelmann, Otto Loesch, Wm. Sommerfeld, H. H. Wiesepape, Mrs. Theo. Schanz, by H. F. Schanz, John Loesch, Ad. Weiss, H. Schwettmann & Wm. Kemper known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office, this 6th. day of March A.D. 1908.
[L.S.]. O. A. Seward. C.C.C.W.C.
Filed for record 13 March, 1908 at 3 o'clock P.M. } O. A. Seward. C.C.C.W.C.
Recorded 4 April, 1908 at 9 o'clock A.M. By R. V. Hoffmann Deputy

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No 197
Steinke
Et al
to
Deed
Skweres
Albt

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The State of Texas }
County of Washington } Know all men by these presents That we Albert Steinke Ottilie Steinke Wm Steinke and Max Steinke and Ludwig Steinke of the County of Washington State of Texas for and in consideration of the sum of One Hundred Dollars to us in hand paid by Albert Skweres the receipt of which is hereby acknowledged have granted sold and conveyed and by these presents do grant sell and convey unto the said Albert Skweres of the County of Washington State of Texas all that certain tract of land the same being situated in Washington County Texas near the waters of New Year Creek and is a part of a 41½ acre tract of land out of the Elizabeth Allcorn one half league formerly sold by Sam Schlenker to Wm Schlottman and H. Lucbe and by them to H. Dippel.
Beginning at a stake the S.E. cor of the above mentioned 41½ acre

THE STATE OF TEXAS.

WASHINGTON COUNTY () Before me, R.E.Pennington, a Notary Public in and for Washington County, Texas, on this day personally appeared Mrs.Albertine Dobert, a feme sole, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this May 14, A.D.1912.

(seal) R.E.Pennington, Notary Public in and for Washington County, Texas.

Filed for record May 14, A.D.1912 at 4 O'clock,--P.M. () GREEN MORGAN.C.C.C.W.C.
Recorded May 15, A.D.1912 at 6 O'clock,-------- P.M. () BY-A.J.Wendt----Deputy.

DEED-- John Loesch et al TO WASHINGTON CO.

THE STATE OF TEXAS.

COUNTY OF WASHINGTON.() KNOW ALL MEN BY THESE PRESENTS: That We, John Loesch, Ad Weiss, Wm. Kemper, Aug. Zander, Henry Wiesepape, Mrs.H.Winkelmann, L.F.Winkelmann, Ed Jahnke, and Wm.Kemper Fred Hueske & O.H.Loesch, Trustees for the Salem Church, of the County of Washington, State of Texas, for and in consideration of the sum of One Hundred and Ninety Seven &66/100 Dollars to us in hand paid by W.R.Ewing, County Judge of Washington County, The receipt of which payment is hereby acknowledged, as follows:-

Paid to John Loesch for 18/100 acres of land @50.00 per acre and moving fence---- $11.70

" " Ad Weiss for 34/100 acres of land at $50.00 per acre $17.00 and moving 105 panels fence @05.-$5.25 ---------- $22.50

Paid to Wm.Kemper for 41/100 acres of landat $50.00-$20.50 and moving 170 panels fence $8.50---------- $29.00

Paid to Aug.Zander for 66/100 acres of land at $30.00 per acre $19.80 and moving 196-1/4 pnaels of fence$9.80----------$29.60

Paid to Henry Wiesepape for 68/100 acres of landat$30.00 per acre $20.40 and moving 114 panels of fence$5.70----------$26.10

Trustees Salem Church 268/1000 acres of land at$50.00 per acre $13.40, and moving 77 panels fence $3.85----------$17.25

Paid to Mrs.H.Winkelmann for 226/1000 acres of land at $50.00, per acre $11.30 and moving 65-3/4panels fence-$3.28---------- $14.58

Paid to L.F.Winkelmann for 32/100 acres of land, at $50.00 $16.00 per acre, and moving 93 panels fence -$4.65---------- $20.65

Paid to Ed Jahnke for 38/100 acres of land at $50.00 per acre, $19.00, and moving 110 panels fence $5.50---------- $24.50

Have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey, unto the said W.R.Ewing, County Judge and his successors in office as Co.Judge of the County of Washington, State of Texas, all that certain lot or parcel of land lying and being situated in Washington Co.Tex.and a part of the Nelson Smith League excepting that herein conveyed by Aug. Zander which is of the John Carrington League.

Beginning at a point N.47° W.288 vrs. from the most Eastern corner of John Loesch's tract. Then running S.47° E. along the Nelson Smith League line and taking in addition to the 15ft. heretofore sold the County by sd.Loesch 10 ft. more making in all 25 ft. from this point to his S.E. line 288 vrs. Then same course and taking same from Ad.Weiss in all 25 ft. wide and 568 vrs. long including the 15 ft. heretofore sold by sd. Weiss to the County. Then with Wm.Kemper's tract Same course S.47° W. and taking 4ft. from his land in addition to the 30 ft. heretofore conveyed the County for a distance 435.46 vrs. Then S.43-1/2° W. along Kemper's S.E. line and taking 10 ft. of his land for a distance 486-2/3 vrs. to the intersection of the Salem Church property. Then same course

343-1/2° W. 296 vrs. and taking a width of 10 ft. in addition to the 15 ft. donated for road purposes.Then with Sd. Church tract S.21°10' W.27 vrs. to corner of the School house tract Then with S.W. line of same S.47° E.15-1/2 vrs. to corner of the raod as same will exist after this deed is executed.Then S.43° W. 123-1/3 vrs. taking 10 ft. from the Church land not heretofore donated for road purposes. Then same course as last above called taking 10ft. from Mrs.H.Winkelmann's tract S.E. bdy. for a distance of 355 vrs. to N.E. line of L.F. Winkelmann.Then S.43° W. 503 vrs. taking 10 feet from his land to Ed.Jahnke's tract.Then passing his N.E.line and starting at his corner near Otto Loesch's house.Then along sd. Jahnke's S.E. line S. 39-1/2° W. 597-3/4 vrs. taking 10 ft. in addition to the 15 ft. he the said Eddie Jahnke has here tofore conveyed for road.

Thenstarting at Henry Wiesepape's North corner at August Zander's house in the League line Then S.47° E. 614 vrs. to East corner of sd.Henry Wiesepape's tract taking a strip from Hy. Wiesepape at the starting point 20 ft. wide and 15 ft. wide at the end of the 614 vrs.Then taking 15 ft. from Aug. Zander at point of Henry Wiesepape's E. corner and running back to 10 ft. at sd.Wiesepape's North cor. the distance being 614 vrs. the same as Wiesepape's.Then from sd.corner at sd. Zander's house running back N. 47° W. 646-2/3 vrs. to Ad.Weiss S.E. bdy. taking 6 ft. from sd.Zander's land. The several strips of lands herein conveyed contains 2-884/1000 acres of -Nelson Smith's League and 66/100 acres of the John Carrington League.This is not intended to be a joint deed as to the warranty of title.Each party hereto only warrants the title to the land which he or she conveys.That is to say John Loesch does not warrant the title to the land herein conveyed by Ad.Weiss & so on.

To Have and To Hold the above described premises,together with all and singular the rights and appurtenances thereto in anywise belonging unto the said W.R.Ewing,Co.Judge & His successors in sd.Office --heirs and assigns forever, and we do hereby bind ourselves &our heirs executors,and administrators to warrant and forever defend all and singular the said premises unto the said W.R.Ewing,Co.Judge and his successors in sd.office--heirs and assigns,against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness our hands at Brenham,Tex. this 9 day of Mch.A.D.1912.

L.F.Winkelmann
H.Winkelmann
Ed Jahnke
August Zander
Ad.Weiss
John Loesch
Otto Loesch Trustee
Wm.Kemper,Trustee
Wm.Kemper for himself
W.H.Wiesepape
Fred Hueske Trustee,

THE STATE OF TEXAS.

COUNTY OF WASHINGTON,() Before me,Green Morgan,County Clerk, in and for Washington County, Texas, on this day personally appeared L.F.Winkelmann,Mrs.H.Winkelmann,Ed Jahnke,August Zander,Ad Weiss,John Loesch, W.H.Wiesepape ,Wm.Kemper for himself,and Otto Loesch,Wm.Kemper &Fred Hueske,as Trustees for the Salem Church,known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed,&in capacity therein stated as to the Church Trustees.

Given under my hand and seal of office this 7 day of May,A.D.1912.

(seal)

Green Morgan,County Clerk,
Washington County,Texas.
By A.J.Wendt Deputy.

Filed for record May 14,A.D.1912 at 4 O'clock,-- P.M. () GREEN MORGAN,C.C.C.W.C.
Recorded May 17,A.D.1912 at 3 O'clock,---------- P.M. () BY A. J. Wendt ----------Deputy.

(12)

MF 99332

ITEM Deed

TO

FROM

DATE —

HROW Lease
Revised 10/89

The State of Texas

VOL 0894 PAGE 383

3641

Austin, Texas

PAID-UP
OIL AND GAS LEASE NO. M-99024
GENERAL LAND OFFICE
AUSTIN, TEXAS

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress, Austin, Texas, 78701, hereinafter called "Lessor", hereunto authorized by the School Land Board, pursuant to the provisions of Chapters 32 and 52 of the Natural Resources Code (hereinafter called N.R.C.), and amendments thereto, and all applicable rules promulgated by the School Land Board, and **Union Pacific Resources,** whose address is **801 Cherry St., Fort Worth, TX 76102,** hereinafter called "Lessee".

1. Lessor, in consideration of **Three Thousand Six Hundred Sixty and 00\100 Dollars ($3,660.00),** 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:

> **24.4** 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 **24.4** acres, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. PRIMARY TERM: This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of **three (3) years** from **March 17, 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 equalone fifth (1/5) 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 fifth (1/5) 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 fifth (1/5) 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 fifth (1/5) 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 shutin for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check of lessee, as royalty, the sum of $25.00. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

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

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

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

4. POOLING: (a) Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons. Units pooled for oil hereunder shall not exceed 160 acres each in area, and units pooled for gas hereunder shall not exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, unless oil or gas units of a greater size are allowed under or prescribed by rules of the Railroad Commission of Texas. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, as operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) the proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force for so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

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

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

5. RELEASE: Lessee may relinquish the rights granted hereunder to the State at any time by recording the relinquishment in the county where this area is situated and filing the recorded relinquishment or certified

copy of same in the General Land Office within ninety (90) days after its execution accompanied by the prescribed filing fee. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

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

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

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

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

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

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

12. WELL INFORMATION: Lessee agrees to forthwith furnish Lessor, upon written request, with copies of all drilling logs, electrical logs, cores and core records and other information pertaining to all wells drilled by

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

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

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

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

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

Garry Mauro

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

Approved:
Energy: RH
Executive: SR

Exhibit "A"

Acreage to be Leased from the State of Texas in Washington County, Texas, being part of St. Hwy. 389 St. Hwy. 332

24.4 acres of land, more or less, situated in the James Schrier Lea., A-98 and Phillip H. Coe Sur., A-31 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 H.E. Kobs, et ux to Washington County, dated 5/5/48 and recorded in V.157, P.465, of the Deed Records of Washington County, Texas.

2. Deed from E.W. Sommerfeld, et ux to Washington County, dated 9/26/24 and recorded in V.91, P.195, of the Deed Records of Washington County, Texas.

3. Deed from Hermann Wehmeyer, et ux to Washington County, dated 10/14/26 and recorded in V.91, P.72, of the Deed Records of Washington County, Texas.

4. Deed from August Richter, et ux to Washington County, dated 8/1/27 and recorded in V.91, P.186, of the Deed Records of Washington County, Texas.

5. Deed from Hermann Wehmeyer, et ux to Washington County, dated 9/12/27 and recorded in V.91, P.209, of the Deed Records of Washington County, Texas.

6. Deed from Wm. Sommerfeld to Washington County, dated 9/16/27 and recorded in V.91, P.229, of the Deed Records of Washington County, Texas.

7. Deed from Lawrence Budnik to Washington County, dated 11/20/26 and recorded in V.91, P.90, of the Deed Records of Washington County, Texas.

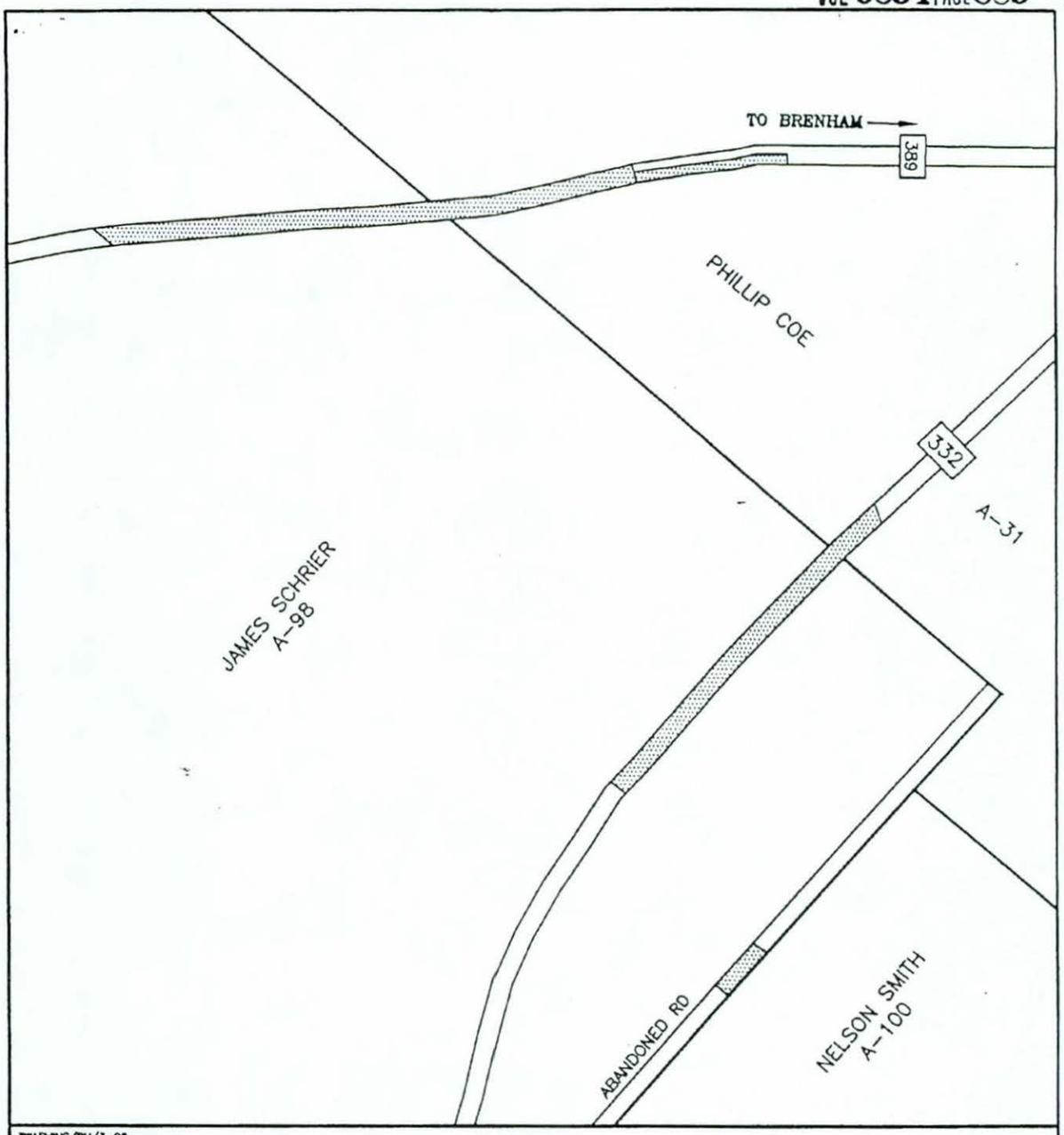
8. Deed from John Hazley to Washington County, dated 5/6/26 and recorded in V.91, P.68, of the Deed Records of Washington County, Texas.

9. Deed from Adam Kopycinski to Washington County, dated 4/7/27 and recorded in V.91, P.146, of the Deed Records of Washington County, Texas.

10. Deed from John McGregor et ux to Washington County, dated 4/2/27 and recorded in V.91, P.162, of the Deed Records of Washington County, Texas.

11. Deed from Martin Pribiliski to Washington County, dated 10/6/26 and recorded in V.91, P.69, of the Deed Records of Washington County, Texas.

12. Deed from Jogn Golatka et ux to Washington County, dated 10/6/25 and recorded in V.91, P.117, of the Deed Records of Washington County, Texas.



JWASHING/701/3-98

MAP SHOWING

A PORTION OF STATE HIGHWAY 389, STATE HIGHWAY 332 AND ABANDONED RD

24.4 ACRES

APPROXIMATELY 2.5 MILES WEST OF BRENHAM

WASHINGTON COUNTY

FILED FOR RECORD
WASHINGTON COUNTY, TX

'98 JUN 3 PM 1 05

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

JUN 04 1998

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

OIL, GAS & MINERAL LEASE

PROD 88 (REV 8/93)
PAID UP

THIS LEASE AGREEMENT is made effective the 5 th day of February 1184, 19 98,

between Robert M. Stright and wife, Kathryn J. Stright

as Lessor (whether one or more), whose address is 2200 Salem Cemetary Lane, Brenham, TX 77833

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 CHERRY STREET, FORT WORTH, TX 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of One Hundred Twenty Five Dollars And No Cents Dollars ($ 125.00), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in WASHINGTON County, Texas, to-wit:

1.00 acre of land, more or less, described in a Warranty Deed dated August 9, 1994 from John C. Hardy, Jr. and Karen D. Prigge, formerly known as Karen D. Hardy to Robert M. Stright and recorded in Volume 744, Page 849 of the Official Records of Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 1.0000 acres, whether it actually comprises more or less.

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

3. **Royalty.** Royalties on covered minerals produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's held separator facilities, the royalty shall be 1/6 of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead posted price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, (b) for gas (including casinghead gas) and all other covered minerals, the royalty shall be 1/6 of the net proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and (c) if during or after the primary term one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee for a period of 90 consecutive days, then Lessee may pay shut-in royalty of one dollar per acre of land then covered by this lease, such payment to be made to Lessor on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in and it shall be considered that such well is producing in paying quantities for all purposes hereof during any period for which such shut-in royalty is tendered; provided that if this lease is otherwise being maintained by the payment of rentals or by operations, or if a well or wells on the leased premises is producing in paying quantities, no shut-in royalty shall be due until the end of the 90-day period next following the end of the rental period or the cessation of such operations or production, as the case may be. Lessee shall have free use of oil, gas, water, and other substances produced from said land, except water from Lessor's wells or ponds, for all operations hereunder, and Lessor's royalty shall be computed after deducting any so used.

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

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

may be produced from the leased premises. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and the effective date of revision shall be the date of filing unless provided otherwise in such declaration. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly, and such adjustment shall be made effective as of the effective date of the revision. Lessee may at any time dissolve any unit formed hereunder by filing a written declaration describing the unit, and the effective date of dissolution shall be the date of filing unless provided otherwise in such declaration. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph with consequent allocation of production as herein provided. As used herein the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises. Pooling hereunder shall not constitute a cross-conveyance of interests.

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

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

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

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

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

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

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

SS# AND/OR TAX ID #

[redacted]

[redacted]

LESSOR:

Robert M. Stright

Robert M. Stright

Kathryn J. Stright

Kathryn J. Stright

STATE OF TEXAS

COUNTY OF WASHINGTON

This instrument was acknowledged before me this 5th day of February, 19 98, by ROBERT M. STRIGHT and wife, KATHRYN J. STRIGHT.

JOHN N. WATTS

Notary Public

My Commission Expires:

STATE OF TEXAS
COUNTY OF WASHINGTON

STATE OF _____)
) ss
COUNTY _____)

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on FEB 27 1998

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

Notary Public

My Commission Expires:

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

FILED FOR RECORD
WASHINGTON COUNTY, TX
'98 FEB 26 PM 4 29
WASHINGTON CO. CLERK

13.00

MEMORANDUM OF OIL AND GAS LEASE **1352**

THIS AGREEMENT, made and entered into this 9th day of December , 1993 by and between EDWARD LEE SOMMERFELD and wife, DOROTHY SOMMERFELD hereinafter called LESSOR whose address is Route 3, Box 807, Brenham, Texas 77833 and UNION PACIFIC RESOURCES COMPANY, hereinafter called LESSEE whose address is 801 Cherry Street, Fort Worth, Texas 76102

WITNESSETH

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

SEE EXHIBIT A

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

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

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

Edward Lee Sommerfeld
EDWARD LEE SOMMERFELD

Dorothy Sommerfeld
DOROTHY SOMMERFELD

STATE OF TEXAS
COUNTY OF WASHINGTON

This instrument was acknowledged before me on the 6th day of JANUARY 1994, by EDWARD LEE SOMMERFELD and wife, DOROTHY SOMMERFELD.

WILLIAM H. SCHAWE
Notary Public, State of Texas
My Commission Expires 5-10-97

Notary Public, State of Texas
Notary's name(printed) WILLIAM H. SCHAWE
Notary's commission expires: 5-10-97

TXI- 61275

EXHIBIT A

Attached to and made a part of that certain **MEMORANDUM OF OIL AND GAS LEASE** dated December 9, 1993 from Edward Lee Sommerfeld and wife, Dorothy Sommerfeld, Lessors to UNION PACIFIC RESOURCES COMPANY, Lessee.

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

TRACT ONE: 28.328 acres of land, more or less, being described in the following two instruments:

(1) 23.00 acres of land, more or less, being described in a Warranty Deed dated September 25, 1963 from E.W.Sommerfeld et ux, Bertha Sommerfeld, to Edward Lee Sommerfeld et ux, Dorothy Sommerfeld, and recorded in VOLUME 251, PAGE 523 of the Deed Records of Washington County, Texas.

(2) 23.33 acres of land, more or less, being described in a Warranty Deed dated June 27, 1974 from Mrs Evelyn Naumann et al to Edward Lee Sommerfeld and recorded in VOLUME 329, PAGE 899 of the Deed Records of Washington County, Texas.

for a total of 46.33 acres of land, more or less, in these two instruments, **SAVE AND EXCEPT** the following four tracts of land:

(1) 4.462 acres of land, more or less, described in a Warranty Deed dated 1-21-1975 from Edward Lee Sommerfeld and wife, Dorothy Sommerfeld to George L. Hold and wife, Carol Hold, and recorded in VOLUME 333, PAGE 529 of the Deed Records of Washington County, Texas.

(2) 9.54 acres of land, more or less, described in a Warranty Deed dated June 08, 1984 from Edward Lee Sommerfeld et ux, Dorothy Sommerfeld, to John L. Studer et ux, Bridget K. Studer, and recorded in VOLUME 476, PAGE 338 of the Deed Records of Washington County, Texas.

(3) 1.00 acres of land, more or less, described in a Warranty Deed dated 12-22-1987 from Edward Lee Sommerfeld et ux, Dorothy Sommerfeld, to John C. Hardy, Jr. or Karen D. Hardy and recorded in VOLUME 575, PAGE 726 of the Deed Records of Washington County, Texas.

(4) 3.00 acres of land, more or less, described in a Gift Deed dated 7-03-1990 from Edward Lee Sommerfeld et ux, Dorothy Sommerfeld, to Donna Menard and recorded in VOLUME 628, PAGE 888 of the Deed Records of Washington County, Texas.

leaving a total of 28.328 acres of land, more or less, in **TRACT ONE.**

TRACT TWO: 3.08 acres of land, more or less, described in a Warranty Deed dated July 2, 1990 from Donna Sommerfeld Menard to Edward Lee Sommerfeld et u x, Dorothy Sommerfeld and recorded in VOLUME 628, PAGE 891 of the Deed Records of Washington County, Texas.

for a total of 31.408 acres of land, more or less, in the above two tracts, **TRACT ONE and TRACT TWO.**

SIGNED FOR IDENTIFICATION:

Edward Lee Sommerfeld
Edward Lee Sommerfeld

Dorothy Sommerfeld
Dorothy Sommerfeld

FILED
AT 1:45 P.M.
FEB 22 1994
Gertrude Lehrmann
GERTRUDE LEHRMANN
COUNTY CLERK, WASHINGTON COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF WASHINGTON

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

MAR 0 2 1994

Gertrude Lehrmann
Gertrude Lehrmann, County Clerk
Washington County, Texas

OIL, GAS & MINERAL LEASE

PROD 88 (REV 8-93)
PAID UP

THIS LEASE AGREEMENT is made effective the 23 rd day of October 6341, 19 97,

between Salem Evangelical Lutheran Church (f/k/a Salem Church) a Texas non-profit corporation by Diane M. Pieper, President.

as Lessor (whether one or more), whose address is 1500 Salem Road, Brenham, TX 77833

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 CHERRY STREET, FORT WORTH, TX 76102. All printed, portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of Ten Dollars And No Cents Dollars ($ 10.00), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in WASHINGTON County, Texas, to-wit:

SEE EXHIBIT 'B' ATTACHED HERETO AND MADE A PART HEREOF FOR DESCRIPTION OF LANDS.

SEE EXHIBIT 'A' ATTACHED TO AND MADE A PART OF THIS LEASE, FOR ADDED CLAUSES 12, 13, 14, 15, 16 AND 17.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 12.0160 acres, whether it actually comprises more or less.

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

3. **Royalty.** Royalties on covered minerals produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's held separator facilities, the royalty shall be 1/6 of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead posted price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, (b) for gas (including casinghead gas) and all other covered minerals, the royalty shall be 1/6 of the net proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and (c) if during or after the primary term one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee for a period of 90 consecutive days, then Lessee may pay shut-in royalty of one dollar per acre of land then covered by this lease, such payment to be made to Lessor on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in and it shall be considered that such well is producing in paying quantities for all purposes hereof during any period for which such shut-in royalty is tendered; provided that if this lease is otherwise being maintained by the payment of rentals or by operations, or if a well or wells on the leased premises is producing in paying quantities, no shut-in royalty shall be due until the end of the 90-day period next following the end of the rental period or the cessation of such operations or production, as the case may be. Lessee shall have free use of oil, gas, water, and other substances produced from said land, except water from Lessor's wells or ponds, for all operations hereunder, and Lessor's royalty shall be computed after deducting any so used.

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

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

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may be produced from the leased premises. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and the effective date of revision shall be the date of filing unless provided otherwise in such declaration. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly, and such adjustment shall be made effective as of the effective date of the revision. Lessee may at any time dissolve any unit formed hereunder by filing a written declaration describing the unit, and the effective date of dissolution shall be the date of filing unless provided otherwise in such declaration. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph with consequent allocation of production as herein provided. As used herein the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises. Pooling hereunder shall not constitute a cross-conveyance of interests.

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

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

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

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

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

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

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

SS# AND/OR TAX ID #

[redacted]

LESSOR:

Diane M. Pieper, President

SALEM EVANGELICAL LUTHERAN CHURCH by Diane M. Pieper, President

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 23rd day of OCTOBER, 19 97, by DIANE M. PIEPER, President of SALEM EVANGELICAL LUTHERAN CHURCH, in the capacity stated herein.

Harold W. Reid
Notary Public, State of Texas

HAROLD W. REID
NOTARY PUBLIC
State of Texas
Comm Exp 06-28-2000

Attached hereto and made a part hereof that certain Oil and Gas Lease dated October 23, 1997 by and between Salem Evangelical Lutheran Church (f/k/a Salem Church) a Texas non-profit corporation by, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit A

LEASE EXTENSION

12. For the same consideration, Lessor hereby grants Lessee the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term hereof as to all or any portion of the acreage then held hereunder which would expire unless so extended. This option may be exercised by Lessee, or its successors and assigns, at any time during the primary term hereof by paying to Lessor or to Lessor's credit at the depository bank which may be named herein, the sum of fifty Dollars ($50.00) per net mineral acre for each acre so extended, which payment shall cover the 2 years of the extended term and Lessor acknowledges that there will be no rental payments due for or during the extended term. Payment may be made by check or draft mailed or delivered to Lessor or to said depository bank which may be named herein. Should this option be exercised as herein provided, it is agreed that Lessee may execute and file of record an appropriate recordable instrument evidencing the exercise of this option.

OIL & GAS ONLY/EXCLUDED MINERALS

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

PUGH HORIZONTAL

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

SHUT-IN

15. After the end of the primary term, this Lease may not be maintained in force solely by reason of shut-in royalty payments, as provided heretofore, for any one period more than two (2) years.

SURFACE OPERATIONS

16. Lessee agrees that no operations whatsoever will be conducted upon the surface of the herein leased premises. Notwithstanding anything contained herein, Lessee shall have the right to conduct directional or horizontal drilling beneath the surface of the leased premises from lands pooled therewith.

DMP

Attached hereto and made a part hereof that certain Oil and Gas Lease dated October 23, 1997 by and between Salem Evangelical Lutheran Church (f/k/a Salem Church) a Texas non-profit corporation by, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit B

LEGAL DESCRIPTION

12.016 acres of land, more or less, in Washington County, Texas, out of the Nelson Smith Survey, A-100, being described in three (3) tracts, to wit:

FIRST TRACT 9.20 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas, being described in a Warranty Deed dated May 12, 1913, from William Kemper et ux, Hannah Kemper to F. Hueske, Otto Loesch and F. Wiesepape, Trustees of Salem Church, recorded in Volume 64, Page 320, Deed Records, Washington County, Texas.

SECOND TRACT 0.578 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas, being described in a Warranty Deed dated January 26, 1965, from Martin Wiesepape et ux, Tekla Wiesepape to Salem Lutheran Church, recorded in Volume 257, Page 528, Deed Records, Washington County, Texas.

THIRD TRACT 2.238 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas, described in two (2) tracts as follows, to wit:

TR 1) 0.750 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas, described as three-fourths (3/4) of an acre in a Warranty Deed dated December 4, 1923, from L. F. Winkelmann, individually, and as attorney-in-fact for Mrs. Malinde Schawe, Wm. Bockhorn, Lidia Bockhorn, Wm. Kemper, Hanna Kemper, L. A. Wilhelmsen, Dorothea Wilhelmsen, Edward Jahnke, Sarah Jahnke, Hermis Wehmeyer and Louis Wehmeyer to W. H. Wiesepape, August Kolwes and W. F. Bockhorn, Trustees of the Salem Church, recorded in Volume 281, Page 134, Deed Records, Washington County, Texas.

TR 2) 1.488 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas, described as one acre and 2755 square varas, more or less, in a Warranty Deed dated February 17, 1870, from John Afflerbach et ux, Dorothea Afflerbach to the Salem Church on East Mill Creek, recorded in Volume X, Page 81, Deed Records, Washington County, Texas.

DMP

RESOLUTION

The undersigned, Diane M. Pieper, President of the Congregation and the Church Council of the Salem Evangelical Lutheran Church, hereby certifies that the following is a true and correct copy of a resolution passed by the members of the said Church Council at a special meeting of the said members, which was held on the 21st day of October, 1997:

> On motion made, seconded and unanimously carried, it was resolved that the Salem Evangelical Lutheran Church grant and convey to Union Pacific Resources Company of Fort Worth, Texas, its successors and assigns, an Oil, Gas and Mineral Lease covering land in Washington County, Texas: That said Oil, Gas and Mineral Lease be granted with terms and conditions set forth in said Lease and which Lease is attached and made a part hereof. Diane M. Pieper, President of the Congregation and the Church Council is authorized to execute said Lease on behalf of the Salem Evangelical Lutheran Church.

Diane M. Pieper

Diane M. Pieper, President of the Congregation and the Church Council of Salem Evangelical Lutheran Church

Subscribed and sworn to BEFORE ME this 23rd day of October, 1997.

Harold W. Reid

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS)
}
COUNTY OF WASHINGTON }

This instrument was acknowledged before me this 23rd day of October, 1997, by Diane M. Pieper, President of the Congregation and the Church Council of the Salem Evangelical Lutheran Church.

Harold W. Reid

NOTARY PUBLIC, STATE OF TEXAS

HAROLD W. REID
NOTARY PUBLIC
State of Texas
Comm Exp 06-28-2000

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

OCT 27 1997

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

FILED FOR RECORD
WASHINGTON COUNTY, TX
'97 OCT 24 PM 1 06
WASHINGTON CO. CLERK

Producers 88 (4-89) – Paid Up
With 640 Acres Pooling Provision

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

3730

Record & Return To: 014678
Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, OK 73154

PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 21st day of March, 19 95, between John L. Behne and wife, Chloe Marie Behne a/k/a Chloe M. Behne

Whose address is: Rt. 3, Box 794, Brenham, TX 77833 as Lessor (whether one or more), and CHESAPEAKE OPERATING, INC., 6206 North Western, Oklahoma City, OK 73118 as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises: (use Exhibit "A" for long description):

Being 126.915 acres of land, more or less, out of the Nelson Smith Survey, A-100, in Washington County, Texas; and being part of a 129.031 acre tract described in a Deed dated August 11, 1960, from Leslie L. Appelt, Trustee to John L. Behne and wife, Chloe Marie Behne, recorded in Volume 229, Page 554, Deed Records of Washington County, Texas, and being all of said 129.031 acre tract LESS AND EXCEPT 0.616 acre described in a Deed dated March 26, 1991 from John L. Behne and wife, Chloe M. Behne to Constance B. Truxillo and husband, Gary Paul Truxillo, recorded in Volume 644, Page 143, Deed Records of Washington County, Texas AND LESS AND EXCEPT 1.500 acres described in a Deed dated November 5, 1993 from John L. Behne and wife, Chloe Marie Behne to Rodney Ray Gandy and wife, Sue Ann Gandy, recorded in Volume 714, Page 768, Deed Records of Washington County, Texas.

FOR SPECIAL PROVISIONS OF THIS LEASE, SEE EXHIBIT "A" ATTACHED HERETO, AND BY REFERENCE, MADE A PART HEREOF.

in the county of Washington, State of Texas, containing 126.915 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of five (5) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be one-eighth of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in CMB J.L.B. Texas National Bank at Brenham Tx. 77833 or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. If Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion 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 or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. 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 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 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, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall 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. In making such a revision, Lessee shall file of 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. 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.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

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

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

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

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

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

WITNESSES AND/OR ATTESTATIONS:	LESSOR (WHETHER ONE OR MORE)	SS NO. OR TAX ID
	John L. Behne John L. Behne	[redacted]
	Chloe Marie Behne Chloe Marie Behne a/k/a Chloe M. Behne	[redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF } WASHINGTON

This instrument was acknowledged before me on the 21st day of March, 1995, by John L. Behne and wife, Chloe Marie Behne a/k/a Chloe M. Behne.

Fritz R. Holmstrom
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

NOTARY PUBLIC STATE OF TEXAS
FRITZ R. HOLMSTROM
Notary Public, State of Texas
My Commission Expires
AUGUST 24, 1998

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF }

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF }

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

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

RECORDING INFORMATION

STATE OF _____ }
County of _____ } S.S.

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

By _____
Clerk (or Deputy)

Record & Return To:
Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, OK 73154

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE, DATED March 21, 1995, BY AND BETWEEN John L. Behne and wife, Chloe Marie Behne a/k/a Chloe M. Behne AS LESSOR, and CHESAPEAKE OPERATING, INC., AS LESSEE.

1. This Lease covers and includes only oil, gas, sulphur and the byproducts thereof, and other gaseous, vaporous, liquid and liquifiable hydrocarbons whether elements, mixtures, or compounds in liquid, gaseous, or vaporous forms or states which can or may be produced through the bore of a well with and as a part of the production of oil, or gas, and specifically excludes the following: coal, lignite, iron, ore, uranium, sand, gravel, thorium and other fissionable minerals, and all other minerals of any kind or nature whatsoever not specifically included as aforesaid.

2. In the event a portion or portions of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations on, completion of a well upon, or production from such unit or units will not maintain this lease in force as to the land not included in such unit or units. The lease may be maintained in force as to any land covered hereby and not included in such unit or units in any manner provided for herein; provided that if it be by rental payments, rentals shall be reduced in proportion to the number of acres covered hereby and included in such unit or units.

3. Should Lessor suffer damage to livestock, water wells, fences, roads, personal property, buildings or other improvements, as a result of operations of Lessee under the Lease, Lessee agrees to pay Lessor the actual amount of said loss. Lessee further agrees to fill and level all slush pits, so as to return the surface to its original condition, as nearly as practicable, within a reasonable length of time after the abandonment of the use of such pits, and, upon written request of Lessor, Lessee will construct and maintain fences surrounding such pits or other excavations sufficient to turn cattle until such pits or other excavations are so leveled.

4. Wherever the fraction "one-eighth" (1/8th) appears in Paragraph Three (3) hereof, it is hereby amended to read "one-sixth" (1/6th).

SIGNED FOR IDENTIFICATION: John L. Behne

John L. Behne

Chloe Marie Behne

Chloe Marie Behne a/k/a Chloe M. Behne

FILED

AT 11:00 a.m.

MAY 15 1995

Beth A. Rothermel

BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on MAY 15 1995

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

Producers 88 (4-89) – Paid Up
With 640 Acres Pooling Provision

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

~~Record & Return To:~~
Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, OK 73154

6448

PAID UP OIL AND GAS LEASE

016376

THIS LEASE AGREEMENT is made as of the 16th day of June, 19 95, between Crawford T. Rosebrugh and wife, Paula Rosebrugh

Address: 321 West Gaywood, Houston, TX 77079 as Lessor (whether one or more), and CHESAPEAKE OPERATING, INC., 6206 North Western, Oklahoma City, OK 73118 as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises: (use Exhibit "A" for long description):

Being 44.465 acres of land, more or less, located in the Nelson Smith Survey, A-100 in Washington County, Texas; and being more particularly described in a Deed dated July 23, 1993 from Crawford T. Rosebrugh and wife, Paula Rosebrugh to Raymond D. Haywood and wife, Barbara T. Haywood, recorded in Volume 704, Page 331, Deed Records of Washington County, Texas.

FOR SPECIAL PROVISIONS OF THIS LEASE, SEE EXHIBIT "A" ATTACHED HERETO, AND BY REFERENCE, MADE A PART HEREOF.

in the county of Washington, State of Texas, containing 44.465 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be one-eighth of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in Bank One Texas, N.A. at 14400 Memorial Drive, Houston, TX 77079 or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. If Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion 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 or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. 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 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 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, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall 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. In making such a revision, Lessee shall file of 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. 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.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

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

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

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

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

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

WITNESSES AND/OR ATTESTATIONS:	LESSOR (WHETHER ONE OR MORE)	SS NO. OR TAX ID
	Crawford T. Rosebrugh Crawford T. Rosebrugh	[redacted]
	Paula Rosebrugh Paula Rosebrugh	[redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF } HARRIS

This instrument was acknowledged before me on the 16th day of June, 19 95, by Crawford T. Rosebrugh and wife, Paula Rosebrugh.

Fritz R. Holmstrom

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

NOTARY PUBLIC STATE OF TEXAS
FRITZ R. HOLMSTROM
Notary Public, State of Texas
My Commission Expires
AUGUST 24, 1998

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF }

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF }

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

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

RECORDING INFORMATION

STATE OF _____ }
County of _____ } S.S.

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

By _____
Clerk (or Deputy)

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE, DATED June 16, 1995, BY AND BETWEEN Crawford T. Rosebrugh and wife, Paula Rosebrugh AS LESSOR, and CHESAPEAKE OPERATING, INC., AS LESSEE.

1. The Lease covers and includes only oil, gas, sulphur and the byproducts thereof, and other gaseous, vaporous, liquid and liquifiable hydrocarbons whether elements, mixtures, or compounds in liquid, gaseous, or vaporous forms or states which can or may be produced through the bore of a well with and as a part of the production of oil, or gas, and specifically excludes the following: coal, lignite, iron, ore, uranium, sand, gravel, thorium and other fissionable minerals, and all other minerals of any kind or nature whatsoever not specifically included as aforesaid.

2. In the event a portion or portions of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations on, completion of a well upon, or production from such unit or units will not maintain this Lease in force as to the land not included in such unit or units. The Lease may be maintained in force and effect as to any land covered hereby and not included in suh unit or units in any manner provided for herein; provided that if it be by rental payments, rentals shall be reduced in proportion to the number of acres covered hereby and included in such unit or units.

3. Should Lessor suffer damage to livestock, water wells, fences, roads, personal property, buildings or other improvements, as a result of operations of Lessee under the Lease, Lessee agrees to pay Lessor the actual amount of said loss. Lessee further agrees to fill and level all slush pits, so as to return the surface to its original condition, as nearly as practicable, within a reasonable length of time after the abandonment of the use of such pits, and, upon written request of Lessor, Lessee will construct and maintain fences surrounding such pits or other excavations sufficient to turn cattle until such pits or excavations are so leveled.

4. Wherever the fraction "one-eighth" (1/8th) appears in Paragraph Three (3) hereof, it is hereby amended to read "one-sixth" (1/6th).

5. For the above consideration, Lessee is granted the option to renew this lease under the same provisions for a second primary term of Two (2) years from the end of the primary term hereof, and as long thereafter as oil or gas is produced from said land or land pooled therewith. Lessee may exercise this option by paying or tendering to the Lessor or Lessor's credit in the heretofore named depository bank, the sum of Fifty and 00/100 dollars ($50.00) per net mineral acre covered by this lease before the expiration of the primary term hereof. It is agreed and understood that all delay rental payments shall be deemed "paid-up" and said delay rental payments are included in any lease bonus payments tendered by the Lessee.

SIGNED FOR INDENTIFICATION: Crawford T. Rosebrugh

Crawford T. Rosebrugh

Paula Rosebrugh

Paula Rosebrugh

FILED

AT 2:00 P.M.

AUG 14 1995

Beth A. Rothermel

BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

AUG 15 1995

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

Producers 88 (4-89) – Paid Up
With 640 Acres Pooling Provision

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

6918

PAID UP OIL AND GAS LEASE

Record & Return To:
Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, OK 73154

0162266

THIS LEASE AGREEMENT is made as of the 16th day of June, 19 95, between Raymond D. Haywood and wife, Barbara T. Haywood

Whose address is: Rt. 3, Box 804, Brenham, TX 77833 as Lessor (whether one or more), and CHESAPEAKE OPERATING, INC., 6206 North Western, Oklahoma City, OK 73118 as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises: (use Exhibit "A" for long description):

Being 44.465 acres of land, more or less, located in the Nelson Smith Survey, A-100 in Washington County, Texas; and being more particularly described in a Deed dated July 23, 1993 from Crawford T. Rosebrugh and wife, Paula Rosebrugh to Raymond D. Haywood and wife, Barbara T. Haywood, recorded in Volume 704, Page 331, Deed Records of Washington County, Texas.

FOR SPECIAL PROVISIONS OF THIS LEASE, SEE EXHIBIT "A" ATTACHED HERETO, AND BY REFERENCE, MADE A PART HEREOF.

Shelby

in the county of Washington, State of Texas, containing 44.465 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be one-eighth of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in Nations Bank of Texas, N.A. Account # 4302724103 Dana Haywood or Barbara Haywood at 777 N. Eldridge Houston, TX 77244 713 596 4700 or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

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5. If Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion 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 or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. 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 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 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, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall 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. In making such a revision, Lessee shall file of 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. 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.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

TX 1670223-000

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

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

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

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

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

WITNESSES AND/OR ATTESTATIONS:	LESSOR (WHETHER ONE OR MORE)	SS NO. OR TAX ID
	Raymond D. Haywood Raymond D. Haywood	[redacted]
	Barbara T. Haywood Barbara T. Haywood	[redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF } WASHINGTON

This instrument was acknowledged before me on the 28th day of June, 19 95,
by Raymond D. Haywood and wife,
Barbara T. Haywood.

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

MARY JO HOLLOWAY
NOTARY PUBLIC
State of Texas
Comm. Exp. 03-01-97

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF }

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF }

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

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

RECORDING INFORMATION

STATE OF _____ }
County of _____ } S.S.

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

By _____
Clerk (or Deputy)

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE, DATED June 16, 1995, BY AND BETWEEN RAYMOND D. HAYWOOD and wife, BARBARA T. HAYWOOD, AS LESSOR, and CHESAPEAKE OPERATING, INC., AS LESSEE.

1. This Lease covers and includes only oil, gas, sulphur and the byproducts thereof, and other gaseous, vaporous, liquid and liquefiable hydrocarbons whether elements, mixtures, or compounds in liquid, gaseous or vaporous forms or states which can or may be produced through the bore of a well with and as a part of the production of oil, or gas, and specifically excludes the following: coal, lignite, iron, ore, uranium, sand, gravel, thorium and other fissionable minerals, and all other minerals of any kind or nature whatsoever not specifically included as aforesaid.

2. In the event a portion or portions of the land herein leased is pooled of unitized with other land so as to form a pooled unit or units, operations on, completion of a well upon, or production from such unit or units will not maintain this Lease in force as to the land not included in such unit or units. This Lease may be maintained in force and effect as to any land covered hereby and not included in such unit or units in any manner provided for herein; provided that if it be by rental rental payments, rentals shall be reduced in proportion to the number of acres covered hereby and included in such unit or units.

3. Should Lessor suffer damage to livestock, water wells, fences, roads, personal property, buildings or other improvements, as a result of operations of Lessee under the Lease, Lessee agrees to pay Lessor the actual amount of said loss. Lessee further agrees to fill and level all slush pits, so as to return the surface to its original condition, as nearly as practicable, within a reasonable length of time after the abandonment of the use of such pits, and, upon written request of Lessor, Lessee will construct and maintain fences surrounding such pits or other excavations sufficient to turn cattle until such pits or excavations are so leveled.

4. Lessee agrees that it will not conduct any surface operations upon the most northwesterly 22.23 acres of the leased premises.

5. For the above consideration, Lessee is granted the option to renew this lease under the same provisions for a second primary term of Two (2) years from the end of the primary term hereof, and as long thereafter as oil or gas is produced from said land or land pooled therewith. Lessee may exercise this option by paying or tendering to the Lessor or Lessor's credit in the heretofore named depository bank, the sum of Fifty and 00/100 dollars ($50.00) per net mineral acre covered by this lease before the expiration of the primary term hereof. It is agreed and understood that all delay rental payments shall be deemed "paid-up" and said delay rental payments are included in any lease bonus payments tendered by the Lessee.

6. Wherever the fraction "one-eighth" (1/8th) appears in Paragraph Three (3) hereof, it is hereby amended to read "one-sixth" (1/6th).

SIGNED FOR IDENTIFICATION:

Raymond D. Haywood

Raymond D. Haywood

Barbara T. Haywood

Barbara T. Haywood

FILED
AT 11:00 A.M.
AUG 28 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on AUG 29 1995

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

VOL 0892 PAGE 016

L 22317

MEMORANDUM OF LEASE EXTENSION

3073

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Crawford T. Rosebrugh and wife, Paula Rosebrugh ("Lessor") and Chesapeake Operating, Inc. ("Lessee") entered into that certain Oil, Gas and Mineral Lease ("Lease") dated June 16, 1995, covering 44.465 gross acres, more or less, located in Washington County, Texas, recorded in Volume 794, Page 287, Official Records of Washington County, Texas; and

WHEREAS, said Lease provides Lessee the option to extend the Lease for 2 year(s) from the expiration of the original primary term by tendering an additional payment to Lessor.

NOW, THEREFORE, Chesapeake Operating Inc. ("Chesapeake"), the present owner of the lease, represents that it has exercised its option to extend the Lease by tendering the aforementioned payment to Lessor in the manner and time set forth in said Lease. Chesapeake further represents that Lessor has accepted such payment, thereby extending the option.

EXECUTED this * 5th day of * May, 1998.

CHESAPEAKE OPERATING INC.

Henry Hood, Senior Vice President, Land & Legal

COUNTY OF OKLAHOMA)
) ss.
STATE OF OKLAHOMA)

BEFORE ME, the undersigned, a Notary Public for the State of Oklahoma, personally appeared Henry Hood, Senior Vice President, Land & Legal for Chesapeake Operating Inc., and he acknowledged to me that he executed the foregoing instrument in and for the purposes and consideration therein expressed on this the * 5th day of * May, 1998 on behalf of said corporation.

SANDRA K. ALVARADO NOTARY PUBLIC OKLAHOMA COUNTY

My commission expires: August 3, 1999

TX1670223-001

Record & Return To:
Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, OK 73154

STATE OF TEXAS
COUNTY OF WASHINGTON

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

MAY 12 1998

Beth Rothermel, County Clerk
Washington County, Texas

1998 MAY 11 PM 3 13

VOL 0892 PAGE 017

L 22318

3074

MEMORANDUM OF LEASE EXTENSION

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Raymond D. Haywood and wife, Barbara T. Haywood ("Lessor") and Chesapeake Operating, Inc. ("Lessee") entered into that certain Oil, Gas and Mineral Lease ("Lease") dated June 16, 1995, covering 44.465 gross acres, more or less, located in Washington County, Texas, recorded in Volume 796, Page 79, Official Records of Washington County, Texas; and

WHEREAS, said Lease provides Lessee the option to extend the Lease for 2 year(s) from the expiration of the original primary term by tendering an additional payment to Lessor.

NOW, THEREFORE, Chesapeake Operating Inc. ("Chesapeake"), the present owner of the lease, represents that it has exercised its option to extend the Lease by tendering the aforementioned payment to Lessor in the manner and time set forth in said Lease. Chesapeake further represents that Lessor has accepted such payment, thereby extending the option.

EXECUTED this *5th day of *May, 1998.

CHESAPEAKE OPERATING INC.

Henry Hood, Senior Vice President, Land & Legal

COUNTY OF OKLAHOMA)
) ss.
STATE OF OKLAHOMA)

BEFORE ME, the undersigned, a Notary Public for the State of Oklahoma, personally appeared Henry Hood, Senior Vice President, Land & Legal for Chesapeake Operating Inc., and he acknowledged to me that he executed the foregoing instrument in and for the purposes and consideration therein expressed on this the *5th day of *May, 1998 on behalf of said corporation.

SANDRA K. ALVARADO NOTARY PUBLIC OKLAHOMA COUNTY STATE OF OKLAHOMA

My commission expires: August 3, 1999

TX1670223-000

Record & Return To:
Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, OK 73154

STATE OF TEXAS
COUNTY OF WASHINGTON

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

MAY 12 1998

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

'98 MAY 11 PM 3 13

Produc 88 (4-89)—Paid Up
With 640 Acres Pooling Provision

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

8828 Record & Return To:
Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, OK 73154

PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 19th day of August, 19 95, between William L. Hunt and wife, Norma J. Hunt 012441

Address: Rt 3, Box 803, Brenham, TX 77833 as Lessor (whether one or more), and CHESAPEAKE OPERATING, INC., 6206 North Western, Oklahoma City, OK 73118 as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises: (use Exhibit "A" for long description):

Being 1.499 acres of land, more or less, located in the Nelson Smith Survey, A-100 in Washington County, Texas; and being more particularly described in a Deed dated August 17, 1983 from Frances Ellen Baker, Administratrix of the Estates of Roy J. Baker, Deceased and Ellen Frances Montague Baker, Deceased to William L. Hunt and wife, Norma J. Hunt, recorded in Volume 454, Page 695, Deed Records of Washington County, Texas.

FOR SPECIAL PROVISIONS OF THIS LEASE, SEE EXHIBIT "A" ATTACHED HERETO, AND BY REFERENCE, MADE A PART HEREOF.

Shelby

F option

in the county of Washington, State of Texas, containing 1.499 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be one-eighth of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in Prime Bank 011752 at 200 W. Vulcan, Brenham, TX 77833 or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. If Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion 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 or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. 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 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 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, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall 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. In making such a revision, Lessee shall file of 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. 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.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

TX1670584-000

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

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

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

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

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

WITNESSES AND/OR ATTESTATIONS:	LESSOR (WHETHER ONE OR MORE)	SS NO. OR TAX ID
	William L. Hunt William L. Hunt	[redacted]
	Norma J. Hunt Norma J. Hunt	[redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF } WASHINGTON

This instrument was acknowledged before me on the 21st day of August, 19 95, by William L. Hunt and wife, Norma J. Hunt.

Fritz R. Holmstrom
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires: August 24, 1998

FRITZ R. HOLMSTROM
Notary Public, State of Texas
My Commission Expires
AUGUST 24, 1998

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF }

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF }

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

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

RECORDING INFORMATION

STATE OF _____ }
County of _____ } S.S.

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

By _____ Clerk (or Deputy)

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE, DATED August 19, 1995, BY AND BETWEEN William L. Hunt and wife, Norma J. Hunt AS LESSOR, and CHESAPEAKE OPERATING, INC., AS LESSEE.

1. This Lease covers and includes only oil, gas, sulphur and the byproducts thereof, and other gaseous, vaporous, liquid and liquifiable hydrocarbons whether elements, mixtures, or compounds in liquid, gaseous, or vaporous forms or states which can or may be produced through the bore of a well with and as a part of the production of oil, or gas, and specifically excludes the following: coal, lignite, iron, ore, uranium, sand, gravel, thorium and other fissionable minerals, and all other minerals of any kind or nature whatsoever not specifically included as aforesaid.

2. In the event a portion or portions of the land herein leased is pooled or unitized with other land so as to form a pooled unit or units, operations on, completion of a well upon, or production from such unit or units will not maintain this lease in force as to the land not included in such unit or units. The lease may be maintained in force as to any land covered hereby and not included in such unit or units in any manner provided for herein; provided that if it be by rental payments, rentals shall be reduced in proportion to the number of acres covered hereby and included in such unit or units.

3. Should Lessor suffer damage to livestock, water wells, fences, roads, personal property, buildings or other improvements, as a result of operations of Lessee under the Lease, Lessee agrees to pay Lessor the actual amount of said loss. Lessee further agrees to fill and level all slush pits, so as to return the surface to its original condition, as nearly as practicable, within a reasonable length of time after the abandonment of the use of such pits, and, upon written request of Lessor, Lessee will construct and maintain fences surrounding such pits or other excavations sufficient to turn cattle until such pits or other excavations are so leveled.

4. Wherever the fraction "one-eighth" (1/8th) appears in Paragraph Three (3) hereof, it is hereby amended to read "one-sixth" (1/6th).

5. Lessee agrees that without Lessor's prior written consent, 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 and/or horizontal 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 the purposes associated with such directional and/or horizontal wells. Lessee agrees that subsurface easement shall commence at and continue below the depth of 300 feet.

6. For the above consideration, Lessee is granted the option to renew this lease under the same provisions for a second primary term of Two (2) years from the end of the primary term hereof, and as long thereafter as oil or gas is produced from said land or land pooled therewith. Lessee may exercise this option by paying or tendering to the Lessor or Lessor's credit in the heretofore named depository bank, the sum of Fifty and 00/100 dollars ($50.00) per net mineral acre covered by this lease before the expiration of the primary term hereof. It is agreed and understood that all delay rental payments shall be deemed "paid-up" and said delay rental payments are included in any lease bonus payments tendered by the Lessee.

SIGNED FOR INDENTIFICATION: William L. Hunt

William L. Hunt

Norma J. Hunt

Norma J. Hunt

VOL 803 PAGE 208

FILED

AT 10:25 A.M.

OCT 30 1995

80

Beth A. Rothermel

BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

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

OCT 31 1995

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

13.00pd Chesapeake

L 23999

MEMORANDUM OF LEASE EXTENSION

KNOW ALL MEN BY THESE PRESENTS: 4691

WHEREAS, William L. Hunt and wife, Norma J. Hunt ("Lessor") and Chesapeake Operating, Inc. ("Lessee") entered into that certain Oil, Gas and Mineral Lease ("Lease") dated August 19, 1995, covering 1.499 gross acres, more or less, located in the Nelson Smith Survey, A-100, Washington County, Texas, recorded in Volume 803, Page 205, Official Records of Washington County, Texas; and

WHEREAS, said Lease provides Lessee the option to extend the Lease for 2 year(s) from the expiration of the original primary term by tendering an additional payment to Lessor.

NOW, THEREFORE, Chesapeake Operating Inc. ("Chesapeake"), the present owner of the lease, represents that it has exercised its option to extend the Lease by tendering the aforementioned payment to Lessor in the manner and time set forth in said Lease. Chesapeake further represents that Lessor has accepted such payment, thereby extending the option.

EXECUTED this * 7 day of * July, 1998.

CHESAPEAKE OPERATING INC.

Henry Hood, Senior Vice President, Land & Legal

COUNTY OF OKLAHOMA)
) ss.
STATE OF OKLAHOMA)

BEFORE ME, the undersigned, a Notary Public for the State of Oklahoma, personally appeared Henry Hood, Senior Vice President, Land & Legal for Chesapeake Operating Inc., and he acknowledged to me that he executed the foregoing instrument in and for the purposes and consideration therein expressed on this the * 7 day of * July, 1998 on behalf of said corporation.

My commission expires: August 3, 1999

Record & Return To:
Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, OK 73154

TX1670584-000

FILED FOR RECORD
WASHINGTON COUNTY, TX
'98 JUL 14 PM 12 03
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

JUL 15 1998

Beth Rothermel, County Clerk
Washington County, Texas

OIL, GAS & MINERAL LEASE

PROD 88 (REV 8/93)
PAID UP

4762

THIS LEASE AGREEMENT is made effective the 13 th day of August, 19 97.

between FRANKLIN ECKERT

as Lessor (whether one or more), whose address is P.O. Box 84, Brenham, TX 77834

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 CHERRY STREET, FORT WORTH, TX 76102. All printed, portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of Ten Dollars And No Cents Dollars ($ 10.00), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in WASHINGTON County, Texas, to-wit:

5.00 acres of land, more or less, out of the JOHN CARRINGTON SURVEY, A-120, Washington County, Texas, more fully described in Warranty Deed dated October 15, 1966 from Raymond Schilling and wife, Evelyn Schilling to Franklin Eckert, recorded in Volume 267, Page 585, Deed Records, Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 5.0000 acres, whether it actually comprises more or less.

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

3. **Royalty.** Royalties on covered minerals produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's held separator facilities, the royalty shall be 1/6 of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead posted price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, (b) for gas (including casinghead gas) and all other covered minerals, the royalty shall be 1/6 of the net proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and (c) if during or after the primary term one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee for a period of 90 consecutive days, then Lessee may pay shut-in royalty of one dollar per acre of land then covered by this lease, such payment to be made to Lessor on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in and it shall be considered that such well is producing in paying quantities for all purposes hereof during any period for which such shut-in royalty is tendered; provided that if this lease is otherwise being maintained by the payment of rentals or by operations, or if a well or wells on the leased premises is producing in paying quantities, no shut-in royalty shall be due until the end of the 90-day period next following the end of the rental period or the cessation of such operations or production, as the case may be. Lessee shall have free use of oil, gas, water, and other substances produced from said land, except water from Lessor's wells or ponds, for all operations hereunder, and Lessor's royalty shall be computed after deducting any so used.

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

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

may be produced from the leased premises. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and the effective date of revision shall be the date of filing unless provided otherwise in such declaration. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly, and such adjustment shall be made effective as of the effective date of the revision. Lessee may at any time dissolve any unit formed hereunder by filing a written declaration describing the unit, and the effective date of dissolution shall be the date of filing unless provided otherwise in such declaration. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph with consequent allocation of production as herein provided. As used herein the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises. Pooling hereunder shall not constitute a cross-conveyance of interests.

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

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

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

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

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

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

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

SS# AND/OR TAX ID #

[redacted]

LESSOR:

FRANKLIN ECKERT

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 13th day of August, 1997, by Franklin Eckert.

Notary Public

MICHAEL E NICE
NOTARY PUBLIC
State of Texas
Comm. Exp. 05-15-2001

STATE OF TEXAS
COUNTY OF WASHINGTON

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

AUG 18 1997

Beth Rothermel, County Clerk
Washington County, Texas

'97 AUG 15 AM 9 28

WASHINGTON CO. CLERK

OIL, GAS & MINERAL LEASE

PROD 88 (REV 893)
PAID UP

4761

THIS LEASE AGREEMENT is made effective the 14 th day of August, 19 97,

between EVELYN MENN et vir, FRANKLIN MENN

as Lessor (whether one or more), whose address is 3153 F.M. 3456, Brenham, TX 77833

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 CHERRY STREET, FORT WORTH, TX 76102. All printed, portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of Ten Dollars And No Cents Dollars ($ 10.00), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in WASHINGTON County, Texas, to-wit:

83.9 acres of land, more or less, out of the JOHN CARRINGTON SURVEY, A-120 and the PHILLIP COE SURVEY, A-31, Washington County, Texas, more fully described in Warranty Deed dated January 21, 1952 from Ed W. Hodde and wife, Alma Hodde to Raymond Schilling and Evelyn Schilling, recorded in Volume 185, Page 449, Deed Records, Washington County, Texas, LESS AND EXCEPT: 5.00 acres of land, more or less, as conveyed and described in Warranty Deed dated October 15, 1966 from Raymond Schilling and wife, Evelyn Schilling to Franklin Eckert, recorded in Volume 267, Page 585, Deed Records, Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 83.9000 acres, whether it actually comprises more or less.

2. **Term of Lease.** This lease shall be in force for a primary term of three years, see paragraph 12, and for as long thereafter as a covered mineral is produced in paying quantities from the leased premises or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. **Royalty.** Royalties on covered minerals produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's held separator facilities, the royalty shall be 1/6 of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead posted price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, (b) for gas (including casinghead gas) and all other covered minerals, the royalty shall be 1/6 of the net proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and (c) if during or after the primary term one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee for a period of 90 consecutive days, then Lessee may pay shut-in royalty of one dollar per acre of land then covered by this lease, such payment to be made to Lessor on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in and it shall be considered that such well is producing in paying quantities for all purposes hereof during any period for which such shut-in royalty is tendered; provided that if this lease is otherwise being maintained by the payment of rentals or by operations, or if a well or wells on the leased premises is producing in paying quantities, no shut-in royalty shall be due until the end of the 90-day period next following the end of the rental period or the cessation of such operations or production, as the case may be. Lessee shall have free use of oil, gas, water, and other substances produced from said land, except water from Lessor's wells or ponds, for all operations hereunder, and Lessor's royalty shall be computed after deducting any so used.

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

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

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may be produced from the leased premises. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and the effective date of revision shall be the date of filing unless provided otherwise in such declaration. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly, and such adjustment shall be made effective as of the effective date of the revision. Lessee may at any time dissolve any unit formed hereunder by filing a written declaration describing the unit, and the effective date of dissolution shall be the date of filing unless provided otherwise in such declaration. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph with consequent allocation of production as herein provided. As used herein the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises. Pooling hereunder shall not constitute a cross-conveyance of interests.

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

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

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

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

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

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

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

SS# AND/OR TAX ID #

[redacted]

[redacted]

LESSOR:

Evelyn Menn
EVELYN MENN

Franklin Menn
FRANKLIN MENN

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 14th day of August, 1997, by Evelyn Menn et vir, Franklin Menn.

Michael E. Nice
Notary Public

MICHAEL E NICE
NOTARY PUBLIC
State of Texas
Comm. Exp. 05-15-2001

Attached hereto and made a part hereof that certain Oil and Gas Lease dated August 14, 1997 by and between EVELYN MENN et vir, FRANKLIN MENN, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit A

TOP LEASE

12. Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 14, 1994 (recorded in Volume 759, Page 468, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements.

FILED FOR RECORD
WASHINGTON COUNTY, TX
'97 AUG 15 AM 9 28
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

AUG 18 1997

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

EM FM

LESSOR INITIALS

OIL, GAS & MINERAL LEASE

48-11 PROD 88 (REV 893) PAID UP

THIS LEASE AGREEMENT is made effective the 14 th day of August, 19 97

between SHARON FAYE MARTELLA

as Lessor (whether one or more), whose address is 1024 Bonanza Drive, Arlington , TX 76001

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 CHERRY STREET, FORT WORTH, TX 76102. All printed, portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of Ten Dollars And No Cents Dollars ($ 10.00), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in WASHINGTON County, Texas, to-wit:

83.9 acres of land, more or less, out of the JOHN CARRINGTON SURVEY, A-120 and the PHILLIP COE SURVEY, A-31, Washington County, Texas, more fully described in Warranty Deed dated January 21, 1952 from Ed W. Hodde and wife, Alma Hodde to Raymond Schilling and Evelyn Schilling, recorded in Volume 185, Page 449, Deed Records, Washington County, Texas, LESS AND EXCEPT: 5.00 acres of land, more or less, as conveyed and described in Warranty Deed dated October 15, 1966 from Raymond Schilling and wife, Evelyn Schilling to Franklin Eckert, recorded in Volume 267, Page 585, Deed Records, Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 83.9000 acres, whether it actually comprises more or less.

2. **Term of Lease.** This lease shall be in force for a primary term of three years, see paragraph 12, and for as long thereafter as a covered mineral is produced in paying quantities from the leased premises or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. **Royalty.** Royalties on covered minerals produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's held separator facilities, the royalty shall be 1/6 of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead posted price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, (b) for gas (including casinghead gas) and all other covered minerals, the royalty shall be 1/6 of the net proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and (c) if during or after the primary term one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee for a period of 90 consecutive days, then Lessee may pay shut-in royalty of one dollar per acre of land then covered by this lease, such payment to be made to Lessor on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in and it shall be considered that such well is producing in paying quantities for all purposes hereof during any period for which such shut-in royalty is tendered; provided that if this lease is otherwise being maintained by the payment of rentals or by operations, or if a well or wells on the leased premises is producing in paying quantities, no shut-in royalty shall be due until the end of the 90-day period next following the end of the rental period or the cessation of such operations or production, as the case may be. Lessee shall have free use of oil, gas, water, and other substances produced from said land, except water from Lessor's wells or ponds, for all operations hereunder, and Lessor's royalty shall be computed after deducting any so used.

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

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

may be produced from the leased premises. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and the effective date of revision shall be the date of filing unless provided otherwise in such declaration. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly, and such adjustment shall be made effective as of the effective date of the revision. Lessee may at any time dissolve any unit formed hereunder by filing a written declaration describing the unit, and the effective date of dissolution shall be the date of filing unless provided otherwise in such declaration. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph with consequent allocation of production as herein provided. As used herein the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises. Pooling hereunder shall not constitute a cross-conveyance of interests.

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

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

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

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

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

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

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

SS# AND/OR TAX ID #

[redacted]

LESSOR:

Sharon F. Martella

SHARON FAYE MARTELLA

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 16 day of August, 1997, by Sharon Faye Martella.

Notary Public

DAYTON A. SOREM
Notary Public
State of Texas
My Comm. Exp. 04-27-98

Attached hereto and made a part hereof that certain Oil and Gas Lease dated August 14, 1997 by and between SHARON FAYE MARTELLA, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit A

TOP LEASE

Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 15, 1997 (recorded in Volume 759, Page 465, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements.

STATE OF TEXAS
COUNTY OF WASHINGTON

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

AUG 19 1997

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

FILED FOR RECORD
'97 AUG 18 PM 4 49
WASHINGTON CO. CLERK

LESSOR INITIALS

OIL, GAS & MINERAL LEASE

PROD 88 (REV 8/93)
4840 PAID UP

THIS LEASE AGREEMENT is made effective the 14 th day of August, 19 97,

between GLORIA KAYE ARNOLD

as Lessor (whether one or more), whose address is 3043 F.M. 3456, Brenham, TX 77833

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 CHERRY STREET, FORT WORTH, TX 76102. All printed, portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of Ten Dollars And No Cents Dollars ($ 10.00), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in WASHINGTON County, Texas, to-wit:

83.9 acres of land, more or less, out of the JOHN CARRINGTON SURVEY, A-120 and the PHILLIP COE SURVEY, A-31, Washington County, Texas, more fully described in Warranty Deed dated January 21, 1952 from Ed W. Hodde and wife, Alma Hodde to Raymond Schilling and Evelyn Schilling, recorded in Volume 185, Page 449, Deed Records, Washington County, Texas, LESS AND EXCEPT: 5.00 acres of land, more or less, as conveyed and described in Warranty Deed dated October 15, 1966 from Raymond Schilling and wife, Evelyn Schilling to Franklin Eckert, recorded in Volume 267, Page 585, Deed Records, Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 83.9000 acres, whether it actually comprises more or less.

2. **Term of Lease.** This lease shall be in force for a primary term of three years, see paragraph 12, ~~from the effective date hereof~~, and for as long thereafter as a covered mineral is produced in paying quantities from the leased premises or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. **Royalty.** Royalties on covered minerals produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's held separator facilities, the royalty shall be 1/6 of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead posted price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, (b) for gas (including casinghead gas) and all other covered minerals, the royalty shall be 1/6 of the net proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and (c) if during or after the primary term one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee for a period of 90 consecutive days, then Lessee may pay shut-in royalty of one dollar per acre of land then covered by this lease, such payment to be made to Lessor on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in and it shall be considered that such well is producing in paying quantities for all purposes hereof during any period for which such shut-in royalty is tendered; provided that if this lease is otherwise being maintained by the payment of rentals or by operations, or if a well or wells on the leased premises is producing in paying quantities, no shut-in royalty shall be due until the end of the 90-day period next following the end of the rental period or the cessation of such operations or production, as the case may be. Lessee shall have free use of oil, gas, water, and other substances produced from said land, except water from Lessor's wells or ponds, for all operations hereunder, and Lessor's royalty shall be computed after deducting any so used.

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

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

TX-90145(2)

may be produced from the leased premises. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and the effective date of revision shall be the date of filing unless provided otherwise in such declaration. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly, and such adjustment shall be made effective as of the effective date of the revision. Lessee may at any time dissolve any unit formed hereunder by filing a written declaration describing the unit, and the effective date of dissolution shall be the date of filing unless provided otherwise in such declaration. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph with consequent allocation of production as herein provided. As used herein the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises. Pooling hereunder shall not constitute a cross-conveyance of interests.

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

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

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

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

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

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

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

SS# AND/OR TAX ID #

[redacted]

LESSOR:

Gloria Kaye Arnold

GLORIA KAYE ARNOLD

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 15th day of August, 1997, by Gloria Kaye Arnold.

Michael E. Nice

Notary Public

MICHAEL E NICE
NOTARY PUBLIC
State of Texas
Comm. Exp. 05-15-2001

Attached hereto and made a part hereof that certain Oil and Gas Lease dated August 14, 1997 by and between GLORIA KAYE ARNOLD, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit A

TOP LEASE

12. Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 15, 1997 (recorded in Volume 759, Page 462, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements.

STATE OF TEXAS
COUNTY OF WASHINGTON

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

AUG 19 1997

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

FILED FOR RECORD
'97 AUG 18 PM 4 49
WASHINGTON CO. CLERK

LESSOR INITIALS

(3)

MF 99332

ITEM Adj. Lease

TO

FROM

DATE 3-17-98

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

November 16, 1998

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

Attn.: Mr. Drew Reid

RE: Oil and Gas Lease, 4.18 acres of land,
M-99332, Salem Cemetery Lane and
Farm-to-Markey Highway 3456,
Washington County, Texas

Dear Drew:

Here's the certified copy of the referenced lease per your request.

Too bad Tech has to play over-their-heads when they play the Longhorns.
Takes a bid of the glamour off of the A&M game.

Sincerely yours,

Dennis Mahlmann
Landman and Agent,
Union Pacific Resources Company

Enclosures

HROW Lease
Revised 10/89

The State of Texas

7245

Austin, Texas

CORRECTED
PAID-UP
OIL AND GAS LEASE NO. M-99332
GENERAL LAND OFFICE
AUSTIN, TEXAS

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress, Austin, Texas, 78701, hereinafter called "Lessor", hereunto authorized by the School Land Board, pursuant to the provisions of Chapters 32 and 52 of the Natural Resources Code (hereinafter called N.R.C.), and amendments thereto, and all applicable rules promulgated by the School Land Board, and **Union Pacific Resources Company,** whose address is **P.O. Box 7, Fort Worth, TX 76101**, hereinafter called "Lessee".

1. Lessor, in consideration of **Six Hundred Twenty Seven and 00/100 Dollars ($627.00),** 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:

> **4.18** acres of land, more or less, situated in said **Washington** County, Texas, more particularly described in Exhibit "A" attached hereto and made a part hereof together with a plat, attached hereto as Exhibit "B", depicting said right-of-way and surrounding area for purposes of illustration only.

For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **4.18** acres, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. PRIMARY TERM: This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of **three (3) years** from **September 1, 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.

A CERTIFIED COPY issued OCT 27 1996
Beth Rothermel, County Clerk
Washington County, TX. CL Deputy
Carli Koehne

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 fifth (1/5)** 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 fifth (1/5)** 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 fifth (1/5)** 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 fifth (1/5)** of such gas and casinghead gas.

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

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

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

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

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

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

4. POOLING: (a) Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons. Units pooled for oil hereunder shall not exceed 160 acres each in area, and units pooled for gas hereunder shall not exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, unless oil or gas units of a greater size are allowed under or prescribed by rules of the Railroad Commission of Texas. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, as operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) the proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shutin royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force for so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

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

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

5. RELEASE: Lessee may relinquish the rights granted hereunder to the State at any time by recording the relinquishment in the county where this area is situated and filing the recorded relinquishment or certified copy

of same in the General Land Office within ninety (90) days after its execution accompanied by the prescribed filing fee. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

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

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

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

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

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

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

12. WELL INFORMATION: Lessee agrees to forthwith furnish Lessor, upon written request, with copies of all drilling logs, electrical logs, cores and core records and other information pertaining to all wells drilled by

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

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

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

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

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

Garry Mauro

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

Approved:
Energy: RH
Executive: SR

A CERTIFIED COPY issued OCT 27 1996
Beth Rothermel, County Clerk
Washington County, TX. Deputy
Carli Koehne

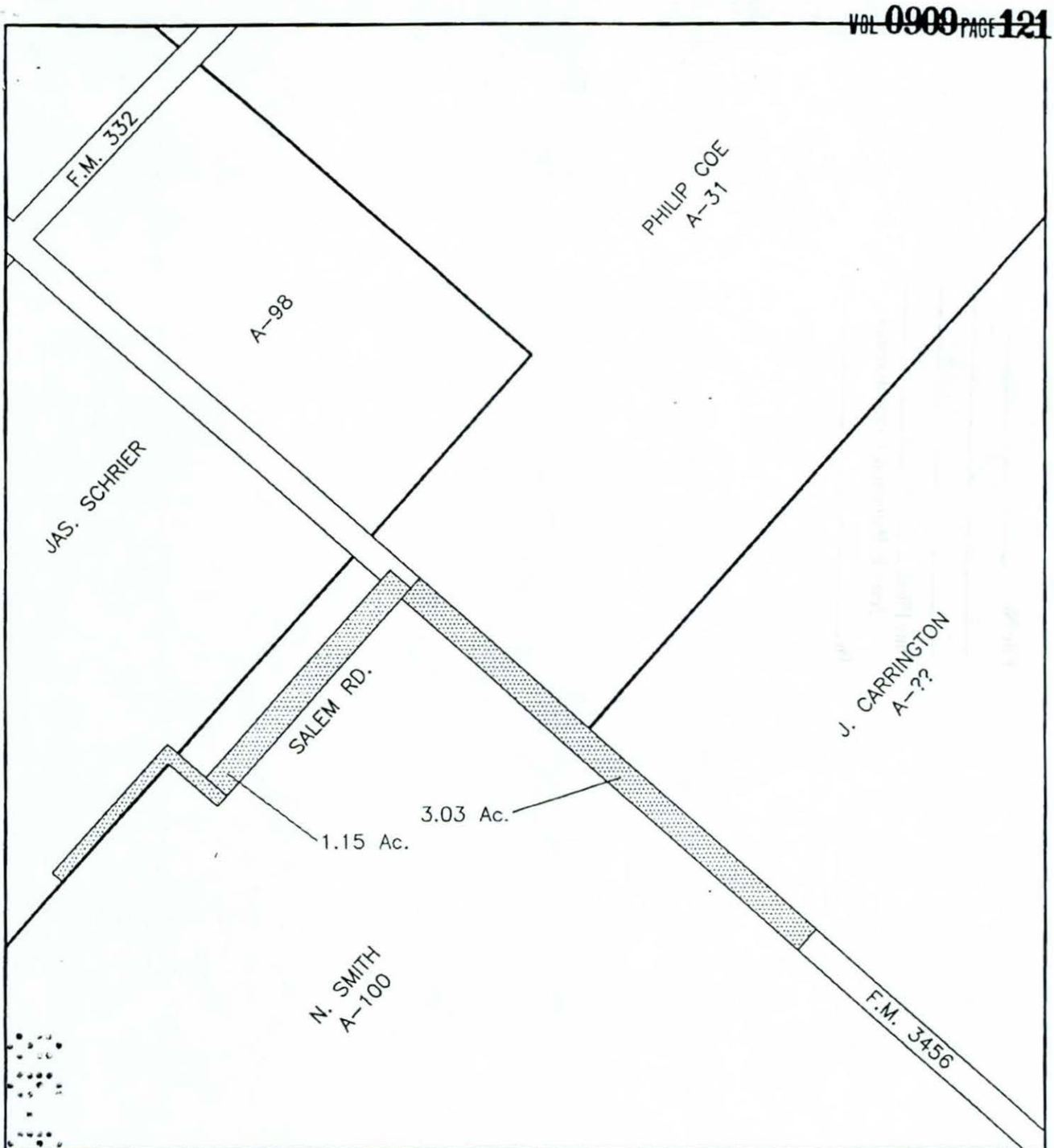
Exhibit "A"

Acreage to be Leased from the State of Texas in Washington County, Texas, being part of Salem Cemetary Lane, F.M. 3456

4.18 acres of land, more or less, situated in the Phillip Coe League, A-33, the James Schrier League, A-98, the Nelson Smith League, A-100, and the John Carrington Sur., A-120 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 William Sommerfeld to Washington County, Texas, dated 11/23/14 and recorded in V.65, P.543, of the Deed Records of Washington County, Texas. (1.15 ac.)

2. A portion of a deed from Wm. Sommerfeld, et al to Washington County, Texas, dated 3/6/08 and recorded in V.56, P.444, of the Deed Records of Washington County, Texas, a deed from John Loesch, et al to Washington County, Texas, dated 3/9/12 and recorded in V.62, P.482, of the Deed Records of Washington County, Texas. (3.03 ac.)



FM3456-Salem/EM/8-98

MAP SHOWING

A PORTION OF F.M. 3456 AND SALEM LANE

4.18 ACRES

APPROXIMATELY 2 MILES SOUTH OF BRENHAM

WASHINGTON COUNTY

FILED FOR RECORD
WASHINGTON COUNTY, TX

'98 OCT 22 PM 2 03

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

OCT 23 1998

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

M-99332

(14) Ltr. 11/16/98 + certified copy of lease, 1-22-99

File No. MF-099332
Ltr. 11/16/98 + Certified Copy of the Lease
Date Filed: 1/22/99
Jerry E. Patterson, Commissioner
By_____

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 is recorded in Volume 909, Page 115, of the Official Records in my office. I hereby certify on

OCT 27 1998

BETH ROTHERMEL
COUNTY CLERK
WASHINGTON COUNTY, TEXAS
By Carli Koehne
Carli Koehne Deputy

TEXAS GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

July 31, 2007

Carol Terrett
EnerVest Management Partners, Ltd.
1001 Fannin Street, Suite 800.
Houston, TX 77002-6707

RE: GLO Assignment ID # 6033

Dear Ms Terrett,

The General Land Office received the following instrument(s) and has filed them in the appropriate files. Please see attached "Exhibit A" for reference.

Assignment and Bill of Sale executed June 27, 2007 from Anadarko E&P Co & Kerr McGee Oil & Gas Onshore LP to EnerVest Energy Institutional Fund X-A, L.P., etal.

Filing fees of $25.00 were received in connection with the above lease. If you have any questions, please feel free to call me at (800) 998-4GLO, or at my direct number at (512) 463-6521.

Sincerely,

Beverly Boyd

Beverly Boyd
Mineral Leasing
Energy Resources
512-463-6521

Exhibit "A"

GLO ID	*County*	*Lease*
6033	*Washington*	MF-099332

ENERVEST

July 19, 2007

STATE OF TEXAS M-99332
GENERAL LAND OFFICE
PO BOX 12873
AUSTIN, TEXAS 78711-2873

Re: Notice of Assignment
Washington County, Texas

Dear Addressee:

In accordance with the provisions of the oil, gas and mineral lease described below, we are notifying you of an assignment of such lease from Anadarko E&P Company LP and Kerr-McGee Oil & Gas Onshore LP, collectively as Grantor, to EnerVest Energy Institutional Fund X-A, L.P., EnerVest Energy Institutional Fund X-WI, L.P., EnerVest Energy Institutional Fund XI-A, L.P., EnerVest Energy Institutional Fund XI-WI, L.P., and EV Properties, L.P., collectively as Grantee.

Lessor	Lease Date	Lease No.
STATE OF TEXAS M-99332	9/1/1998	TX50759.000

Enclosed for your file and information is a copy of the recorded Assignment and Bill of Sale executed June 27, 2007, but effective April 1, 2007, along with a portion of Exhibit A describing the above Lease.

EnerVest Management Partners, Ltd. is the General Partner of the Grantee. If you have any questions or concerns, please do not hesitate to contact me at 713-495-5316.

Very truly yours,

EnerVest Management Partners, Ltd.

Carol Terrett

Carol Terrett
Senior Lease Analyst

enclosure

ENERVEST MANAGEMENT PARTNERS, LTD.
1001 FANNIN STREET, SUITE 800 • HOUSTON, TEXAS 77002-6707 • 713.659.3500 • FAX 713.659.3556

6033

ASSIGNMENT AND BILL OF SALE

3660

This Assignment and Bill of Sale (this "Conveyance") from **Anadarko E&P Company LP**, a Delaware limited partnership, and **Kerr-McGee Oil & Gas Onshore LP**, a Delaware limited partnership, each having an address of 1201 Lake Robbins Drive, The Woodlands, Texas 77380 (hereafter collectively called "Grantor"), to **EnerVest Energy Institutional Fund X-A, L.P.**, a Delaware limited partnership, **EnerVest Energy Institutional Fund X-WI, L.P.**, a Delaware limited partnership, **EnerVest Energy Institutional Fund XI-A, L.P.**, a Delaware limited partnership, **EnerVest Energy Institutional Fund XI-WI, L.P.**, a Delaware limited partnership, **EnerVest Wachovia Co-Investment Partnership, L.P.**, a Delaware limited partnership, and **EV Properties, L.P.**, a Delaware limited partnership, each having an address of 1001 Fannin, Suite 800, Houston, Texas 77002 (hereafter collectively called "Grantee"), is executed this 27th day of June, 2007, but effective as of 7:00 a.m., local time, where the Assets are located, on the 1st day of April, 2007 ("Effective Time").

Reference is made to the Purchase and Sale Agreement more particularly described in **Section 4.2** of this Conveyance. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Purchase and Sale Agreement.

ARTICLE 1
Conveyance of Oil and Gas Interests

Section 1.1. Conveyance: Grantor, for good and valuable consideration, in hand paid, the receipt and sufficiency of which are hereby acknowledged, hereby grants, bargains, sells, and conveys unto each Grantee, in the respective undivided interests set forth on **Schedule 1.1** attached hereto (each Grantee's undivided interest in the Assets called such Grantee's "Grantee Share"), all of Grantor's right, title, interest and estate, real or personal, recorded or unrecorded, movable or immovable, tangible or intangible, in and to the following, excepting the Excluded Assets (collectively the "Assets"):

(a) All of the oil and gas leases; subleases and other leaseholds; carried interests; farmout rights; options; and other properties and interests described on **Exhibit A** attached hereto, subject to such depth limitations and other restrictions as may be set forth on **Exhibit A** (collectively, the "Leases"), together with each and every kind and character of right, title, claim, and interest that Grantor has in and to the Leases or the lands currently pooled, unitized, communitized or consolidated therewith (the "Lands");

(b) All oil, gas, water or injection wells located on the Lands, whether producing, shut-in, or temporarily abandoned, including the interests in the wells shown on **Exhibit A-1** attached hereto (the "Wells");

(c) All leasehold interest of Grantor in or to any currently existing pools or units which include any Lands or all or a part of any Leases or include any Wells, including those pools or units shown on **Exhibit A-1** (the "Units"; the Units, together with the Leases, Lands and Wells, being hereinafter referred to as the "Properties"), and including all leasehold interest of Grantor in production of Hydrocarbons from any such Unit, whether such Unit production of Hydrocarbons comes from Wells located on or off of a Lease, and all tenements, hereditaments and appurtenances belonging to the Leases and Units;

(d) All contracts, agreements and instruments by which the Properties are bound, or that relate to or are otherwise applicable to the Properties, only to the extent applicable to the Properties rather than Grantor's other properties, including but not limited to, operating

agreements, unitization, pooling and communitization agreements, declarations and orders, joint venture agreements, farmin and farmout agreements, exploration agreements, participation agreements, exchange agreements, transportation or gathering agreements, agreements for the sale and purchase of oil, gas, casinghead gas or processing agreements to the extent applicable to the Properties or the production of Hydrocarbons produced in association therewith from the Properties, including those identified on **Schedule 1.2(d)** to the Purchase and Sale Agreement (hereinafter collectively referred to as "Contracts"), but excluding any contracts, agreements and instruments to the extent transfer is restricted by third-party agreement or applicable Law and the necessary consents to transfer are not obtained pursuant to **Section 7.8** to the Purchase and Sale Agreement and provided that "Contracts" shall not include the instruments constituting the Leases;

(e) All easements, permits, licenses, servitudes, rights-of-way, surface leases and other surface rights ("Surface Contracts") appurtenant to, and used or held for use primarily in connection with the Properties (including those identified on **Exhibit B** attached hereto), but excluding any permits and other rights to the extent transfer is restricted by third-party agreement or applicable Law and the necessary consents to transfer are not obtained pursuant to **Section 7.8** to the Purchase and Sale Agreement;

(f) All equipment, machinery, fixtures and other tangible personal property and improvements located on the Properties or used or held for use primarily in connection with the operation of the Properties, including those identified on **Exhibit A-2** to the Purchase and Sale Agreement ("Equipment");

(g) All flow lines, pipelines, gathering systems and appurtenances thereto located on the Properties or used, or held for use, primarily in connection with the operation of the Properties, including those identified on **Schedule 1.2(g)** to the Purchase and Sale Agreement ("Pipelines");

(h) All Hydrocarbons produced from or attributable to the Leases, Lands, and Wells from and after the Effective Time, together with Imbalances associated with the Properties;

(i) All lease files; land files; well files; gas and oil sales contract files; gas processing files; division order files; abstracts; title opinions; land surveys; non-confidential logs; maps; engineering data and reports; and other books, records, data, files, and accounting records, in each case to the extent related primarily to the Assets, or used or held for use primarily in connection with the maintenance or operation thereof, but excluding (i) any books, records, data, files, maps and accounting records to the extent disclosure or transfer is restricted by third-party agreement or applicable Law and the necessary consents to transfer are not obtained pursuant to **Section 7.8** to the Purchase and Sale Agreement, (ii) attorney-client privileged communications and work product of Grantor's legal counsel (other than title opinions), (iii) reserve studies and evaluations, and (iv) records relating to the negotiation and consummation of the sale of the Assets (subject to such exclusions, the "Records"); and

(j) Any solely-owned proprietary seismic data related to the Properties and, to the extent disclosure or transfer is not restricted by third-party agreement or applicable Law, any jointly-owned proprietary seismic data related to the Properties (provided, Grantee shall assume, discharge and be liable for any obligation owed by Grantor under the terms of the agreement covering such jointly-owned seismic data in connection with the transfer thereof).

Section 1.2. **Excluded Assets**: Excepting and reserving to Grantor the following:

(a) all corporate, financial, income and franchise tax and legal records of Grantor that relate to Grantor's business generally (whether or not relating to the Assets), and all books, records and files that relate to the Excluded Assets and those records retained by Grantor pursuant to **Section 1.1(i)** above and copies of any other Records retained by Grantor pursuant to **Section 1.5** to the Purchase and Sale Agreement;

(b) all non-proprietary geological and geophysical data (including all non-proprietary seismic data, including reprocessed data) and, to the extent not expressly included in **Section 1.1(i)** above, all logs, interpretive data, technical evaluations, technical outputs, reserve estimates and economic estimates;

(c) all rights to any refund of Taxes or other costs or expenses borne by Grantor or Grantor's predecessors in interest and title attributable to periods prior to the Effective Time;

(d) Grantor's area-wide bonds, permits and licenses or other permits, licenses or authorizations used in the conduct of Grantor's business generally;

(e) those items listed in **Exibit C** attached hereto;

(f) all trade credits, account receivables, note receivables, take-or-pay amounts receivable, and other receivables attributable to the Assets with respect to any period of time prior to the Effective Time;

(g) all right, title and interest of Grantor in and to vehicles or vessels used in connection with the Assets;

(h) all rights, titles, claims and interests of Grantor or any Affiliate of Grantor (i) to or under any policy or agreement of insurance or any insurance proceeds; except to the extent provided in **Section 3.5** to the Purchase and Sale Agreement, and (ii) to or under any bond or bond proceeds;

(i) any patent, patent application, logo, service mark, copyright, trade name or trademark of or associated with Grantor or any Affiliate of Grantor or any business of Grantor or of any Affiliate of Grantor; and

(j) a nonexclusive right to freely use any seismic data, logs, maps, engineering data and reports, reserve studies and evaluations, and other data and information being transferred as a part of the Assets; provided, however, that Grantor shall not assign its right hereunder to any third party.

TO HAVE AND TO HOLD the Assets unto Grantee, its successors and assigns, forever, subject, however, to the terms and conditions of this Conveyance.

ARTICLE 2
Limited Warranty and Disclaimers

Special Limited Warranty: As of the Effective Time, Grantor warrants to Grantee that it has Defensible Title to the Units and Wells shown on **Exhibit A-1** against all persons claiming

or to claim the same or any part thereof by, through or under Grantor or its Affiliates, but not otherwise, subject to the Permitted Encumbrances.

Grantor makes no, and expressly disclaims any, other warranty of title to the Assets. Grantor hereby assigns to Grantee all rights, claims, and causes of action on title warranties given or made by Grantor's predecessors (other than Affiliates of Grantor), to the extent Grantor may legally transfer such rights.

Grantee shall not be entitled to protection under the special limited warranty of title provided herein against any Title Defect reported by Grantee under **Article 3** to the Purchase and Sale Agreement and/or any Title Defect disclosed or known by Grantee prior to the Title Claim Date.

EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN ARTICLE 5 TO THE PURCHASE AND SALE AGREEMENT, CONFIRMED IN THE CERTIFICATE OF GRANTOR DELIVERED PURSUANT TO SECTION 9.2(c) THERETO, OR IN THIS CONVEYANCE, (I) GRANTOR MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS, STATUTORY OR IMPLIED, AND (II) GRANTOR EXPRESSLY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO GRANTEE OR ANY OF ITS AFFILIATES, EMPLOYEES, AGENTS, CONSULTANTS OR REPRESENTATIVES (INCLUDING, WITHOUT LIMITATION, ANY OPINION, INFORMATION, PROJECTION OR ADVICE THAT MAY HAVE BEEN PROVIDED TO GRANTEE BY ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT, CONSULTANT, REPRESENTATIVE OR ADVISOR OF GRANTOR OR ANY OF ITS AFFILIATES).

EXCEPT AS EXPRESSLY REPRESENTED OTHERWISE IN ARTICLE 5 TO THE PURCHASE AND SALE AGREEMENT, CONFIRMED IN THE CERTIFICATE OF GRANTOR DELIVERED PURSUANT TO SECTION 9.2(c) THERETO, OR IN THIS CONVEYANCE, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, GRANTOR EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, AS TO (I) TITLE TO ANY OF THE ASSETS, (II) THE CONTENTS, CHARACTER OR NATURE OF ANY DESCRIPTIVE MEMORANDUM, OR ANY REPORT OF ANY PETROLEUM ENGINEERING CONSULTANT, OR ANY GEOLOGICAL OR SEISMIC DATA OR INTERPRETATION, RELATING TO THE ASSETS, (III) THE QUANTITY, QUALITY OR RECOVERABILITY OF PETROLEUM SUBSTANCES IN OR FROM THE ASSETS, (IV) ANY ESTIMATES OF THE VALUE OF THE ASSETS OR FUTURE REVENUES GENERATED BY THE ASSETS, (V) THE PRODUCTION OF HYDROCARBONS FROM THE ASSETS, (VI) THE MAINTENANCE, REPAIR, CONDITION, QUALITY, SUITABILITY, DESIGN OR MARKETABILITY OF THE ASSETS, (VII) THE CONTENT, CHARACTER OR NATURE OF ANY DESCRIPTIVE MEMORANDUM, REPORTS, BROCHURES, CHARTS OR STATEMENTS PREPARED BY THIRD PARTIES, (VIII) ANY OTHER MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE OR COMMUNICATED TO GRANTEE OR ITS AFFILIATES, OR ITS OR THEIR EMPLOYEES, AGENTS, CONSULTANTS, REPRESENTATIVES OR ADVISORS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THE PURCHASE AND SALE AGREEMENT OR ANY DISCUSSION OR PRESENTATION RELATING THERETO, AND FURTHER DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS OF ANY EQUIPMENT, IT BEING EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES HERETO THAT GRANTEE SHALL BE DEEMED TO BE OBTAINING THE ASSETS IN THEIR PRESENT STATUS, CONDITION AND

STATE OF REPAIR, "AS IS" AND "WHERE IS" WITH ALL FAULTS AND THAT GRANTEE HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS AS GRANTEE DEEMS APPROPRIATE, OR (IX) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM PATENT OR TRADEMARK INFRINGEMENT.

GRANTOR HAS NOT AND WILL NOT MAKE ANY REPRESENTATION OR WARRANTY REGARDING ANY MATTER OR CIRCUMSTANCE RELATING TO ENVIRONMENTAL LAWS, ENVIRONMENTAL LIABILITIES, THE RELEASE OF MATERIALS INTO THE ENVIRONMENT OR THE PROTECTION OF HUMAN HEALTH, SAFETY, NATURAL RESOURCES OR THE ENVIRONMENT, OR ANY OTHER ENVIRONMENTAL CONDITION OF THE ASSETS, AND NOTHING IN THIS AGREEMENT OR OTHERWISE SHALL BE CONSTRUED AS SUCH A REPRESENTATION OR WARRANTY, AND GRANTEE SHALL BE DEEMED TO BE TAKING THE ASSETS "AS IS" AND "WHERE IS" FOR PURPOSES OF THEIR ENVIRONMENTAL CONDITION.

ARTICLE 3
Assumption of Obligations

Section 3.1. Assumed Grantor Obligations: Effective on the date of this Conveyance, Grantee assumes and agrees to fulfill, perform, pay and discharge the Assumed Seller Obligations.

Section 3.2. Subject to Leases and Contracts: Grantee is taking the Assets subject to the terms of, among others, those Leases and Contracts identified in the Purchase and Sale Agreement and conveyed hereby, to the extent those Leases and Contracts are valid, binding and enforceable on the date of this Conveyance, and hereby assumes and agrees to fulfill, perform, pay and discharge Grantor's obligations under such Leases and Contracts from and after the date of this Conveyance.

Section 3.3. NORM, Wastes and Other Substances: Grantee acknowledges that the Assets have been used for exploration, development, and production Hydrocarbons and that there may be petroleum, produced water, wastes, or other substances or materials located in, on or under the Properties or associated with the Assets. Equipment and sites included in the Assets may contain asbestos, hazardous substances, or NORM. NORM may affix or attach itself to the inside of wells, materials, and equipment as scale, or in other forms. The wells, materials, and equipment located on the Properties or included in the Assets may contain NORM and other wastes or hazardous substances. NORM containing material and/or other wastes or hazardous substances may have come in contact with various environmental media, including without limitation, water, soils or sediment. Special procedures may be required for the assessment, remediation, removal, transportation, or disposal of environmental media, wastes, asbestos, hazardous substances, and NORM from the Assets.

ARTICLE 4
Miscellaneous

Section 4.1. Further Assurances: After Closing, without further consideration, Grantor and Grantee each agrees to take such further actions and to execute, acknowledge and deliver all such further documents as are reasonably requested by the other party for carrying out the purposes of this Conveyance or of any document delivered pursuant to this Conveyance.

Section 4.2. **Conveyance Subject to Purchase and Sale Agreement**: This Conveyance is expressly subject to the terms and conditions of that certain Purchase and Sale Agreement by and among Grantor and EnerVest Energy Institutional Fund X-A, L.P., EnerVest Energy Institutional Fund X-WI, L.P., EnerVest Energy Institutional Fund XI-A, L.P., EnerVest Energy Institutional Fund XI-WI, L.P., EnerVest Management Partners, Ltd. ("EnerVest Partners"), Wachovia Investment Holdings, LLC ("Wachovia") and EV Properties, L.P. (as subsequently assigned with respect to the interest of each of EnerVest Partners and Wachovia in the Purchase and Sale Agreement to EnerVest Wachovia Co-Investment Partnership, L.P.) dated April 13, 2007 (as amended, the "Purchase and Sale Agreement"). If there is a conflict between the terms of this Conveyance and the Purchase and Sale Agreement, the terms of the Purchase and Sale Agreement shall control.

Section 4.3. **Successors and Assigns**: This Conveyance shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 4.4. **Titles and Captions**: All article or section titles or captions in this Conveyance are for convenience only, shall not be deemed part of this Conveyance and in no way define, limit, extend, or describe the scope or intent of any provisions hereof. Except to the extent otherwise stated in this Conveyance, references to "Articles" and "Sections" are to Articles and Sections of this Conveyance, and references to "Exhibits" are to Exhibits attached to this Conveyance, which are made parts hereof for all purposes.

Section 4.5. **Filings**. As a matter of convenience and not as a limitation to the Assets transferred by this Conveyance, the parties hereto may file counterparts of this Conveyance that only include the descriptions of those Assets that are located in the jurisdiction where such Conveyance is filed. A fully-executed original of this Conveyance (including the descriptions of all Assets transferred by this Conveyance) shall be maintained at the offices of Grantee.

Section 4.6. **Government Assignments**. Separate assignments may be executed on forms approved by Governmental Bodies in sufficient counterparts to satisfy applicable statutory and regulatory requirements. Those assignments shall be deemed to contain the special warranty of title of Grantor and all of the exceptions, reservations, rights, titles, powers and privileges set forth herein as fully and only to the extent as though they were set forth in each such separate assignment. In the event of any conflict between the terms of this Conveyance and such other assignments, the terms of this Conveyance shall govern and control.

Section 4.7. **Governing Law**: This Conveyance and the rights of the parties hereunder shall be governed by, and construed in accordance with, the laws of the State of Texas without regard to principles of conflicts of laws otherwise applicable to such determinations.

Section 4.8. **Several Liability**: Notwithstanding anything to the contrary contained elsewhere in this Conveyance, with respect to all of Grantee's covenants contained in this Conveyance, each Grantee shall be severally, but not jointly, obligated to Grantor (and with respect to Grantee's covenants contained this Conveyance relating specifically to the Assets, as to such Grantee's Grantee Share only).

Section 4.9 **Counterparts**: This Conveyance may be executed in any number of counterparts, and by different parties in separate counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one instrument.

[SIGNATURE PAGE FOLLOWS]

EXECUTED on the date first written above.

Grantor:

ANADARKO E&P COMPANY LP

By:_____
Albert L. Richey
Vice President, Corporate Development

KERR-McGEE OIL & GAS ONSHORE LP

By:_____
Albert L. Richey
Vice President

Grantee:

ENERVEST ENERGY INSTITUTIONAL FUND X-A, L.P.

By: EnerVest Management Partners, Ltd., its General Partner

By: EnerVest Management GP, L.C., its General Partner

By: _____
John B. Walker
President and Chief Executive Officer

ENERVEST ENERGY INSTITUTIONAL FUND X-WI, L.P.

By: EnerVest Management Partners, Ltd., its General Partner

By: EnerVest Management GP, L.C., its General Partner

By: _____
John B. Walker
President and Chief Executive Officer

ENERVEST ENERGY INSTITUTIONAL FUND XI-A, L.P.

By: EnerVest Management Partners, Ltd., its General Partner

By: EnerVest Management GP, L.C., its General Partner

By: _____
John B. Walker
President and Chief Executive Officer

ENERVEST ENERGY INSTITUTIONAL FUND XI-WI, L.P.

By: EnerVest Management Partners, Ltd., its General Partner

By: EnerVest Management GP, L.C., its General Partner

By: _____
John B. Walker
President and Chief Executive Officer

ENERVEST WACHOVIA CO-INVESTMENT PARTNERSHIP, L.P.

By: EnerVest Management Partners, Ltd., its General Partner

By: EnerVest Management GP, L.C., its General Partner

By: _____
John B. Walker
President and Chief Executive Officer

EV PROPERTIES, L.P.,

By: EV Properties GP, LLC,
its General Partner

By: EV Energy Partners, L.P.,
its Sole Member

By: EV Energy GP, L.P.,
its General Partner

By: EnerVest Management, LLC,
its General Partner

By: _____
John B. Walker
President and Chief Executive Officer

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me by Albert L. Richey, Vice President, Corporate Development, of **ANADARKO E&P COMPANY LP**, a Delaware limited partnership, on behalf of the partnership this 27th day of June, 2007.

Witness my hand and official seal.

(SEAL)

MICHAEL W. MORGAN
Notary Public, State of Texas
My Commission Expires 09-22-2009

Michael W. Morgan
Notary Public in and for
the State of Texas

(Printed Name of Notary)

My commission expires: _____

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me by Albert L. Richey, Vice President of **KERR-McGEE OIL & GAS ONSHORE LP**, a Delaware limited partnership, on behalf of the partnership this 27th day of June, 2007.

Witness my hand and official seal.

(SEAL)

MICHAEL W. MORGAN
Notary Public, State of Texas
My Commission Expires 09-22-2009

Michael W. Morgan
Notary Public in and for
the State of Texas

(Printed Name of Notary)

My commission expires: _____

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me by John B. Walker, President and Chief Executive Officer of EnerVest Management GP, L.C., acting in its capacity as general partner of EnerVest Management Partners, Ltd., general partner of **ENERVEST ENERGY INSTITUTIONAL FUND X-A, L.P.**, a Delaware limited partnership, on behalf of the partnership this 27th day of June, 2007.

Witness my hand and official seal.

(SEAL)

MICHAEL W. MORGAN
Notary Public, State of Texas
My Commission Expires 09-22-2009

Michael W. Morgan
Notary Public in and for
the State of Texas

(Printed Name of Notary)

My commission expires: _____

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me by John B. Walker, President and Chief Executive Officer of EnerVest Management GP, L.C., acting in its capacity as general partner of EnerVest Management Partners, Ltd., general partner of **ENERVEST ENERGY INSTITUTIONAL FUND X-WI, L.P.**, a Delaware limited partnership, on behalf of the partnership this 27th day of June, 2007.

Witness my hand and official seal.

(SEAL)

MICHAEL W. MORGAN
Notary Public, State of Texas
My Commission Expires 09-22-2009

Michael W. Morgan
Notary Public in and for
the State of Texas

(Printed Name of Notary)

My commission expires: _____

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me by John B. Walker, President and Chief Executive Officer of EnerVest Management GP, L.C., acting in its capacity as general partner of EnerVest Management Partners, Ltd., general partner of **ENERVEST ENERGY INSTITUTIONAL FUND XI-A, L.P.**, a Delaware limited partnership, on behalf of the partnership this 27th day of June, 2007.

Witness my hand and official seal.

(SEAL)

MICHAEL W. MORGAN
Notary Public, State of Texas
My Commission Expires 09-22-2009

Michael W. Morgan
Notary Public in and for
the State of Texas

(Printed Name of Notary)

My commission expires: _____

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me by John B. Walker, President and Chief Executive Officer of EnerVest Management GP, L.C., acting in its capacity as general partner of EnerVest Management Partners, Ltd., general partner of **ENERVEST ENERGY INSTITUTIONAL FUND XI-WI, L.P.**, a Delaware limited partnership, on behalf of the partnership this 27th day of June, 2007.

Witness my hand and official seal.

(SEAL)

MICHAEL W. MORGAN
Notary Public, State of Texas
My Commission Expires 09-22-2009

Michael W. Morgan
Notary Public in and for
the State of Texas

(Printed Name of Notary)

My commission expires: _____

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me by John B. Walker, President and Chief Executive Officer of EnerVest Management GP, L.C., acting in its capacity as general partner of EnerVest Management Partners, Ltd., general partner of **ENERVEST WACHOVIA CO-INVESTMENT PARTNERSHIP, L.P.**, a Delaware limited partnership, on behalf of the partnership this 27th day of June, 2007.

Witness my hand and official seal.

(SEAL)

Michael W. Morgan
Notary Public in and for
the State of Texas

MICHAEL W. MORGAN
Notary Public, State of Texas
My Commission Expires 09-22-2009

(Printed Name of Notary)

My commission expires: _____

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me by John B. Walker, President and Chief Executive Officer of EnerVest Management, LLC, general partner of EV Energy GP, L.P., general partner of EV Energy Partners, L.P., the sole member of EV Properties GP, LLC, general partner of **EV PROPERTIES, L.P.**, a Delaware limited partnership, on behalf of the partnership this 27th day of June, 2007.

Witness my hand and official seal.

(SEAL)

Michael W. Morgan
Notary Public in and for
the State of Texas

MICHAEL W. MORGAN
Notary Public, State of Texas
My Commission Expires 09-22-2009

(Printed Name of Notary)

My commission expires: _____

7·30·07

SCHEDULE "1.1"

Attached to and made a part of
Assignment and Bill of Sale between
ANADARKO E&P COMPANY LP and
KERR-McGEE OIL & GAS ONSHORE LP, as Grantor,
and
ENERVEST ENERGY INSTITUTIONAL FUND X-A, L.P.,
ENERVEST ENERGY INSTITUTIONAL FUND X-WI, L.P.,
ENERVEST ENERGY INSTITUTIONAL FUND XI-A, L.P.,
ENERVEST ENERGY INSTITUTIONAL FUND XI-WI, L.P.,
ENERVEST WACHOVIA CO-INVESTMENT PARTNERSHIP, L.P., and
EV PROPERTIES, L.P., as Grantee,
effective April 1, 2007.

GRANTEE SHARE

EnerVest Energy Institutional Fund X-A, L.P.	4.7700%
EnerVest Energy Institutional Fund X-WI, L.P.	7.2300%
EnerVest Energy Institutional Fund XI-A, L.P.	35.3770%
EnerVest Energy Institutional Fund XI-WI, L.P.	15.9570%
EnerVest Wachovia Co-Investment Partnership, L.P.	23.3330%
EV Properties, L.P.	13.3330%

VOL. 1249 PAGE 169

7·30·07

Lease Number		Lessor	Lessee	State	County	Lease Date	Recording
TX50758	001	EVELYN FRANKLIN MENN	UNION PACIFIC RESOURCES COMPANY	TX	WASHINGTON	08/14/97	WASHINGTON, TX: BOOK#: 866 PAGE#: 916 RECEPTION#: 4761 .
TX50758	002	GLORIA KAYE ARNOLD	UNION PACIFIC RESOURCES COMPANY	TX	WASHINGTON	08/14/97	WASHINGTON, TX: BOOK#: 867 PAGE#: 323 RECEPTION#: 4840 .
TX50758	003	SHARON FAYE MARTELLA	UNION PACIFIC RESOURCES COMPANY	TX	WASHINGTON	08/14/97	WASHINGTON, TX: BOOK#: 867 PAGE#: 326 RECEPTION#: 5736 .
TX50759	000	ST-TX M-99332	UNION PACIFIC RESOURCES COMPANY	TX	WASHINGTON	09/01/98	WASHINGTON, TX: BOOK#: 0909 PAGE#: 115 RECEPTION#: 7245 .
TX50771	000	EUGENE E RUTH CAROL FRITZ	UNION PACIFIC RESOURCES COMPANY	TX	WASHINGTON	10/24/97	WASHINGTON, TX: BOOK#: 873 PAGE#: 637 .
TX50772	000	JOHN N LINDA J GREEN	UNION PACIFIC RESOURCES COMPANY	TX	WASHINGTON	07/22/95	WASHINGTON, TX: BOOK#: 803 PAGE#: 844 .
TX50774	000	FRANKLIN ECKERT	UNION PACIFIC RESOURCES COMPANY	TX	WASHINGTON	08/13/97	WASHINGTON, TX: BOOK#: 866 PAGE#: 919 .
TX50788	000	PERRY L THOMAS III ET AL	UNION PACIFIC RESOURCES COMPANY	TX	WASHINGTON	06/11/95	WASHINGTON, TX: BOOK#: 788 PAGE#: 550 .
TX50794	000	EARL L VIOLA BRIGHT	UNION PACIFIC RESOURCES COMPANY	TX	WASHINGTON	07/01/95	WASHINGTON, TX: BOOK#: 788 PAGE#: 529 .
TX50798	000	LINDA THOMAS	UNION PACIFIC RESOURCES COMPANY	TX	WASHINGTON	07/21/95	WASHINGTON, TX: BOOK#: 772 PAGE#: 379 RECEPTION#: 1527 .
TX50799	000	E B GREGORY ET UX	UNION PACIFIC RESOURCES COMPANY	TX	WASHINGTON	07/01/95	WASHINGTON, TX: BOOK#: 788 PAGE#: 706 .
TX50800	001	BARRY LEE DUNCAN ET UX	UNION PACIFIC RESOURCES COMPANY	TX	WASHINGTON	10/16/97	WASHINGTON, TX: BOOK#: 873 PAGE#: 159 .
TX50800	002	JOANNE P WALTERS	UNION PACIFIC RESOURCES COMPANY	TX	WASHINGTON	10/16/97	WASHINGTON, TX: BOOK#: 873 PAGE#: 159 .
TX51906	000	VAUGHN JAMES ET UX	GIN LANE COMPANY	TX	WASHINGTON	06/29/94	WASHINGTON, TX: BOOK#: 753 PAGE#: 384 RECEPTION#: 7741 .
TX51050	000	ALBERT HAFER JR ET UX	UNION PACIFIC RESOURCES COMPANY	TX	WASHINGTON	12/20/94	WASHINGTON, TX: BOOK#: 773 PAGE#: 672
TX51069	001	STEPHEN H JANET J HOUSTON	WESTERN STATES LAND	TX	WASHINGTON	08/18/93	WASHINGTON, TX: BOOK#: 722 PAGE#: 393 .
TX50757	000	WENZEL ELAINE BRAUNER	WESTERN STATES LAND	TX	WASHINGTON	09/01/93	WASHINGTON, TX: BOOK#: 715 PAGE#: 534 .
TX50994	000	FREDDIE MILDRED MOEHLMANN	WESTPORT OIL AND GAS	TX	WASHINGTON	07/25/94	WASHINGTON, TX: BOOK#: 750 PAGE#: 208 .
TX51017	000	GOEKE R JO ANN MUTSCHER	BAKER EXPLORATION CO	TX	WASHINGTON	07/27/93	WASHINGTON, TX: BOOK#: 707 PAGE#: 505 .
TX51018	000	BETTY M FRED BOECKER	BAKER EXPLORATION CO	TX	WASHINGTON	07/27/93	WASHINGTON, TX: BOOK#: 707 PAGE#: 508 .
TX51019	000	GRACIE KANKEL ET UX ET AL	BAKER EXPLORATION CO	TX	WASHINGTON	04/21/94	WASHINGTON, TX: BOOK#: 734 PAGE#: 803 .
TX51025	002	EST OF CAROL R BICKNELL	BAKER EXPLORATION CO	TX	WASHINGTON	01/25/95	WASHINGTON, TX: BOOK#: 770 PAGE#: 605 .
TX51192	007	MARY ANN SCHWARZ BARKER	BAKER EXPLORATION CO	TX	WASHINGTON	03/23/94	WASHINGTON, TX: BOOK#: 734 PAGE#: 791 .
TX51192	008	CONNIE WOOD	BAKER EXPLORATION CO	TX	WASHINGTON	03/23/94	WASHINGTON, TX: BOOK#: 734 PAGE#: 783 .
TX51192	009	CINDY LOU SCHWARZE HORNY	BAKER EXPLORATION CO	TX	WASHINGTON	03/23/94	WASHINGTON, TX: BOOK#: 734 PAGE#: 787 .
TX51192	010	DAVID ALLEN SCHWARZE	BAKER EXPLORATION CO	TX	WASHINGTON	03/23/94	WASHINGTON, TX: BOOK#: 749 PAGE#: 596 .
TX51192	011	SUZANNE SCHWARZE HANNATH	BAKER EXPLORATION CO	TX	WASHINGTON	03/23/94	WASHINGTON, TX: BOOK#: 734 PAGE#: 795 .
TX51192	012	DOUGLAS RAY SCHWARZE	BAKER EXPLORATION CO	TX	WASHINGTON	03/23/94	WASHINGTON, TX: BOOK#: 734 PAGE#: 799 .
TX50686	000	RICKY & BRENDA KAPCHINSKI	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	03/16/99	WASHINGTON, TX: BOOK#: 925 PAGE#: 439 .
TX50687	000	TRACY E STEELE ET UX	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	03/16/99	WASHINGTON, TX: BOOK#: 924 PAGE#: 928 .
TX50688	000	ERVIN H SOMMERFELD	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	03/16/99	WASHINGTON, TX: BOOK#: 924 PAGE#: 934 RECEPTION#: 934 .
TX50689	000	HERBERT P BENDER ET UX	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	03/16/99	WASHINGTON, TX: BOOK#: 924 PAGE#: 931 .
TX50690	000	BRUNO BOLCEREK ET AL	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	03/16/99	WASHINGTON, TX: BOOK#: 925 PAGE#: 436 .
TX50691	000	CLAMENS AND ORA NELL TIEMA	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	03/22/99	WASHINGTON, TX: BOOK#: 925 PAGE#: 429 .
TX50693	000	CLEMENTS HENRY KROLCZYK ET	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	02/01/99	WASHINGTON, TX: BOOK#: 922 PAGE#: 908 .
TX50694	000	YVONNE JAMES E HASTINGS	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	02/01/99	WASHINGTON, TX: BOOK#: 922 PAGE#: 896 .
TX50808	000	ST-TX MF-100932	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	02/14/00	WASHINGTON, TX: BOOK#: 966 PAGE#: 078 .
TX51024	003	ALBERT MARJORIE LVG TRST	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	08/23/01	WASHINGTON, TX: BOOK#: 1007 PAGE#: 033 .
TX51100	000	GEORGE M JEAN T SHOUP	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	06/07/00	WASHINGTON, TX: BOOK#: 963 PAGE#: 337 .
TX51107	001	FERDINAND J LINDA PLAVIDAL	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	09/06/00	WASHINGTON, TX: BOOK#: 972 PAGE#: 715 .
TX51107	002	MICHAEL G SHOUP ET AL	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	02/16/01	WASHINGTON, TX: BOOK#: 972 PAGE#: 715 .
TX51110	001	JOHN L MARY LOU ULRICH	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	10/06/00	WASHINGTON, TX: BOOK#: 972 PAGE#: 151 RECEPTION#: 5835 .
TX51112	001	ROBERT L MELINDA PARET JR	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	08/07/00	WASHINGTON, TX: BOOK#: 970 PAGE#: 857 .
TX51112	002	MAYFAIR INTERESTS INC	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	08/18/00	WASHINGTON, TX: BOOK#: 970 PAGE#: 861 .
TX51113	001	HUGH L ANIELA G PITTS	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	06/06/00	WASHINGTON, TX: BOOK#: 968 PAGE#: 898 .
TX51113	002	DOUGLAS R ZWIENER JR	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	10/17/00	WASHINGTON, TX: BOOK#: 977 PAGE#: 617 .
TX51113	003	ALLISON ZWIENER PARSLEY	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	10/17/00	WASHINGTON, TX: BOOK#: 977 PAGE#: 612 .
TX51114	000	JAMES EDWARD GRIMM ET UX	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	08/01/00	WASHINGTON, TX: BOOK#: 969 PAGE#: 734 .
TX51115	001	SIMON & RICARDA DELGADO	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	06/01/00	WASHINGTON, TX: BOOK#: 966 PAGE#: 564 .
TX51118	001	ANTONIO ROSAMARIA DELGADO	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	06/01/00	WASHINGTON, TX: BOOK#: 965 PAGE#: 568 .
TX51119	001	MICHAEL G NANCY L SHOUP	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	06/07/00	WASHINGTON, TX: BOOK#: 966 PAGE#: 572 .
TX51120	001	ANTIQUE ROSE EMPORIUM INC	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	06/07/00	WASHINGTON, TX: BOOK#: 963 PAGE#: 333 RECEPTION#: L33972 .
TX51121	001	MARY ALICE SHANNON CRAWFOR	CHESAPEAKE EXPLORATION LIMITED	TX	WASHINGTON	05/25/00	WASHINGTON, TX: BOOK#: 966 PAGE#: 471 .

VOL. 1249 PAGE 241

7:30:07

EXHIBIT "C"

Attached to and made a part of
Assignment and Bill of Sale between
ANADARKO E&P COMPANY LP, and
KERR-McGEE OIL & GAS ONSHORE LP, as Grantor,
and
ENERVEST ENERGY INSTITUTIONAL FUND X-A, L.P.,
ENERVEST ENERGY INSTITUTIONAL FUND X-WI, L.P.,
ENERVEST ENERGY INSTITUTIONAL FUND XI-A, L.P.,
ENERVEST ENERGY INSTITUTIONAL FUND XI-WI, L.P.,
ENERVEST WACHOVIA CO-INVESTMENT PARTNERSHIP, L.P., and
EV PROPERTIES, L.P., as Grantee,
effective April 1, 2007

EXCLUDED ITEMS

AEPC QCM No.	Seller	Purchaser	Contract Description
8731	AEPC	AESC	Intracompany NGL Purchase Contract
	AEPC	ETC Texas Pipeline, LTD	NGL Cashout - ETC Email Agreement
2545	AEPC	AESC	Intracompany Gas Purchase Contract
9419	AEPC/AESC	ETC Texas Pipeline, LTD/ Oasis Pipeline, L.P./ ETC Katy Pipeline, LTD	ETC Cashout Letter Agreement

The following interests in oil and gas wells, together with all contracts, equipment, records and other personal property related thereto that would constitute Contracts, Surface Contacts, Equipment, Records, and other Assets but for the fact that, and solely to the extent that, they relate to interests in oil and gas leases not conveyed to Grantee pursuant to this conveyance and interests in oil and gas wells that constitute Excluded Assets, are excepted from the Assets and reserved unto Grantor

AREA	STATE	COUNTY	LEASE	OPERATOR	WI (%)	NRI-OIL (%)	NRI-GAS (%)
DEEP GIDDINGS	TX	BRAZOS	BORISKIE-DIVERSIFIED UNIT 1	ANADARKO E & P COMPANY LP	1.52898	1.17390	1.17390
BROOKELAND	TX	NEWTON	CHAMPION A-334 #1 RE (B)	ANADARKO E & P COMPANY LP	31.60164	26.54013	26.54013
DEEP GIDDINGS	TX	AUSTIN	DIERKING UNIT 1	ANADARKO E & P COMPANY LP	9.03675	7.46902	7.46902
DEEP GIDDINGS	TX	AUSTIN	DIERKING UNIT #3	ANADARKO E & P COMPANY LP	9.03675	7.38262	7.38262
BROOKELAND	TX	NEWTON	DONNER-BROWN A-148 UNIT#1 OL	ANADARKO E & P COMPANY LP	5.47826	4.74973	4.74973
DEEP GIDDINGS	TX	BRAZOS	FELIX K UNIT #1	ANADARKO E & P COMPANY LP	3.12766	2.35286	2.35286
DEEP GIDDINGS	TX	AUSTIN	GLAESER UNIT #2 (B)	ANADARKO E & P COMPANY LP	18.43265	15.21906	15.21906
DEEP GIDDINGS	TX	AUSTIN	GLAESER UNIT 1	ANADARKO E & P COMPANY LP	18.43265	14.65004	14.65004
CENTRAL GIDDINGS	TX	WASHINGTON	JOHNSTON A #1 RE	ADAMS RESOURCES	15.90470	13.68696	13.68696
CENTRAL GIDDINGS	TX	FAYETTE	KASPAR UNIT #2 RF	ANADARKO E & P COMPANY LP	3.39200	2.54400	2.54400
CENTRAL GIDDINGS	TX	FAYETTE	KASPAR UNIT #3 RF (D)	ANADARKO E & P COMPANY LP	3.39200	2.54400	2.54400
DEEP GIDDINGS	TX	AUSTIN	RAINS TRUST UNIT # 1	ANADARKO E & P COMPANY LP	8.08770	6.71048	6.71048
DEEP GIDDINGS	TX	AUSTIN	RAINS TRUST UNIT # 2 (D)	ANADARKO E & P COMPANY LP	8.08719	6.71048	6.71048
BROOKELAND	TX	NEWTON	TEXACO AMI UNIT 5 #1-H RE	ANADARKO E & P COMPANY LP	82.24460	66.79615	66.79615
BROOKELAND	TX	NEWTON	TEXACO FEE AMI #1-H RE	ANADARKO E & P COMPANY LP	30.94890	24.31550	24.31550

FILED FOR RECORD
2007 JUN 28 PM 12:01

VOL. 1249 PAGE 267

Return to:
EnerVest Management Partners, Ltd.
Attn: Land Department
1001 Fannin Street, Suite 800
Houston, Texas 77002-6707

15.

File No. MF099332

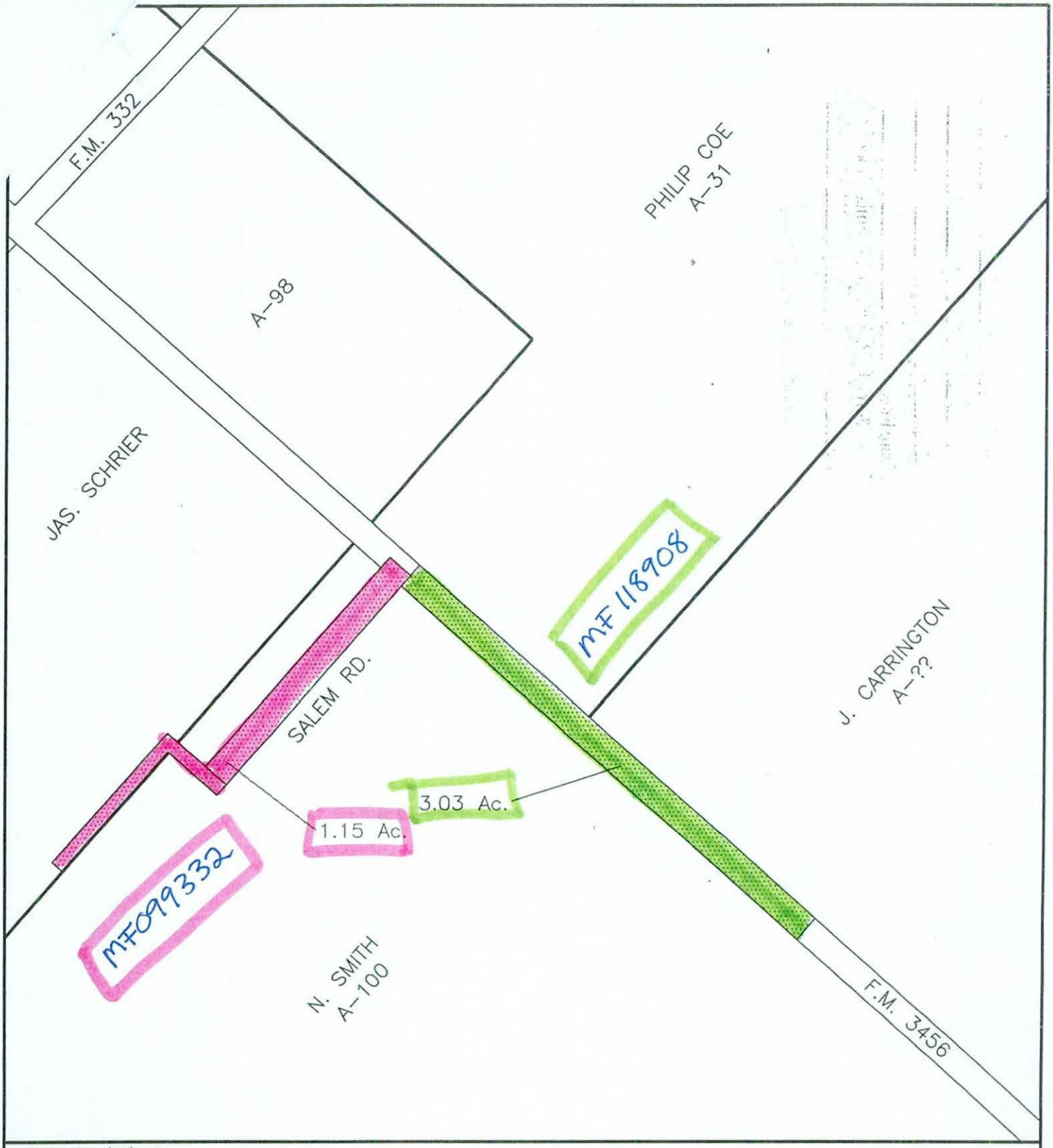
assignment

Date Filed: 7.31.07

Jerry E. Patterson, Commissioner

By EPBL

4.30.05



FM3456-Salem/EM/8-98

MAP SHOWING

A PORTION OF F.M. 3456 AND SALEM LANE

4.18 ACRES

APPROXIMATELY 2 MILES SOUTH OF BRENHAM

WASHINGTON COUNTY

(16)

File No. MF 099332

Washington County

Plat showing separation of state & County Rds

Date Filed: 9/22/17

George P. Bush, Commissioner

By MBBarnstone