#2907 #3129

14.95 UNIT ACRES

-0- NON-UNIT ACRES

Rentals: CMM.

Lease Admin:

Mineral Maps:

STATE LEASE MF099333

CONTROL	BASEFILE	COUNTY
56-029214	000 -	WASHINGTON /239

SURVEY	: HIGHWAYS & PUBLIC TRANSPORTATI
BLOCK	:
TOWNSHIP	: 00
SECTION/TRACT	:
PART	:
ACRES	: 14.95
DEPTH LIMITS	: NO
LESSEE	: CHESAPEAKE OPERATING INC
LEASE DATE	: Sep 01 1998
PRIMARY TERM	: 3 yrs
BONUS ($)	: 1046.50
RENTAL ($)	: 0.00
ROYALTY	: 0.16666600
VAR ROYALTY	:

-M-
M-099333
0 9 9 3
952141
MF 099333

CONTENTS OF FILE NO. M-99333

1. App. to Bid	8-25-98	26. Adj. Lease	9-12-95
2. Lease	9-1-98	27. Adj. Lease	9-14-95
3. Lease	7-20-98	28. Adj. Lease	5-29-95
4. List of Min. Owners	6-19-98	29. Adj. Lease	5-27-95
5. Lease	7-23-98	30. Adj. Lease	3-9-95
6. Affidavit	7-23-98	31. Adj. Lease	4-1-98
7. Map	—	32. Adj. Lease	4-1-98
8. Itemized Listing	—	33. Adj. Lease	1-28-95
9. Map	—	34. Adj. Lease	4-28-95
10. Deed	6-2-26	35. Adj. Lease	4-1-95
11. Adj. Lease	1-5-95	36. Adj. Lease	3-29-95
12. Adj. Lease	4-12-95	37. Adj. Lease	4-1-98
13. Adj. Lease	3-29-95	38. Adj. Lease	8-4-95
14. Adj. Lease	7-25-95	39. Ltr. 12/2/98	1-22-99
15. Adj. Lease	3-29-95	40 Assignment	1-28-99
16. Adj. Lease	3-29-95	Assignment See in M-99305	2-5-99
17. Adj. Lease	3-29-95	42 Ack ltr	4-1-99
18. Adj. Lease	3-8-95	43. Pooling Order	6-2-99
19. Adj. Lease	9-11-95	44. 43-1 Letter Assignment	11/23/99 12/20/99
20. Adj. Lease	7-10-95	45. Assignment	7/26/99
21. Adj. Lease	12-10-94	46. UNIT DESIGNATION	9/26/00
22. Adj. Lease	8-19-95	47. POOLING COMMITTEE REPORT/ POOLING AGREEMENT	3/14/02
23. Adj. Lease	3-4-98	ASSIGNMENT FILED IN MF 096606 #20.	7/21/09
24. Adj. Lease	2-15-95	Scanned SM	10/9/15
25. Adj. Lease	4-1-95		

GLO-S-08-(1-82)

GENERAL LAND OFFICE

GARRY MAURO
COMMISSIONER

MEMORANDUM

Docket #

DATE: August 25, 1998

56-029214

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

RECEIVED
98 SEP -8 PM 1:09
ENERGY RESOURCES

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
Interim Director of Right of Way

(1)

W: 99333

ITEM: Apf 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-99333
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 **Chesapeake Operating, Inc.,** whose address is **P.O. Box 18496, Oklahoma City, OK 73154-0496**, hereinafter called "Lessee".

1. Lessor, in consideration of **One Thousand Forty Six and 50/100 Dollars ($1,046.50),** receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the Counties of **Washington and Austin**, State of Texas, and is described as follows:

> **14.95** acres of land, more or less, situated in said **Washington and Austin** Counties, 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 **14.95** 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 sixth (1/6)** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **one sixth (1/6)**part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil;

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

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

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

(e) If at any time or times after the expiration of the primary term, all such wells are 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 Highway 109

14.95 acres of land, more or less, situated in the Nelson Smith League, A-100 in Washington County, Texas and the James Cooper Sur., A-35 in Washington County, Texas and A-27 in Austin County, Texas and being the same land described in the following Deeds Recorded in the Deed Records of Washington County, Texas:

1. Deed from Bob Evan, et ux to Washington County, Texas, dated 6/18/28 and recorded in V.91, P.9, of the Deed Records of Washington County, Texas.

2. Deed from Peter Harris, et ux to Washington County, Texas, dated 6/8/28 and recorded in V.91, P.13, of the Deed Records of Washington County, Texas.

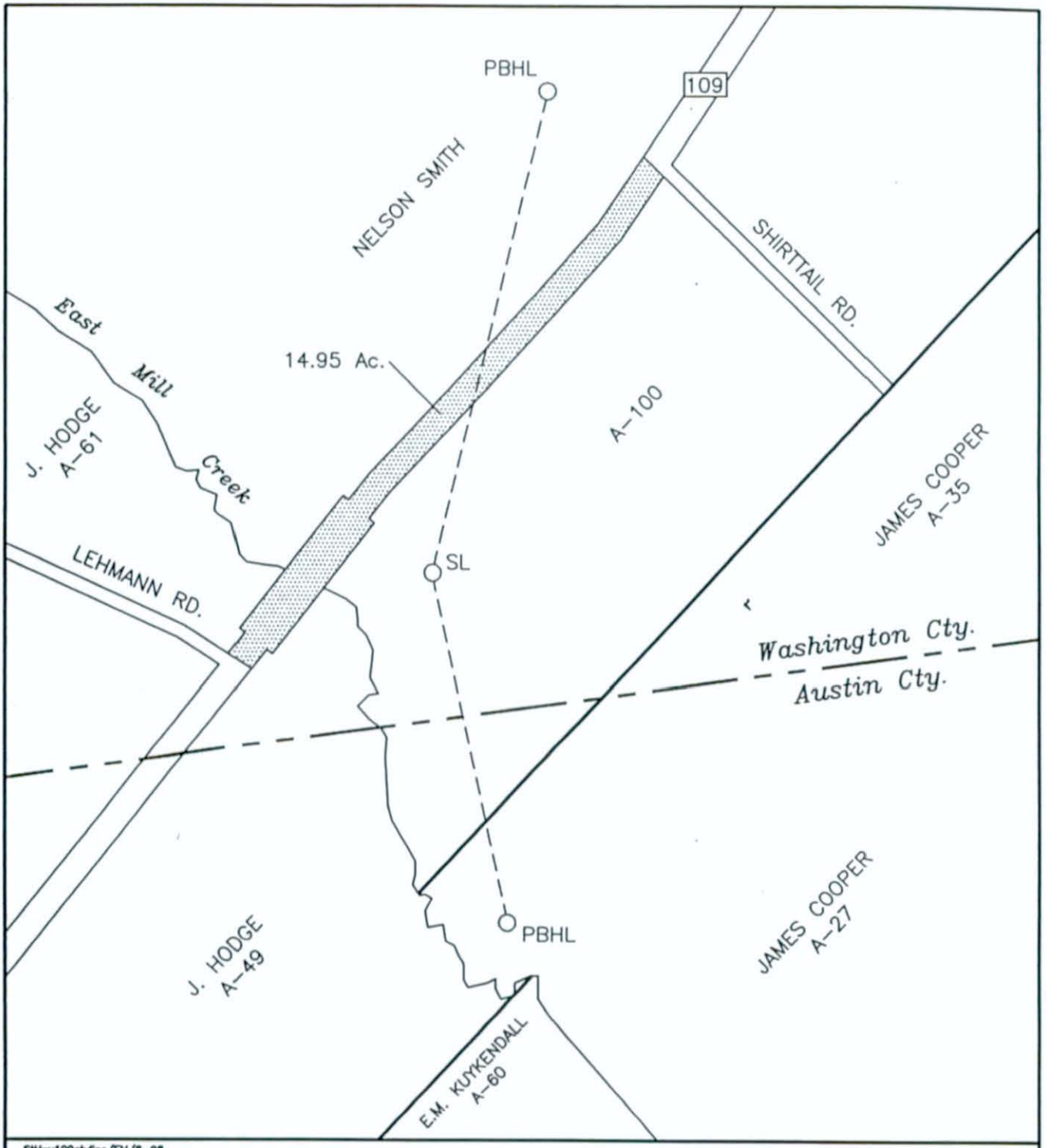
3. Deed from Peter Harris to Washington County, Texas, dated 7/20/23 and recorded in V.80, P.573, of the Deed Records of Washington County, Texas.

4. Deed from William Apple to Washington County, Texas, dated 4/7/24 and recorded in V.80, P.575, of the Deed Records of Washington County, Texas.

5. Deed from Peter Harris to Washington County, Texas, dated 7/18/28 and recorded in V.91, P.15, of the Deed Records of Washington County, Texas.

6. Deed from M.L. Dever to Washington County, Texas, dated 7/18/28 and recorded in V.91, P.14, of the Deed Records of Washington County, Texas.

7. Deed from Albert Hurtig to Washington County, Texas, dated 6/8/28 and recorded in V.91, P.18, of the Deed Records of Washington County, Texas.



SHwy109ctylne/EM/8-98

MAP SHOWING

A PORTION OF STATE HIGHWAY 109

14.95 ACRES

APPROXIMATELY 2 MILES SOUTHWEST OF MUELLERSVILLE

WASHINGTON COUNTY

(2)
MF 99333
ITEM Level
TO
FROM
DATE 9-1-98

Chesapeake Operating, Inc.
July 20, 1998

UNIT TRACT 25 (14.95 ACRES):

SURFACE ESTATE:

State of Texas (100%)	1.00000000
Total:	1.00000000

MINERAL ESTATE:

EXECUTIVE (LEASING) RIGHT, BONUS AND DELAY RENTAL:

State of Texas (100%)	1.00000000
Total:	1.00000000

LEASEHOLD ROYALTY ESTATE:

None.

NON-PARTICIPATING ROYALTY ESTATE:

None.

OVERRIDING ROYALTY ESTATE:

None.

OIL, GAS AND MINERAL LEASEHOLD WORKING INTEREST ESTATE:

None.

Chesapeake Operating, Inc.
July 20, 1998

UNLEASED MINERAL INTEREST ESTATE:

State of Texas (100%)	1.00000000
Total:	1.00000000
Unit Tract 25 Mineral Estate Grand Total:	1.00000000

UNIT TRACT 26 (21.78 ACRES):

SURFACE ESTATE:

Emma Jean Dever (100%)	1.00000000
Total:	1.00000000

(3) 99333

ITEM Lead

TO

FROM

DATE 7-20-98

CHESAPEAKE OPERATING, INC.
MILL CREEK OL NO. 1-H UNIT
796.07 ACRES
WASHINGTON & AUSTIN COUNTIES, TEXAS
Nelson Smith Survey, A-100, (Washington County), James Cooper Survey, A-35, (Washington County) and A-27, (Austin County), John Hodge Survey, A-61 (Washington County) and A-49 (Austin County)
TRACT LISTING

TRACT	MINERAL OWNER(S)	ACREAGE	VOLUME/PAGE *
1	Issac L. Toliver, et al	56.85 Acres	281/550
2	Issac L. Toliver	7.50 Acres	323/650
3	Beulah L. Toliver LeFlore	1.00 Acre	281/552
4	Joy Ann Korth Dickschat, et al	81.03 Acres	550/719
5	Maurine B. Harrison, et al	150.44 Acres	725/394
6	Ralph Latimer	5.61 Acres	345/515
7	Joyce Zientek	42.92 Acres	309/243
8	Nelda Kossie	25.02 Acres	079/334
9	Olan C. Seale	7.08 Acres	450/129
10	Henry C. Williams	0.80 Acre	512/739
11	Robert Gandy	0.88 Acre	505/598
12	Dorothy Mae Iwig, et al	1.32 Acres	502/167
13	LaVerne Blasingame	60.06 Acres	774/533
14	Monte L. Marshall	2.42 Acres	687/798
15	Melvin Krause	7.13 Acres	326/497, 333/003
16	Charles A. Keese	4.95 Acres	326/082
17	Bruce A. Rodenbeck	4.96 Acres	621/771
18	Richard D. Schubel	4.97 Acres	525/764
19	Ben Tegeler	5.00 Acres	341/148
20	Larry G. Robertson	4.98 Acres	696/540
21	Dennis Reimer	0.77 Acre	488/716
22	Jerry B. Hartnett	0.83 Acre	535/057
23	Rachel Hartnett	0.31 Acre	332/363
24	B. L. Hartnett	11.99 Acres	803/255
25	Washington County/State of Texas	14.95 Acres	80/574, 80/572 80/571, 80/573 91/013, 91/009 80/442, 91/012 91/014, 91/015 80/573
26	Emma Jean Dever	21.78 Acres	710/192
27	Doris Noerenberg	19.20 Acres	351/236
28	Evelyn B. Hopkins, et al	8.16 Acres	776/809
29	Larry W. Tegeler	16.94 Acres	473/447
30	Roger Pomykal, et al	6.81 Acres	803/733
31	Robert C. Schmidt	12.00 Acres	549/757
32	John Goeke	9.74 Acres	766/358
33	Elijah Harris	12.67 Acres	295/002
34	Perneta B. Harris White, et al	28.22 Acres	64/608,
35	Marion J. Morris	28.92 Acres	460/376, 465/503
36	Raymond Randle, Sr., Trustee	26.45 Acres	563/566
37	Raymond Randle, Sr.	12.25 Acres	706/719
38	Felix Randle, Sr.	12.04 Acres	17/433
39	Ida Sprain Loeffler	51.42 Acres	775/390
40	Billie W. Noerenberg	12.47 Acres	456/013
41	Waldo E. Moeller	6.22 Acres	318/289
42	Glennie W. Roberts	6.35 Acres	714/856
43	Marion J. Morris	0.66 Acre	465/503

UNIT TOTAL 796.07 ACRES

Tract acreages subject to this Unit are from record and/or lease documents or scaled from the Unit Plat.
** All recording references - Volume & Pages (Vol./Pg.) are Deed or Official Records of Washington County, and/or Austin County, Texas.*
Title furnished by Chesapeake Operating, Inc.
Prepared in conjunction with a separate survey plat and description prepared by Donald W. Lampe Professional Land Surveyors, dated June 19, 1998.
1688/98 1688LIST

(4.)
MF 99333
ITEM List of Mineral Owners
TO
FROM
DATE 6-19-98

(C)

CHESAPEAKE OPERATING, INC. LAND DEPARTMENT

P.O. BOX 18496
OKLAHOMA CITY, OKLAHOMA 73154-0496
405/848-8000
405/879-9535 FAX

July 23, 1998

165.00
1/6
3yr Paid-up

Drew Reid - Landman
Texas General Land Office
Lease Administration/Energy Resources
1700 N. Congress Ave, Suite 600
Austin, Texas 78701-1495

Re: Mill Creek OL #1-H
Nelson Smith Survey A-100 – Washington Co.
James Cooper Survey A-35 – Washington Co. &
A-27 – Austin Co.; John Hodge Survey A-61 –
Washington Co. & A-49 – Austin Co., Texas

Dear Drew:

Chesapeake Operating, Inc., is planning a well in Washington and Austin Counties, Texas, the Mill Creek OL #1-H well, located in the captioned surveys (see copy of enclosed Unit Plat).

We have been informed by our title attorney that the State of Texas owns the minerals under a right-of-way in said unit. Said tract contains 14.95 acres and is identified on the plat and enclosed tract listing as Tract 25 and is part of Highway 109.

Per our phone conversation regarding Tract 34, Chesapeake has approximately 24.9416 acres out of 28.71 acres under lease. The remaining interests belong to individuals who have either died or cannot be located.

Said right-of-way is not on Relinquishment Act Land and as this will be a horizontal well, I understand that your requirement for an affidavit of non-production within 2500' is waived.

We are offering a bonus consideration of $165.00 per acre, 1/6th royalty, for a three (3) year paid-up lease. This is the best offer paid in the area (see enclosed leases).

ENERGY RESOURCES
93 JUL 27 PM 3:28
RECEIVED

CHESAPEAKE OPERATING, INC. ✓

No. 147541

008019 TEXAS GENERAL LAND OFFICE

ACCT DATE	VOUCHER NUMBER	INVOICE DATE	INVOICE NUMBER	DESCRIPTION OR GROSS AMOUNT DISCOUNT	NET AMOUNT
07/98	467699	07/20/98	072098	PRCSSNG FEE,ROW LSE/SHELBY	100.00
				** TOTAL FOR CHECK	100.00

98059246

X

170

Your prompt attention to this matter will be greatly appreciated and if you should have any questions or need additional material, please call me at (405) 879-9211.

Sincerely,

Karan Watson

Karan Watson

(5)

MF 99333

ITEM case

TO

FROM

DATE 7-23-98

AFFIDAVIT

STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

ON BEHALF OF CHESAPEAKE OPERATING, INC., I, BONNIE SCHOMP, AS LANDMAN FOR THE TEXAS LAND DEPARTMENT AND AS THE ADMINISTRATOR OVERSEEING THE LANDS DESCRIBED IN THE OIL AND GAS LEASES AFFECTING SUCH DO HEREBY CERTIFY THAT TO THE BEST OF MY KNOWLEDGE THE HIGHEST BONUS CONSIDERATION PAID TO THE LESSOR(S) IS $165.00 PER NET MINERAL ACRE;THE HIGHEST ROYALTY PAID TO THE LESSOR(S) IS 1/6 FOR A THREE (3)YEAR PAID UP LEASE.

IN WITNESS WHEREOF, THIS AFFIDAVIT IS EXECUTED THIS 23RD DAY OF July, 1998.

Bonnie Schomp

BONNIE SCHOMP
TEXAS LANDMAN

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME ON THE 23RD DAY OF July, 1998, BY BONNIE SCHOMP.

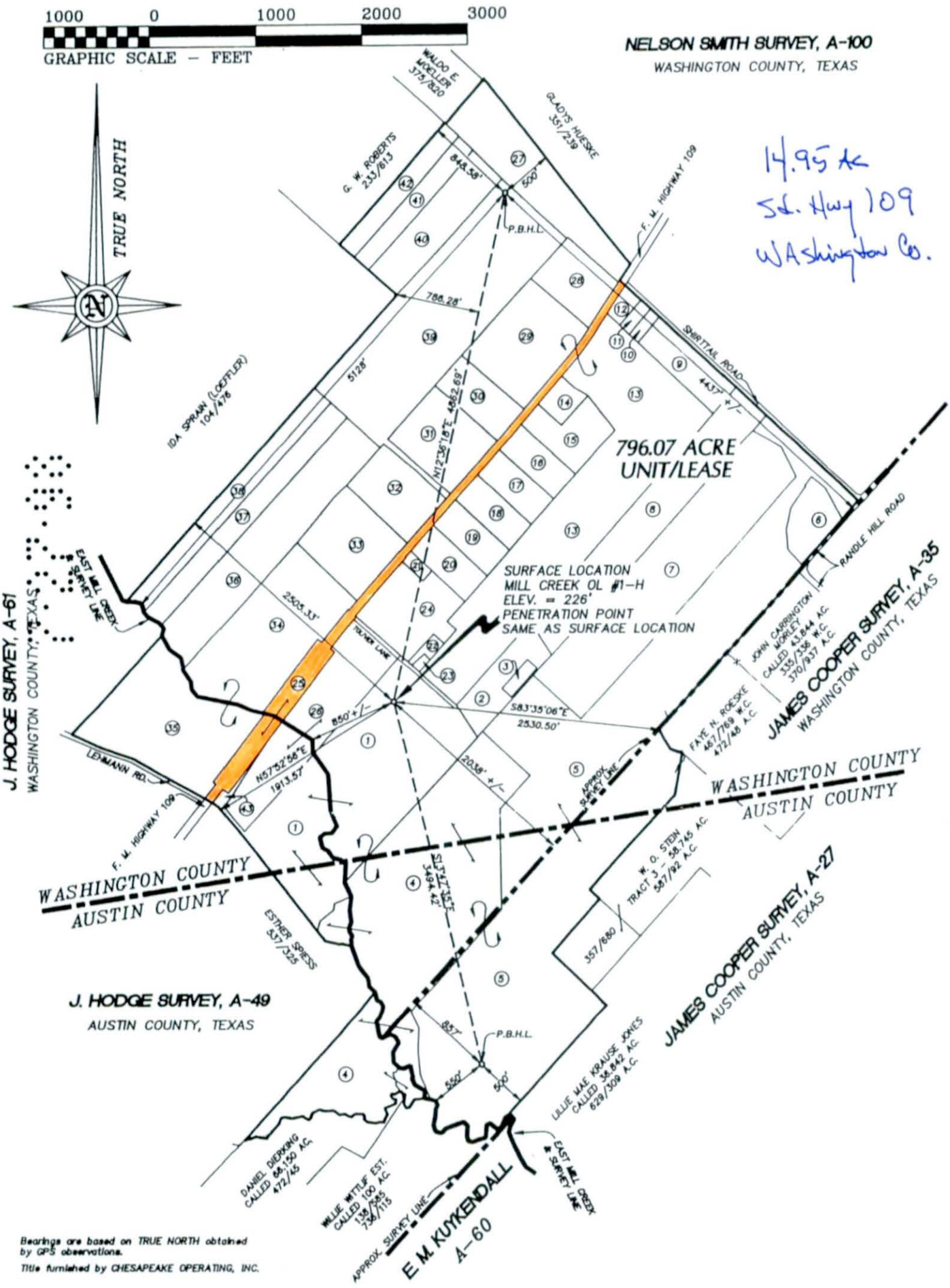
Lydia Bivss

NOTARY PUBLIC

MY COMMISSION EXPIRES:

6/1/2002

(6)
MF 99333
ITEM Affidavit
TO
FROM
DATE 7-23-98



14.95 Ac
Sd. Hwy 109
Washington Co.

Bearings are based on TRUE NORTH obtained by GPS observations.

Title furnished by CHESAPEAKE OPERATING, INC.

THE STATE OF TEXAS
COUNTIES OF WASHINGTON & AUSTIN

I, Donald W. Lampe, Registered Professional Land Surveyor No. 1732 of the State of Texas, do hereby certify that this plat accurately shows the surface location of the CHESAPEAKE OPERATING, INC.– MILL CREEK OL NO. 1–H WELL as staked on the ground under my direction during the month of May, 1998.

Dated this the 19th day of June, 1998.

Donald W. Lampe
R.P.L.S. No. 1732

99333

DONALD W. LAMPE
REGISTERED PROFESSIONAL
LAND SURVEYING
1408 WEST MAIN STREET
P. O. BOX 2037
BRENHAM, TEXAS 77834
(409) 836–6877 • FAX (409) 836–1177
W.O. 1888 1888RRC1.DWG 1888CHES.CRD

CHEASPEAKE OPERATING, INC.
MILL CREEK OL #1-H UNIT

NELSON SMITH SURVEY, A–100, J. HODGE SURVEY, A–61
JAMES COOPER SURVEY, A–35
WASHINGTON COUNTY, TEXAS
J. HODGE SURVEY, A–49 & J. COOPER SURVEY, A–27
AUSTIN COUNTY, TEXAS

MILL CREEK OL NO. 1–H UNIT surface location is approximately 6 miles southwest of Brenham, Washington County, Texas
LATITUDE 30° 04' 53" N • LONGITUDE 96° 26' 01" W

SURFACE LOCATION Is 1913.57' from a southwest line and 2505.33' from a northwest line of the Unit/Lease and 850' +/– from the southwest line and 2038' +/– from the southeast line of the Nelson Smith Survey, A–100, Washington County, Texas

7.

RF 99333

ITEM MAP

TO

FROM

DATE

	D	E	F	M	O	U	V
1	**MILL CREEK #1-H**		796.0700		BPO WI		BPO NRI
2	NELSON SMITH A-100						
3	JOHN HODGE A-49 & A-61		ACRES		52.892238%		83.223079%
4	JAMES COOPER A-35 & A-27		796.070000		43.275467%		80.815693%
5							
6	SHELBY						
7	WASHINGTON CO., TEXAS						
8	AUSTIN CO., TEXAS		This is a **PRELIMINARY DOI** for drilling purposes and will be updated				
9							
10							
11							
12					3.832295%		
13					100.000000%		
14							

15	LESSOR	LESSEE	TRACT NO.	ROYALTY	BONUS PER ACRE	Lease Date	EXPIRES
16	Holman, Ruby L.	COI	1	0.16666667	$125.00	07/12/95	07/12/98
17	Toliver, Issac L.	COI	1	0.16666667	$125.00	07/12/95	07/12/98
18	Toliver, Cleo L.	COI	1	0.16666667	$125.00	07/12/95	07/12/98
19	Toliver, James	COI	1	0.16666667	$125.00	07/12/95	07/12/98
20	LeFlore, Beulah Lee Toliver	COI	1	0.16666667	$125.00	07/12/95	07/12/98
21	Toliver, Patricia A.	COI	1	0.16666667	$131.37	07/12/95	07/12/98
22	Toliver, Sherlon R. (1)	COI	1	0.16666667	$125.00	07/12/95	07/12/98
23	Williams, Henry C. et ux	COI	10	0.16666667	$175.00	09/12/95	09/12/00
24	Gandy, Robert et ux	COI	11	0.16666667	$150.00	08/25/95	08/25/98
25	Iwig, Dorothy Mae et al	COI	12	0.16666667	$150.00	09/11/95	09/11/98
26	Blasingame, George R. et ux	COI	13	0.16666667	$75.00	01/05/95	01/05/00
27	Marshall, Monte L. et ux	COI	14	0.16666667	$125.00	08/19/95	08/19/98
28	Krause, Melvin et ux	COI	15	0.16666667	$75.00	12/10/94	12/10/99
29	Keese, Charles A. et ux	COI	16	0.16666667	$125.00	07/10/95	07/10/00
30	Rodenbeck, Bruce A.	COI	17	0.16666667	$100.00	05/27/95	05/27/00
31	Schubel, Richard Donald et ux	COI	18	0.16666667	$75.00	03/09/95	03/09/00
32	Tegeler, Ben et ux	COI	19	0.16666667	$75.00	04/28/95	04/28/00
33	Toliver, Isaac	COI	2	0.16666667	$125.00	07/11/95	07/11/98
34	Robertson, Larry G.	COI	20	0.16666667	$150.00	09/14/95	09/14/00
35	Reimer, Dennis et ux	COI	21	0.16666667	$165.00	09/12/95	09/12/00
36	Hartnett, Jerry B. et ux	COI	22	0.16666667	$165.00	09/12/95	09/12/00
37	Hartnett, Rachel	COI	23	0.16666667	$165.00	09/12/95	09/12/00
38	Hartnett, B.L. et ux	COI	24	0.16666667	$125.00	08/04/95	08/04/98
39	WASHINGTON CO., TEXAS		25				
40	Dever, Emma Jean	COI	26	0.16666667	$75.00	04/12/95	04/12/00
41	Noerenberg, Doris	COI	27	0.16666667	$75.00	10/15/94	10/15/99
42	Hopkins, Evelyn B.	COI	28	0.16666667	$75.00	03/08/95	03/08/00
43	LeFlore, Beulah Lee Toliver	COI	3	0.16666667	$125.00	07/12/95	07/12/98
44	Pomykal, Roger et ux	COI	30	0.16666667	$75.00	02/15/95	02/15/00
45	Schmidt, Robert C. et ux	COI	31	0.16666667	$125.00	05/27/95	05/27/00
46	Goeke, John	COI	32	0.16666667	$150.00	07/25/95	07/25/98
47	Harris, Elijah	COI	33	0.16666667	$75.00	03/29/95	03/29/00
48	White, Perneta Bell Harris	COI	34	0.16666667	$75.00	03/29/95	03/29/00
49	Dockery, Virginia E. Harris	COI	34	0.16666667	$75.00	03/29/95	03/29/00
50	Harris, Eula Mae	COI	34	0.16666667	$75.00	03/29/95	03/29/00
51	Harris, Elijah	COI	34	0.16666667	$75.00	03/29/95	03/29/00
52	Smoots, Charles	COI	34	0.16666667	$100.00	04/01/98	04/01/01
53	Smoots, Clifford	COI	34	0.16666667	$100.00	04/01/98	04/01/01

	D	E	F	M	O	U	V
1	**MILL CREEK #1-H**		**796.0700**		BPO WI		BPO NRI
2	NELSON SMITH A-100						
3	JOHN HODGE A-49 & A-61		**ACRES**		52.892238%		83.223079%
4	JAMES COOPER A-35 & A-27		796.070000		43.275467%		80.815693%
5							
6	SHELBY						
7	WASHINGTON CO., TEXAS						
8	AUSTIN CO., TEXAS		This is a **PRELIMINARY DOI** for drilling purposes and will be updated.				
9							
10							
11							
12					3.832295%		
13					100.000000%		
14							
15	LESSOR	LESSEE	TRACT NO.	ROYALTY	BONUS PER ACRE	Lease Date	EXPIRES
54	Walker, Lenora	COI	34	0.16666667	$50.00 Total Bonus	04/01/98	04/01/01
55	Reynolds, Myrtle Harris	COI	34	0.16666667	$100.00	04/01/98	04/01/01
56	Hacks, Peter Jr.	COI	34	0.16666667	$100.00	04/01/98	04/01/01
57	18.882247		34				
58	Morris, Marion J.	COI	35	0.16666667	$100.00		03/04/01
59	Randle, Raymond Sr.	COI	36	0.16666667	$125.00	08/31/95	08/31/98
60	Randle, Raymond Sr.	COI	37	0.16666667	$125.00	08/31/95	08/31/98
61	Randle, Felix Sr.	COI	38	0.16666667	$200.00 Total Bonus	03/19/98	03/23/01
62	Loeffler, Ida Sprain	COI	39	0.16666667	$75.00	01/23/95	01/23/00
63	Tegeler Larry W. et ux	COI	29	0.16666667	$75.00	01/28/95	01/28/00
64	Sommer, Richard (2)	COI	4	0.16666667	$75.00	05/05/95	05/05/00
65	Sommer, John	COI	4	0.16666667	$75.00	05/05/95	05/05/00
66	Sommer , John Jr. (2)	COI	4	0.16666667	$75.00	05/05/95	05/05/00
67	Dickschat, Raymond H. et ux	COI	4	0.18750000	$150.00	03/04/98	03/04/01
68	Noerenberg, Billie W.	COI	40	0.16666667	$75.00	10/15/94	10/15/99
69	MOELLER, WALDO		41				
70	Roberts, Glennie	COI	42	0.16666667	$75.00	04/05/95	04/05/00
71	Morris, Marion J.	COI	43	0.16666667	$100.00		03/04/01
72	Harrison, Maurine	COI	5	0.16666667	$75.00	12/17/94	12/17/99
73	Latimer, Ralph et ux	COI	6	0.16666667	$75.00	10/20/94	10/20/99
74	Zientek, Joyce	COI	7	0.16666667	$75.00	11/01/94	11/01/99
75	Kossie, Nelda	COI	8	0.16666667	$75.00	10/31/94	10/31/99
76	Seale, Olan C. et ux	COI	9	0.16666667	$75.00	01/05/95	01/05/00
77							

(8.)
MF 99333
ITEM Itemized Listing
TO
FROM
DATE


SEE MAP 92
MUELLERSVILLE
SHIRT TAIL
RANDLE HILL
TOLIVER
LEHMANN
AB 100 NELSON SMITH
AB 35 JAMES COOPER
14
R18682
7
R18740
58
R18702
78
R18701
24
R18761
77
R18712
34
R18723
R18715
R18752
R18722
R18763
79
R18762
25
R18844
150
R18825
133
R18798
105
R18744
62
R18819
128
R18743
61
R18716
39
R18811
117
R18719
41
R18720
162
R18722
131
R18765
80
R18768
76
R18713
35
R18714
36
R18734
54
R18706
103
R18555
19
R18551
157
R18827
135
R12949
2
R12962
18
R13812
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R12957
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R12952
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R14884
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R14874
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R14880
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381
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R14929
R14930
R14931
R14932
R14933
R14934

(9.)
MF 99333
ITEM map.
TO
FROM
DATE —

to corner. Thence N. 69½ E. 3.6 vrs. to corner. Thence N. 20½ W. 133 vrs. to corner in the North line of the tract. Thence West with said line, 32 vrs. to a point said line, 60 feet at right angles from the East line of said new road. Thence S. 20½ E. and parallel with the West line of said road 142 vrs. to corner which is S 69½ W. from the offset on the East side of this road. Thence N. 69½ E. 3.6 vrs. to corner 30 feet from the center line of said road. Thence S 20½ E. 294 vrs. to corner. Thence S. 16 W. with the West line of said new road and 30 feet at right angles from the East line thereof, and 30 feet West from the center line of said new road, at 645 vrs. to corner in the old road. Thence with said road, S. 58 E. 22 vrs. to the beginning corner, containing an area of 4.28 acres of land, the East one half of this road is hereby conveyed by Wm. Hoefelmeyer and the West one half of this road is conveyed by W. J. Fox. As surveyed by W. B. Francis on April 30th., 1928. TO HAVE AND TO HOLD the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging unto the said S. D. W. Low, County Judge of Washington County, Texas, and his successors in said office, and I do hereby bind myself, my heirs, executors and administrators, to Warrant and Forever Defend all and singular the said premises unto the said S. D. W. Low, County Judge of Washington County, Texas, and his successors in said office, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

Witness my hand at Brenham, Texas, this 2nd day of June, A. D. 1928.

Willie Hoefelmeyer.

THE STATE OF TEXAS,)
County of Washington.)

Before me, the undersigned authority, in and for Washington County, Texas, on this day personally appeared Willie Hoefelmeyer, 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 OFFICE, this 2nd day of June, A. D. 1928.

Rosa Lee Hicker,
Notary Public, Washington County, Texas.

Seal.

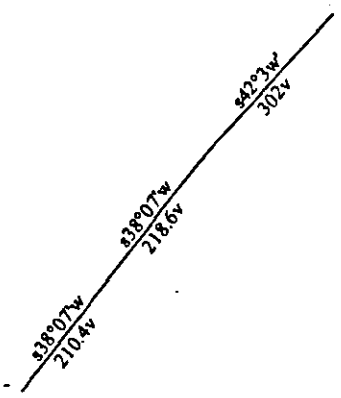
Filed for record at 8 o'clock A. M. Oct. 11, 1928.
Recorded at 10:45 A. M. Oct. 11, 1928. C. B. Thompson, CCC.C
By [signature] Deputy.

- - - - - - - - -

WARRANTY DEED: BOB EVANS AND WIFE TO WASHINGTON COUNTY.

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

That I, Bob Evans, joined herein by my wife, Mariah Evans, of the County of Washington, State of Texas, for and in consideration of the sum of One & No/100 ($1.00) DOLLAR to me in hand paid by S. D. W. Low, County Judge of Washington County, Texas, as follows: in cash the receipt of which is hereby acknowledged and confessed, and the further consideration of 70 post and 3120 feet of wire, have Granted, Sold and Conveyed, and by these presents do Grant, Sell and convey unto the said S. D. W. Low, County Judge of Washington County, Texas, of the County of Washington State of Texas all that certain tract or parcel of land, situated in Washington County, Texas, and a part of the John Hodge League and a part of the 20 acre tract of land as of record in Vol. 42, page 591. Beginning at the point where the center line of the



Title: 91/13 - Harris tract - Lots Harris	Date: 04-30-1998
Scale: 1 inch = 800 feet	File:

Tract 1: 0.000 Acres: 0 Sq Feet: 0.0 Sq Meters: Closure = n39.5539e 2029.12 feet: Precision =1/ 1: Perimeter = 2031 feet

001=s42.3w 302v
002=s38.07w 218.6v
003=s38.07w 210.4v

Brenham Highway crosses the center of East Mill Creek. Thence with said center line of said highway S. 38°7' W. 290 vrs . to a point in said line on hill side taking a strip from our land 75 feet wide on the N. W. side and 100 ft. on the S. E. side of said center line. Thence with said center line as before S. 38°07' W. 84 vrs. to our S. W. line, taking a strip from our land 80 ft. wide, 40 ft. on each side of the center line and will contain an area of 3.7 acres of land, including that conveyed the County by deed recorded in Vol. 80, page 442; TO HAVE AND TO HOLD the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging unto the said S. D. W. Low, County Judge of Washington County, Texas, and his successors in said office, forever; and we do hereby bind ourselves, our heirs, executors and administrators to Warrant and Forever Defend all and singular the said premises unto the said S. D. W. Low, County Judge of Washington County, Texas, and his successors in said office, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

WITNESS our hands at Brenham, Texas, this 8th day of June, A. D. 1928.

Robert Evans
his
Mariah X Evans.
mark

THE STATE OF TEXAS,)
COUNTY OF WASHINGTON.)

Before me, the undersigned authority, in and for County, Texas, on this day personally appeared Bob Evans, 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 11 day of June, A. D. 1928.

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

Seal.

THE STATE OF TEXAS,)
COUNTY OF WASHINGTON.)

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 11 day of June, A. D. 1928.

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

Seal.

Filed for Record at 8 o'clock A. M. Oct. 11, 1928.

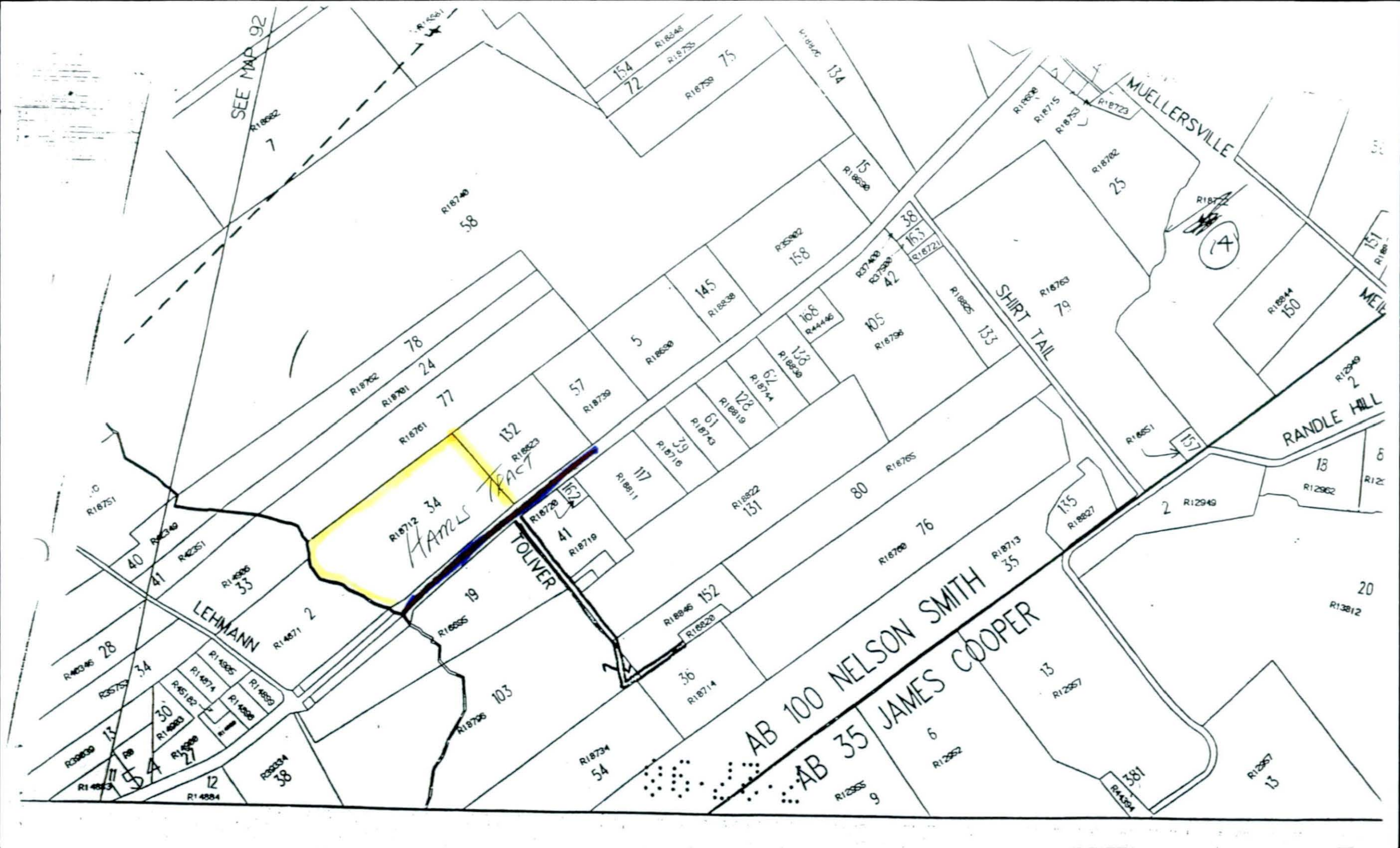
Recorded at 11:10 A. M. Oct. 11, 1928.

C. B. Thompson COCWC
By Deputy.

WARRANTY DEED: ED. D. JOHNSON & WIFE TO WASHINGTON COUNTY.

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

That I, Ed. D. Johnson, joined herein by my wife, Biddie Johnson, of the County of Washington State of Texas for and in consideration of the sum of One & No/100 ($1.00) DOLLAR


SEE MAP 92
MUELLERSVILLE
SHIRT TAIL
RANDLE HILL
TOLIVER
LEHMANN
HAMLS TRACT
AB 100 NELSON SMITH
AB 35 JAMES COOPER

wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 11 day of June, A. D. 1928.

W. B. Francis,

Seal. Notary Public, Washington County, Texas.

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

Recorded at 1:11 o'clock P. M. Oct. 11, 1928.

C. B. Thompson, C.C.C.

By A. Ruetz Deputy.

- - - - - - - - -

WARRANTY DEED: PETER HARRIS AND WIFE TO WASHINGTON COUNTY.

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

That we, Peter Harris and wife, Emmer Harris, of the County of Washington State of Texas for and in consideration of the sum of One & No/100 ($1.00) DOLLAR to us in hand paid by S.D.W. Low, County Judge of Washington County, Texas, as follows: in cash, the receipt of which is hereby acknowledged and confessed, and the further consideration of 120 post and 57.0 feet of wire, have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey unto the said S. D. W. Low, County Judge of Washington County, Texas, of the County of Washington State of Texas all that certain tract or parcel of land situated in Washington County, Texas, and a part of the Nelson Smith League and part of the 41-2/5 acre tract conveyed Peter Harris by P.W. Rosenbaum by deed recorded in Vol. 64, p.608. Beginning in the center line of the highway and about or near the East corner of the 41-3/5 acre tract. Thence with the center line of the highway S. 42½ W. at 302 vrs. to the Albert Hurtig & M. L. Dever corner of same, taking a strip along on the N. W. side of this center line 40 ft. wide. Thence with the center line of the highway S. 38° 07' W. at 218.6 vrs. to a point near the line of Mill creek bottom taking a strip of land 60 ft. wide on the N. W. side of said center line. Thence with said center line of the road as before , S. 38° 07' W. at 210.4 vrs. more to the present run of the creek, taking a strip 100 feet wide on the N. W. side of this last call to the creek. The acreage herein conveyed being 2½ acres, more or less, including the land conveyed by me to the County by deed recorded in Vol. 80, page 573; TO HAVE AND TO HOLD the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging unto the said S. D. W. Low, County Judge of Washington County, Texas, and his successors in said office, forever; and we do hereby bind ourselves, our heirs, executors and administrators, to Warrant and Forever Defend all and singular the said premises unto the said S. D. W. Low, County Judge of Washington County, Texas, and his successors in said office, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

WITNESS our hands at Brenham, Texas, this 8th day of June, A. D. 1928.

Peter Harris
her
Emma X Harris
mark

THE STATE OF TEXAS,
COUNTY OF WASHINGTON. }

Before me, the undersigned authority in and for Washington County, Texas, on this day personally appeared Peter Harris, 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 11 day of June, A. D. 1928.

W. B. Francis,

Seal. Notary Public , Washington County, Texas.

THE STATE OF TEXAS,)
COUNTY OF WASHINGTON.)

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 11 day of June, A. D. 1928.

W. B. Francis,

Notary Public, Washington County, Texas.

Seal.

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

Recorded at 1:40 o'clock P. M. Oct. 11, 1928.

C. B. Thompson CCCWC

By Deputy.

- - - - - - - -

WARRANTY DEED M. L. DEVER AND WIFE TO WASHINGTON COUNTY HIGHWAY DEPARTMENT.

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

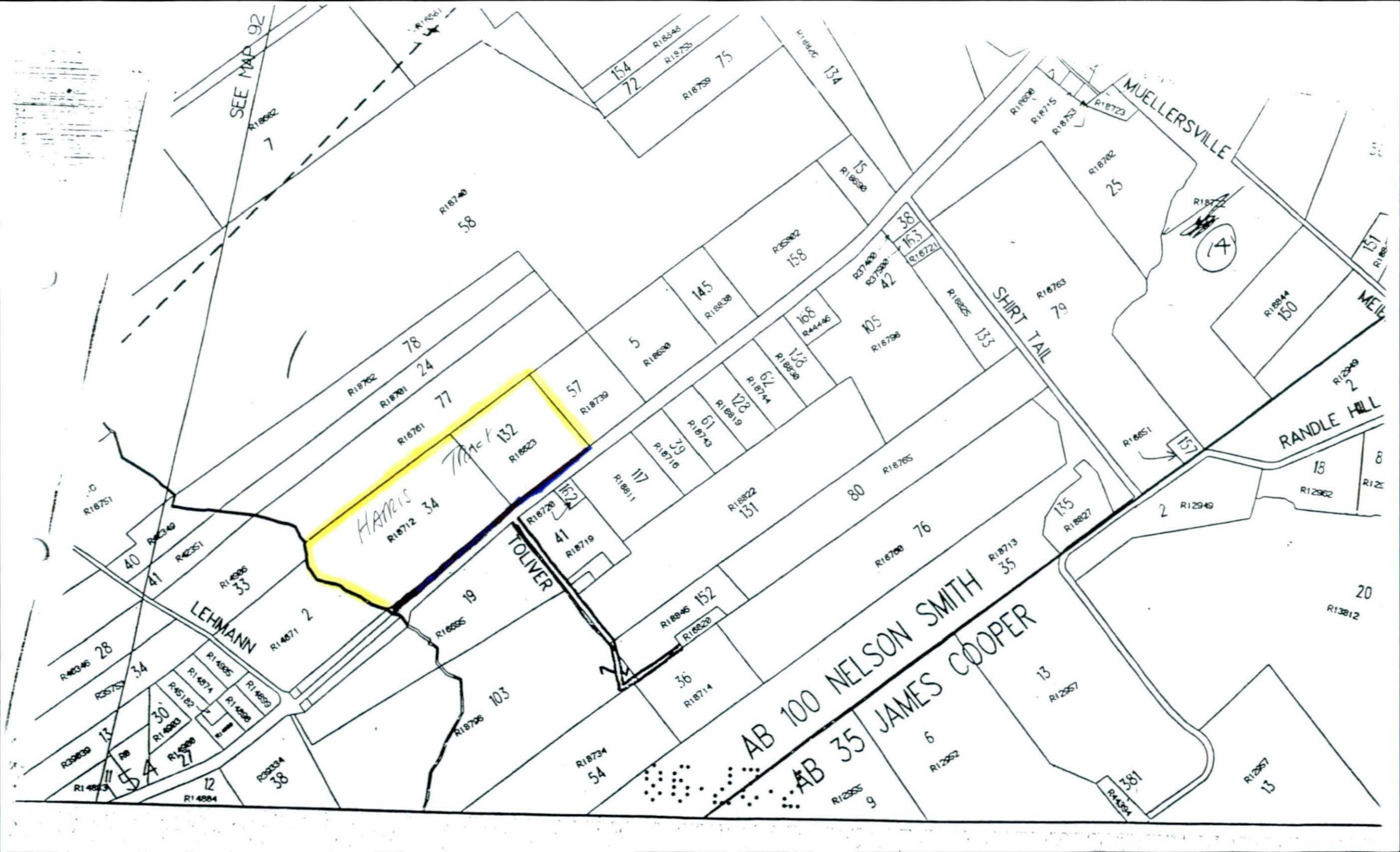
That we, M. L. Dever & wife M. H. Dever of the County of Washington State of Texas for and in consideration of the sum of Twenty Five DOLLARS to us in hand paid by the Washington County Highway Department have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey unto the said Washington County Highway department 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 league. Beginning at the point at the point where the right of way of the new road drops off from 100 feet to 50 feet from the center line of the new road. Thence from the stake 100 feet from the center line of the road N. 38° 07' W. 229 feet to corner 100 feet from said center line. Thence N. 51° 53' W. 50 ft.to a point 50 ft from sd. center line of sd road; Thence with sd line S 38½ 07' W 229 ft to corner 50 ft from sd center line; Thence S S 51° 53' E 50 ft to the beginning corner, containing an area of 26/100 of an acre of land. TO HAVE AND TO HOLD the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging unto the said Washington County Highway Department forever; and we do hereby bind ourselves, our heirs, executors and administrators to Warramt and Forever Defend all and singular the said premises unto the said Washington County Highway Department, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

Witness our hands at Brenham, Texas, this 18th day of July, A. D. 1928.

M. L. Dever.

M. H. Dever.

THE STATE OF TEXAS,)
(
County of Washington.)


SEE MAP 92
MUELLERSVILLE
SHIRT TAIL
RANDLE HILL
LEHMANN
TOLIVER
AB 100 NELSON SMITH
AB 35 JAMES COOPER
HARRIS
McK
R18712 34
R18723
R18715
R18753
R18782 25
R18763 79
R18844 150
R18825 133
R18744 105
R18798
R18743 61
R18819 128
R18839 138
R18716 39
R18811 117
R18822 131
R18765 80
R18760 76
R18719 41
R18728 152
R18846 152
R18714 36
R18734 54
R18706 103
R18739 57
R18762 78
R18761 24
R18761 77
R18523 132
R18838 145
R18839 5
R18739 75
R18733 154
R18345 72
R18722 14
R18721 163
R18827 135
R18713 35
R12957 13
R12952 6
R12957 13
R12949 2
R12962 18
R13812 20
R14884 12
R14883 11
R14871 2
R14886 33
R14874
R14895
R14893
R14892
R14883 30
R14883 27
R14884 12
R14883 11
R18751
R18751
R18751

these presents do Grant, Sell and Convey unto Washington County, Texas, all of the land hereinabove described. TO HAVE And TO HOLD the above described land, together with all and singular, the rights and appurtenances thereto in any wise belonging unto said Washington County, Texas, forever. It is expressly agreed and understood, however, that should said road not be constructed over and upon the land hereinabove described, this conveyance shall become null and void and the title to said land shall revert to me or my heirs or assigns.

Witness our hands this the 19 day of July A.D.1923.

his
Miles X Cravin
mark.

T.F. Matchett
F.W.Rosenbaum
Alb. J. Lehmann

No Acknowledgment.

Filed for record this 7th day of April A.D.1924, at 5 O'clock P.M .Green Morgan,CCCWCO.
Recorded June 16th A.D.1924, at 11:15 O'clock A.M.Green Morgan,By Bertha Nygaard Deputy.

DEED-- PAUL ENGLING TO WASHINGTON COUNTY.

THE STATE OF TEXAS)
)
COUNTY OF WASHINGTON) Whereas, Washington County,Texas, is desirous of constructing an improved road Brenham -Muellersville Road; and, Whereas, it is desired by said county to construct said road through and upon certain land now owned by us and to include in said road or the right-of-way therefor that part of such alnd so owned by ____ viz:
A strip of land along the north side of my place (known as the old Schlotmann Place) of such a width that there will be 40 ft between the center of the new Road and the North line of my place; and, Whereas, it is thought by us that the construction of said road u upon that part of our land above described would increase the value of our property; therefore KNOW ALL MEN BY THESE PRESENTS: That Paul Engeling & wife of the County of Washington and the State of Texas, in consideration of the prospective increase in the value of our property by the construction of said road, and for the further consideration of the sum of $1.00 to me in hand paid by said county, the receipt of which is hereby acknowledged; have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey unto Washington County, Texas, all of the land hereinabove described. TO HAVE AndTO HOLD the above described land, together with all and singular, the rights and appurtenances thereto in any wise belonging unto said Washington County, Texas, forever, It is expressly agreed and understood, however, that should said road not be constructed over and upon the land hereinabove described, this conveyance shall become null and void and the title to said land shall revert to us or our heirs or assigns.

Witness our hands this the 27 day of July A.D.1923.

Paul Engeling
Mrs Paul Engeling.

No Acknowledgment

Filed for record this 7th day of April A.D.1924, at 5 O'clock P.M.Green Morgan,CCCWCO.
Recorded June 16th A.D.1924, at 11:20 O'clock A.M. Green Morgan, By Bertha Nygaard Deputy.

DEED-- PETER HARRIS TO WASHINGTON.COUNTY.

THE STATE OF TEXAS)
)
COUNTY OF WASHINGTON) Whereas, Washington County, Texas, is desirous of constructing an improved road Known as Brenham & Muellersville and, Whereas, it is desired by said county to construct said road through and upon certain land now owned by me and to include in said road or the right-of-way therefor that part of such land so owned by me viz: A

strip of land 5 ft wide at my east corner 20 feet wide at Mill Creek at my South cor running along North side of present old road. And, Whereas,it is though by me that the construction of said road upon that part of my land above described would increase the value of my property, Therefore, KNOW ALL MEN BY THESE PRESENTS: That Peter Harris of the County of Washington and the state of Texas, in consideration of the prospective increase in the value of my property by the construction of said road, and for the further consideration of the sum of $1.00 to me in hand paid by said county, the receipt of which is hereby acknowledged; have Granted, Sold, and Conveyed, and by these presents do Grant, Sell , and Convey unto Washington County,Texas, all of the land hereinabove described. TO HAVE AND TO HOLD the above described land, together with all and singular rights and appurtenances thereto in any wise belonging unto said Washington County,Texas, forever. It is expressly agreed and understood, however, that should said road not be constructed over and upon the land hereinabove described, this conveyance shall become null and void and the title to said land shall revert to or heirs or assigns.

Witness our hands this the 20 day of July A.D.1923.

Alb. J. Lehmann
Louis R. Lehrmann
F.W. Rosenbaum

Peter Harris.

Filed for record this 7th day of April A.D.1924, at 5 O'clock P.M.Green Morgan,CCCWCO.

Recorded June 16th A.D.1924, at 12:15 O'clock P.M.Green Morgan, By Bertha Nygaard Deputy.

DEED-- A. HURTIG TO WASHINGTON COUNTY.

THE STATE OF TEXAS)
)
COUNTY OF WASHINGTON) Whereas, Washington County,Texas, is desirous of constructing an improved road known as the Brenham-Muellersville Rd. and, Whereas, it is desired by said county to construct said road through and upon certain land now owned by me and to include in said road or the right of way therefor that part of such land so owned by me viz: A strip of land along my N.W. line of my place near Muellersville of such a width; From a point in front of the old Wilfert place marked by the first 8" cedar nearest the old road, thence from this point in a westerly direction to a stake 363 steps from cedar tree this stake is 3½ ft inside of the south fence along the old road; also from the 8" cedar tree to a point in the South fence of the old road 143 steps in a northeasterly direction; and, Whereas, it is thought by me that the construction of said road upon that part of my land above described would increase the value of my property; therefore, KNOW ALL MEN BY THESE PRESENTS: That A. Hurtig of the County of Washington and the State of Texas, in consideration of the prospective increase in the value of my property by the construction of said road, and for the further consideration of the sum of $1.00 to me in hand paid by said county, the receipt of which is hereby acknowledged; have Granted, Sold, and Conveyed, and by these presents do Grant, Sell, and Convey unto Washington County, Texas, all of the land hereinabove described. TO HAVE AND TO HOLD the above described land, together with all and singular, the rights and appurtenances thereto in anywise belonging unto said Washington County,Texas, forever. It is expressly agreed and understood, however, that should said road not be constructed over and upon the land hereinabove described, this conveyance shall become null and void and the title to said land shall revert to me or my heirs or assigns.

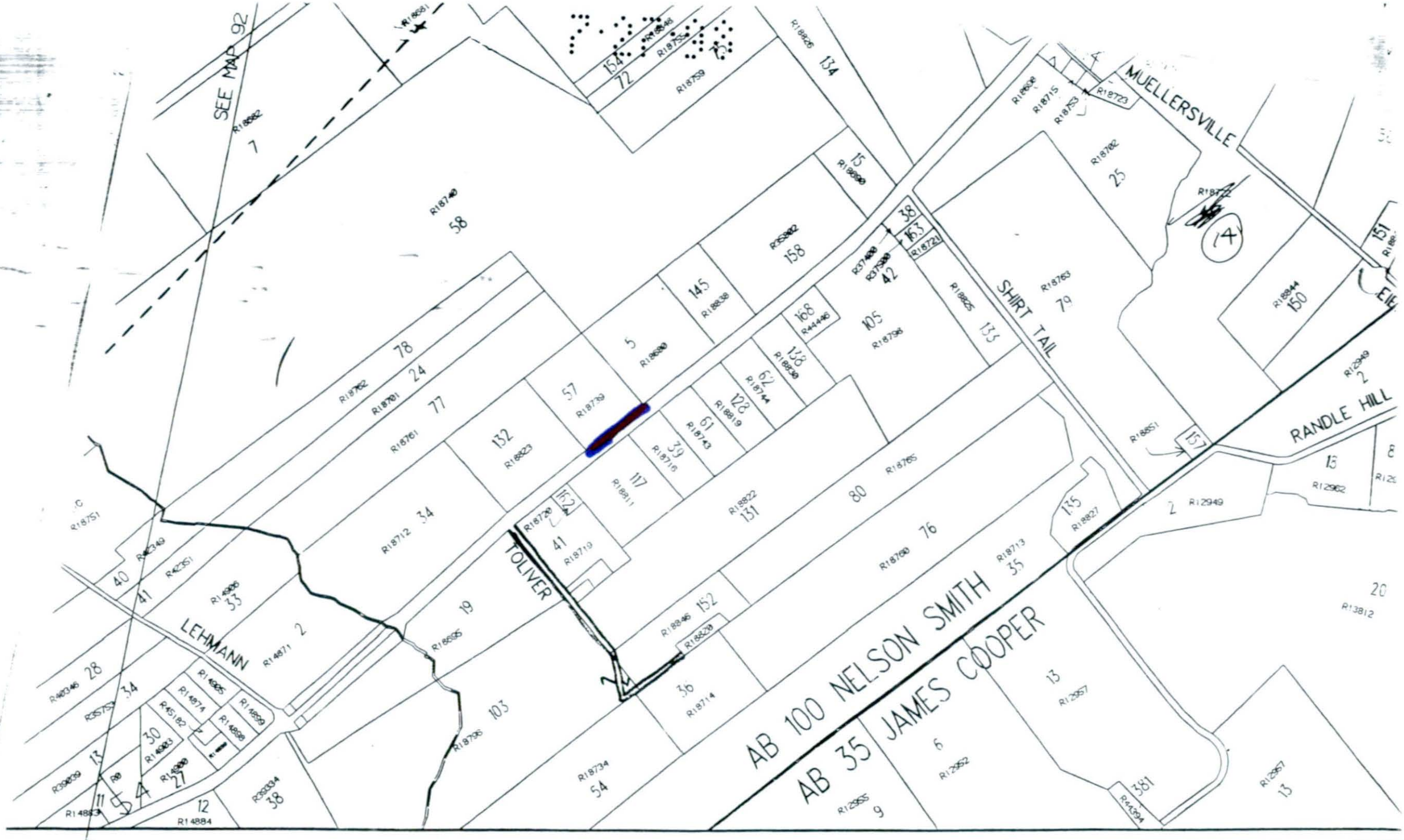
WITNESS OUR HANDS THIS the 18 day of July A.D.1923.

A. Hurtig.

No Acknowledgment.

Filed for record this 7th day of April A.D.1924, at 5 O'clock P.M.Green Morgan,CCCWCO.

Recorded June 16th A.D.1924, at 12:30 O'clock P.M.Green Morgan,By Bertha Nygaard Deputy.


SEE MAP 92
MUELLERSVILLE
SHIRT TAIL
RANDLE HILL
TOLIVER
LEHMANN
AB 100 NELSON SMITH
AB 35 JAMES COOPER
14
R18751
R18752
R18761
R18712
R18823
R18739
R18743
R18744
R18819
R18822
R18811
R18715
R18720
R18719
R18714
R18734
R18735
R18846
R18759
R18748
R18838
R18839
R18796
R18825
R18763
R18722
R18723
R18715
R18753
R18782
R18844
R18551
R18827
R18713
R18760
R18765
R12949
R12962
R13812
R12957
R12952
R12955
R14871
R14883
R14884
R14905
R14974
R14923
R14899
R14898
R45182
R40346
R40349
R40351
R39839
R39834
R44446
R44594

DEED-- AUGUST KOLWES TO WASHINGTON COUNTY.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) WHEREAS, Washington County,Texas, is desirous of constructing an improved road known as the Brenham-Mellersville Road Whereas, it is desired by said county to construct said road through and upon certain land now owned by us and to include in said road or the right-of-way therefore that part of such land so owned by us viz: A strip of land 30 ft on each side of the center line of the Brenham-Mellersville Road thru my place north of my improvements. The new location to be a projection of the old between Billie Rogge and Paul Engling place, and hit the Santa Fe at a point south of the arch on the Kiecke Estate; and, Whereas, it is thought by ____ that the construction of said road upon that part of _____ land above described would increase the value of _____ property; therefore, KNOW ALL MEN BY THESE PRESENTS: That August Kolwes & wife of the County of Washington and the State of Texas, in consideration of the prospective increase in the value of our property by the construction of said road, and for the further consideration of the sum of $1.00 to me in hand paid by said county, the receipt of which is hereby acknowledged; have Granted, Sold, and Conveyed, and by these presents do Grant, Sell and Convey unto Washington County, Texas, all of the land hereinabove described. TO HAVE AND TO HOLD the above described land, together with all and singular, the rights and appurtenances thereto in any wise belonging unto said Washington County, Texas, forever. It is expressly agreed and understood, however, that should said road not be constructed over and upon the land hereinabove described, this conveyance shall become null and void and the title to said land shall revert to us or our heirs or assigns.

Witness our hands this the 18 day of July A.D. 1923.

The Co to furnish material for a 3 wire fence on each side of the road.

Aug. Kolwes
Mrs. Louise Kolwes.

No Acknowledgment.

Filed for record this 7th day of April A.D.1924, at 5 O'clock P.M.Green Morgan,CCCWCO.
Recorded June 16th A.D.1924, at 10:30 O'clock A.M.Green Morgan,By Bertha Hagaud Deputy.

DEED-- WM. APPLE TO WASHINGTON COUNTY.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) Whereas, Washington County,Texas, is desirous of constructing an improved road Known as Brenham & Mullersvill Road and, Whereas, it is desired by said county to construct said road through and upon certain land now owned by us and to include in said road or the right-of-way therefor that part of such land so owned by us viz: A strip of land 22 feet widw at my East corner and 5 ft wide my South cor along North side of the present old road.; And, Whereas, it is thought by us that the construction of said road upon that part of our land above described would increase the value of our property; Therefore, KNOW ALL MEN BY THESE PRESENTS: That Wm. Appel and wife of the county of Washington and the State of Texas, in consideration of the prospective increase in the value of our property by the construction of said road, and for the further consideration of the sum of $1.00 to me in hand paid by said county, the receipt of which is hereby acknowledged; have Granted, Sold, and Conveyed, and by these presents do Grant, Sell, and Convey unto Washington County,Texas, all of the land hereinabove described. TO HAVE AND TO HOLD the above described land, together with all and singular rights and appurtenances thereto in anywise belonging unto said Washington County,Texas, forever. It is expressly agreed and understood, however, that should said road not be constructed over and upon the land hereinabove described, this conveyance shall become null and void and the title to said land

shall revert to us or our heirs or assigns.

Witness our hands this the 19th day of July A.D.1923.

Alb.J. Lehmann
W.C.Draehn
F.W.Rosenbaum.

Wm. Appel
Louise Appel

No Acknowledgment.

Filed for record this 7th day of April A.D.1924, at 5 O'clock P.M.Green Morgan,CCCWCO.

Recorded June 16th A.D.1924, at 10:30 O'clock A.M.Green Morgan,By Bertha Wigand Deputy.

DEED-- HY BUSSE TO WASHINGTON COUNTY.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) Whereas, Washington County, Texas, is desirous of constructing an improved road known as the Brenham-Muellersville Road; and, Whereas, it is desired by said county to construct said road through and upon certain land now owned by me and to include in said road or the right-of-way therefor that part of such land so owned by me viz: A strip of land along the South side of my place near Muellersville of such a width that there will be 30 ft from the South line of my place to the center line of the above road, except 54 steps at the east end of my line which is 30 ft and 57 ft at the extreme east end of my place. and, Whereas, it is thought by me that the construction of said road upon that part of my land above described would increase the value of my property; therefore, KNOW ALL MEN BY THESE PRESENTS: That Henry Bosse of the County of Washington and the State of Texas, in consideration of the prospective increase in the value of my property by the construction of said road, and for the further consideration of the sum of $1.00 to me in hand paid by said county, the receipt of which is hereby acknowledged; have Granted, Sold, and Conveyed, and by these presents do Grant, Sell, and Convey unto Washington County, Texas, all of the land hereinabove described. TO HAVE AND TO HOLD the above described land, together with all and singular , the rights and appurtenances thereto in any wise belonging unto said Washington County, Texas, forever. It is expressly agreed and understood, however, that should said road not be constructed over and upon the land hereinabove described, this conveyance shall become null and void, and the title to said land shall revert to me or my heirs or assigns.

Witness our hands this the 18 day of July A.D.1923.

Henry Busse

No Acknowledgement

Filed for record this 7th day of April A.D.1924, at 5 O'clock P.M.Green Morgan,CCCWCO.

Recorded June 16th A.D.1924, at 11 O'clock A.M.Green Morgan,By Bertha Wigand Deputy.

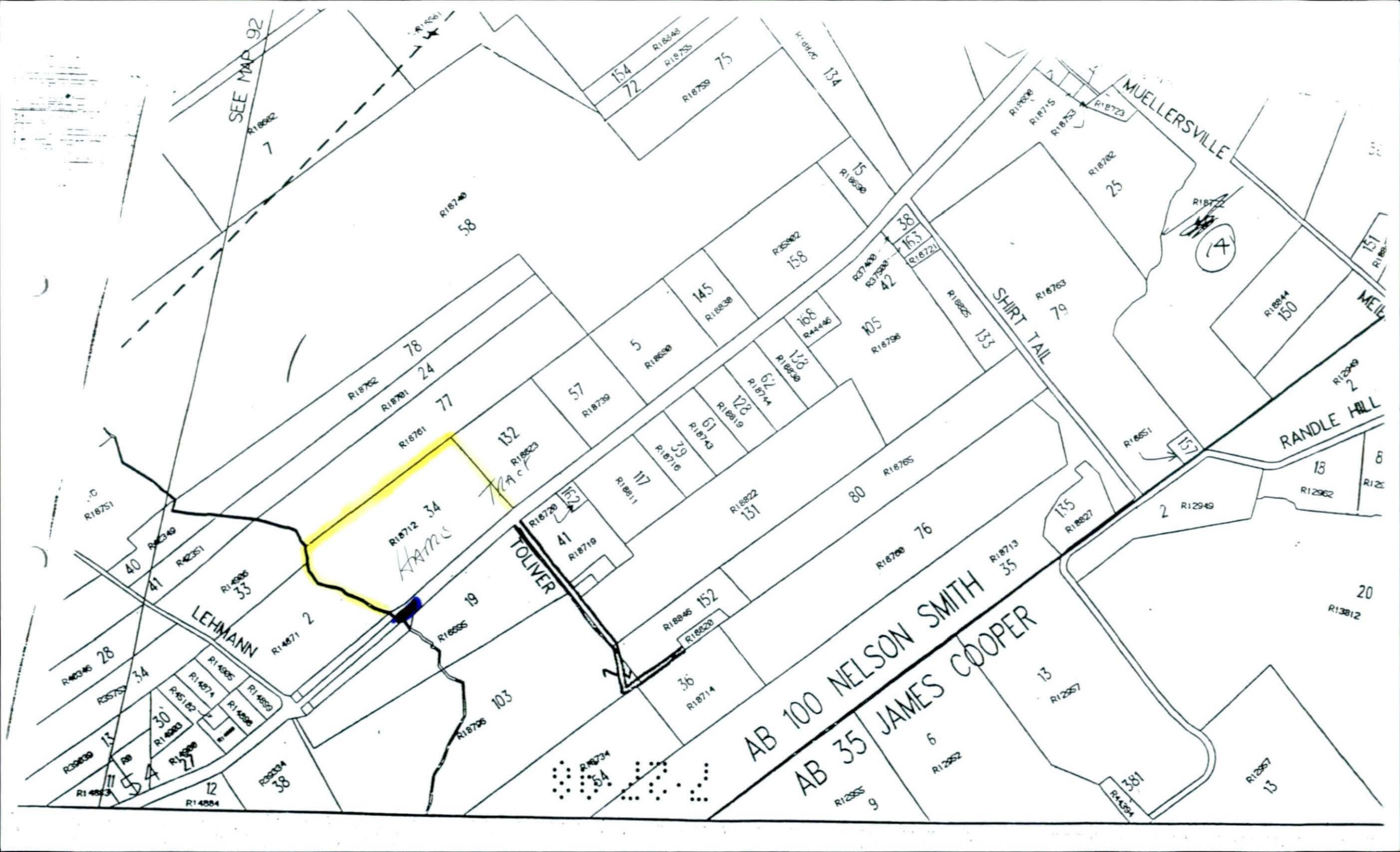
DEED-- MILES CRAVIN TO WASHINGTON COUNTY.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) WHEREAS, Washington county, Texas, is desirous of constructing an improved road known as Brenham & Millersville road. Whereas, it is desired by said county to construct said road through and upon certain land now owned by me and to include in said road or the right-of-way therefore that part of such alnd so owned by me viz: A strip of land 20 ft Wide along the North west line of my home place 40 ft from the center line of the proposed road; and, Whereas, it is thought by me that the construction of said road upon that part of my land above described would increase the value of my property; therefore, KNOW ALL MEN BY THESE PRESENTS: That I, Miles Craven of the County of Washington and the State of Texas, in consideration of the prospective increase in the value of my property by the construction of said road, and for the further consideration of the sum of $1.00 to me in hand paid by said county, the receipt of which is hereby acknowledged; have Granted, Sold and Conveyed, and by

Title: Road Deed 91/15		Date: 04-30-1998
Scale: 1 inch = 800 feet	File:	

Tract 1: 0.263 Acres: 11450 Sq Feet: 1063.7 Sq Meters: Closure = n38.1700e 0.29 feet: Precision =1/1918: Perimeter = 558 feet

001=N38.07E 229F
002=S51.33E 50F
003=S38.07W 229F
004=N51.53W 50F


SEE MAP 92
MUELLERSVILLE
SHIRT TAIL
RANDLE HILL
LEHMANN
TOLIVER
AB 100 NELSON SMITH
AB 35 JAMES COOPER
Hams
Mac
14

Before me, the undersigned authority, in and for Washington County, Texas, on this day personally appeared M. I. Dever and H. H. Dever, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said M. H. Dever, wife of the said M. I. Dever, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said M. H. Dever, acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 18th day of July, A. D. 1928.

W. B. Francis,

Seal. Notary Public, Washington County, Texas.

Recorded at 9o'clock A. M. Oct. 11, 1928.
Recorded at 2:03 P. M. Oct. 11, 1928.

C. B. Thompson, D.C.
By [signature] Deputy.

- - - - - - - - - - -

WARRANTY DEED: PETER HARRIS AND WIFE TO WASHINGTON COUNTY HIGHWAY DEPARTMENT.

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

That we, PetterHarris and his wife Emmer Harris, of the County of Washington, State of Texas, for and in consideration of the sum of Twenty five DOLLARS to us in hand paid by The Washington Co. highway department, have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Conwey unto the said Washington County, of the County of Washington, State of Texas, all that certain tract or parcel of land, situated in sd County & state, and a part of the Nelson Smith league, and a part of the 41-2/5 acre tract conveyed Peter Harris by H. H. Rosenbaum by deed recorded in Vol. 64 p 608. Beginning at the point where the right of way of the New road drops off from 100 ft to 50 feet from the center line of sd new road. Thence from the stake 100 ft. from sd. center line N. 38° 07' E. 249 feet to corner. Thence S 51 53' E 50 feet to a stake 50 ft from the center line of sd road; thence with sd line S 38° 07' W. 249 ft to corner 50 ft from sd center line of sd road. Thence N 51° 53' W 50 feet to the beginning cor containing an area of 26/100 of an acre of land. TO HAVE AND TO HOLD the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging unto the said Washington County Highway Department 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 Washington County Highway Department, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

Witness our hands at Brenham, Texas, this 18th day of July, A. D. 1928.

Peter Harris
her
Emma X Harris
mark

THE STATE OF TEXAS, }
County of Washington. }

Before me, the undersigned authority in and for Washington County, Texas, on this day personally appeared Peter Harris, and Emmer Harris, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said

Emmer Harris, wife of the said Peter Harris, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Emmer Harris, acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 18th day of July, A. D. 1928.

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

Seal.

Filed for record at 9 o'clock A. M. Oct. 11, 1928.
Recorded at 2:30 o'clock P. M. Oct. 11, 1928.

C. B.Thompson CCCWC
By A. T. Ruetz Deputy.

WARRANTY DEED OTTO MUELLER TO WASHINGTON COUNTY.

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

That I, Otto Mueller, of the County of Washington State of Texas for and in consideration of the sum of One & No/100 ($1.00) DOLLAR to me in hand paid by S. D. W. Low, County Judge of Washington County, Texas, as follows: in cash, the receipt of which is hereby acknowledged and confessed, and the further consideration of 1.350 feet of wire and 30 post, for fence, have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey unto the said S.D.W. Low, County Judge of Washington, County, Texas, of the County of Washington State of Texas all that certain lot or parcel of land, lying and being situated in Washington County, Texas, and a part of the S. M. Williams League: Beginning at the center line of the new road, in the N. W. line of my tract and S. E. line of the Wm. Sunderhuse tract. Thence S. 48 E. 81 vrs. to corner in the N. W. line of the Wesley Highway. the road hereby conveyed being 60 ft. wide, a strip of land 30 feet wide on each side of the center line as above herein given, is the land conveyed, and containing an area of 32/100 of an acre of land. TO HAVE AND TO HOLD the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging unto the said S. D. W. Low, County Judge of Washington County, Texas,and his successors in said office, forever; and I do hereby bind myself, my heirs, executors and administrators, to warrant and Forever Defend all and singular the said premises unto the said S. D. W. Low, County Judge of Washington County, Texas, and his successors in said office, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

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

Otto Miller.

THE STATE OF TEXAS,)
COUNTY OF WASHINGTON.)

Before me, the undersigned authority, in and for Washington County, Texas, on this day personally appeared Otto Mueller, 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.

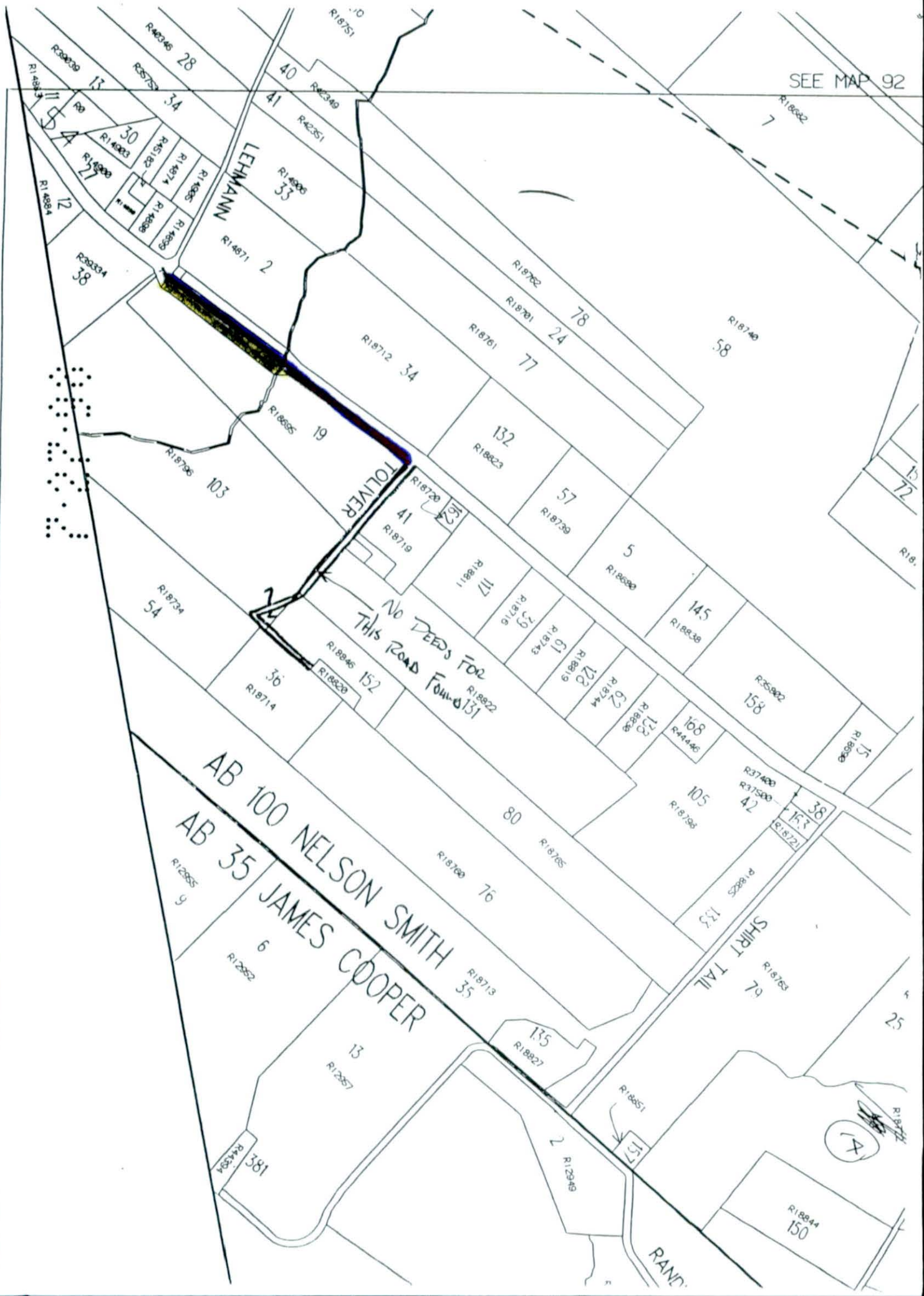
GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 29 day of Sept. A. D. 1928.

C. B.Thompson, Co. Clerk,Washington County, Texas, By A. T. Ruetz, Deputy.

Seal.

Filed for Record at 9 o'clock A. M. Oct. 11, 1928.
Recorded at 2:45 P. M. Oct. 11, 1928.

C. B. Thompson CCCWC
By A. T. Ruetz Deputy


SEE MAP 92
LEHMANN
TOLIVER
No Deeds For This Road Found
AB 100 NELSON SMITH
AB 35 JAMES COOPER
SHIRT TAIL
RAND

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 11 day of June, A. D. 1928.

W. B. Francis,

Seal. Notary Public , Washington County, Texas.

THE STATE OF TEXAS,)
COUNTY OF WASHINGTON.)

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 11 day of June, A. D. 1928.

W. B. Francis,

Notary Public, Washington County, Texas.

Seal.

Filed for Record at 9 o'clock A. M. Oct. 11, 1928.
Recorded at 1:40 o'clock P. M. Oct. 11, 1928.

C. B. Thompson CCCWC
By Deputy.

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WARRANTY DEED M. L. DEVER AND WIFE TO WASHINGTON COUNTY HIGHWAY DEPARTMENT.

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

That we, M. L. Dever & wife M. H. Dever of the County of Washington State of Texas for and in consideration of the sum of Twenty Five DOLLARS to us in hand paid by the Washington County Highway Department have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey unto the said Washington County Highway department 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 league. Beginning at the point at the point where the right of way of the new road drops off from 100 feet to 50 feet from the center line of the new road. Thence from the stake 100 feet from the center line of the road N. 38° 07' E. 229 feet to corner 100 feet from said center line. Thence N. 51° 53' W. 50 ft.to a point 50 ft from sd. center line of sd road; Thence with sd line S 38½ 07' W 229 ft to corner 50 ft from sd center line; Thence S S 51° 53' E 50 ft to the beginning corner, containing an area of 26/100 of an acre of land. TO HAVE AND TO HOLD the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging unto the said Washington County Highway Department forever; and we do hereby bind ourselves, our heirs, executors and administrators to Warramt and Forever Defend all and singular the said premises unto the said Washington County Highway Department, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

Witness our hands at Brenham, Texas, this 18th day of July, A. D. 1928.

M. L. Dever.

M. H. Dever.

THE STATE OF TEXAS,)
County of Washington.)

TP HAVE AND TO HOLD the above described land, together with all and singular, the rights and appurtenances thereto in anywise belonging unto said Washington County,Texas, forever. It is expressly agreed and understood,however, that should said road not be constructed over and upon the land hereinabove described this conveyance shall become null and void and the title to said land shall revert to us or our heirs or assigns.

Witness our hands this the 18 day of July,A.D.1924.

W.C.Draehn.

Mrs.W.C.Draehn.

Not acknowledged.

Filed for record at 5 o'clock April 7,1925. Green Morgan C.C.C.W.C.

Recorded April 11, 1924 at 11:30 o'clock A.M.Green Morgan by Bertha Nygaard Deputy.

DEED M.L.DEVER TO WASHINGTON COUNTY.

THE STATE OF TEXAS)

COUNTY OF WASHINGTON) WHEREAS, Washington County,Texas, is desirous of constroting and improved road known as Brenham and Millersville road, WHEREAS, it is desired by said county to construct said road through and upon certain land now owned by me and to include in said road or the right-of-way therefore that part of such land so owned by me viz: A strip of land 20 ft. wide starting at Miles Cravens North corner running north east across Mill Creek into the Cutter-gold land to a point 12 ft from present fence thence to my north corner a strip 12 feet wide. and, WHEREAS, it is thought by me that the construction of said road upon that part of my land above described would increase the value of my property; therefore,KNOW ALL MEN BY THESE PRESENTS that M.L.Dever of the County of Washington and State of Texas, in consideration of the prospective increase in the value of my property by the construction of said road, and for the further consideration of the sum of $1.00 to me in hand paid, the receipt of which is hereby acknowledged; have GRANTED,SOLD and CONVEYED, and by these presents do GRANT,SELL and CONVEY unto Washington County,Texas, all of the land hereinabove described. TO HAVE AND TO HOLD the above described land, together with all and singular, the rights and appurtenances thereto in any wise belonging unto said Washington County,Texas, forever. It is expressly agreed and stipulated however, that should said road not be constructed over and upon the land hereinabove described, this conveyance shall become null and void and the title to said land shall revert to me or my heirs or assigns.

Witness our hands this the 19 day of July,A.D.1924.

M.L.Dever.

T.F.Matchett

Alb.J.Lehmann

W.C.Draehn.

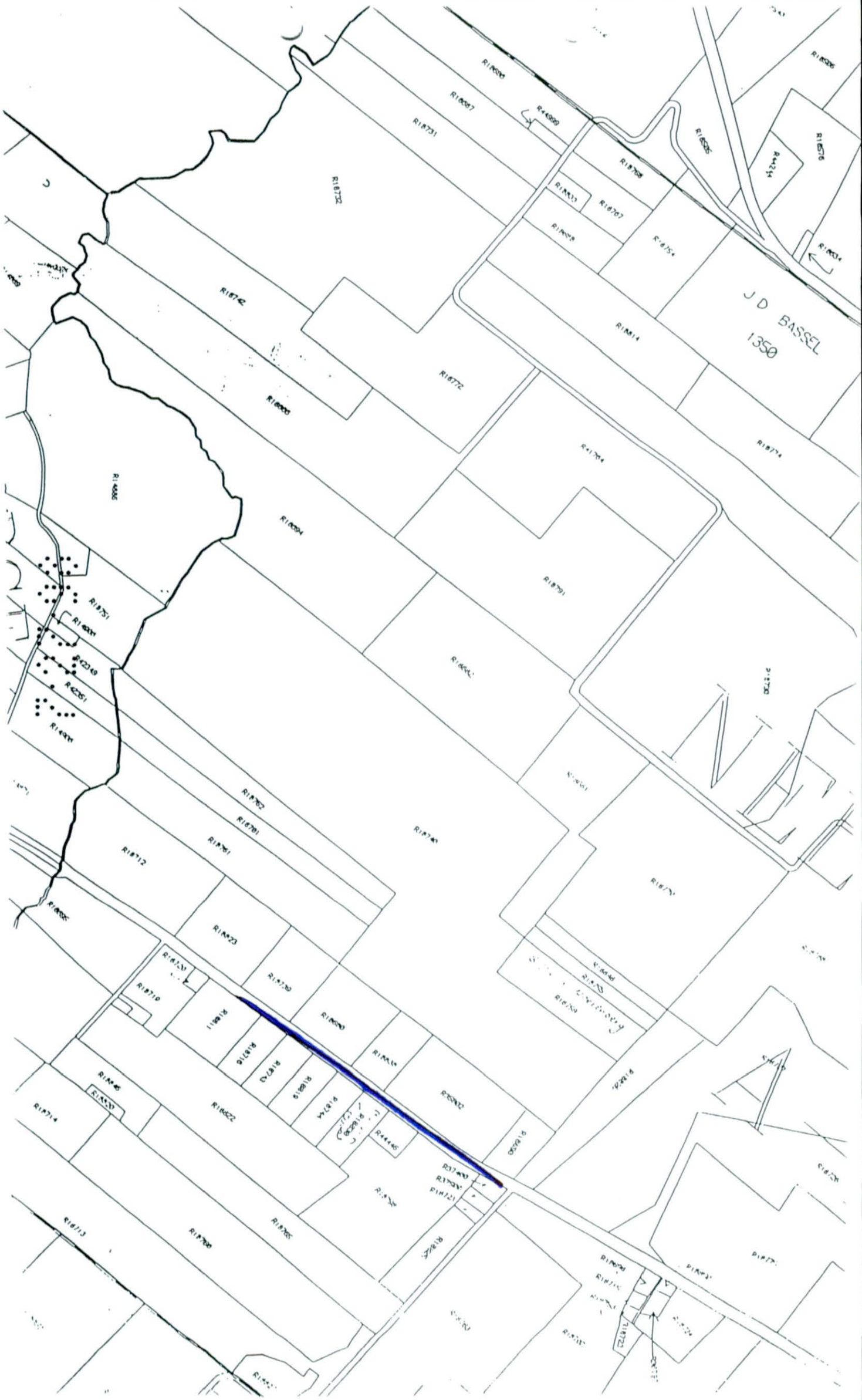
Filed for record at 5 o'clock P.M.April 7,1924, Green Morgan C.C.C.W.C.

Recorded April 11,1924, at 2:45 o'clock P.M. Green Morgan By Bertha Nygaard Deputy?

DEED ED D. JOHNSON TO WASHINGTON COUNTY.

THE STATE OF TEXAS)

COUNTY OF WASHINGTON) WHEREAS, Washington County,Texas, is desirous of constructing and improved road Millersville and Brenham Road; WHEREAS it is desired by said county to construct said road through and upon certain land now owned by us and to include in said road or right-of-way therefore that part of such land so owned by us viz: A strip of land 20 ft. wide along the present raod 40 ft from the center line of the present raod along the south east line of our place known as our home place the same we purchased from Laura Baldin, and WHEREAS,


JD BASSEL
1350

County Judge of Washington County, Texas, of the County of Washington State of Texas all that certain tract or parcel of land, situated in Washington County, Texas, and a part of my 127½ acre tract in the H. Hensley League: Beginning at corner of the Skweres fence at a point 28 ft N. E. of Steve Adamick's fence and 33 ft. S. E. of M. Budnik's fence on N. W. side of the old road. Thence N. 42-2/3 E. 217.4 vrs. to corner. Thence N. 43½ E. 145.4 vrs. to corner at a point 60 feet from his N.W. line. Thence N. 37 E. 91 vrs. to corner opposite an Elm tree standing in the fence row and 30 feet more to corner of the road. Thence N. 6½ E. to corner in the N. W. line of said 127½ acre tract. Thence with said line S. 43½ W. 463.8 vrs. to corner. Thence S. 47 E. 18 vrs. to the beginning corner, containing an area of 1.65 acres of land. TO HAVE AND TO HOLD the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging unto the said S. D. W. Low, County Judge of Washington County, Texas, and his successors in said office, forever; and I do hereby bind myself, my heirs, executors and administrators, to Warrant and Forever Defend all and singular the said premises unto the said S. D. W. Low, County Judge of Washington County, Texas, and his successors in said office, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

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

Mike Skweres.

THE STATE OF TEXAS,
COUNTY OF WASHINGTON.

Before me, the undersigned authority in and for Washington County, Texas, on this day personally appeared Mike Skweres, 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 14 day of Aug. A. D. 1928.

C. B. Thompson, Co. Clerk
Washington County, Texas.
By A. T. Ruetz, Deputy.

Seal.

Filed for Record at 9 o'clock A. M. Oct. 11, 1928.
Recorded at 3:37 P. M. Oct. 11, 1928.

C. B. Thompson CCCWC
By A. T. Ruetz Deputy.

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WARRANTY DEED:ALBERT HURTIG TO WASHINGTON COUNTY.

THE STATE OF TEXAS,
COUNTY OF WASHINGTON. } KNOW ALL MEN BY THESE PRESENTS;

That I, Albert Hurtig, of the County of Washington State of Texas for and in consideration of the sum of One & No/100 ($1.00) DOLLAR to me in hand paid by S. D. W. Low, County Judge of Washington County, Texas, as follows: in cash, the receipt of which is hereby acknowledged and confessed, and the further consideration of 56 post and 2500 feet of wire; have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey unto the said S. D. W. Low, County Judge of Washington County, Texas, of the County of Washington State of Texas all that certain tract or parcel of land, lying and being situated in Washington County, Texas,and a part of the Nelson Smith League. Beginning at a point in the center line of Brenham Highway at or near the West corner of this tract of land, being also M. L. Devers corner and Peter Harris' S. E. line. Thence N. 42½ E. at 302 vrs. to corner of the Peter Harris tract.Thence S. 47 E. 14.4 vrs. to corner, 4 vrs. inside of the Hurtig fence. Thence S. 42½ W. at 300 vrs. to corner in the S. W. line of the tract at the intersection of another road. Thence N. 47 W.

at 4 vrs. Hurtig's fence at 14.4 vrs. the beginning corner, containing an area of 70/100 of an acre being now in the old road. TO HAVE AND TO HOLD the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging unto the said S.D.... Low, County Judge of Washington County, Texas, and his successors in said office forever; and I do hereby bind myself, my heirs, executors and administrators, to Warrant and Forever Defend all and singular the said premises unto the said S. D. W. Low, County Judge of Washington County, Texas, and his successors in said office, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

WITNESS my hand at Brenham, Texas, this 8th day of June, A. D. 1928.

A. Hurtig.

Dora Hurtig.

THE STATE OF TEXAS,)
COUNTY OF WASHINGTON.)

Before me, the undersigned authority in and for Washington County, Texas, on this day personally appeared Albert Hurtig, 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 16th day of July, A. D. 1928.

C. B. Thompson Co. Clerk,
Washington County, Texas.

Seal.

THE STATE OF TEXAS,)
COUNTY OF WASHINGTON.)

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 16 day of July, A. D. 1928.

C. B. Thompson
Co. Clerk, Washington Co.,

Seal.

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

Recorded at 3:55 P. M. Oct. 11, 1928.

C. B. Thompson, CCCWC
By [signature] Deputy.

WARRANTY DEED: FRITZ HAUCK TO WASHINGTON COUNTY:

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

That I, Fritz Hauck of the County of Washington State of Texas for and in consideration of the sum of Forty & No/100 ($40.00) DOLLARS to me in hand paid by S. D. W. Low, County Judge of Washington County, Texas, as follows: in cash, the receipt of which is hereby acknowledged and confessed, and the further consideration of 43 post and 1935 feet of barbed wire for fence, have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey unto the said S.D.... Low, County Judge of Washington County, Texas, and to his successors in said office of the County of Washington State of Texas all that certain tract or parcel of land situated in Washing-

(10.)

MF 99333

ITEM Deed

TO

FROM

DATE 6-2-26

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

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

1999

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 5th day of January, 19 95, between George R. Blasingame and wife, LaVerne Blasingame f/k/a LaVerne Hurst

Whose address is: Rt. 4, Box 456, 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 60.462 acres of land, more or less, located in the Nelson Smith Survey, A-100, Washington County, Texas and being more particularly described in Exhibit "A" attached hereto, and by reference, made a part hereof.

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

in the county of Washington, State of Texas, containing 60.462 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 Bank One, N.A. 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.

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8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or 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**

George R. Blasingame [redacted]

LaVerne Blasingame [redacted]
f/k/a LaVerne Hurst

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF WASHINGTON }

This instrument was acknowledged before me on the ~~6th~~ 7th day of January, 1995,
by George R. Blasingame and wife, LaVerne Blasingame f/k/a LaVerne Hurst.

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

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

Return To:
Chesapeake
P.O.
Oklahoma City, OK 73154

STATE OF }
County of } S.S.

This instrument was filed for record on the day of , 19 , at o'clock M., and duly recorded
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 January 5, 1995, by and between George R. Blasingame and wife, LaVerne Blasingame f/k/a LaVerne Hurst as Lessor, and CHESAPEAKE OPERATING, INC., as Lessee.

Being 60.462 acres of land, more or less, located in the Nelson Smith Survey, A-100 in Washington County, Texas; and being more partcularly described in eight tracts as follows:

TRACT ONE: Being 5.000 acres of land, more or less, and being the same land described in that certain Deed dated December 21, 1977 from Charles H. Hurst to LaVerne Hurst, recorded in Volume 413, Page 93, Deed Records of Washington County, Texas.

TRACT TWO: Being 5.00 acres of land, more or less, and being the same land described as Tract One of 2.00 acres and Tract Two of 3.00 acres in that certain Deed dated December 21, 1977 from Charles H. Hurst to LaVerne Hurst, recorded in Volume 413, Page 90, Deed Records of Washington County, Texas.

TRACT THREE: Being 5.805 acres of land, more or less, and being the same land described in that certain Deed dated December 21, 1977 from Charles H. Hurst to LaVerne Hurst, recorded in Volume 413, Page 88, Deed Records of Washington County, Texas.

TRACT FOUR: Being 6.500 acres of land, more or less, and being the same land described in that certain Deed dated December 21, 1977 from Charles H. Hurst to LaVerne Hurst, recorded in Volume 413, Page 85, Deed Records of Washington County, Texas.

TRACT FIVE: Being 5.000 acres of land, more or less, and being the same land described in that certain Deed dated December 21, 1977 from Charles H. Hurst to LaVerne Hurst, recorded in Volume 413, Page 83, Deed Records of Washington County, Texas.

TRACT SIX: Being 7.00 acres of land, more or less, and being the same land described in that certain Deed dated December 21, 1977 from Charles H. Hurst to LaVerne Hurst, recorded in Volume 413, Page 81, Deed Records of Washington County, Texas.

TRACT SEVEN: Being 3.500 acres of land, more or less, and being the same land described in that certain Deed dated December 21, 1977 from Charles H. Hurst to LaVerne Hurst, recorded in Volume 413, Page 78, Deed Records of Washington County, Texas.

TRACT EIGHT: Being 22.657 acres of land, more or less, and being a part of 25.088 acres of land described in that certain Deed dated December 30, 1992 from George R. Blasingame et al to George R. Blasingame and wife, LaVerne Blasingame, recorded in Volume 687, Page 792, Deed Records of Washington County, Texas, and being all of said 25.088 acre tract of land **LESS AND EXCEPT:** 2.431 acres of land , more or less, more particularly described in that certain Deed dated December 30, 1992 from George R. Blasingame and wife, LaVerne H. Blasingame to Monte L. Marshall and wife, Rebecca Marshall, recorded in Volume 687, Page 798, Deed Records of Washington County, Texas.

SIGNED FOR IDENTIFICATION: George R. Blasingame

George R. Blasingame

LaVerne Blasingame

LaVerne Blasingame f/k/a
LaVerne Hurst

EXHIBIT "B"

Attached to and made a part of that certain Oil and Gas Lease, dated January 5, 1995, by and between George R. Blasingame and wife, LaVerne Blasingame f/k/a LaVerne Hurst as Lessor, and Chesapeake Operating, Inc., as Lessee.

1. The following typewritten agreements and provisions are attached to and are expressly made a part of this lease and shall supersede and govern the provisions in the printed text of this lease whenever such printed form is in conflict herewith.

2. Notwithstanding the terms of the printed lease as may be to the contrary, the royalty provided for in this lease shall be a one-sixth (1/6) royalty; and where the fraction one-eighth (1/8) appears, the same is hereby amended to read one-sixth (1/6).

3. Notwithstanding anything hereinabove to the contrary, there is excepted herefrom and reserved to the Lessor herein all coal, lignite, uranium, fissionable materials and all bentonite, fullers, earth, and other claylike substances. It is specifically understood and agreed that this lease covers only oil, gas, sulphur and associated liquid or liquefiable hydrocarbons, but this lease does not cover or include any other minerals, with all other such minerals being reserved to the Lessor herein. Accordingly, the words "oil, gas" when used herein shall mean oil, gas, sulphur and associated liquid or liquefiable hydrocarbons, and the words "all other minerals" whenever used herein, shall be stricken from this lease, so that such "all other minerals", as defined herein, are reserved to the Lessor.

4. It is expressly stipulated, understood and agreed that, if a part, but not all, of the above described land is included within a pooled unit, or units, in accordance with the provision of the pooling clauses contained herein, this lease shall terminate absolutely as to such part, or parts, of the leased land lying outside of such pooled unit, or units, unless this lease is otherwise being maintained in force and effect as to such land lying outside of such pooled unit, or units, by the payment of delay rentals (if it be within the primary term) or by operations conducted thereon or by production of oil and/or gas therefrom in accordance with the terms and provisions of this lease; provided, however, if such land lying outside of such unit, or units, is maintained by payment of delay rentals, the delay rentals provided herein shall be reduced to the proportion thereof that the number of acres lying outside of such unit, or units, bears to the total number of acres covered by this lease.

5. Notwithstanding anything herein to the contrary, Lessee shall not maintain this lease solely by the payment of shut-in royalties for more than two (2) years consecutive. Shut-in privileges are cumulative and may be exercised from time to time, but limited to a maximum of three years cumulative time. This paragraph in no way limits Lessee from maintaining this lease in force and effect by any other provisions or terms of this lease. The payment by Lessee to Lessor of such rentals shall in no manner relive Lessee from the obligation of payment of all royalties as shall become due upon subsequent production of a well which has been shut-in under the terms of this lease; and in no event shall Lessee be entitled to credit against such royalties due Lessor such rental sums paid by Lessee to Lessor under the terms and provisions hereof.

6. Lessee agrees that it shall be liable to Lessor for interest at the rate charged on loans to depository institutions by the New York Federal Reserve Bank, as defined in Subchapter J, Subsection 91.403(a) of Vernon's Annotated Code of Texas Statutes, on all royalties that have accrued from oil and/or gas sales that have not been paid as required by said Statute.

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

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

9. Notwithstanding the terms and conditions of paragraph 5 or elsewhere as may be to the contrary, Lessee's release of all or any portion of the leased premises shall not relieve Lessee of Lessee's obligations to restore the premises under the terms of this lease, including without limitation any and all cleanup costs and costs incident to the plugging and/or abandonment of any well.

10. The location of any drill site shall be with the mutual consent of Lessor and Lessee. Consent shall not be unreasonably withheld. Final determination for a well location shall be based on geological data and leasehold configuration.

11. Prior to conducting any operations on the leased premises, Lessee shall first consult with Lessor and outline the operations that Lessee proposes to conduct. Locations for roads, pipelines, equipment and facilities placed on the leased premises should be in consultation with Lessor and be placed on the land in such manner as to cause a minimum amount of interference with the normal use of the land and any lease roads built by Lessee and existing roads used for Lessee's operations shall be surfaced with standard oil field material and have culverts where necessary so as not to interfere with the natural drainage of the land. All such roads and cattleguards shall not be removed after Lessee's operations are complete, but shall become the property of Lessor.

12. Lessee agrees to negotiate with Lessor in advance for surface damage before commencing the drilling of a well on the leased premises. This payment will cover all damages to the land, trees, roads and crops if the well is plugged and abandoned as a dry hole. If this well is completed as a commercial producer, such payment will cover all damages to the land, trees, roads and crops down to the time the well is completed into the tanks or into the pipeline, if it is a gas well.

13. If Lessee elects to drill a well on this land, Lessee agrees if practical to locate the necessary lease road or roads along the fence line of the tract to a point as near as possible to the location and then from the fence line direct to the well location.

14. Without prior written consent, which consent need not be given, Lessee shall not have the use of Lessor's existing water wells and/or stock ponds on said land. Lessee agrees, after the cessation of its use of any water well drilled by Lessee on the leased premises, and prior to the plugging thereof or the removal of casing therefrom, to tender such water wells to Lessor; and, if Lessor so elects, such water well or wells shall become the property of Lessor without any requirement that Lessor reimburse or pay Lessee for the cost of such well, and said well or wells shall become the property of Lessor at Lessor's sole responsibility, provided however that Lessee shall continue to have the right to use such water well or wells at any time during the continuation of this lease in connection with any of Lessee's operations on the leased premises.

15. Lessee shall construct a fence around any drill sites during drilling operations, and if production is achieved, Lessee shall construct a fence around all production facilities. Lessee shall install cattle guards at all fence crossings used by Lessee in connection with operations on the leased premises.

16. Lessee shall not permanently house any of its employees, agents or representatives on the property of Lessor at any time. The leased premises shall at no time but utilized as a place for storage or stockpiling of oil field equipment and supplies, including but not limited to drill stem and casing, except to the extent such supplies are temporarily necessary to such drilling, reworking or normal and regular operations being

conducted on the leased premises. Lessee shall not erect gas or liquid processing plants, refineries, tank farms, shops, warehouses, storage yards, loading terminals, power stations or office upon the leased premises. Lessee shall not establish and utilize facilities for surface or subsurface storage or disposal of saltwater nor shall said premises be utilized for disposal of noxious, poisonous or hazardous substances, drilling mud, chemicals, refuse or debris. Lessee shall have the right to temporarily store salt water retained as a result of normal production operations on the premises provided the same be maintained in a manner which will not damage the surface of the property. Lessee's right to lay pipelines shall be limited to such lines as are necessary to transport oil and gas from wells located upon the leased premises or upon property with which Lessor's land has been pooled to form a pool or unit for the purpose of production to the pipeline to which said oil and gas is to be delivered. Lessee shall have no right to lay pipelines across Lessor's property to carry production from any well or wells which are not located upon the leased premises or which are not located within a pool or unit including a portion of the leased premises as aforesaid. Lessee agrees to bury all pipelines at a depth not less than 36 inches below the surface of the ground.

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

18. Notwithstanding any other provisions herein to the contrary, Lessee shall have the right and power to pool and unitize, for horizontal drainhole wells as such wells are defined or recognized by the Railroad Commission of Texas ("Commission"), all or part of the lands covered by this lease with any other land for oil or gas to form pooled units of such size as may be permitted by the drainhole well or wells in question. In exercising its pooling rights for horizontal drainhole wells under this paragraph, Lessee shall file of record in the county where the lands to be pooled are located a written declaration describing the unit and stating the effective date of pooling. Lessee shall have the recurring right but not the obligation to revise any unit formed for horizontal drainhole wells 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 Commission, or to conform to any productive acreage determination made by such agency. In making such a revision, Lessee shall file of record in the county where the lands are located 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 under this paragraph shall be adjusted accordingly as of the effective date for the revised unit. The effective date for any unit formed for horizontal drainhole wells under this paragraph or any revision thereof shall be the date set forth as the effective date by Lessee in the written declaration that is filed of record for such unit or revision thereof.

19. Notwithstanding any other provisions contained in this lease, Lessee agrees that 100% of the acreage covered by this lease must be included in a unit.

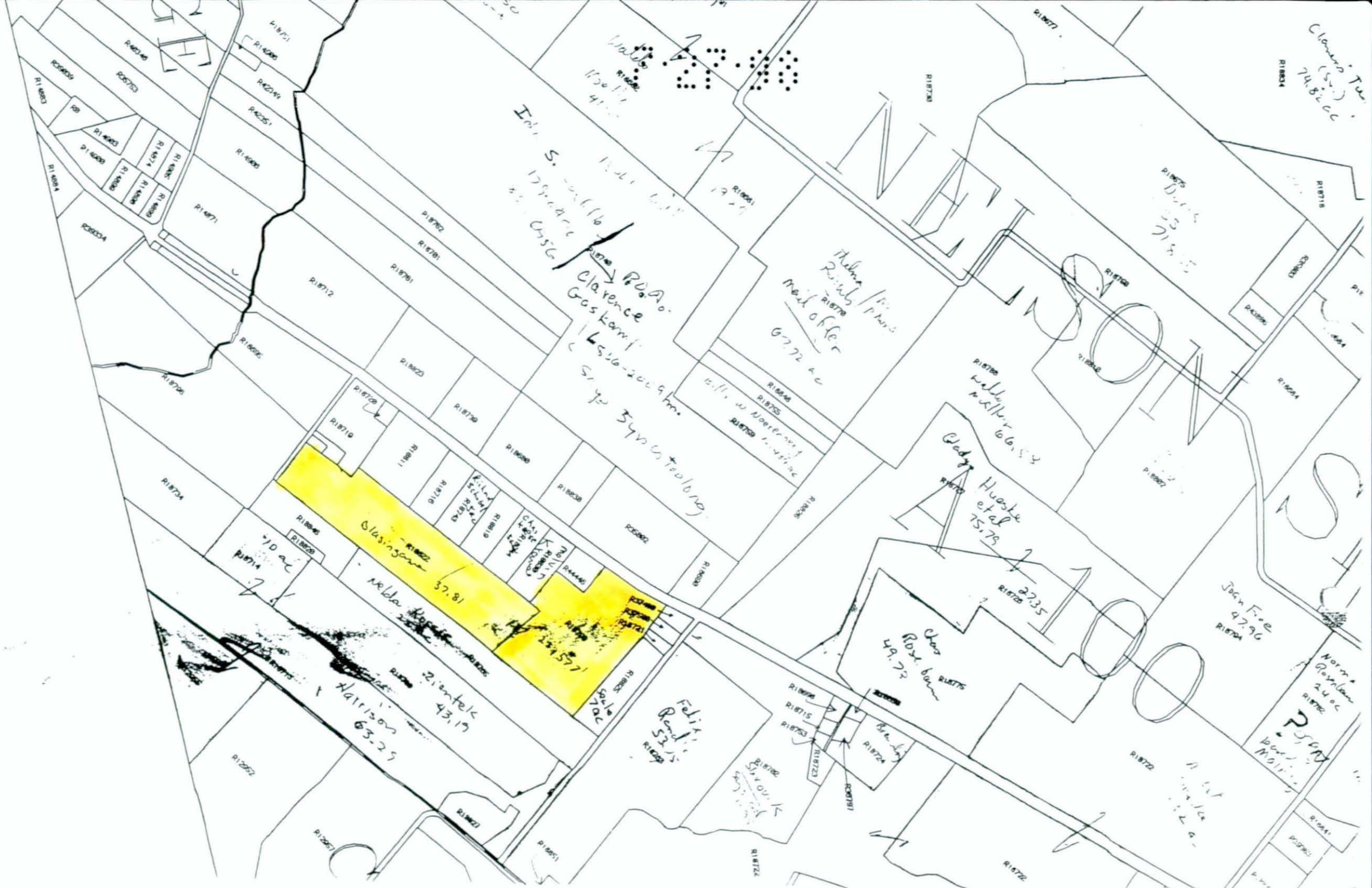
SIGNED FOR IDENTIFICATION:

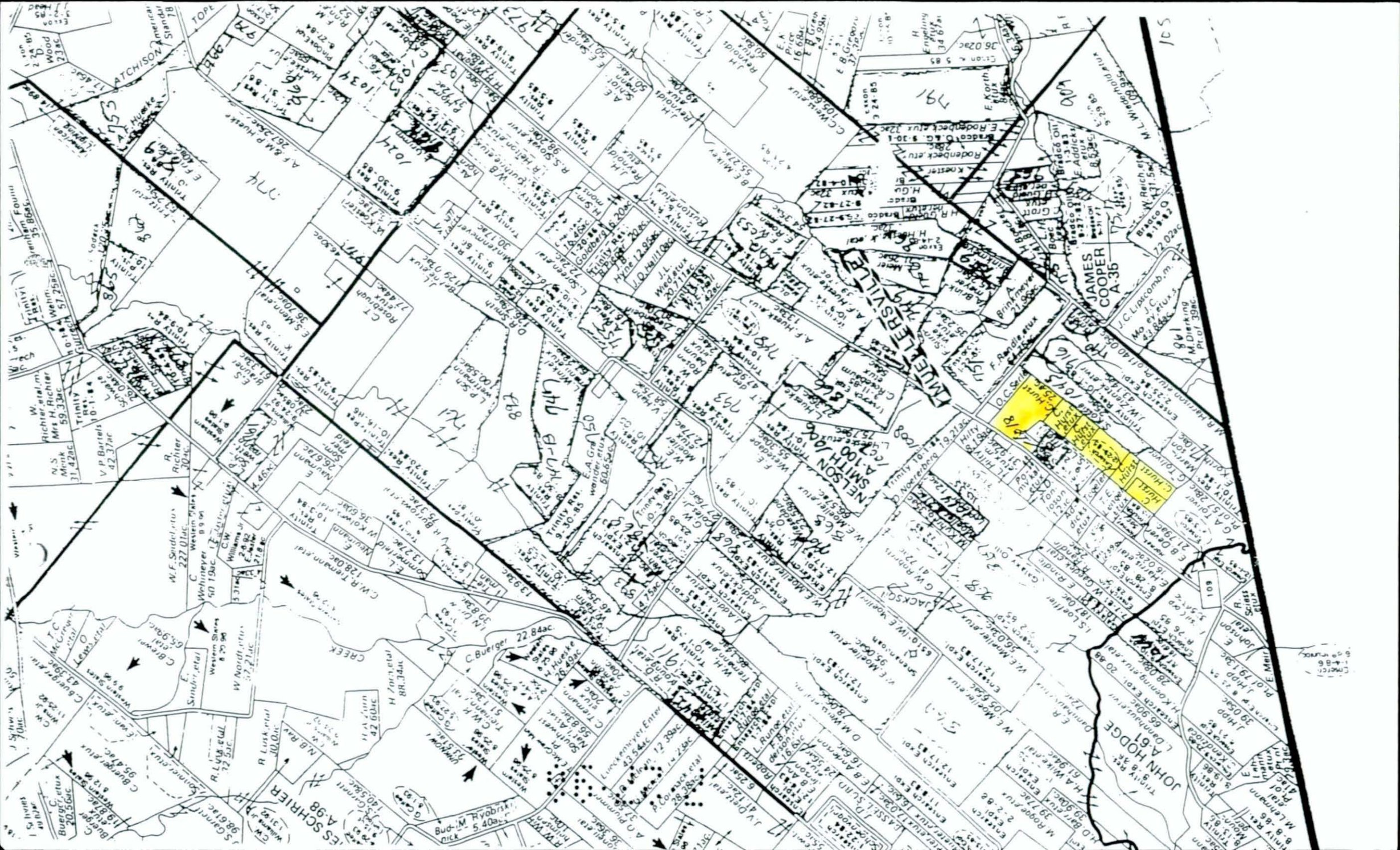
George R. Blasingame

George R. Blasingame

LaVerne Blasingame

LaVerne Blasingame
f/k/a LaVerne Hurst


NELSON
Glasinghouse
37.81
Melba Kopelke
Orientek
43.19
Harrison
63.25
Clarence Gostwyck
Lessee-occupier
Felix Rendall
53.15
Glady Huette et al
75.79
2235
Jean Free
47.96
Norma Gerrans
2.40c
Ryan
Clara Roy Baum
49.72
Mahna Parish
Neil Oster
6.72 ac
Wallace Mueller
6.61 ac
Clarence Tu
74.8 acc
10 ac


JAMES COOPER A-35
JOHN HODGE A-61
A-98
NELSON JADE A-100
TRINITY
ATCHISON
CREEK

(11)
MF 99333
ITEM Adj Lease
TO
FROM
DATE 1-5-95

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

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

PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 12th day of April, 19 95, between Emma Jean Dever, a single woman

Whose address is: 1209 Garrett St., 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 21.79 acres, more or less, located partly in the Nelson Smith Survey, A-100 and partly in the John Hodge Survey, A-61, in Washington County, Texas; and being more particularly described in a Deed dated September 20, 1993 from Bernice Williams to Emma Jean Dever, recorded in Volume 710, Page 192, Deed Records of Washington County, Texas.

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

RECORD & RETURN TO
CHESAPEAKE OPERATING, INC.
P.O. BOX 18496
OKLAHOMA CITY, OK 73154

Shelby

in the county of Washington, State of Texas, containing 21.79 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 Prime 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.

T95- 833

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8. The interest of either Lessor or Lessee hereun[illegible]nay be assigned, devised or otherwise transferred in whol[illegible]r in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall[illegible]nd to their respective heirs, devisees, executors, adminis[illegible]s, 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 cha[illegible]e 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)

Emma Jean Dever

Emma Jean Dever, a single woman

SS NO. OR TAX ID

[redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF } WASHINGTON

This instrument was acknowledged before me on the 12th day of April, 1995,
by Emma Jean Dever, a single woman..

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)

VOL 785 PAGE 520

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE, DATED April 12, 1995, BY AND BETWEEN Emma Jean Dever, a single woman 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: Emma Jean Dever

Emma Jean Dever, a single woman

FILED

AT 11:40 AM.

JUN 12 1995

Beth A. Rothermel

BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

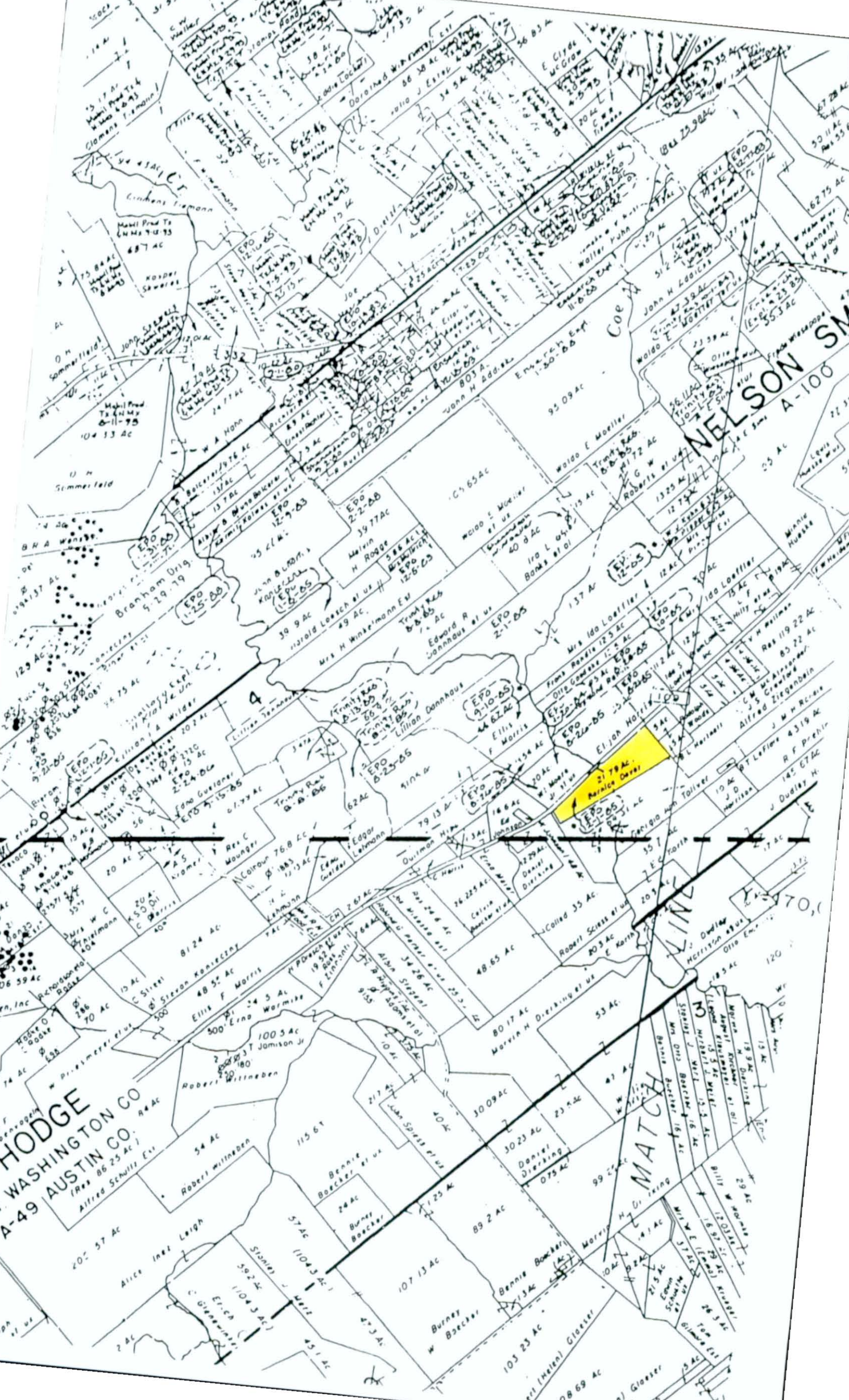
STATE OF TEXAS
COUNTY OF WASHINGTON

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

JUN 13 1995

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas


21.78 AC.
Horace Davis
HODGE
WASHINGTON CO
A-49 AUSTIN CO.
NELSON SM
A-100
MATCH LINE

NM 99333
ITEM Adj Lease
TO
FROM
DATE 4-12-95

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

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

4285

PAID UP OIL AND GAS LEASE

RECORD & RETURN TO:
CHESAPEAKE OPERATING, INC.
P.O. BOX 18496
OKLAHOMA CITY, OK 73154

THIS LEASE AGREEMENT is made as of the 29th day of March, 19 95, between Virginia E. Harris Dockery, a widow

whose address is: 200 High Street, 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 28.71 acres of land, more or less, located in the Nelson Smith Survey, A-100 in Washington County, Texas; and being a part of a 41.4 acre tract described in a Deed dated May 20, 1907 from F.W. Rosenbaum to Peter Harris, recorded in Volume 64, Page 608, Deed Records of Washington County, Texas, and being all of said 41.4 acre tract LESS AND EXCEPT 12.69 acres of land described in a Deed dated February 11, 1969 from John E. Harris et al to Elijah Harris and wife, Lula Mae Harris, recorded in Volume 295, Page 2, 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 28.71 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 Bank One Texas, N.A. at 303 N. Market, 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)

Virginia E Harris Dockery

Virginia E. Harris Dockery,
a widow

Virginia E Harris Dockery

SS NO. OR TAX ID

[redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF WASHINGTON }

This instrument was acknowledged before me on the 8th day of April, 19 95,
by Virginia E. Harris Dockery,
a widow.

Fritz R. Holmstrom

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

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 March 29, 1995, BY AND BETWEEN Virginia E. Harris Dockery, a widow 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: Virginia E Harris Dockery

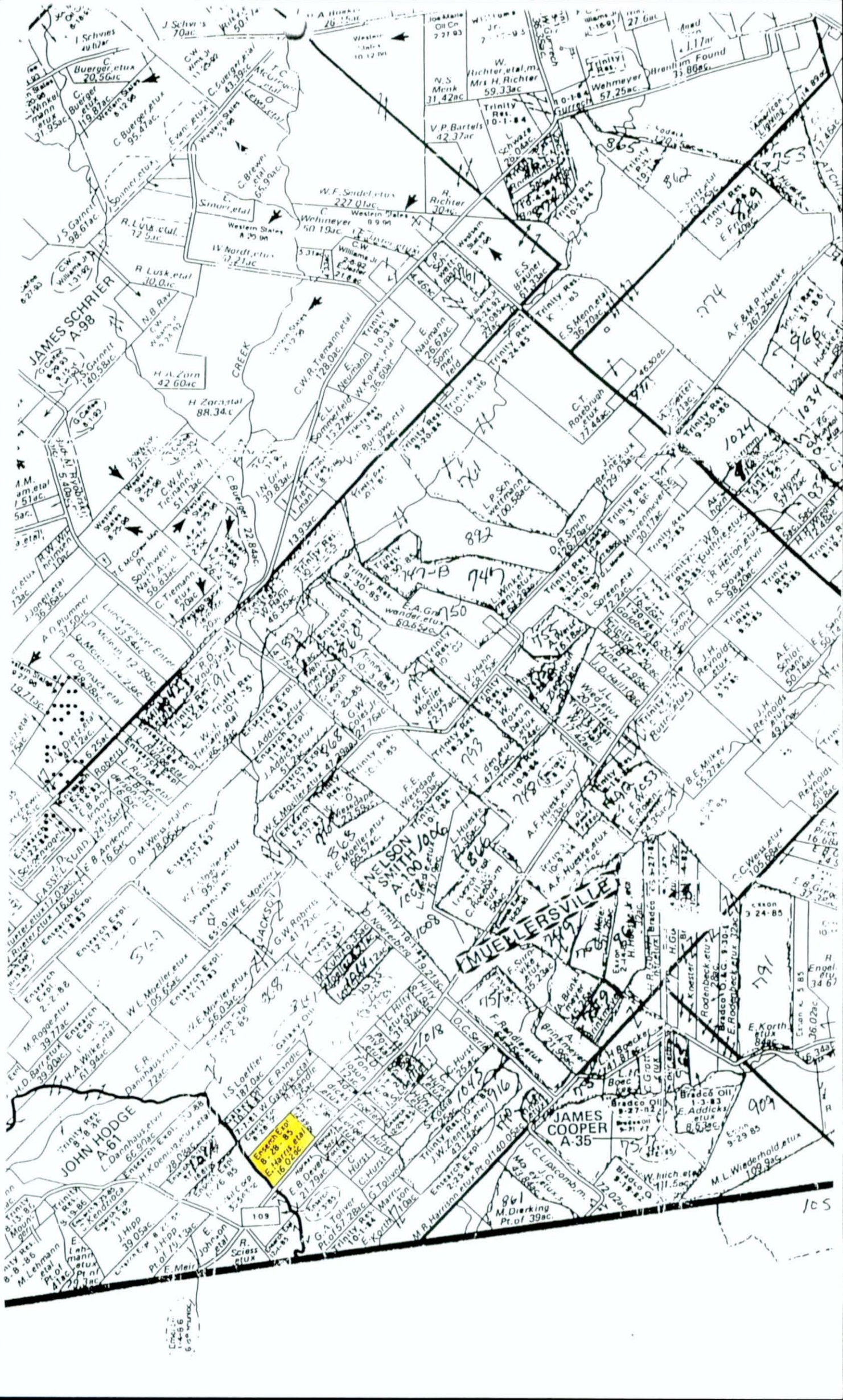
Virginia E. Harris Dockery,
a widow

FILED
AT 1:20 P M.
JUN - 5 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on JUN 0 6 1995

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


JAMES SCHRIER A-98
JOHN HODGE A-61
NELSON SMITH A-100
JAMES COOPER A-35
MUELLERSVILLE
CREEK
Enserch Expl. 8-28-85 E. Harris et al 16.02ac
109

134 99333
ITEM Adj. Lease
TO
FROM
DATE 3-29-95

Producers 88 (4-89) - Paid Up
W.I. 640 Acres Pooling Provision

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

PAID UP OIL AND GAS LEASE 7804

THIS LEASE AGREEMENT is made as of the 25 day of July, 19 95, between John Goeke
Rt. 1 Box 73 brenham, Texas 77833
as Lessor (whether one or more), and Chesapeake Operating Inc. 6206 North Western Oklahoma city,Okla 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 9.718 acres, more or less a part of the Nelson Smith survey A-100 Washington County,Texas and being the same land described in that certain deed dated January 24,1995 from Alton G. Rogers and wife Rebecah L. Rogers to John E. Goeke and recorded in Vol.766 Pg.358 of the deed records of Washington County,Texas.

It is agreed and understood by the lessor and lessee, that where the fraction 1/8th. appears in this lease, it shall be deemed to read 1/6th.

There shall be no surface operations conducted on this land.

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

in the county of Washington, State of Texas, containing 9.718 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 Direct to lessor at address above.
at , 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.

TX1670397-000

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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 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)

x John Goeke
John Goeke

SS NO. OR TAX ID

[redacted]
S.S.#

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF } Washington

This instrument was acknowledged before me on the 27 day of July, 19 95,
by John Goeke

Notary Public, State of Texas
Notary's name (printed): Ruth Goeke
Notary's commission expires: 5-18-96

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

FILED
AT 3:30 P M.
SEP 25 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

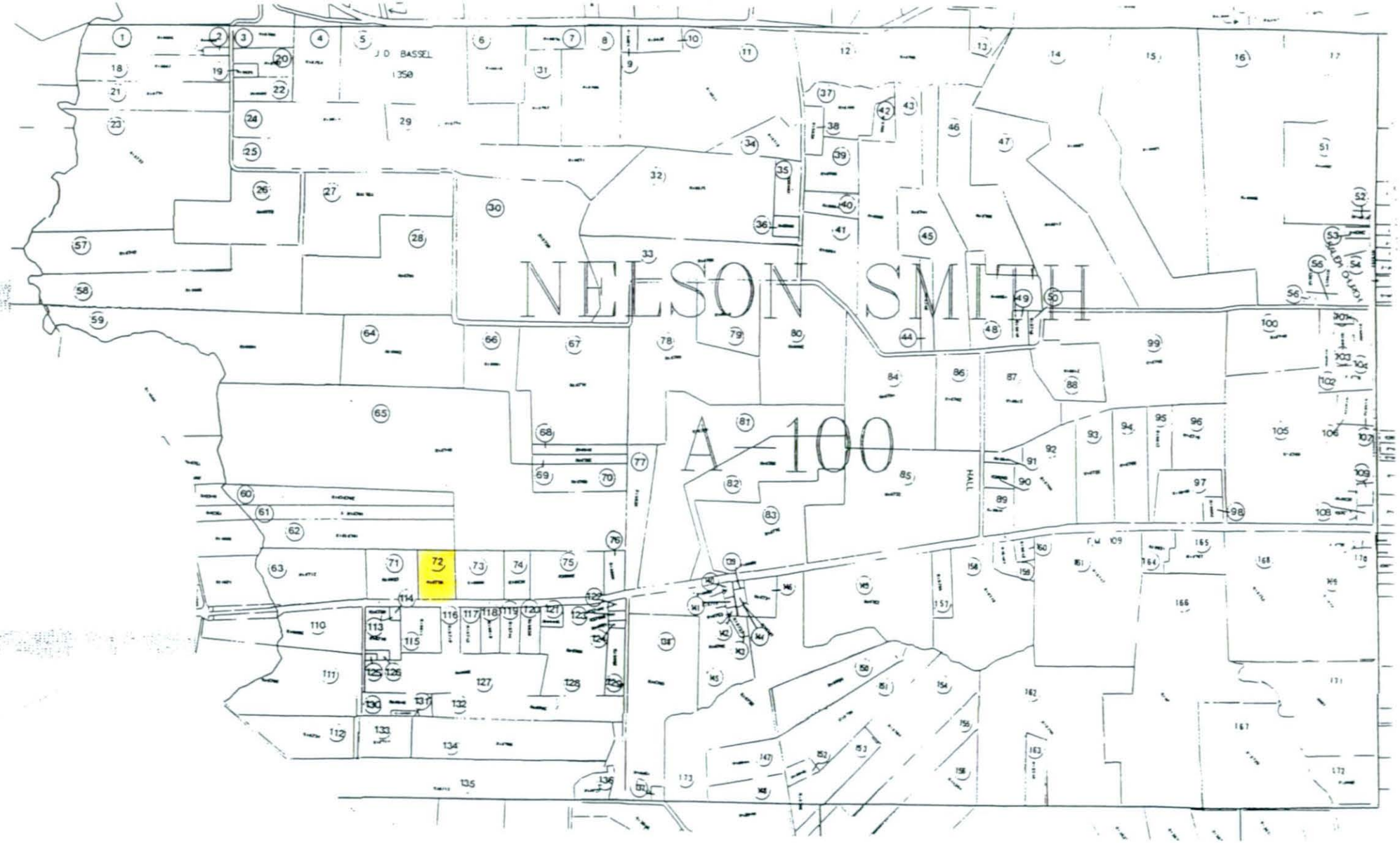
STATE OF TEXAS
COUNTY OF WASHINGTON

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

SEP 26 1995

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

Clerk (or Deputy)



06-28-4

(14) MF 99333
ITEM Adj. Lease
TO
FROM
DATE 7-25-95

LVOL 784 PAGE 120

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

PAID UP OIL AND GAS LEASE

4132

THIS LEASE AGREEMENT is made as of the 29th day of March, 19 95, between Elijah Harris, a widower

Whose address is: Rt. 1, Box 362, 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 28.71 acres of land, more or less, located in the Nelson Smith Survey A-100, in Washington County, Texas; and being a part of a 41.4 acre tract described in a Deed dated May 20, 1907 from F.W. Rosenbaum to Peter Harris, recorded in Volume 64, Page 608, Deed Records of Washington County, Texas, and being all of said 41.4 acre tract LESS AND EXCEPT 12.69 acres of land described in a Deed dated February 11, 1969 from John E. Harris et al to Elijah Harris and wife, Lula Mae Harris, recorded in in Volume 295, Page 2, Deed Records of Washington County, Texas.

Shelby

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 28.71 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 Bank One Texas, N.A. at FH 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 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)

Elijah Harris

Elijah Harris, a widower

SS NO. OR TAX ID E.H. [redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF WASHINGTON }

This instrument was acknowledged before me on the 29th day of March, 19 95, by Elijah Harris, a widower.

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 March 29, 1995, BY AND BETWEEN Elijah Harris, a widower 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: Elijah Harris

Elijah Harris, a widower

RECORD & RETURN TO
CHESAPEAKE OPERATING, INC.
P.O. BOX 18496
OKLAHOMA CITY, OK 73154

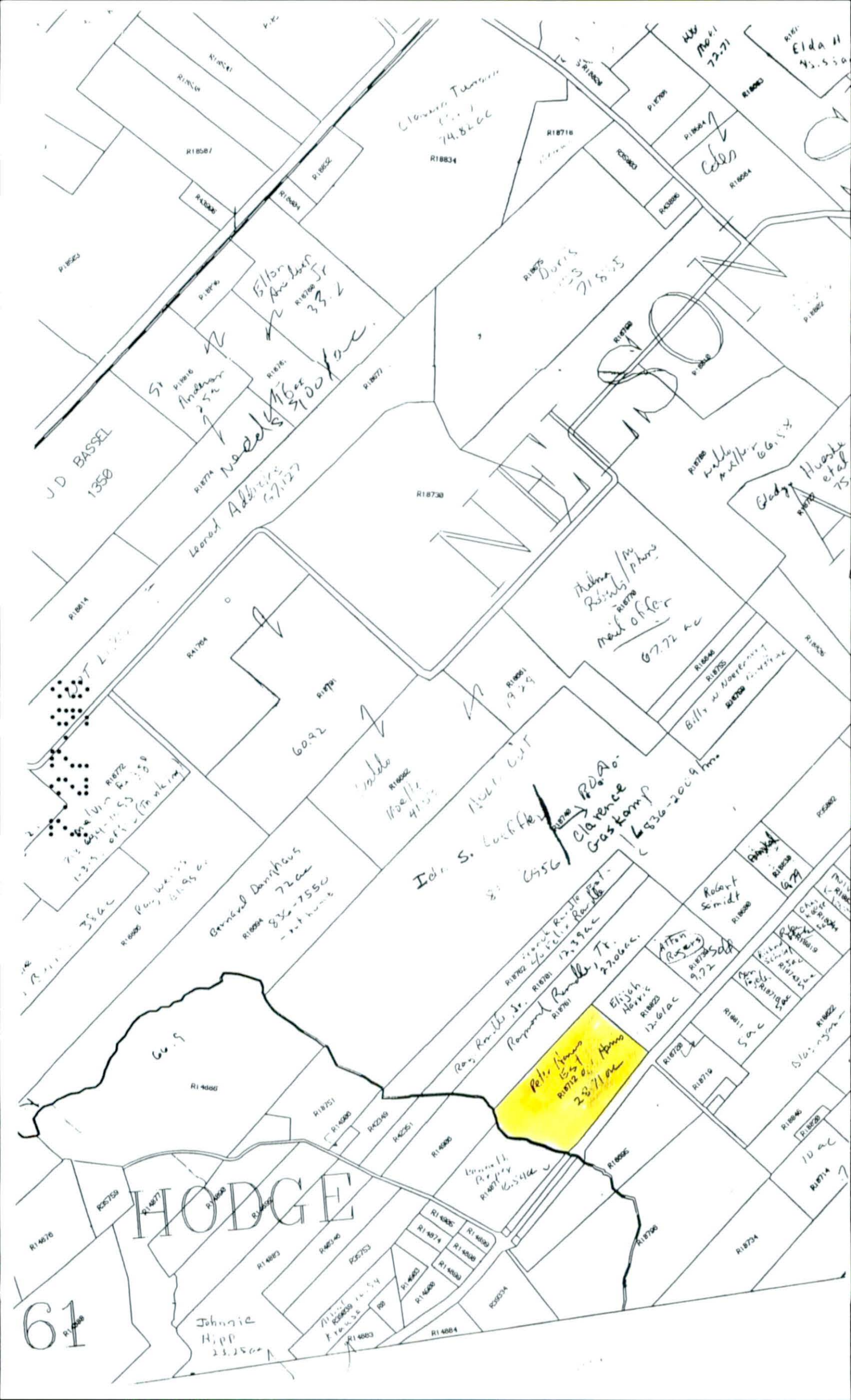
FILED
AT 1:15 P M.
MAY 30 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

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 31 1995

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


NELSON
HODGE
61
J D BASSEL
1350
Leonard Adkins
Clarence Tabernacle
74.82 ac
Ellen Ann Hall Sr
33.7
Andrew
Thelma Rivers / Mr Phars
Medical Office
67.72 ac
Bernard Dangleus
72 ac
Clarence Gaskamp
Johnnie Hipp
23.25 ac
Peter Hines Est
28.71 ac
Elijah Harris
12.61 ac
Robert Smidt
Attorneys
Ros Rundle Jr.
Raymond Rundle, Tr.
27.06 ac.
Billy W Norris
60.92
Ida S. Griffith
Elda
72.71


JAMES SCHRIER
A-98
JOHN HODGE
A-51
NELSON SMITH
A-100
JAMES COOPER
A-35
MUELLERSVILLE
CREEK
Enserch Expl.
6-28-83
E. Harris etal
16.02ac.

(15)
MF 99333
ITEM Adj. Lease
TO
FROM
DATE 3-29-95

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

PAID UP OIL AND GAS LEASE

4133

THIS LEASE AGREEMENT is made as of the 29th day of March, 19 95, between Elijah Harris, a widower

Whose address is: Rt. 1, Box 362, 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 12.69 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 February 11, 1969 from John E. Harris et al to Elijah Harris and wife, Lula Mae Harris, recorded in Volume 295, Page 2, Deed Records of Washington County, Texas.

PREPARED & RETURN TO:
CHESAPEAKE OPERATING, INC.
P.O. BOX 18496
OKLAHOMA CITY, OK 73154

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

Shelby

in the county of Washington, State of Texas, containing 12.69 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 saved 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 FM 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.

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[VOL. 784 PAGE 124

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)

Elijah Harris

Elijah Harris, a widower

SS NO. OR TAX ID E.H. [redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF WASHINGTON }

This instrument was acknowledged before me on the 29th day of March, 1995,
by Elijah Harris, a widower.

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 _____

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE, DATED March 29, 1995, BY AND BETWEEN Elijah Harris, a widower 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: Elijah Harris
Elijah Harris, a widower

RECORD & RETURN TO:
CHESAPEAKE OPERATING, INC.
P.O. BOX 18496
OKLAHOMA CITY, OK 73154

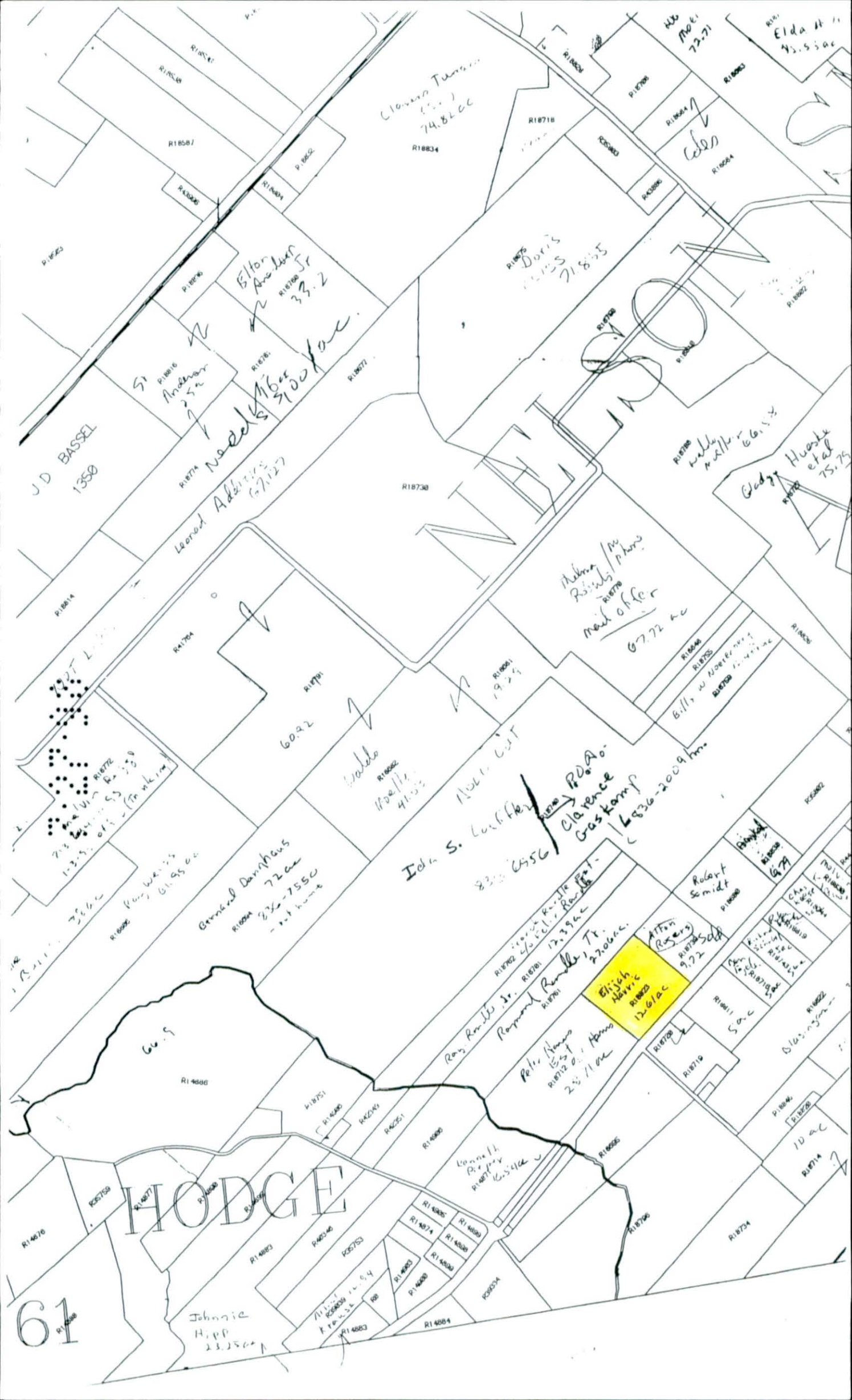
FILED
AT 1:15 P M.
MAY 30 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

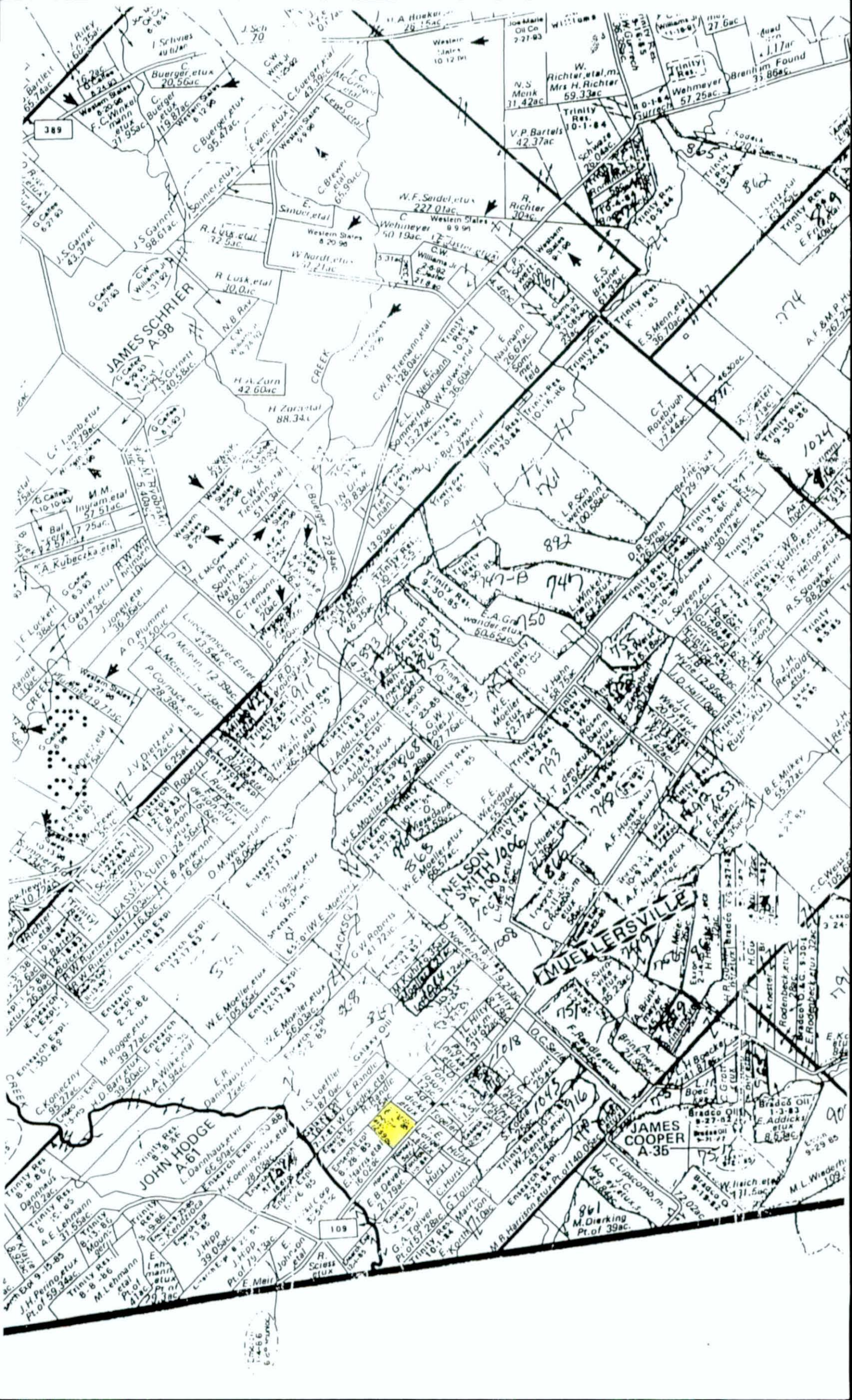
STATE OF TEXAS
COUNTY OF WASHINGTON

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 31 1995

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


NELSON
HODGE
JD BASSEL
1350
Leonard Abbott
Elton Andrew Jr
33.2
Doris
71.85
Elijah Harris
12.61ac
Johnnie Hipp
23.25ac
61


JAMES SCHRIER A-98
JOHN HODGE A-61
NELSON SMITH A-130
MUELLERSVILLE
JAMES COOPER A-35
CREEK
Trinity Res.
Enserch Expl.
Western States
Bradco Oil
Trinity Res. 9-30-85
Trinity Res. 10-1-85
Trinity Res. 10-1-84
Trinity Res. 9-24-85
Trinity Res. 10-3-85
Trinity Res. 9-20-85
Trinity Res. 10-16-86
Trinity Res. 9-3-85
Trinity Res. 9-5-85
Trinity Res. 9-10-85
Trinity Res. 10-1-85
Trinity Res. 10-1-84
Trinity Res. 10-9-84
Trinity Res. 9-30-85
Trinity Res. 8-8-86
Trinity Res. 8-15-85
Trinity Res. 8-8-86
Trinity Res. 10-1-84
Trinity Res. 10-1-85
Trinity Res. 10-1-85
Trinity Res. 10-1-85

(16) MF 99333
ITEM Adj. Line
TO
FROM
DATE 3-29-95

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, I
P.O. Box 18496
Oklahoma City, OK 731

PAID UP OIL AND GAS LEASE

8630

THIS LEASE AGREEMENT is made as of the 29th day of March, 19 95, between Eula Mae Harris, a widow

whose address is: Rt. 1, Box 412, 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 28.71 acres of land, more or less, located in the Nelson Smith Survey, A-100, in Washington County, Texas; and being a part of a 41.4 acre tract described in a Deed dated May 20, 1907 from F.W. Rosenbaum to Peter Harris, recorded in Volume 64, Page 608, Deed Records of Washington County, Texas, and being all of said 41.4 acre tract LESS AND EXCEPT 12.69 acres of land described in a Deed dated February 11, 1969 from John E. Harris et al to Elijah Harris and wife, Lula Mae Harris, recorded in Volume 295, Page 2, 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 28.71 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 Channelview Bank 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.

T95- 836

TX1670788-000

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
	Eula Mae Harris	[redacted]
	Eula Mae Harris, a widow	

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF } HARRIS

This instrument was acknowledged before me on the 6th day of April, 19 95,
by Eula Mae Harris, a widow.

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

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

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF }

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

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 March 29, 1995, BY AND BETWEEN Eula Mae Harris, a widow 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: Eula Mae Harris

Eula Mae Harris, a widow

FILED

AT 10:45 A M.

OCT 23 1995

Beth A. Rothermel

BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

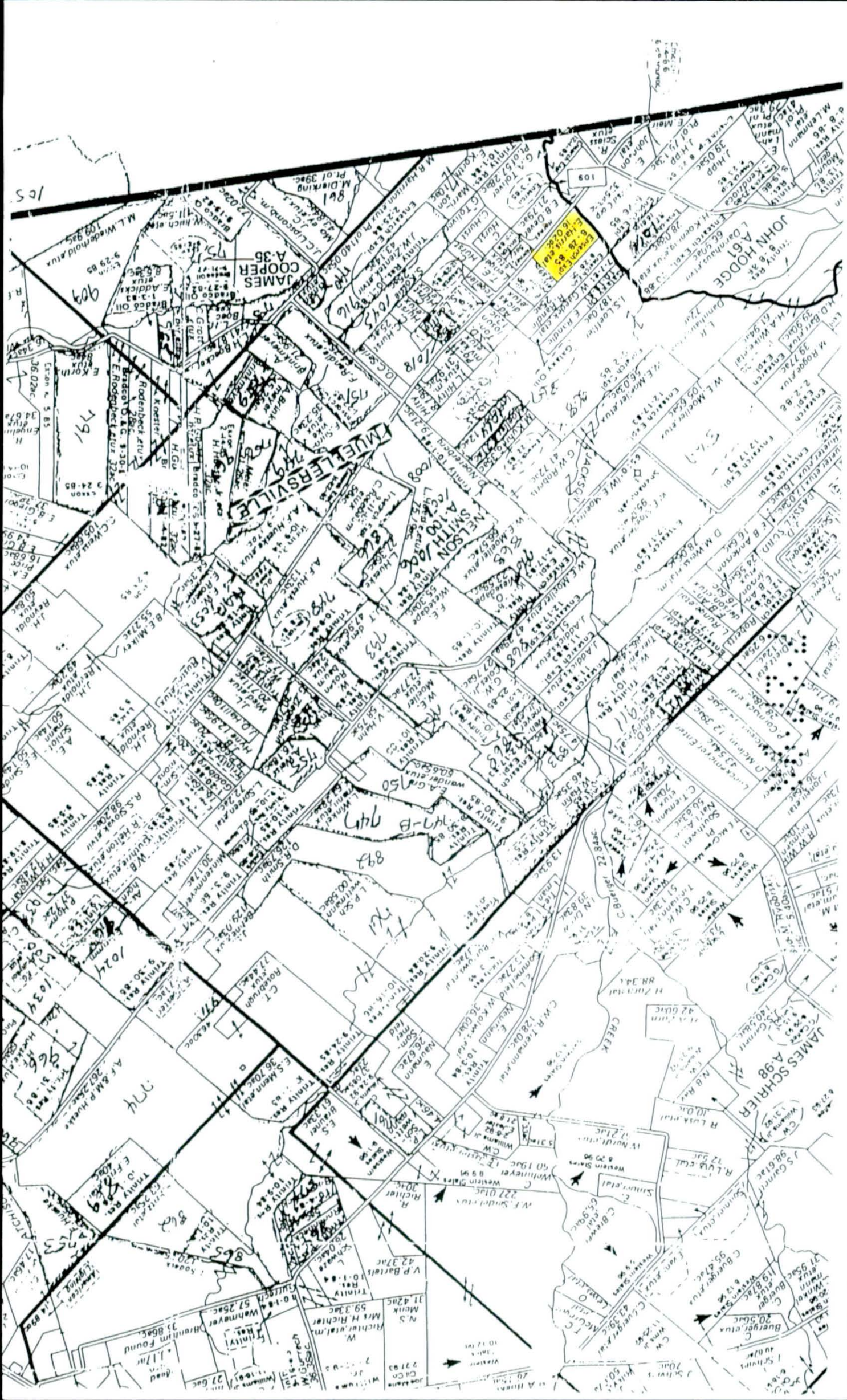
STATE OF TEXAS
COUNTY OF WASHINGTON

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

OCT 24 1995

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas


JAMES COOPER A.35
JOHN HODGE A.61
NELSON SMITH A.100
JAMES SCHRIER A.98
MUELLERSVILLE

(17)

MF 99333
ITEM Adj Case
TO
FROM
DATE 3-29-85

VOL 1102 PAGE 450

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

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

3734

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 8th day of March, 19 95, between Evelyn B. Hopkins, a widow, a/k/a Evelyn Brown Hopkins, Individually and as Trustee of Evelyn B. Hopkins Trust, under Will of Roscoe F.Hopkins, Deceased Whose address is: 15314 Mauna Loa, Houston, Texas 77040 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 8.19 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 30, 1982, from Agnes W. Hilty to Roscoe F. Hopkins and wife, Evelyn B. Hopkins, recorded in Volume 438, Page 529, Deed Records of Washington County, Texas.

Notwithstanding anything contained herein to the contrary, no surface operations shall be conducted upon the leased premises without the prior written consent of Lessor.

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

Shelby

in the county of Washington, State of Texas, containing 8.19 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 Sterling Bank at 15000 Northwest Freeway, Houston, TX 77040 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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TMS-1208

8. The interest of either Lessor or Lessee hereund[illegible]y be assigned, devised or otherwise transferred in whol[illegible] part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall [illegible]d to their respective heirs, devisees, executors, administr[illegible], 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)

Evelyn B. Hopkins

Evelyn B. Hopkins, a widow, a/k/a Evelyn Brown Hopkins, ~~Individually and as Trustee~~ of Evelyn B. Hopkins Trust, under Will of Roscoe F. Hopkins, Deceased

SS NO. OR TAX ID

[redacted]

[redacted]

TRUST TAX ID

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF } HARRIS

This instrument was acknowledged before me on the 17th day of March, 19 95,
by Evelyn B. Hopkins, a widow, a/k/a Evelyn Brown Hopkins, Individually and as Trustee of Evelyn B. Hopkins Trust, under Will of Roscoe F. Hopkins, Deceased.

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:

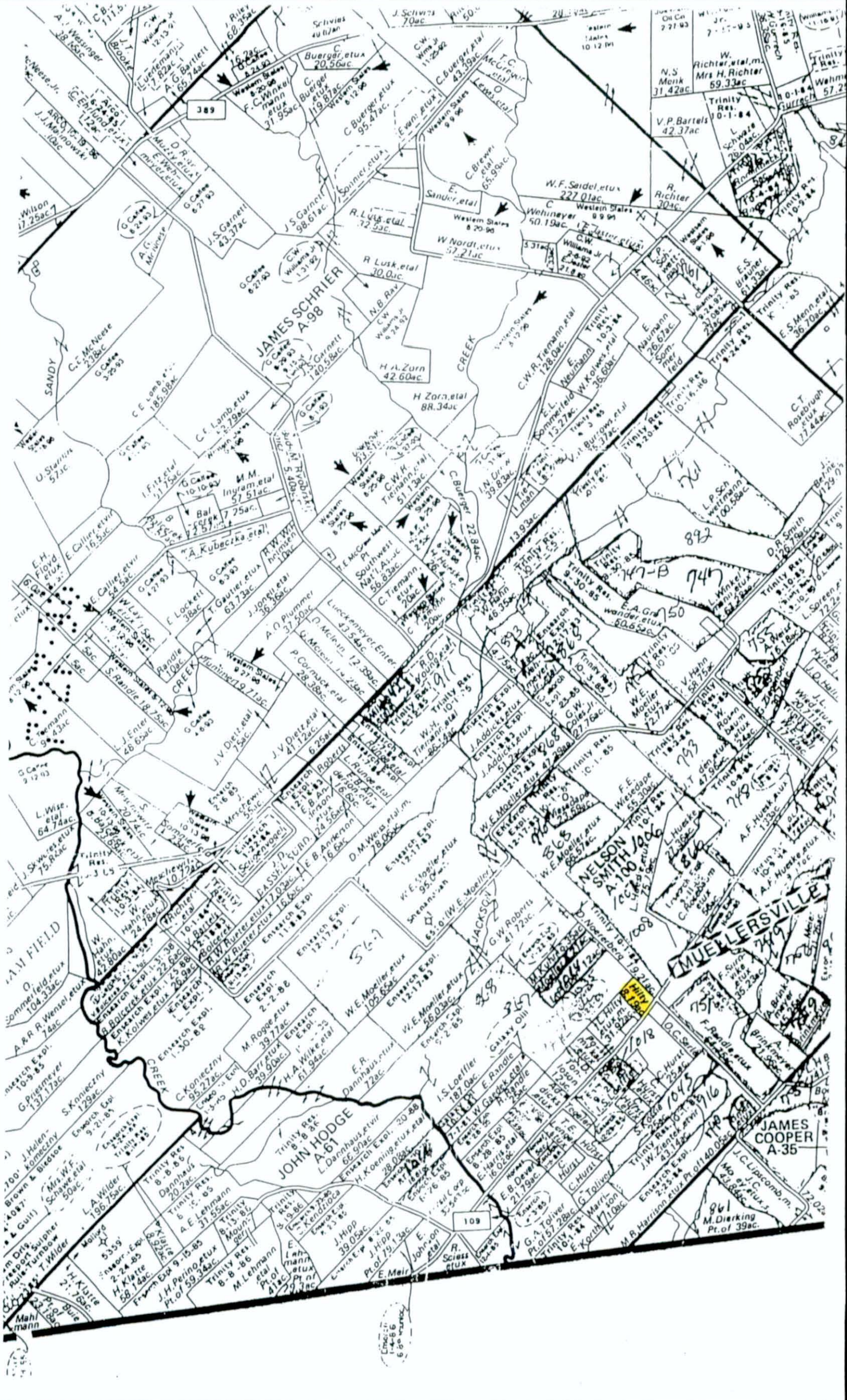
FILED
AT 11:00 a.m.
MAY 15 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

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 16 1995

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


JAMES SCHRIER A-98
JOHN HODGE A-61
NELSON SMITH A-100
JAMES COOPER A-35
MUEKLERSVILLE
SANDY CREEK
CREEK
Trinity Res.
Western States
Enserch Expl.
Trinity Rd.
Hilty
389
109

(18) MF 99333
ITEM Adj Level
TO
FROM
DATE 3-8-95

VOL .004 PAGE 30

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

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

9038

Record & Return To:
Chesapeake Operating,
P.O. Box 18496
Oklahoma City, OK 73

PAID UP OIL AND GAS LEASE

017681

THIS LEASE AGREEMENT is made as of the 11th day of September, 19 95, between Dorothy Mae Iwig, a widow, and Keith Russell Iwig and wife, Christine Iwig

Address: P.O. Box 2245, Brenham, TX 77834-2245 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 1.324 acres, more or less, located in the Nelson Smith Survey, A-100 in Washington County, Texas; and being more particularly described in a Deed dated March 22, 1985 from Debra Bement Seamans and husband, Robert L. Seamans, Jr. to Dorothy Mae Iwig and Keith Russell Iwig and wife, Christine Iwig, recorded in Volume 502, Page 167, 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 1.324 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 Texas National Bank, Brenham, Texas 017206

at _____

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 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
Dorothy Mae Iwig	Keith Russell Iwig	[redacted]
Dorothy Mae Iwig, a widow	Keith Russell Iwig	
SS # [redacted]	Christine Iwig	[redacted]
	Christine Iwig	

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF WASHINGTON }

This instrument was acknowledged before me on the 11th day of September, 1995,
by Dorothy Mae Iwig, a widow.

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

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

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF WASHINGTON }

This instrument was acknowledged before me on the 11th day of September, 1995,
by Keith Russell Iwig and wife, Christine Iwig.

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

Fritz R. Holmstrom
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 September 11, 1995, BY AND BETWEEN Dorothy Mae Iwig, a widow, and Keith Russell and wife, Christine Iwig 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:

Dorothy Mae Iwig

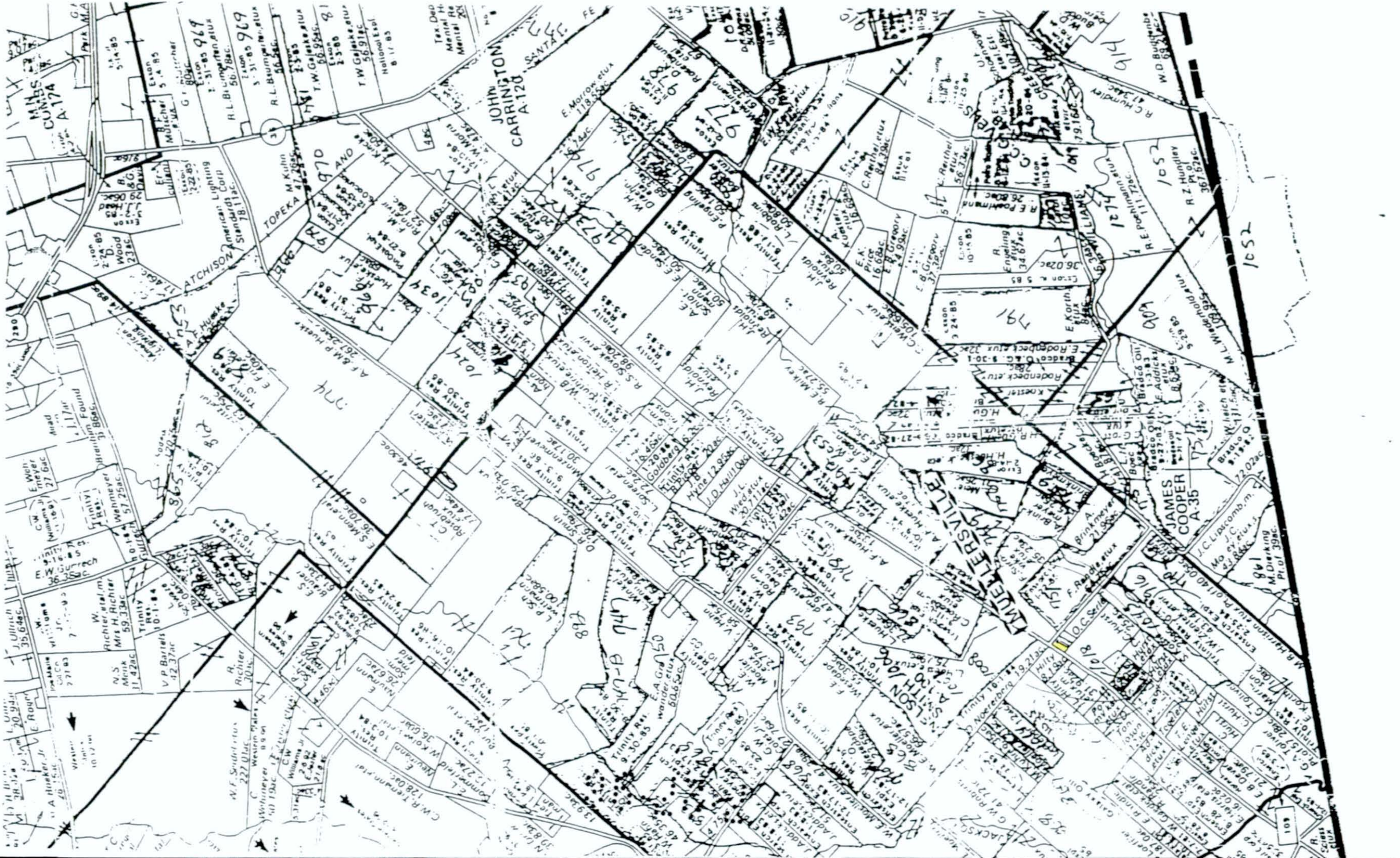
Dorothy Mae Iwig, a widow

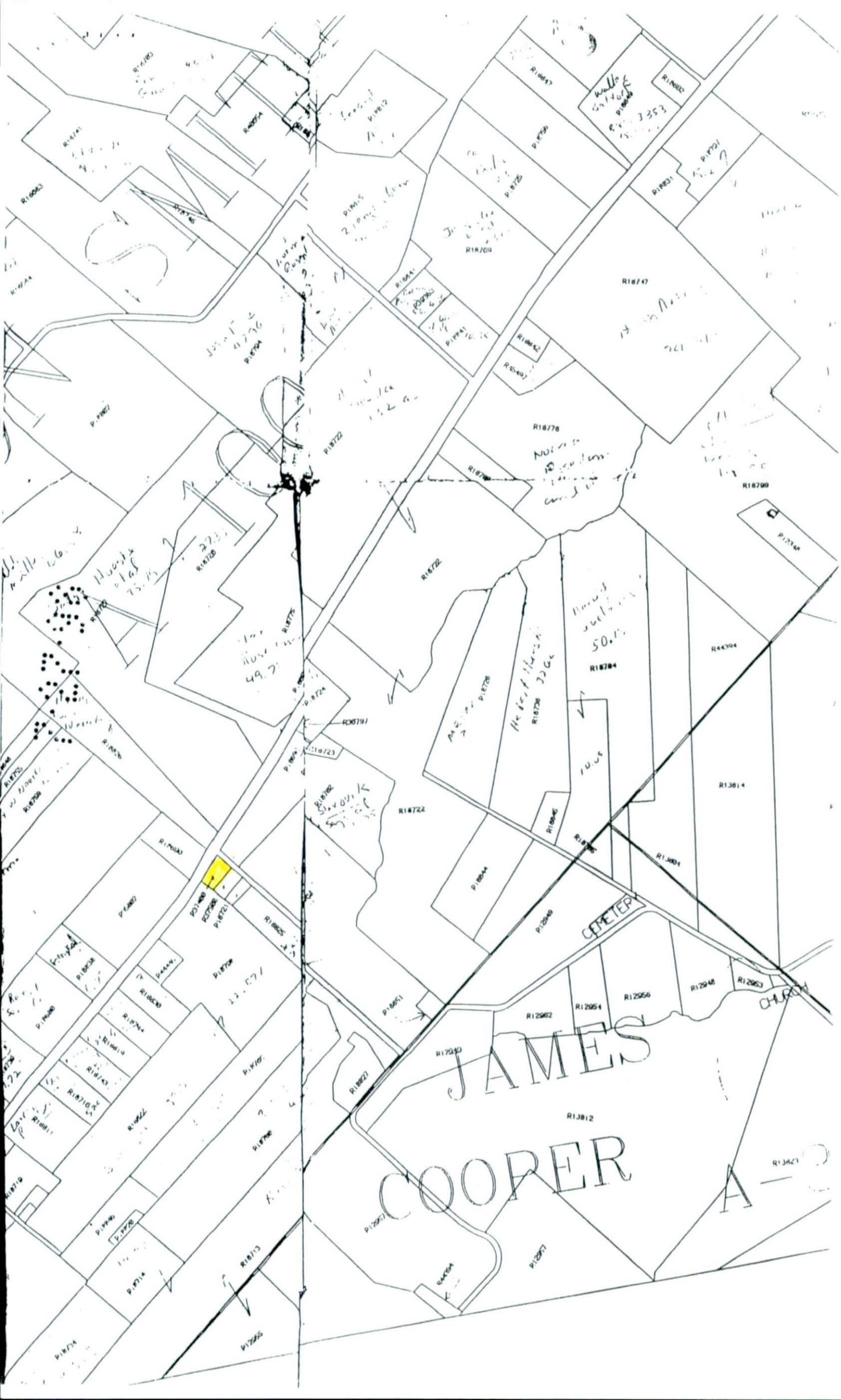
Keith Russell Iwig

Keith Russell Iwig

Christine Iwig

Christine Iwig


JOHN CARRINGTON A-120
JAMES COOPER A-35
TOPEKA
ATCHISON
TRINITY RES.
Standard Oil
Exxon
Mobil
Texaco
Phillips
Amoco
Sinclair
Conoco
Kerr-McGee
Shell
Union Pacific
Santa Fe
Missouri Pacific
Rock Island
Kansas Turnpike
Kansas River
Wakarusa River
Shawnee County
Douglas County
Jefferson County
Lyon County
Osage County
Wabaunsee County
Topeka
Lawrence
Perry
Meriden
Valley Falls
Oskaloosa
Ozawkie
Rossville
Silver Lake
Willard
Auburn
Dover
Elmont
Wakarusa
Carbondale
Overbrook
Scranton
Vinland
Lecompton
Big Springs
Tecumseh
Menoken
Berryton
Williamstown
Rochester
Richland
Soldier
Kentucky
Kaw
Indian
Mission
Pauline
Auburn
Dover
Elmont
Wakarusa
Carbondale
Overbrook
Scranton
Vinland
Lecompton
Big Springs
Tecumseh
Menoken
Berryton
Williamstown
Rochester
Richland
Soldier
Kentucky
Kaw
Indian
Mission
Pauline


JAMES
COOPER
CEMETERY
CHURCH

19 MF

99333

ITEM Adj. Leave

TO

FROM

DATE 9-11-95

Producers 88 (4-89)—Paid Up
With 640 Acre Pooling Provision

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

8278

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

PAID UP OIL AND GAS LEASE

016842

THIS LEASE AGREEMENT is made as of the 10th day of July, 19 95, between Charles A. Keese and wife, Nelda A. Keese

Whose address is: Rt. 1, Box 355, 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 4.968 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 February 2, 1974 from Merle A. Schmidt and wife, Bernice Schmidt to Charles A. Keese and wife, Nelda A. Keese, recorded in Volume 326, Page 82, Deed Records of Washington County, Texas.

Notwithstanding anything contained herein to the contrary, Lessee agrees that it will conduct no surface operations on the herein leased premises without the prior written consent of Lessor.

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

Shelby

in the county of Washington, State of Texas, containing 4.968 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 Texas National 12063 at 1903 Barlow Drive, 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.

TX 1676 216 - 000

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8. The interest of either Lessor or Lessee here[illegible]ay be assigned, devised or otherwise transferred in[illegible]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)

Charles A. Keese

Nelda A. Keese

SS NO. OR TAX ID

[redacted]

[redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF WASHINGTON }

This instrument was acknowledged before me on the 10th day of July, 19 95,
by Charles A. Keese and wife,
Nelda A. Keese.

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

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

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF }

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

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

FILED
AT 12:45 P M.
OCT - 9 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

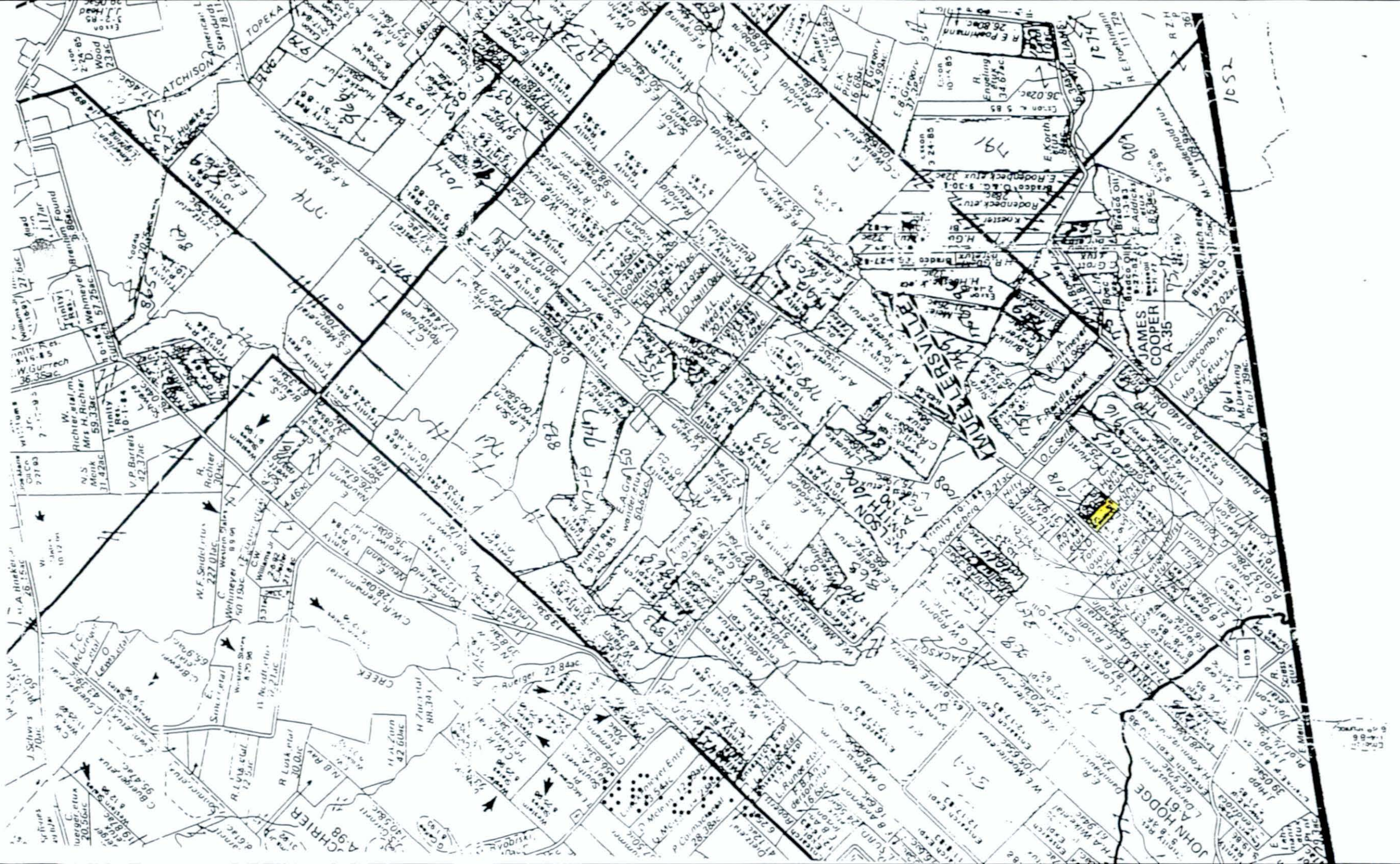
STATE OF TEXAS
COUNTY OF WASHINGTON

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

OCT 10 1995

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

By _____
Clerk (or Deputy)


TOPEKA
ATCHISON
JAMES COOPER A-35
JOHN HODGE A-61
CREEK

3D.
MF 99333
ITEM Adj. Lease
TO
FROM
DATE 7-10-95

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

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

1206

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 10th day of December, 1994, between Melvin Krause and wife, Charlyn C. Krause

012 440

whose address is: Rt. 1, Box 353, 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 7.142 acres of land, more or less, located in the Nelson Smith Survey, A-100, in Washington County, Texas, and being more particularly described in two Tracts as follows:

TRACT ONE: Being 4.000 acres of land, more or less, located in the Nelson Smith Survey, A-100, Washington County, Texas; and being more particularly described in a Deed dated February 4, 1974 from Alfred Ziegenbein and wife, Dollie Ziegenbein to Melvin Krause, recorded in Volume 326, Page 497, Deed Records of Washington County, Texas.

TRACT TWO: Being 3.142 acres of land, more or less, located in the Nelson Smith Survey, A-100, Washington County, Texas; and being more particularly described in a Deed dated December 21, 1974 from Alfred Ziegenbein and wife, Dollie Ziegenbein to Melvin Krause and wife, Charlyn C. Krause, recorded in Volume 333, Page 3, Deed Records of Washington County, Texas.

For special provisions see Exhibit "A" attached hereto and made a part hereof.

in the county of Washington, State of Texas, containing 7.142 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 Bank One at 303 N. Market, 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.

VOL 110 PAGE 194

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.

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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.

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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)

Melvin Krause
Melvin Krause

Charlyn C. Krause
Charlyn C. Krause

SS NO. OR TAX ID

[redacted]

[redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF WASHINGTON }

This instrument was acknowledged before me on the 10th day of December, 19 94,
by Melvin Krause and wife,
Charlyn C. Krause.

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 }
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 December 10, 1994, BY AND BETWEEN Melvin Krause and wife, Charlyn C. Krause 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:

Melvin Krause
Melvin Krause

Charlyn C. Krause
Charlyn C. Krause

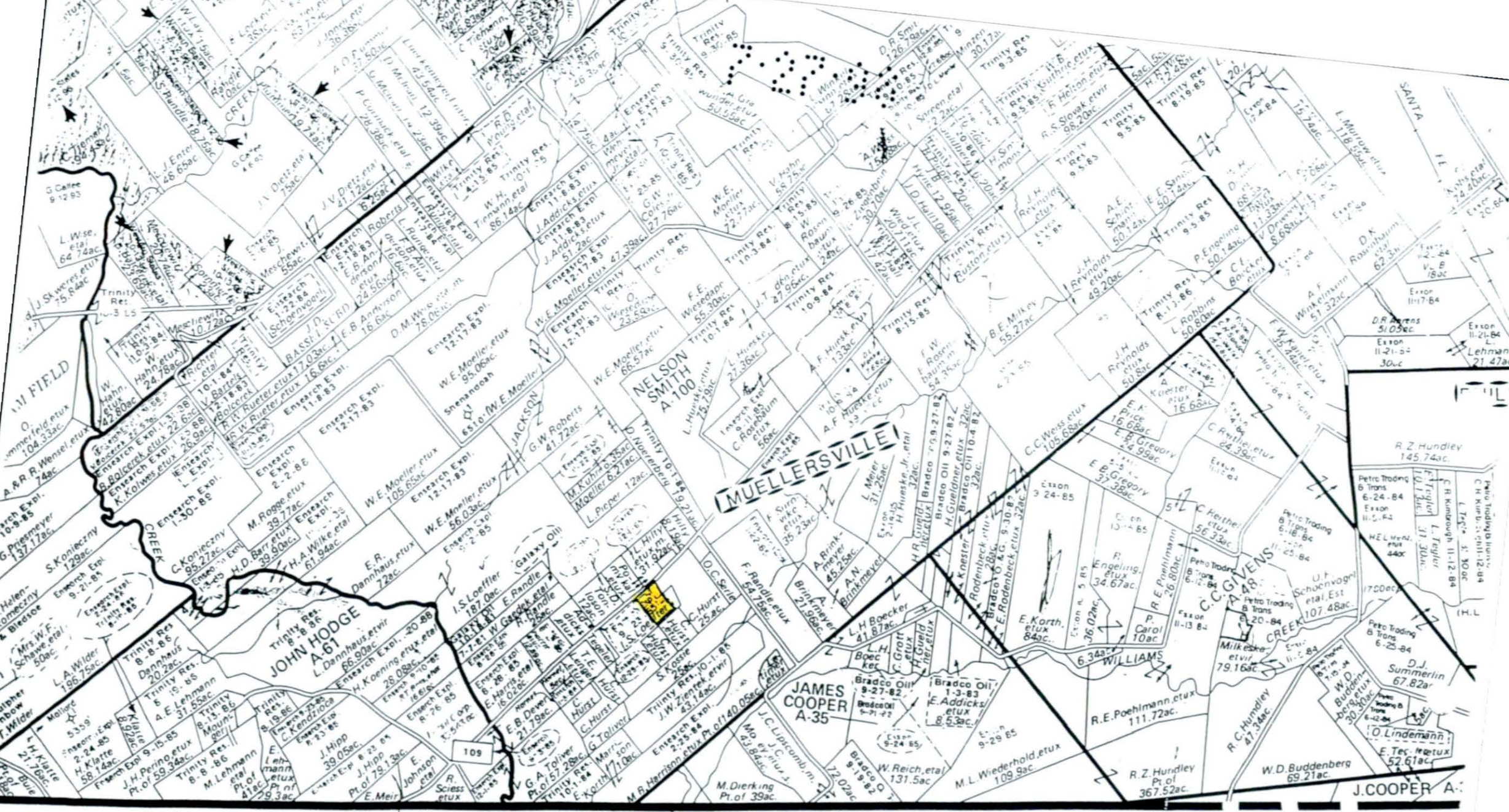
FILED
AT 1:35 P M.
FEB 13 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

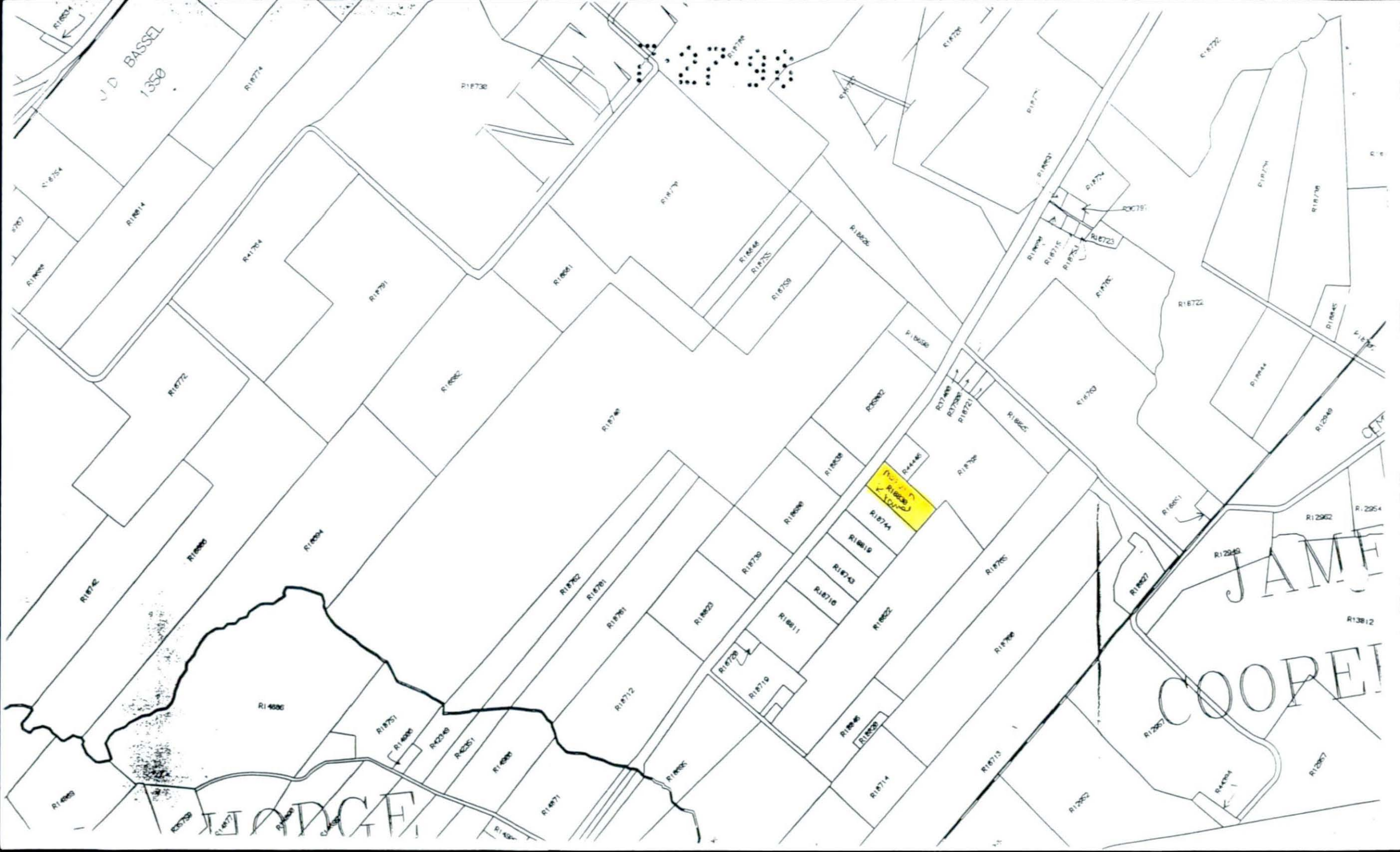
STATE OF TEXAS
COUNTY OF WASHINGTON

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

FEB 14 1995

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


MUELLERSVILLE
NELSON SMITH A-100
JOHN HODGE A-61
JAMES COOPER A-35
C.C.GIVENS A-48
SANTA
CREEK
WILLIAMS
Trinity Res.
Enserch Expl.
Exxon
Bradco Oil
Petro Trading & Trans
W.E.Moeller,etux 95.06ac.
Snenagoah
6510 W.E.Moeller
L.Hurlke,etux 75.79ac.
Trinity Res 10-1-84
Trinity 10-1-84 19.21ac.
Hilty 6.19ac.
L.Hilty,etux m. 31.92ac.
Galaxy Oil
Bradco O.&G. 9-30-82
E.Rodenbeck,etux 32ac.
Bradco Oil 9-27-82
Bradco Oil 1-3-83
E.Addicks,etux 8.53ac.
Bradco Oil 9-19-82
Bradco Oil 9-21-82
Exxon 9-24-85
Exxon 9-29-85
Exxon 3-24-85
Exxon 11-13-84
Petro Trading & Trans 6-20-84
Petro Trading & Trans 6-25-84
Petro Trading & Trans 6-18-84
Petro Trading & Trans 6-12-84
Petro Trading & Trans 6-24-84
Exxon 11-17-84
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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,
P.O. Box 18496
Oklahoma City, OK 731

PAID UP OIL AND GAS LEASE

8643

THIS LEASE AGREEMENT is made as of the 19th day of August, 19 95, between Monte L. Marshall and wife, Rebecca Marshall 017439

Address: Rt. 1, Box 368, 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 2.431 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 December 30, 1992 from George R. Blasingame and wife, LaVerne H. Blasingame to Monte L. Marshall and wife, Rebecca Marshall, recorded in Volume 687, Page 798, Deed Records of Washington County, Texas.

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

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in the county of Washington, State of Texas, containing 2.431 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 01157 Prime Bank 200 W Vulcan Brenham, TX 77833 at _____ 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 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

Monte L. Marshall [redacted]

Rebecca Marshall [redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF WASHINGTON }

This instrument was acknowledged before me on the 21st day of August, 1995,
by Monte L. Marshall and wife, Rebecca Marshall.

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

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

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF }

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

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 Monte L. Marshall and wife, Rebecca Marshall 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:

Monte L. Marshall

Rebecca Marshall

Rebecca Marshall

VOL 802 PAGE 578

FILED

AT 10:15 A.M.

OCT 23 1995

Beth A. Rothermel DB

BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

STATE OF TEXAS
COUNTY OF WASHINGTON

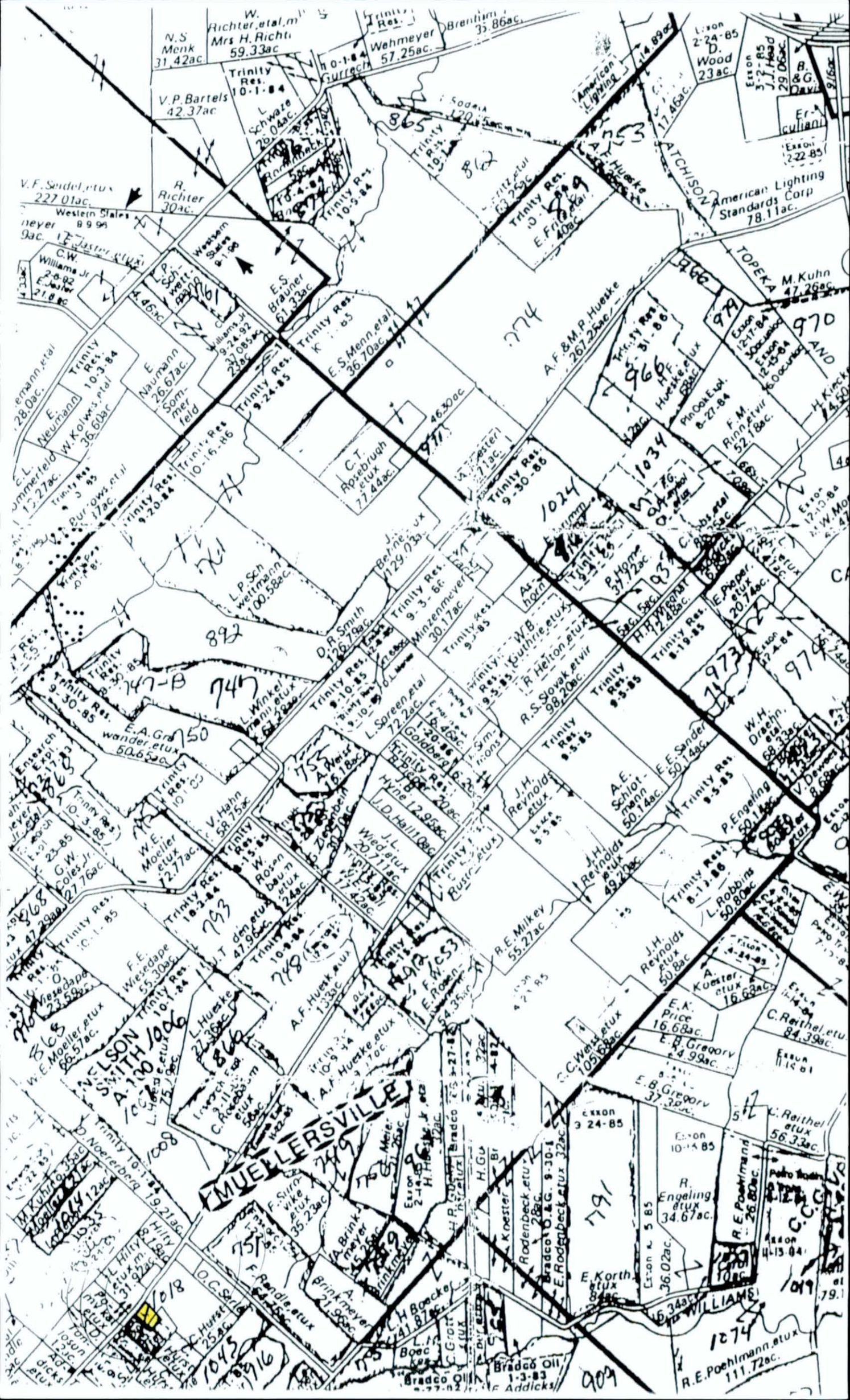
I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on

OCT 24 1995

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

$13 pd Chesapeake


W. Richter, etal, m
Mrs H. Richt
59.33ac
N.S Menk 31.42ac
Trinity Res. 10-1-84
V.P. Bartels 42.37ac
L. Schwaze 26.04ac
Trinity Res. 10-1-84
Trinity Res. 10-5-84
Trinity Res. 10-1-84
Wehmeyer 57.25ac.
Brentlinger 35.86ac.
American Lighting
Exxon 2-24-85 D. Wood 23ac.
Exxon 3-2-85 J.J. Head 29.06ac.
B. & G. Davis
Er-culiani
Exxon 2-22-85
17.46ac.
ATCHISON
American Lighting Standards Corp 78.11ac.
A.H. Hueske
Trinity Res. 10-5-84
E. Fritz, etal 40ac.
V.F. Sendel, etux 227.01ac.
R. Richter 20ac.
Western States
C.W. Williams Jr. 2-8-82 E. Foster 21.8ac
L.P. Schwettmann 4.46ac
E.S. Brauner 61.33ac.
Trinity Res. 10-5-84
E.S. Menn, etal 36.70ac.
Trinity Res. 9-24-85
E. Naumann 26.67ac.
Sommerfield
Trinity Res. 10-3-84
E. Neumann
W. Kolwes, etal 36.60ac
C.L. Sommerfield 13.27ac.
Trinity Res. 9-20-84
Trinity Res. 10-16-86
C.T. Rosebrugh, etux 77.44ac.
463.0ac
A.F. & M.P. Hueske 267.25ac.
Trinity Res. 5-31-86
H.F. Hueske, etux 5.8ac
Phillips Exxon 8-21-84
F.M. Rinn, etvir 52.18ac.
Trinity Res. 9-30-86
A. Foerster 7.1ac.
Trinity Res. 9-24-85
Exxon 12-17-84
Exxon 12-15-84
TOPEKA
M. Kuhn 47.26ac.
H. Kuecker
Exxon 12-10-84
J. Beltner, etux 129.03ac.
L.P. Schwettmann 100.58ac.
O.R. Smith 126.79ac.
Trinity Res. 9-10-85
Trinity Res. 9-3-86
Minzenmeyer 30.17ac.
Trinity Res. 9-3-85
W.B. Guthrie, etux
R. Helton, etux
R.S. Slowak, etvir 98.20ac.
Trinity Res. 9-5-85
Ashorn
P. Hamm 37.72ac.
H.R. Wegner 12.48ac.
Trinity Res. 8-19-85
E. Proper, etux 20.74ac.
Exxon 12-4-84
L. Winkelmann, etux 61.38ac.
Trinity Res. 9-30-85
L. Screen, etal 72.2ac.
Trinity Res. 9-10-85
E.A. Grabwander, etux 60.65ac.
Trinity Res. 10-3-85
Emsearch Expl. 2-17-83
A. Wenzel 16.18ac.
Goldberg
Trinity Res. 8-20-86
Hyne 12.95ac.
J.D. Hall 10ac.
J.L. Wiedenbeck, etux 20.71ac.
Trinity Res. 8-15-85
V. Hahn 58.75ac.
W.E. Moeller, etux 12.77ac.
G.W. Coles Jr. 27.76ac.
Trinity Res. 10-3-84
W. Rosenbaum, etux 24ac.
Trinity Res. 10-3-84
T. Denglau 47.96ac.
Trinity Res. 10-3-84
J.H. Reynolds, etux
Exxon 9-5-85
A.E. Schlotmann 50.14ac.
E.E. Sander 50.14ac.
Trinity Res. 9-5-85
W.H. Draeger, etal 68.33ac.
P. Engeling 50.14ac.
J.H. Reynolds, etux 49.2ac.
Trinity Res. 8-13-86
L. Robbins 50.80ac.
R.E. Milkey 55.27ac.
F.E. Wiesedapp 55.30ac.
Trinity Res. 10-1-84
Wiesedapp 23.58ac.
W.E. Moeller, etux 66.57ac.
L. Huecker 27.36ac.
A.F. Hueske, etux 1.33ac.
F. & C. Rosenbaum, etux 54.35ac.
E. Rosenbaum, etux
A.F. Hueske, etux 10.34ac.
J.H. Reynolds, etux 50.8ac.
A. Koester, etux 16.63ac.
Exxon 4-24-85
E.A. Price 16.68ac.
E.B. Gregory 4.99ac.
C. Reithel, etux 84.39ac.
C.C. Weiss, etux 105.68ac.
E.B. Gregory 37.3ac.
Exxon 3-24-85
Exxon 10-1-85
R. Engeling, etux 34.67ac.
R.E. Poehlmann 26.80ac.
Exxon 4-13-84
C. Reithel, etux 56.33ac.
Exxon 10-1-85
E. Korth, etux 36.02ac.
Exxon 5-5-85
Bradco 0.&G. 9-30-1 E. Rodenbeck, etux 32ac.
Bradco 0.&G. 9-30-1 Rodenbeck, etux 28ac.
H.G. Koester
H.P. Schroeder, etux
Exxon 2-14-85 H. Hueske, Jr. 96ac.
E. Meier 21.25ac.
F. Surovike, etux 35.23ac.
A. Brinkmeyer 15.25ac.
Brinkmeyer
F. Randle, etux 42.25ac.
A. Brinkmeyer 21.99ac.
O.C. Sartin
C. Hurst 25.8ac.
M. Kuhn 9.35ac.
D. Noererberg 19.21ac.
Trinity 10-1-84
M. Kuhn 1.12ac.
J.L. Hilty, etux 31.92ac.
Hilty 9.19ac.
Hilty 9.19ac.
Exxon 2-22-85
Exxon 2-22-85
Exxon 2-22-85

(22) MF 99333
ITEM Atj Lust
TO
FROM
DATE 8-19-95

Producer's 88 (4-89) – Paid Up
With 640 Acres Pooling Provision

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

PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 4 day of March, 19 98, between **Marion J. Morris, whose address is 130 E. San Antonio, San Marcos, Texas**

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):

Tract 1: 16.7909 acres of land, more or less, situated in the John Hodge League, A-61, being the same land described in that certain Warranty Deed dated December 15, 1983, from Persil Corporation to Marion J. Morris, recorded in Volume 465, Page 503 of the Deed Records of Wahington County, Texas.

Tract 2: 1.7532 acres of land, more or less, situated in the John Hodge League, A-61, being the same land described in that certain Warranty Deed dated December 15, 1983, from Persil Corporation to Marion J. Morris, recorded in Volume 465, Page 503 of the Deed Records of Wahington County, Texas.

Tract 3: 12.901 acres of land, more or less, situated in the John Hodge League, A-61, being the same land described in that certain Warranty Deed dated December 13, 1983, from Marion J. Morris to Richard T. Ross and Bonnie L. Ross, recorded in Volume 460, Page 379 of the Deed Records of Washington County, Texas.

See EXHIBIT "A" attached hereto and made a part hereof for additional provisions.

in the county of WASHINGTON, State of TEXAS, containing 31.4451 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 Frost National Bank at San Marcos, Texas 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 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
	Marion J. Morris	[redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF HAYS

This instrument was acknowledged before me on the 19th day of March, 1998, by MARION J. MORRIS.

CHESTER W. WILSON
MY COMMISSION EXPIRES
May 31, 2001

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

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF

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

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 HERETO AND MADE A PART HEREOF THAT CERTAIN Oil, Gas and Mineral Lease dated March 4, 1998, by and between Marion J. Morris as LESSOR and CHESAPEAKE OPERATING, INC., as LESSEE.

15. Notwithstanding anything herein to the contrary, this lease covers and includes only oil, and/or gas, which for all purposes of this lease are defined as, and are limited to, oil, gas, casinghead gas and other gaseous substances, distillate, condensates and associated hydrocarbon substances and all by-products of the foregoing and such sulphur as is produced through the wellbore, necessarily with and incidental to the production of any of the foregoing. This lease does not cover iron ore, copper, lignite, coal or other hard minerals unrelated to oil or gas as defined herein.

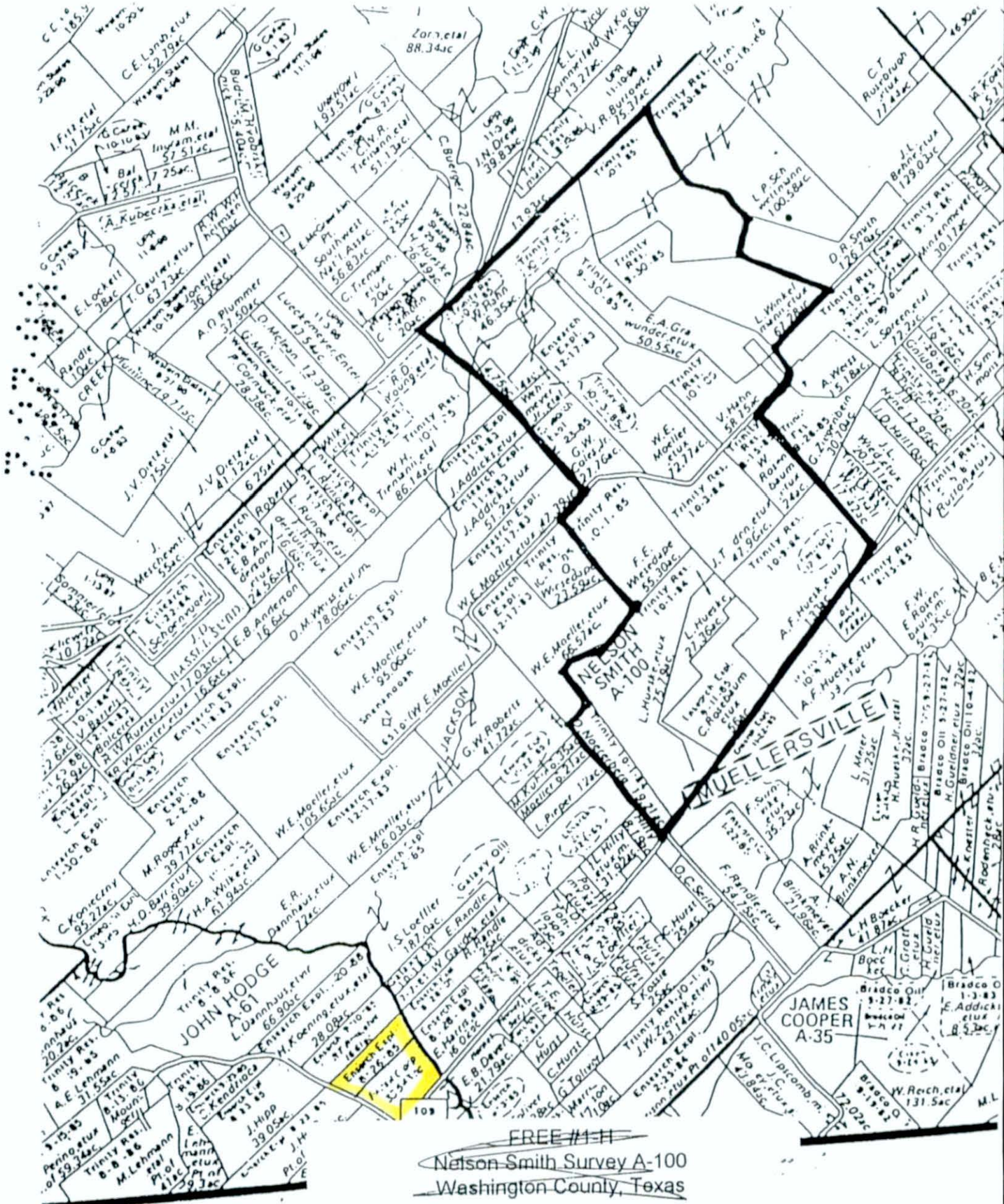
16. Wherever the royalty interest "one-eighth (1/8)" appears in the printed form of this lease, the same is hereby deleted and the royalty interest "one-sixth (1/6)" is hereby substituted therefor.

17. Should Lessor suffer damage to livestock, water wells, fences, roads, personal property, building or other improvements as a result of operations of Lessee under the lease, Lessee agrees to pay Lessor the actual amount of the 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 practical within a reasonable length of time after the abandonment of the use of such pits, and, upon written request from 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.

18. Lessor and Lessee agree that insofar as this instrument covers multiple tracts of land, no community lease is made or intended for the purpose of sharing in receipt of royalty.

Signed for identification:

Marion J. Morris



FREE #1-11

Nelson Smith Survey A-100

Washington County, Texas

1/20/98

(23) 99333
ITEM Adj Levels
TO
FROM
DATE 3-4-98

VOL 781 PAGE 218

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

PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 15th day of February, 19 95, between Roger Pomykal and wife, Elinor Pomykal

Whose address is: P.O. Box 68, Fredericksburg, TX 78624 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 6.793 acres of land, more or less, located in the Nelson Smith Survey, A-100, in Washington County, Texas; and being more particularly described as being all of Tract No. One in that certain Warranty Deed dated June 8, 1977, from Leonard F. Hilty and wife, Agnes Hilty to Roger Pomykal and wife, Elinor Pomykal, recorded in Volume 354, Page 658, 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 6.793 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 Security State Bank at Fredericksburg, TX 78624 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 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:

Brenda Burrin

LESSOR (WHETHER ONE OR MORE)

Roger Pomykal
Roger Pomykal

Elinor Pomykal
Elinor Pomykal

SS NO. OR TAX ID

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF GILLESPIE }

This instrument was acknowledged before me on the 3rd day of February March, 19 95,
by Roger Pomykal and wife, Elinor Pomykal.

ANN KOZIELSKI
NOTARY PUBLIC
STATE OF TEXAS
My Comm. Exp. 04-18-98

Notary Public, State of Texas
Notary's name (printed): ANN KOZIELSKI
Notary's commission expires: 4-18-98

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF }

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF }

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

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

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 February 15, 1995, BY AND BETWEEN Roger Pomykal and wife, Elinor Pomykal 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:

Roger Pomykal

Roger Pomykal

Elinor Pomykal

Elinor Pomykal

FILED

AT 3:30 P M.

MAY - 3 1995

Beth A. Rothermel

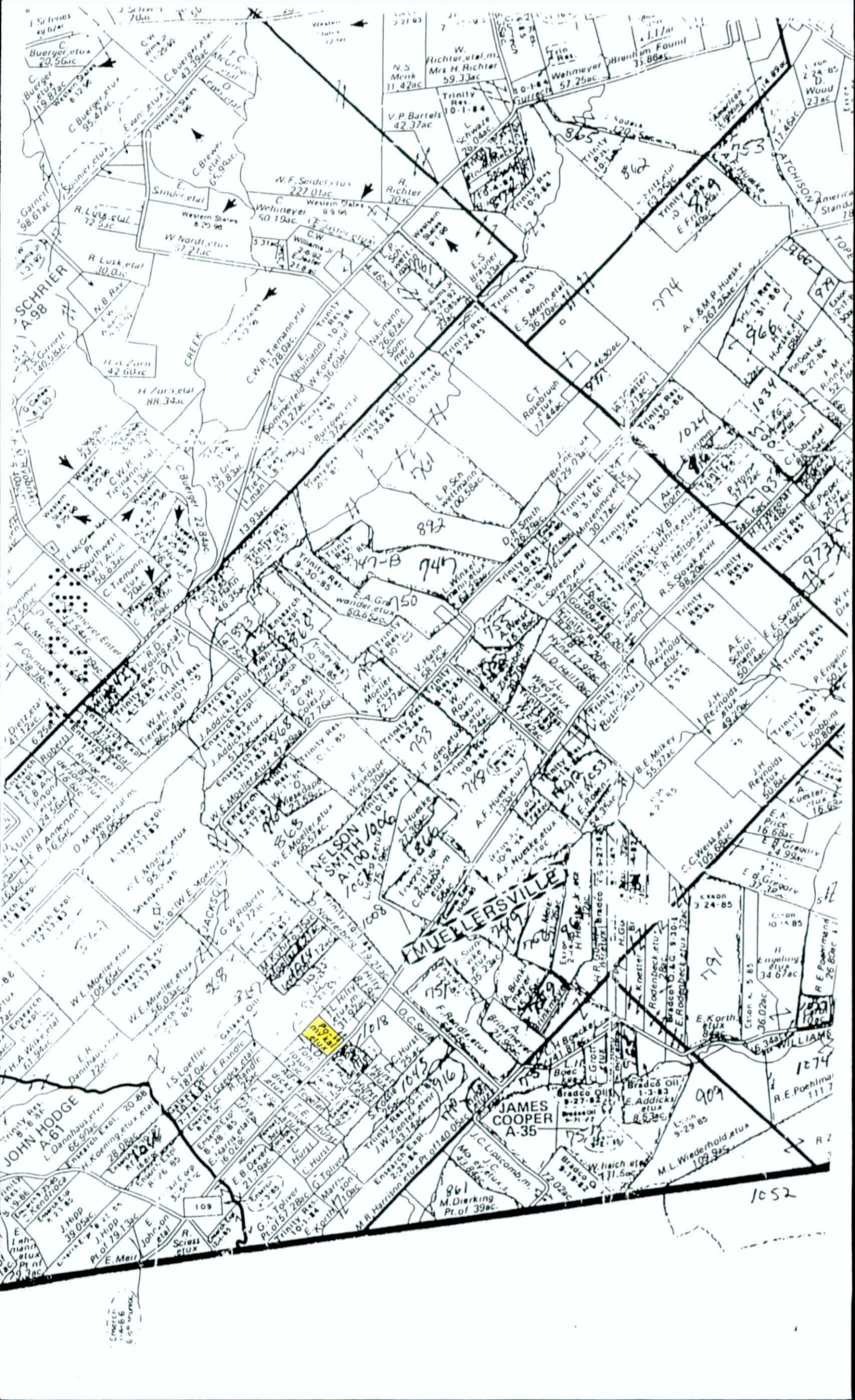
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

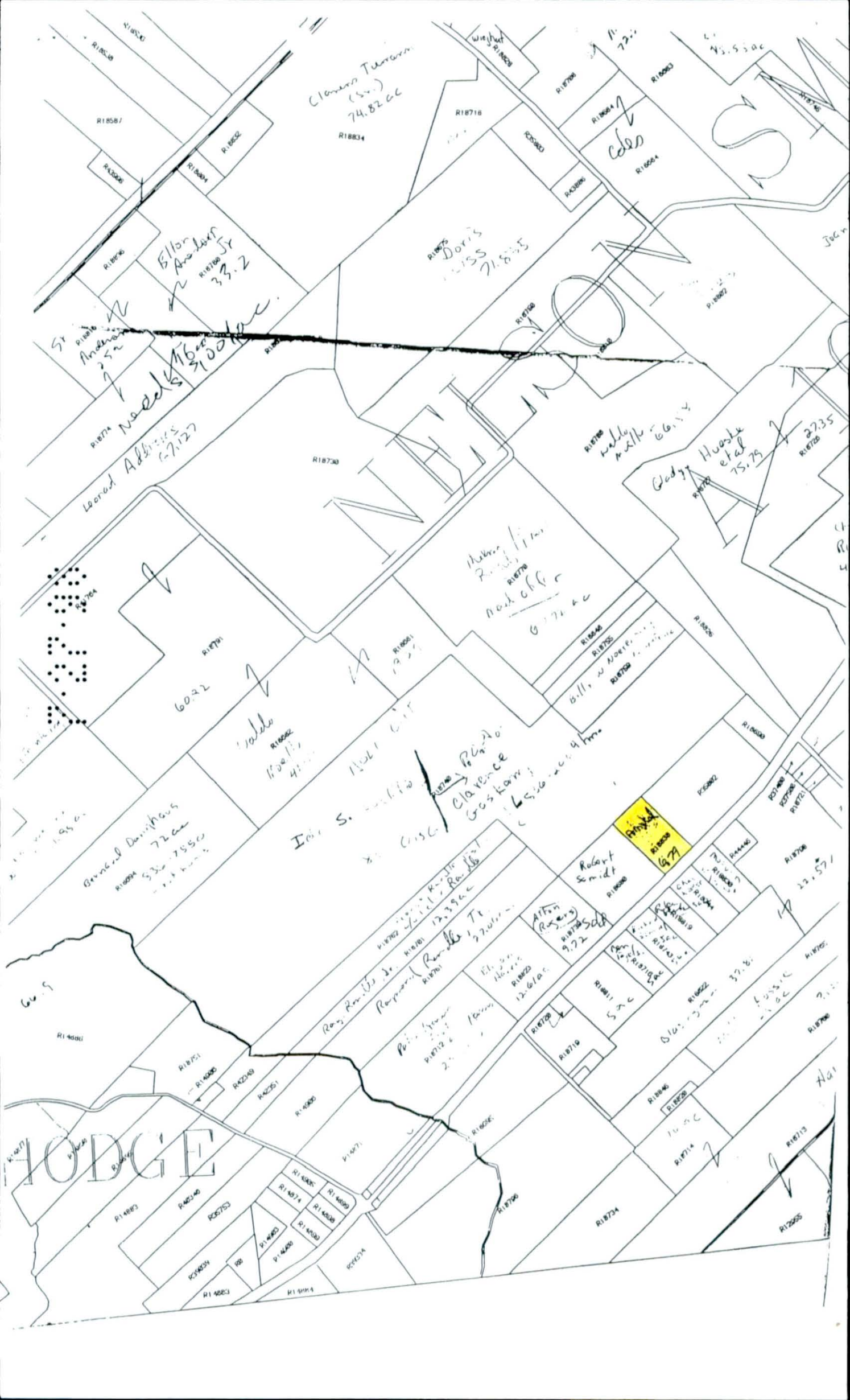
STATE OF TEXAS
COUNTY OF WASHINGTON

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 0 4 1995

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas


SCHRIER
A-98
NELSON SMITH
A-100
MUELLERSVILLE
JAMES COOPER
A-35
JOHN HODGE
A-61
JACKSON
CREEK
ATCHISON
WILLIAMS
Trinity Res.
Western States
Bradco Oil
Exxon
Ensearch Expl.
Trinity Rd.


NELSON
HODGE

(24) 99333
ITEM Adj level
TO
FROM
DATE 2-15-95

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

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

3780

PAID UP OIL AND GAS LEASE

L 229 [illegible]

THIS LEASE AGREEMENT is made as of the 1ST day of APRIL, 19 98, between
MYRTLE HARRIS REYNOLDS
3242 COLLEGE
KANSAS CITY, MO 64128
as Lessor (whether one or more),
and CHESAPEAKE OPERATING, INC., P.O. BOX 18496, OKLAHOMA CITY, OK 73154-0496
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):

28.71 ACRES OF LAND, MORE OR LESS, OUT OF THE NELSON SMITH SURVEY, A-100, WASHINGTON COUNTY, TEXAS. BEING A PART OF A 41.4 ACRE TRACT OF LAND, MORE OR LESS, DESCRIBED IN A DEED, DATED MAY 20, 1907, FROM F.W. ROSENBAUM TO PETER HARRIS, RECORDED IN VOLUME 64, PAGE 608, DEED RECORDS OF WASHINGTON COUNTY, TEXAS; SAVE AND EXCEPT A 12.69 ACRE TRACT OF LAND, MORE OR LESS, DESCRIBED IN A DEED, DATED FEBRUARY 11, 1969, FROM JOHN E. HARRIS, ET AL, TO ELIJAH HARRIS, ET UX, RECORDED IN VOLUME 295, PAGE 2, DEED RECORDS OF WASHINGTON COUNTY, TEXAS.

IT IS AGREED AND UNDERSTOOD BY LESSOR AND LESSEE THAT ALL ROYALTY PAYMENTS REFEREED TO IN THIS AGREEMENT AS ONE-EIGHT (1/8) SHALL BE CONSTRUED TO BE AND ARE HEREBY CHANGED TO BE ONE-SIXTH (1/6). THIS SHALL INCLUDE OIL, GAS, SULPHUR, AND ASSOCIATED LIQUID OR LIQUEFIABLE HYDROCARBONS

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

in the county of WASHINGTON, State of TEXAS, containing 28.71 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 DIRECT LESSOR BY CERTIFIED U.S. MAIL at ABOVE ADDRESS 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.

MH 167/3854/Lease

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
	Myrtle Harris Reynolds	[redacted]
	MYRTLE HARRIS REYNOLDS	SS#

ACKNOWLEDGEMENT

STATE OF Mississippi
COUNTY OF Jackson

This instrument was acknowledged before me on the 14th day of April, 1998, by

SANDRA S. WICHMAN
Notary Public-State of Mississippi
Commissioned in Jackson County
My Commission Expires June 21, 1999

Sandra S. Wichman
Notary Public, State of Texas Mississippi
Notary's name (printed): Sandra S. Wichman
Notary's commission expires: June 21, 1999

ACKNOWLEDGEMENT

STATE OF
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:

FILED FOR RECORD
WASHINGTON COUNTY, TX

'98 JUN 8 PM 1 23

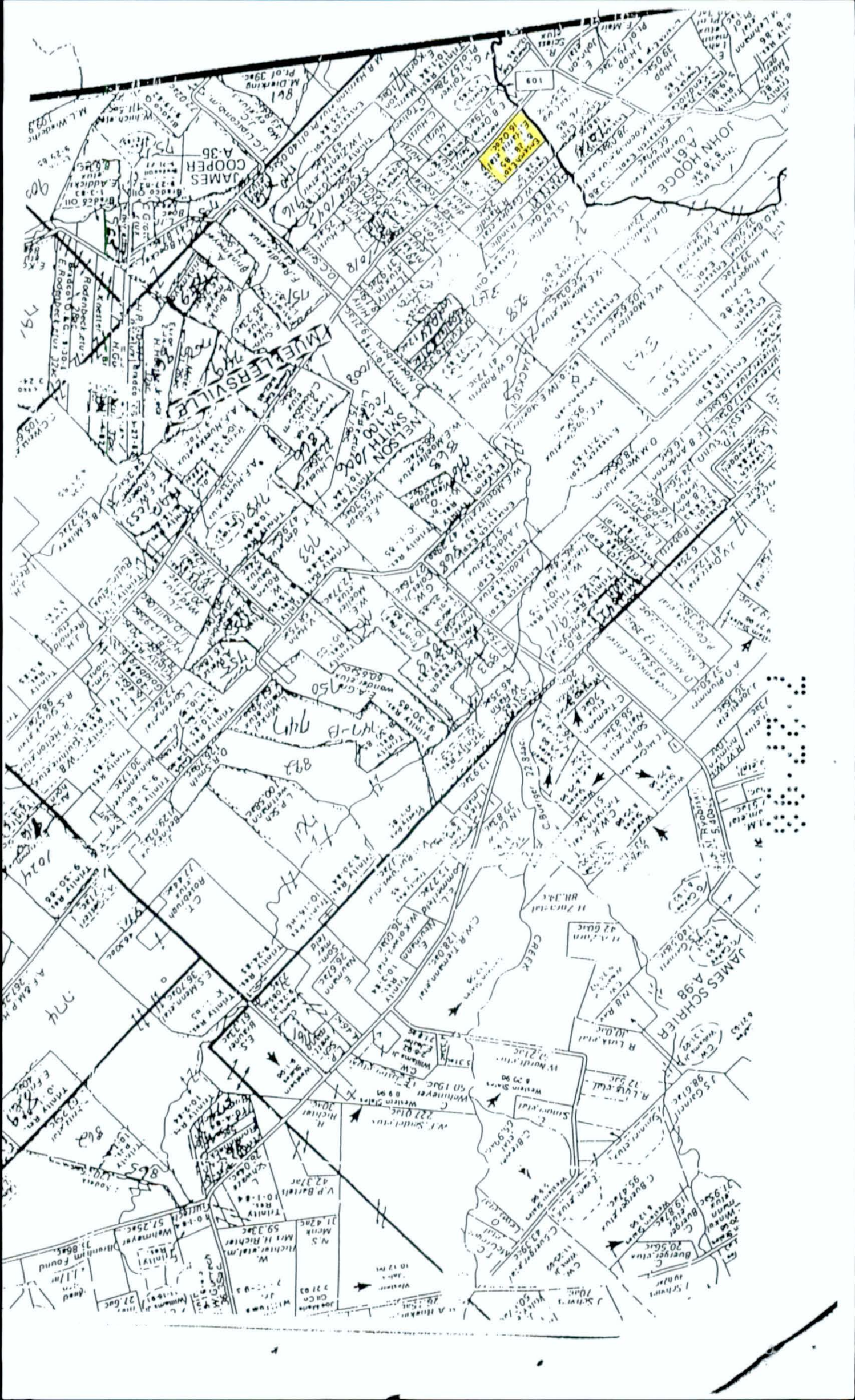
Beth A. Rothermel
WASHINGTON CO. CLERK

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 09 1998

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


JOHN HODGE
A.61
JAMES COOPER
A.35
NELSON SMITH
A.100
JAMES SCHRIER
A.98
CREEK

25.

99333

ITEM Adj Leases

TO

FROM

DATE 4-1-98

VOL 806 PAGE 768

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

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

9616

PAID UP OIL AND GAS LEASE

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

011679

THIS LEASE AGREEMENT is made as of the 12th day of September, 19 95, between Dennis Reimer and wife, Sherry Lynn Reimer

Address: Rt. 1, Box 361, 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 0.780 acre, more or less, located in the Nelson Smith Survey, A-100, Washington County, Texas; and being more particularly described in a Deed dated September 10, 1984 from B.L. Hartnett and wife Charlene Hartnett to Dennis Reimer and wife, Sherry Lynn Reimer, recorded in Volume 488, Page 716, Deed Records of Washington County, Texas.

Notwithstanding anything herein to the contrary, all references mentioned to a one-eighth (1/8) royalty are hereby amended to read one-sixth (1/6) royalty. Lessee shall not have any right to use the surface of the lands hereby leased for drilling operations; however, this land may be pooled as provided herein.

3rd Day

in the county of Washington, State of Texas, containing 0.780 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

011679 BRENHAM 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.

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8. The interest of either Lessor or Lessee hereun ay be assigned, devised or otherwise transferred in whc in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall e nd to their respective heirs, devisees, executors, administr s, successors and assigns. No change in Lessor's ownershi, 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)

Dennis Reimer

Dennis Reimer

Sherry Lynn Reimer

Sherry Lynn Reimer

SS NO. OR TAX ID

[redacted]

[redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF } WASHINGTON

This instrument was acknowledged before me on the 12th day of September, 1995,
by Dennis Reimer and wife,
Sherry Lynn Reimer.

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

FILED

AT 2:15 P M.

DEC - 4 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 DEC 0 5 1995

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

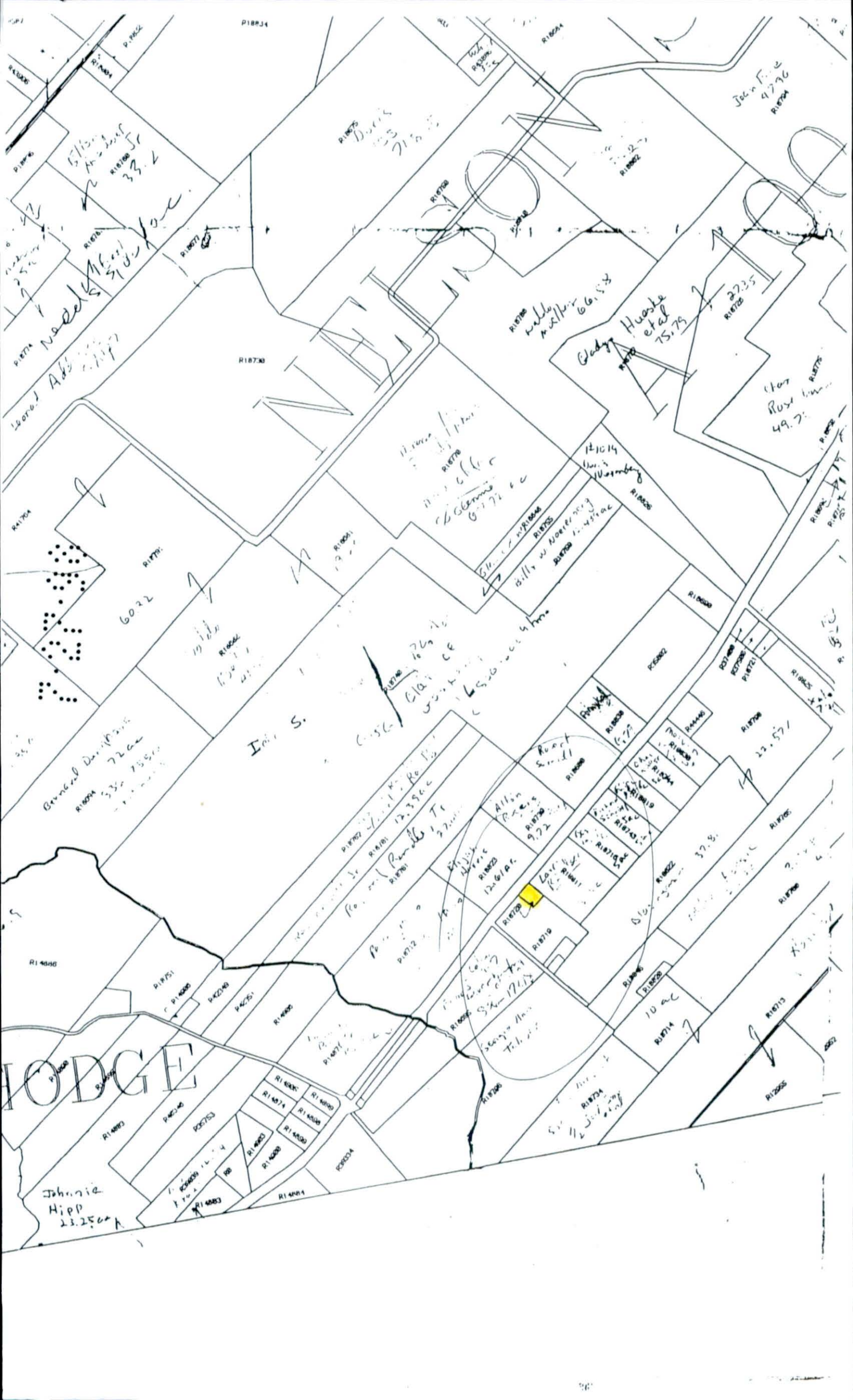
County of }

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)

3


JAMES SCHRIER A-98
JOHN HODGE A-61
JAMES COOPER A-35
NELSON SMITH A-100
MUELLERSVILLE
CREEK
Western States
Trinity Res.
Exxon
Bradco Oil
Enserch Expl.


NELSON
HODGE
Johnnie Hipp 23.25ac A

(26)
RE 99333
ITEM Adj Issue
TO
FROM
DATE 9-12-95

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

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

10130

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 14th day of September, 19 95, between Larry G. Robertson, a single man, being the same person as Larry Gene Robertson

Address: Route 1, Box 360, 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 5 acres, more or less, located in the Nelson Smith Survey, A-100, in Washington County, Texas; and being more particularly described in a Deed dated April 28, 1993 from Carol Susan Robertson to Larry Gene Robertson, recorded in Volume 696, Page 540, Deed Record of Washington County, Texas.

Notwithstanding anything herein to the contrary, all references mentioned to a one-eighth (1/8) royalty are hereby amended to read one-sixth (1/6) royalty. Lessee shall not have any right to use the surface of the lands hereby leased for drilling operations; however, this land may be pooled as provided herein.

in the county of Washington, State of Texas, containing 5 Shelby 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 Brenham National Bank, P.O. Box 2568, at Brenham, Texas 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.

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TX/670893-000

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 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)

Larry G. Robertson, a single man,
being the same person as Larry Gene Robertson

SS NO. OR TAX ID

[redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF } WASHINGTON

This instrument was acknowledged before me on the 28th day of ~~September~~ OCTOBER, 1995,
by Larry G. Roertson, a single man, being the same person as Larry Gene Robertson.

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

MARILYN L. WHITESELL
MY COMMISSION EXPIRES
May 11, 1997

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:

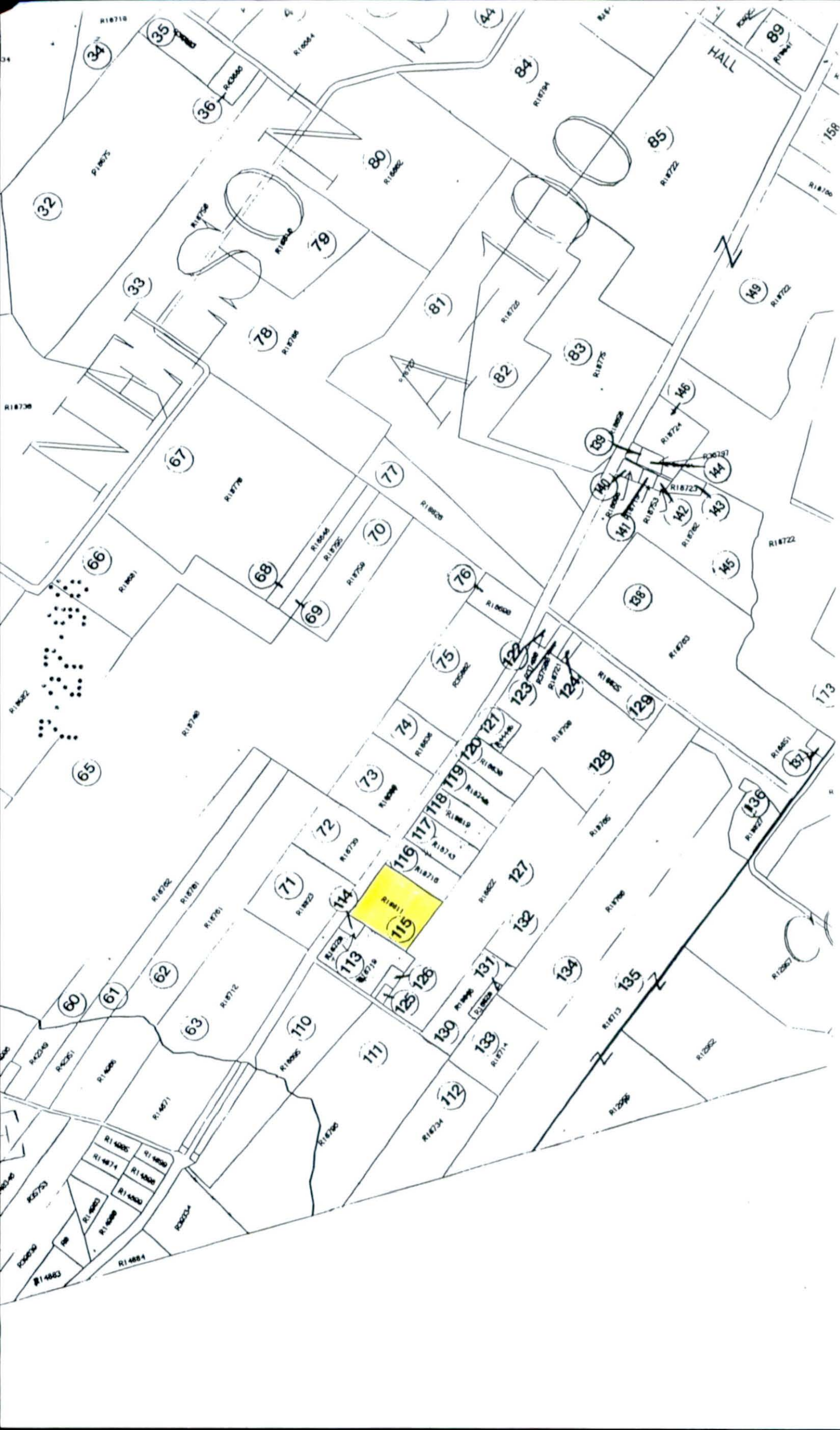
FILED
AT 10:30 A.M.
DEC 27 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

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 DEC 28 1995

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

By _____
Clerk (or Deputy)


NELSON
ATHO
HALL

(27)
MF 99333
ITEM Adj Land
TO
FROM
DATE 9-14-95

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

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

PAID UP OIL AND GAS LEASE

(15 1/2

6179

THIS LEASE AGREEMENT is made as of the 27th day of May, 19 95, between Bruce A. Rodenbeck, a single man

Address: Rt. 1, Box 357, 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 4.968 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 filed March 1, 1990, from Robert S. Pieratt to Bruce A. Rodenbeck, recorded in Volume 621, Page 771, Deed Records of Washington County, Texas.

Notwithstanding anything to the contrary contained herein, no surface operations shall be conducted upon the herein leased premises without the express written consent of Lessor.

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

Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, OK 73154

Shelby

in the county of Washington, State of Texas, containing 4.968 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 Bank One Texas, N.A. Brenham, TX 77833 at _____ 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.

VOL 733 PAGE 012

8. The interest of either Lessor or Lessee he[illegible]y may be assigned, devised or otherwise transferred i[illegible] or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder s[illegible]xtend to their respective heirs, devisees, executors, adm[illegible]trators, 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)

Bruce A. Rodenbeck, a single man

SS NO. OR TAX ID

[redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF } WASHINGTON

This instrument was acknowledged before me on the 1st day of June, 1995, by Bruce A. Rodenbeck, a single man.

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 }

FILED
AT 11:30 A.M.
AUG - 7 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 08 1995

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


MUELLERSVILLE
JAMES COOPER A-35
JOHN HODGE A-61
SCHRIER A-98
WELSON SMITH A-100
CREEK
ATCHISON
Trinity Rds.
Trinity Res.
Western States
Bradco Oil
Exxon
Enserch Expl.
Wahmeyer
Brenham Found
Trinity Rd.
Trinity Rds.
Trinity Res.
Western States
Bradco Oil
Exxon
Enserch Expl.
Wahmeyer
Brenham Found
Trinity Rd.

(28)
ITEM 99333
ITEM Adj Lease
TO
FROM
DATE 5-27-95

VOL 797 PAGE 156

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

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

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

PAID UP OIL AND GAS LEASE

7189

016243

THIS LEASE AGREEMENT is made as of the 27th day of May, 19 95, between Robert C. Schmidt and wife, Rosanne Schmidt

Address: Rt. 1, Box 356, 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 11.979 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 November 12, 1986 from Steven D. Tomlinson to Robert C. Schmidt and wife, Rosanne Schmidt, recorded in Volume 549, Page 757, 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 11.979 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 PRIME BANK, 200 WEST VULCAN ST., BRENHAM, TEXAS 77833 at 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 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
	Robert C. Schmidt	[redacted]
	Rosanne Schmidt	[redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF WASHINGTON }

This instrument was acknowledged before me on the 9th day of July, 1995, by Robert C. Schmidt and wife, Rosanne Schmidt.

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

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

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF }

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

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 May 27, 1995, BY AND BETWEEN ROBERT C. SCHMIDT and wife, ROSANNE SCHMIDT, 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 without Lessor's prior written consent, it will conduct no drilling operations on the surface of the herein leased premises. 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.

5. Notwithstanding anything contained herein to the contrary, in the event any portion of the herein leased premises is pooled or unitized with other land so as to form a pooled unit or units, Lessee agrees that one-hundred percent (100%) of the herein leased premises shall be included in said pooled unit or units.

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:

Robert C. Schmidt

Robert C. Schmidt

Rosanne Schmidt

Rosanne Schmidt

STATE OF TEXAS
COUNTY OF WASHINGTON

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

SEP 06 1995

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

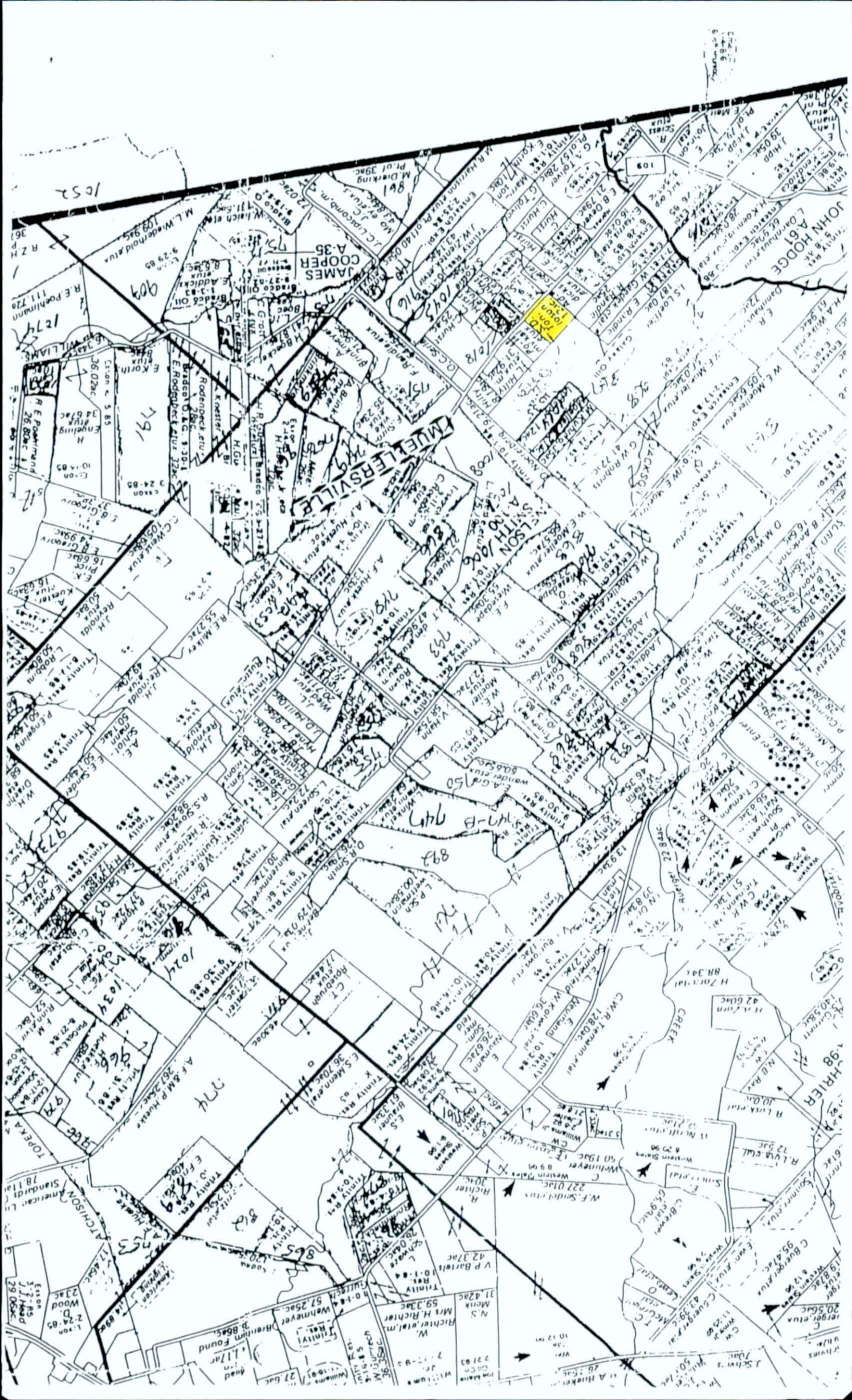
FILED

AT 11:20 A M.

SEP - 5 1995

Beth A. Rothermel

BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX


JAMES COOPER A 35
JOHN HODGE A 61
MUELLERSVILLE
NELSON SMITH A 13
TOPEKA
CREEK

(29.)
OF 99333
ITEM Adj. Leases
TO
FROM
DATE 5-27-95

PAID UP (4-89) – Paid Up
With Pooling Provision

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

VOL 811 PAGE 634
M 139818

PAID UP OIL AND GAS LEASE

Record & Return To:
Chesapeake Operating
P.O. Box 184[illegible]
Oklahoma City, OK [illegible]

THIS LEASE AGREEMENT is made as of the 9th day of March, 19 95, between Richard Donald Schubel and wife, Andrea Dee Schubel

9783

Whose address is: Rt. 1, Box 358, 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 5.0 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 December 20, 1985, from Clifford M. McAlexander and wife, Betty McAlexander to Richard Donald Schubel and wife, Andrea Dee Schubel, recorded in Volume 525, Page 764, 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 5.0 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 Industry State Bank at Industry, Texas 78944 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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6. 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)

Richard Donald Schubel

Andrea Dee Schubel

SS NO. OR TAX ID

[redacted]

[redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF } WASHINGTON

This instrument was acknowledged before me on the 24th day of March, 19 95,
by Richard Donald Schubel and wife, Andrea Dee Schubel.

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

BARBARA FABISACK
Notary Public, State of Texas
My Commission Expires 3-05-96

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)

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VOL 811 PAGE 636

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE, DATED March 9, 1995, BY AND BETWEEN Richard Donald Schubel and wife, Andrea Dee Schubel 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.

SIGNED FOR IDENTIFICATION:

Richard Donald Schubel

Andrea Dee Schubel

RECORDER'S MEMORANDUM:
AT THE TIME OF RECORDATION THIS INSTRUMENT WAS FOUND TO BE INADEQUATE FOR THE BEST PHOTOGRAPHIC REPRODUCTION BECAUSE OF ILLEGIBILITY, CARBON, OR PHOTO COPY, DISCOLORED PAPER, ETC. ALL BLOCKOUTS, ADDITIONS AND CHANGES WERE PRESENT AT THE TIME THE INSTRUMENT WAS FILED AND RECORDED

STATE OF TEXAS COUNTY OF GRIMES
I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the volume and page of the real property records of Grimes County, Texas as stamped hereon by me.

NOV 20 1995

David Paskett
COUNTY CLERK, GRIMES COUNTY, TEXAS

FILED FOR RECORD AT
'95 NOV 20 AM 10 00
DAVID PASKETT CO. CLK.
GRIMES COUNTY, TX.
BY Deputy DEPUTY

pd-14.00

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SCHRIER
A-98
CREEK
MUELLERSVILLE
JAMES COOPER
A-35
WILLIAMS
1052

(3M) 99333
ITEM Adj Land
TO
FROM
DATE 3-9-95

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

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

L 16586

2869

PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 1ST day of APRIL, 19 98, between

CHARLES SMOOTS

3201 WASHINGTON ST.

CORPUS CHRISTI, TX 78400 as Lessor (whether one or more),

and CHESAPEAKE OPERATING, INC., P.O. BOX 18496, OKLAHOMA CITY, OK 73154-0496,

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):

28.71 ACRES OF LAND, MORE OR LESS, OUT OF THE NELSON SMITH SURVEY, A-100, WASHINGTON COUNTY, TEXAS, BEING A PART OF A 41.4 ACRE TRACT OF LAND, MORE OR LESS, DESCRIBED IN A DEED, DATED MAY 20, 1907, FROM F.W. ROSENBAUM TO PETER HARRIS, RECORDED IN VOLUME 64, PAGE 608, DEED RECORDS OF WASHINGTON COUNTY, TEXAS; SAVE AND EXCEPT A 12.69 ACRE TRACT OF LAND, MORE OR LESS, DESCRIBED IN A DEED, DATED FEBRUARY 11, 1969, FROM JOHN E. HARRIS, ET AL, TO ELIJAH HARRIS, ET UX, RECORDED IN VOLUME 295, PAGE 2, DEED RECORDS OF WASHINGTON COUNTY, TEXAS.

IT IS AGREED AND UNDERSTOOD BY LESSOR AND LESSEE THAT ALL ROYALTY PAYMENTS REFEREED TO IN THIS AGREEMENT AS ONE-EIGHT (1/8) SHALL BE CONSTRUED TO BE AND ARE HEREBY CHANGED TO BE ONE-SIXTH (1/6). THIS SHALL INCLUDE OIL, GAS, SULPHUR, AND ASSOCIATED LIQUID OR LIQUEFIABLE HYDROCARBONS

in the county of WASHINGTON, State of TEXAS, containing 28.71 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 DIRECT LESSOR BY CERTIFIED U.S. MAIL at ABOVE ADDRESS 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 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)

Charles Smoots
CHARLES SMOOTS

SS NO. OR TAX ID

[redacted]
SS#

Upd Chesapeake

ACKNOWLEDGEMENT

STATE OF
COUNTY OF

This instrument was acknowledged before me on the 8th day of April, 1998,
by Charles Smoots

ANGIE L. CUEVAS
Notary Public
STATE OF TEXAS
My Comm. Exp. March 9, 2001

Angie L Cuevas
Notary Public, State of Texas
Notary's name (printed): ANGIE L. CUEVAS
Notary's commission expires: 3/9/2001

ACKNOWLEDGEMENT

STATE OF
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
COUNTY OF

, 19

FILED FOR RECORD
'98 MAY 4 PM 12 26
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

MAY 05 1998

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


JAMES SCHRIER A-98
JOHN HODGE A-61
NELSON SMITH A-100
JAMES COOPER A-35
MUELLERSVILLE
CREEK
Trinity Rds.
Western States
Enterprise Expl.
Trinity Res.
Wehmeyer
Richter
Schwabe
Williams Jr.
Braden Oil
Bracco Oil
Trinity Pub.
Illinois Found
Joe Mello Oil Co
N.S. Menk
V.P. Bartels
E.S. Braunel
E.S. Menn
C.T. Rosebrough
L.P. Schweltmann
D.A. Smith
L. Winkel
E.A. Grabowander
W.E. Moeller
A.F. Hucke
E. Rose
B.E. Milkey
J.H. Reynolds
R.S. Sloan
R. Helton
W.B. Guthrie
J.L. Hull
L. Screen
J.O. Hull
J.V. Dreiler
J. Addicks
G.W. Coles Jr.
W.E. Moeller
L. Huske
C. Rodeheim
F.E. Wiesedape
A.F. Hucke
E. Rose
J.T. Denton
W. Raun
V. Hahn
W.E. Moeller
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G.W. Coles Jr.
J. Addicks
J.V. Dreiler
W.E. Moeller
L. Winkel
D.A. Smith
L.P. Schweltmann

(3 MF) 99333
ITEM Adj Case
TO
FROM
DATE 4-1-98

producers88 (4-89) – Paid Up
With 640 Acres Pooling Provision

ROUND PRINTING & STATIONERY COMPANY
4301 RICHMOND, HOUSTON, TEXAS 77027 (713) 552-9797

28870
L 16584

PAID UP OIL AND GAS LEASE

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

THIS LEASE AGREEMENT is made as of the 1ST day of APRIL, 19 98, between CLIFFORD SMOOTS SR. ~~2004 WASHINGTON ST~~ P.O. Box 5395 CORPUS CHRISTI, TX 78400 (Lessor, whether one or more), and CHESAPEAKE OPERATING, INC., P.O. BOX 18496, OKLAHOMA CITY, OK 73154-0496 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)

28.71 ACRES OF LAND, MORE OR LESS, OUT OF THE NELSON SMITH SURVEY, A-100, WASHINGTON COUNTY, TEXAS, BEING A PART OF A 41.4 ACRE TRACT OF LAND, MORE OR LESS, DESCRIBED IN A DEED, DATED MAY 20, 1907, FROM F.W. ROSENBAUM TO PETER HARRIS, RECORDED IN VOLUME 64, PAGE 608, DEED RECORDS OF WASHINGTON COUNTY, TEXAS; SAVE AND EXCEPT A 12.69 ACRE TRACT OF LAND, MORE OR LESS, DESCRIBED IN A DEED, DATED FEBRUARY 11, 1969, FROM JOHN E. HARRIS, ET AL, TO ELIJAH HARRIS, ET UX, RECORDED IN VOLUME 295, PAGE 2, DEED RECORDS OF WASHINGTON COUNTY, TEXAS.

IT IS AGREED AND UNDERSTOOD BY LESSOR AND LESSEE THAT ALL ROYALTY PAYMENTS REFEREED TO IN THIS AGREEMENT AS ONE-EIGHT (1/8) SHALL BE CONSTRUED TO BE AND ARE HEREBY CHANGED TO BE ONE-SIXTH (1/6). THIS SHALL INCLUDE OIL, GAS, SULPHUR, AND ASSOCIATED LIQUID OR LIQUEFIABLE HYDROCARBONS

in the county of WASHINGTON, State of TEXAS, containing 28.71 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 DIRECT LESSOR BY CERTIFIED U.S. MAIL at ABOVE ADDRESS 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.

K4167/284

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
	Clifford V. Smoots SR	[redacted]
	CLIFFORD SMOOTS SR	SS#

ACKNOWLEDGEMENT

STATE OF
COUNTY OF
This instrument was acknowledged before me on the 8th day of April, 19 98,
by Julie Ann Rodriguez

JULIE ANN RODRIGUEZ
Notary Public
STATE OF TEXAS
My Comm. Exp. April 1, 2000

Julie Ann Rodriguez
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires: 4-1-2000

ACKNOWLEDGEMENT

STATE OF
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
COUNTY OF

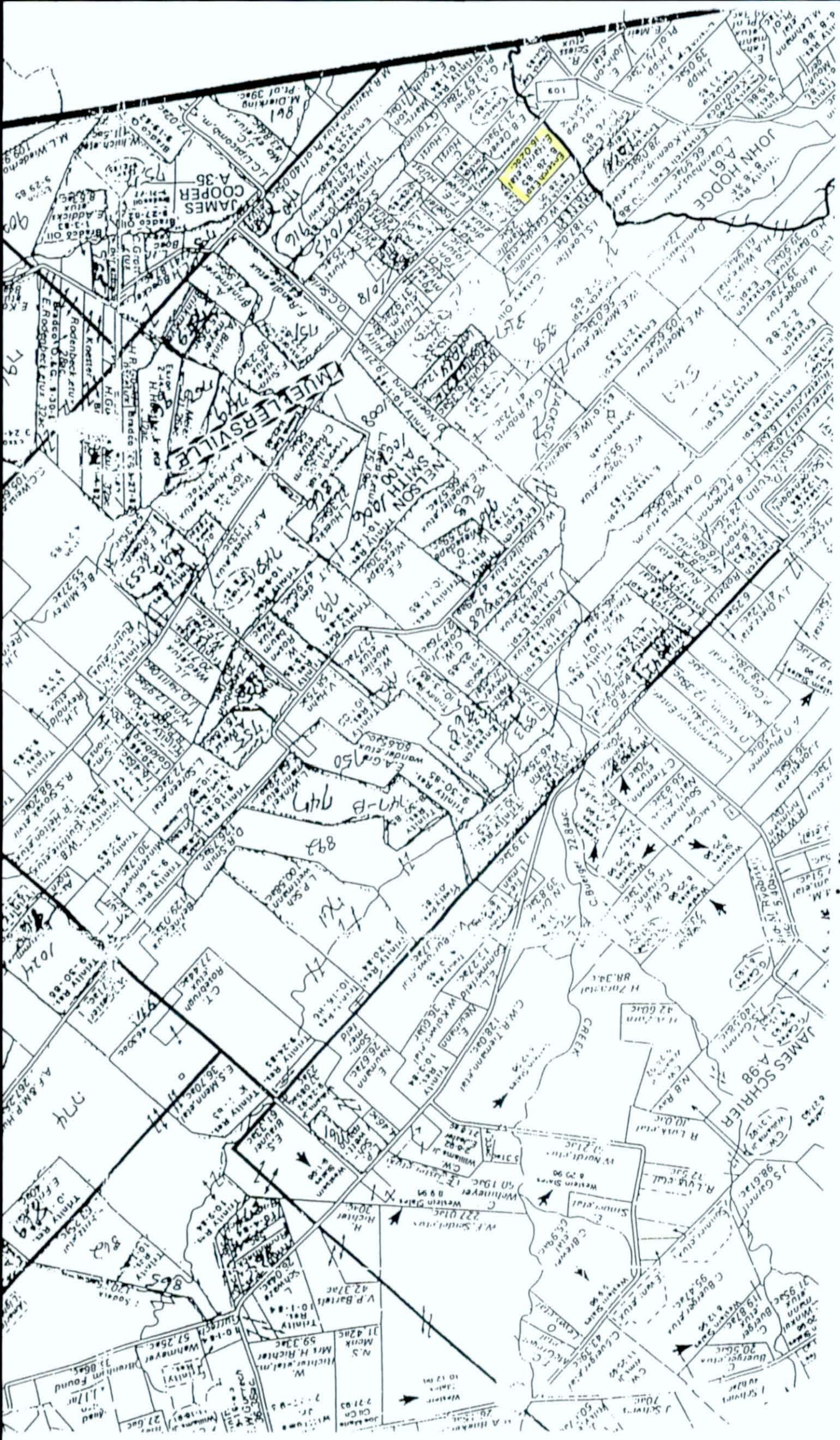
FILED FOR RECORD
'98 MAY 4 PM 12 27
WASHINGTON CO. CLERK

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

MAY 05 1998

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


JOHN HODGE
A.61
JAMES COOPER
A.35
NELSON SMITH
A.100
JAMES SCHRIER
A.98
CAMUELERSVILLE
CREEK

(32.) 99333
ITEM Adj. Lease
TO
FROM
DATE 4-1-98

VOL 770 PAGE 117

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

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

Record & Return
Chesapeake Operating
P.O. Box 18496
Oklahoma City, OK 7

PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 28th day of January, 19 95, between
Larry W. Tegeler and wife, Julie Tegeler 2231

Whose address is: Rt. 1, Box 350, 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 21.678 acres of land, more or less, located in the Nelson Smith Survey A-100 and the C.C. Givens Survey, A-48 in Washington County, Texas; and bei described in two tracts as follows:

TRACT ONE: Being 16.94 acres of land, more or less, located in the Nels Smith Survey, A-100 in Washington County, Texas; and being more particularly described in that certain Warranty Deed dated May 15, 1984, from Roger Pomyk and wife, Elinor Pomykal to Larry W. Tegeler and wife, Julie Tegeler, recorc in Volume 473, Page 447, Deed Records of Washington County, Texas.

TRACT TWO: Being 4.738 acres of land, more or less, located in the C.C. Givens Survey, A-48 in Washington County, Texas; and being more particularly described by metes and bounds in a Deed dated November 20, 1980, from Helen Glaesar and husband, Wilbert H. Glaesar to Larry Tegeler and wife, Julie Tegeler, recorded in Volume 405, Page 843, Deed Records of Washington County

FOR SPECIAL PROVISIONS, SEE EXHIBIT "A" ATTACHED HERETO, AND MADE A PART HEREC

in the county of Washington, State of Texas, containing 21.678 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 INDUSTRY STATE BANK BOX 66 INDUSTRY, TX 78944 at

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 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
	Larry W. Tegeler	[redacted]
	Julie Tegeler	[redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF WASHINGTON }

This instrument was acknowledged before me on the 28th day of January, 19 95, by Larry W. Tegeler and wife, Julie Tegeler.

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 January 28, 1995, BY AND BETWEEN Larry W. Tegeler and wife, Julie Tegeler 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. Lessee agree that no drilling, prospecting or mining operations will be conducted upon the herein leased premises without Lessor's prior written consent, but Lessee shall have the right to prospect, drill, mine and produce said minerals by operations which it may conduct on adjoining or nearby lands, or lands with which the herein leased premises may be pooled.

5. 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:

Larry W. Tegeler

Larry W. Tegeler

Julie Tegeler

Julie Tegeler

FILED

AT 2:30 P M.

MAR 27 1995

Beth A. Rothermel Dy

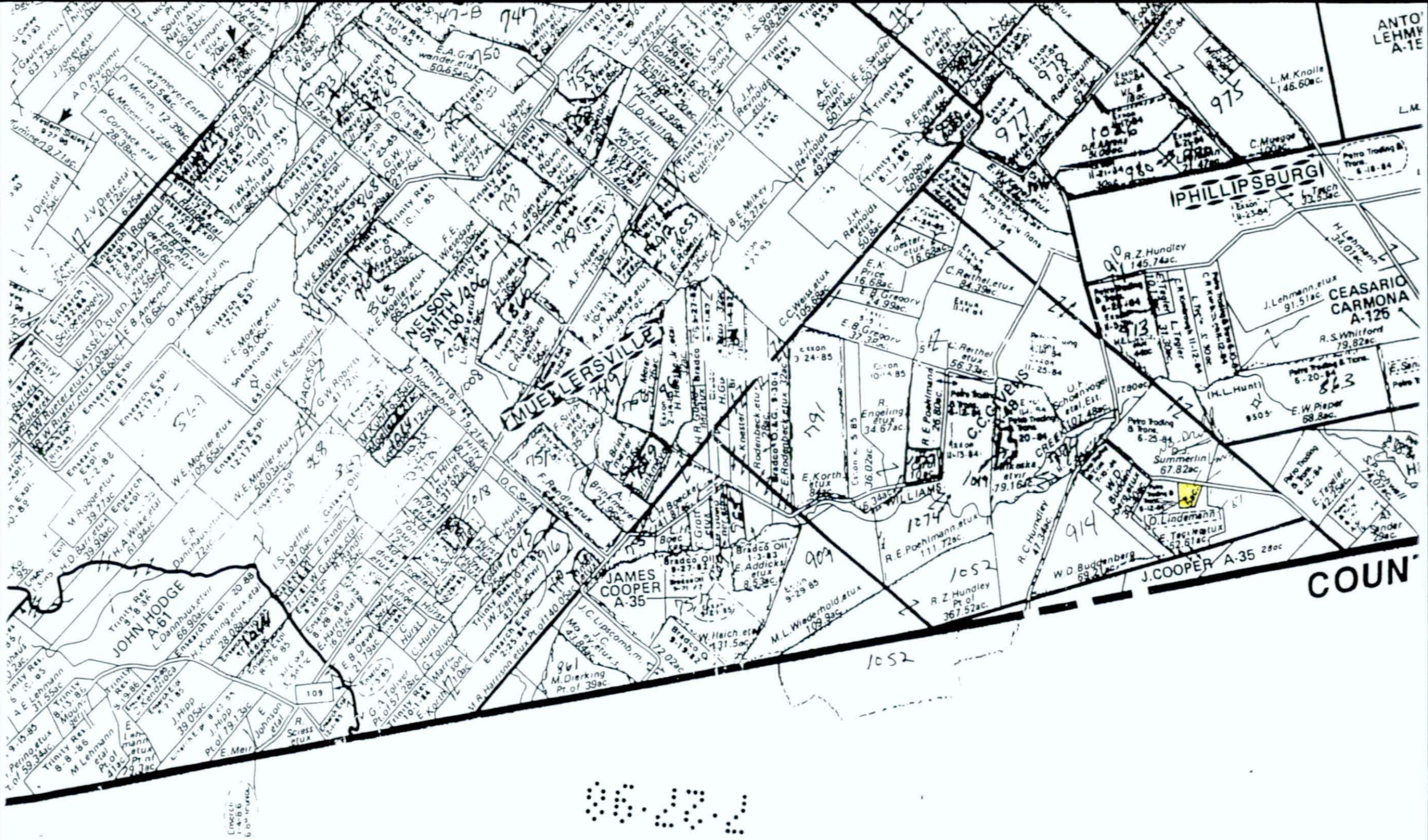
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

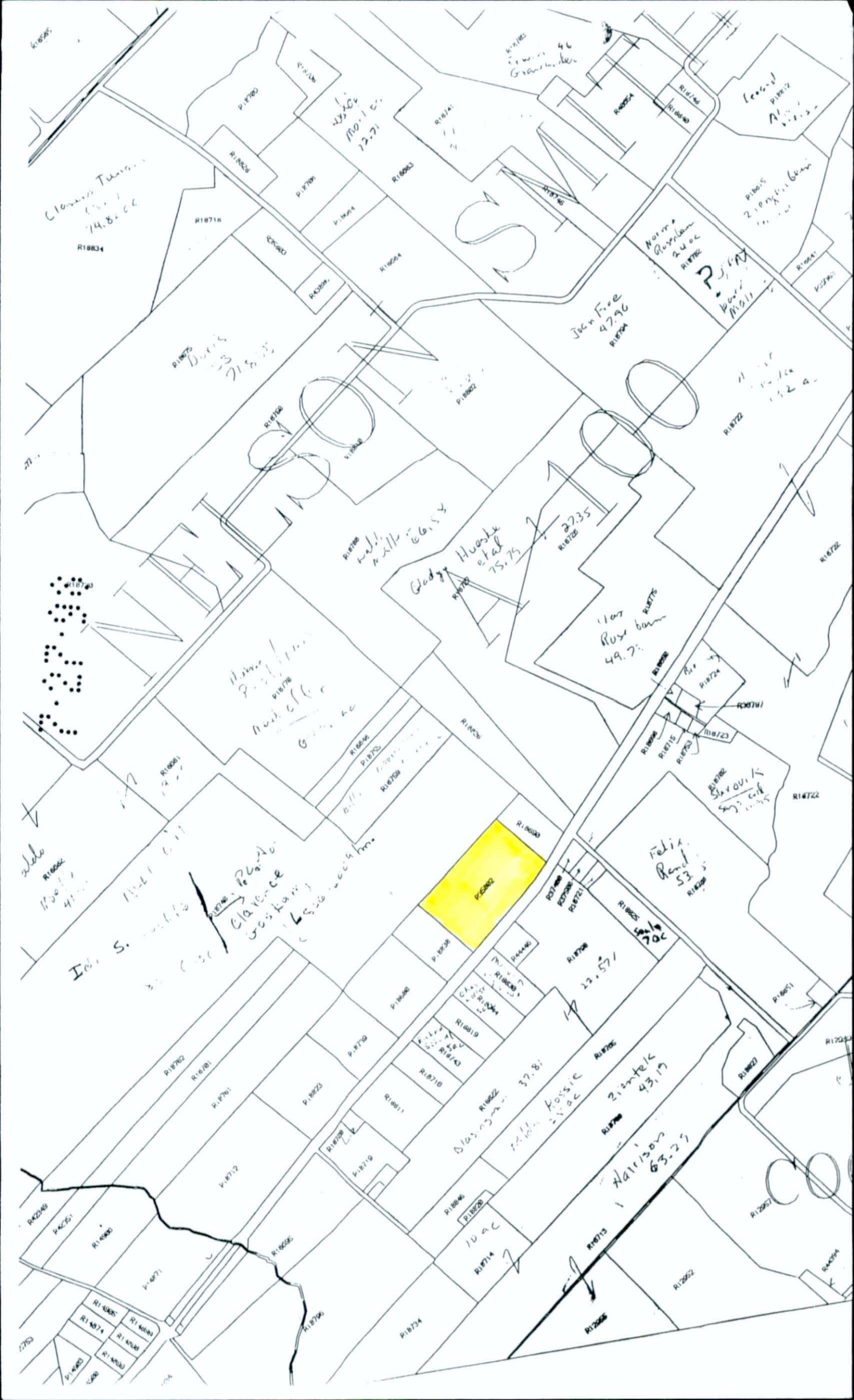
STATE OF TEXAS
COUNTY OF WASHINGTON

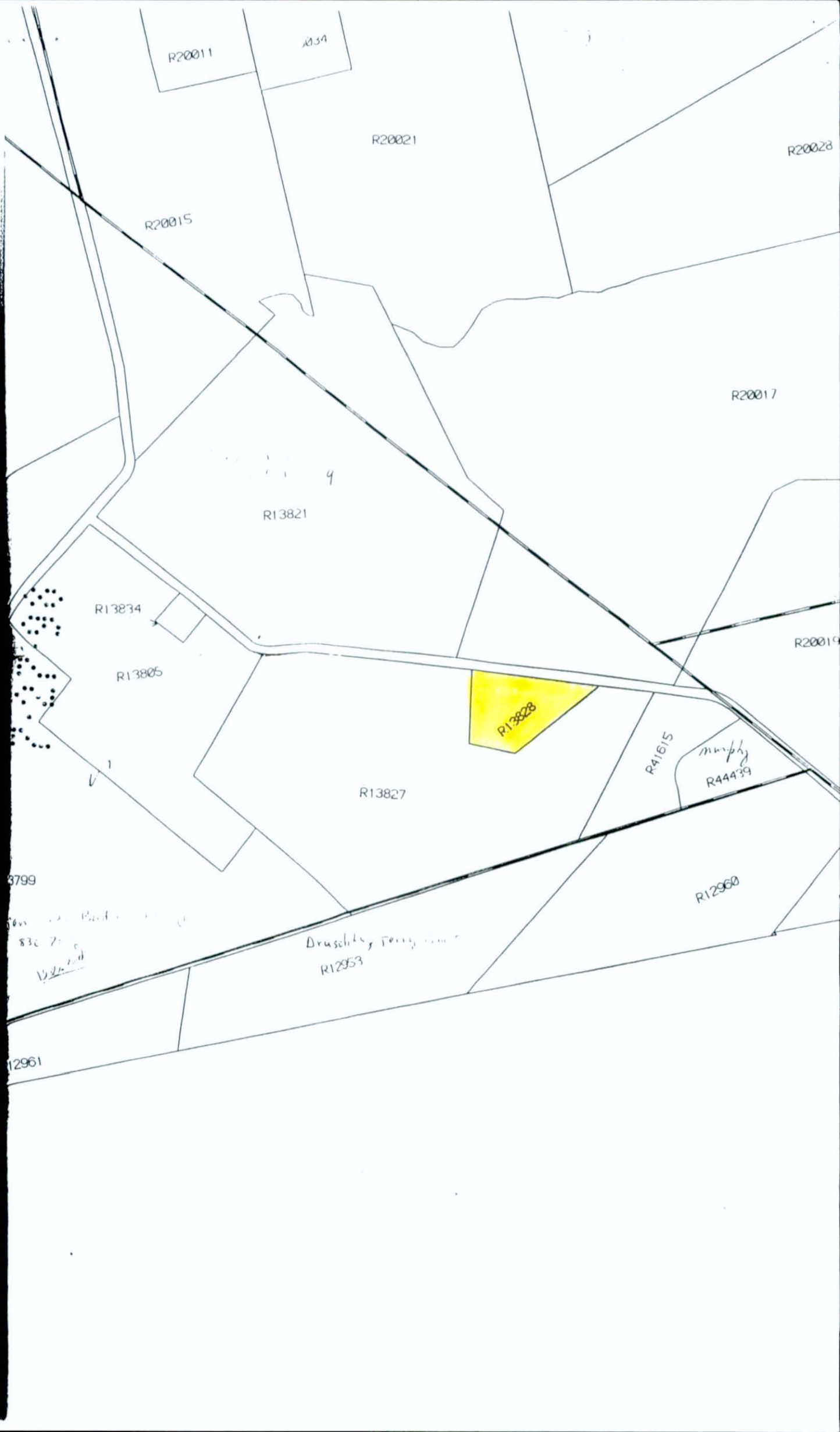
I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on MAR 28 1995

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas


MUELLERSVILLE
NELSON SMITH A-100
JAMES COOPER A-35
JOHN HODGE A-61
PHILLIPSBURG
CEASARIO CARMONA A-125
J.COOPER A-35
COUN
96.42.4


NELSON
Felix Road
53.3
Harrison
63.2
Jean Fine
47.96
Glady Hueste et al
75.7
Rux barn
49.7
Blossom
37.8
Kassie
2.1
Glarence
Gosbun
Lessie
Allen
Gra
Norris
Florida
Burri
Mill
Clarence Thurs
74.8
Felix Road
53.3
Harrison
63.2
Jean Fine
47.96
Glady Hueste et al
75.7
Rux barn
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Blossom
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Norris
Florida
Burri
Mill


R20011
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R20028
R20015
R20017
R13821
R13834
R13805
R13828
R20019
R41615
R44439
R13827
R12960
R12953
3799
12961

(33 file)
99333
ITEM Adj Lease
TO
FROM
DATE 1-28-95

[VOL. 787 PAGE 222

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

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

48123

PAID UP OIL AND GAS LEASE

RECORD & RETURN TO:
CHESAPEAKE OPERATING, INC.
P.O. BOX 18496
OKLAHOMA CITY, OK 73154

THIS LEASE AGREEMENT is made as of the 28th day of April, 19 95, between Ben Tegeler and wife, Hilda Tegeler

Whose address is: Rt. 1, Box 359, 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 5.00 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 December 5, 1975 from Bren-Lake, Inc. to Ben Tegeler and wife, Hilda Tegeler, recorded in Volume 341, Page 148, 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 5.00 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 Lyons Bank at Brenham Texas 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.

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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 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

Ben Tegeler
Ben Tegeler

[redacted]

Hilda Tegeler
Hilda Tegeler

[redacted]

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF WASHINGTON }

This instrument was acknowledged before me on the 28th day of April, 19 95, by Ben Tegeler and wife, Hilda Tegeler.

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 April 28, 1995, BY AND BETWEEN Ben Tegeler and wife, Hilda Tegeler 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.

SIGNED FOR IDENTIFICATION:

Ben Tegeler
Ben Tegeler

Hilda Tegeler
Hilda Tegeler

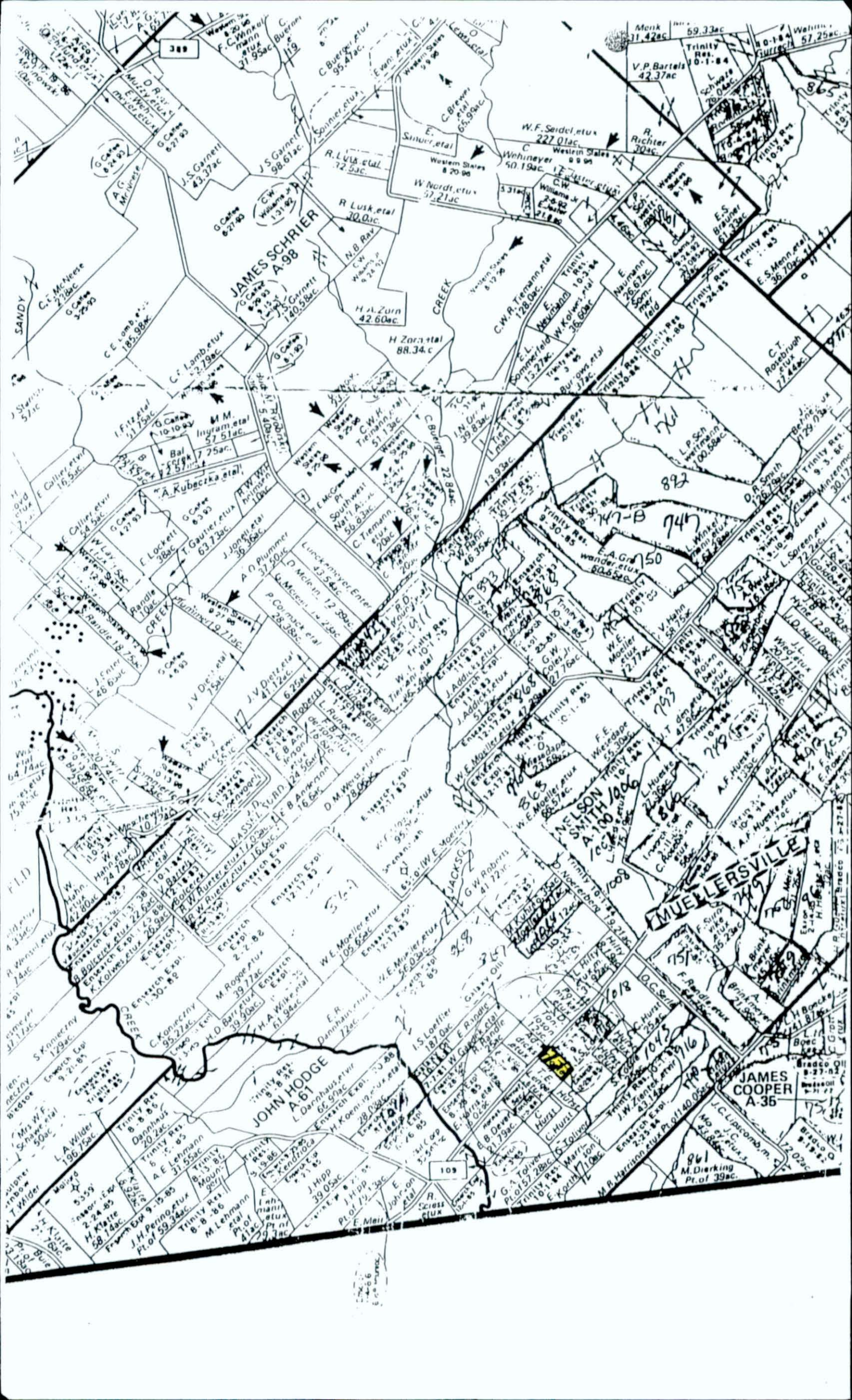
FILED
AT 10:55 A.M.
JUN 26 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

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

JUN 27 1995

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


JAMES SCHRIER A-98
JOHN HODGE A-61
NELSON SMITH A-100
JAMES COOPER A-35
MUELLERSVILLE
SANDY CREEK
JACKSON CREEK
Trinity Res.
Enserch Expl.
Western States
Galaxy Oil
Bradco Oil

(34.)
MF 99333
ITEM Adj Lease
TO
FROM
DATE 4-28-95

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

PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 1ST day of APRIL, 19 98, between LENORA WALKER
3418 BALL AVE.
GALVESTON, TX 77550 as Lessor (whether one or more),
and CHESAPEAKE OPERATING, INC., P.O. BOX 18496, OKLAHOMA CITY, OK 73154-0496,
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):

28.71 ACRES OF LAND, MORE OR LESS, OUT OF THE NELSON SMITH SURVEY, A-100, WASHINGTON COUNTY, TEXAS, BEING A PART OF A 41.4 ACRE TRACT OF LAND, MORE OR LESS, DESCRIBED IN A DEED, DATED MAY 20, 1907, FROM F.W. ROSENBAUM TO PETER HARRIS, RECORDED IN VOLUME 64, PAGE 608, DEED RECORDS OF WASHINGTON COUNTY, TEXAS; SAVE AND EXCEPT A 12.69 ACRE TRACT OF LAND, MORE OR LESS, DESCRIBED IN A DEED, DATED FEBRUARY 11, 1969, FROM JOHN E. HARRIS, ET AL, TO ELIJAH HARRIS, ET UX, RECORDED IN VOLUME 295, PAGE 2, DEED RECORDS OF WASHINGTON COUNTY, TEXAS.

IT IS AGREED AND UNDERSTOOD BY LESSOR AND LESSEE THAT ALL ROYALTY PAYMENTS REFEREED TO IN THIS AGREEMENT AS ONE-EIGHT (1/8) SHALL BE CONSTRUED TO BE AND ARE HEREBY CHANGED TO BE ONE-SIXTH (1/6). THIS SHALL INCLUDE OIL, GAS, SULPHUR, AND ASSOCIATED LIQUID OR LIQUEFIABLE HYDROCARBONS

in the county of WASHINGTON, State of TEXAS, containing 28.71 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 DIRECT LESSOR BY CERTIFIED U.S. MAIL at ABOVE ADDRESS 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.

3854

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)

Lenora Walker

LENORA WALKER

SS NO. OR TAX ID

[redacted]

SS#

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF Gillespie

This instrument was acknowledged before me on the 12TH day of May, 1998,
by LENORA WALKER

TODD M. WAGGONER
MY COMMISSION EXPIRES
AUGUST 18, 2001

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

ACKNOWLEDGEMENT

STATE OF
COUNTY OF

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

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

CORPORATE ACKNOWLEDGEMENT

STATE OF
COUNTY OF

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

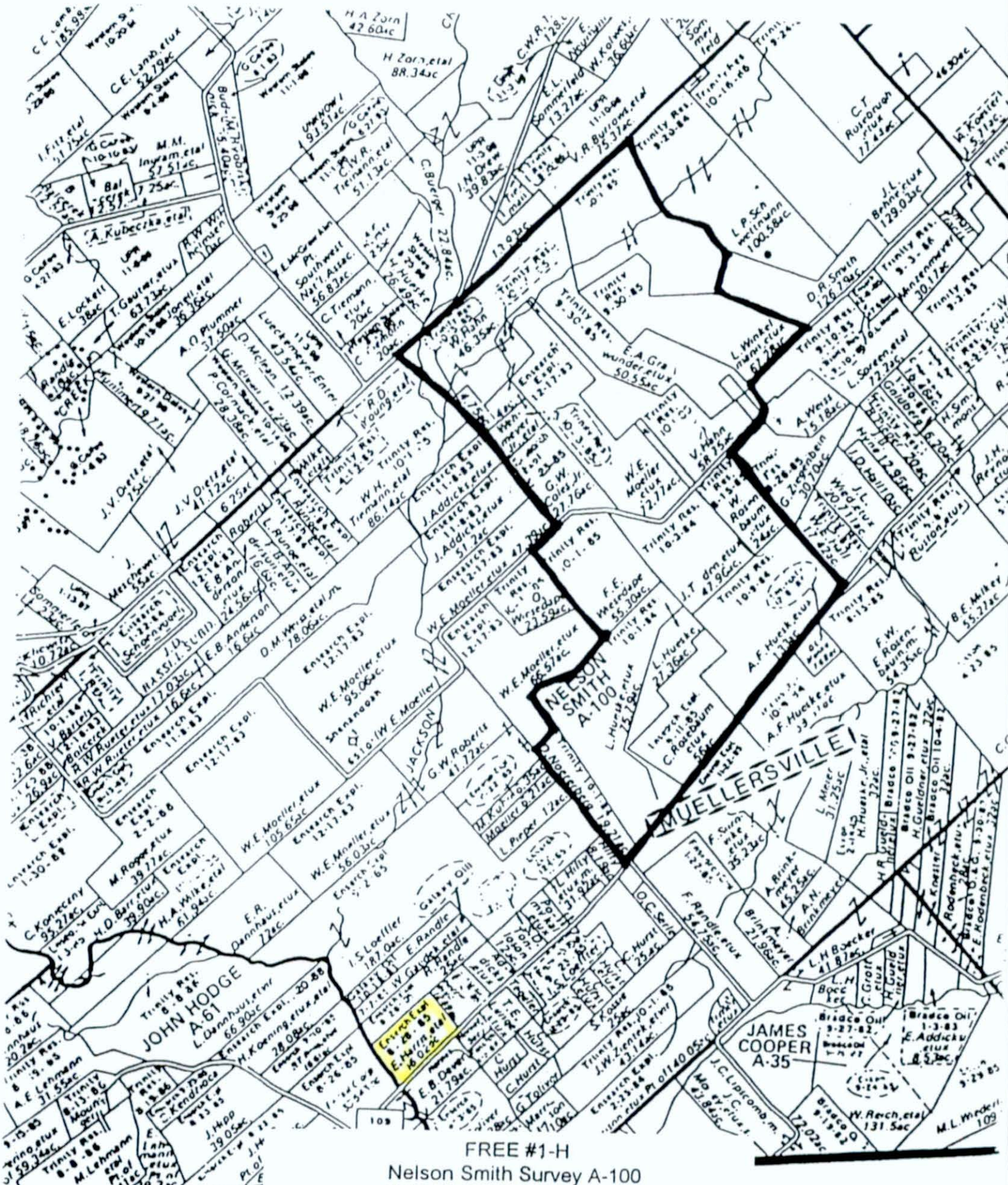
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

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)



FREE #1-H
Nelson Smith Survey A-100
Washington County, Texas

1/20/94

(35.)
MF 99333
ITEM Adj Lease
TO
FROM
DATE 4-1-98

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

LVOL 784 PAGE 115
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

PAID UP OIL AND GAS LEASE

4130

THIS LEASE AGREEMENT is made as of the 29th day of March, 19 95, between Perneta Bell Harris White, a widow

whose address is: Rt. 1, Box 362-A, 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 28.71 acres of land, more or less, located in the Nelson Smith Survey A-100, in Washington County, Texas; and being a part of a 41.4 acre tract described in a Deed dated May 20, 1907 from F. W. Rosenbaum to Peter Harris, recorded in Volume 64, Page 608, Deed Records of Washington County, Texas, and being all of said 41.4 acre tract LESS AND EXCEPT 12.69 acres of land described in a Deed dated February 11, 1969 from John E. Harris et al to Elijah Harris and wife, Lula Mae Harris, recorded in Volume 295, Page 2, Deed Records of Washington County, Texas.

Shelby

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 28.71 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 Prime 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.

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T95-

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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 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**

Perneta Bell Harris White [redacted]

Perneta Bell Harris White, a widow

ACKNOWLEDGEMENT

STATE OF TEXAS }
COUNTY OF WASHINGTON }

This instrument was acknowledged before me on the 8th day of April, 19 95,
by Perneta Bell Harris White, a widow.

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 _____ } SS.

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 March 29, 1995, BY AND BETWEEN Perneta Bell Harris White, a widow 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: Perneta Bell Harris White

Perneta Bell Harris White, a widow

RECORD & RETURN TO:
CHESAPEAKE OPERATING, INC.
P.O. BOX 18496
OKLAHOMA CITY, OK 73154

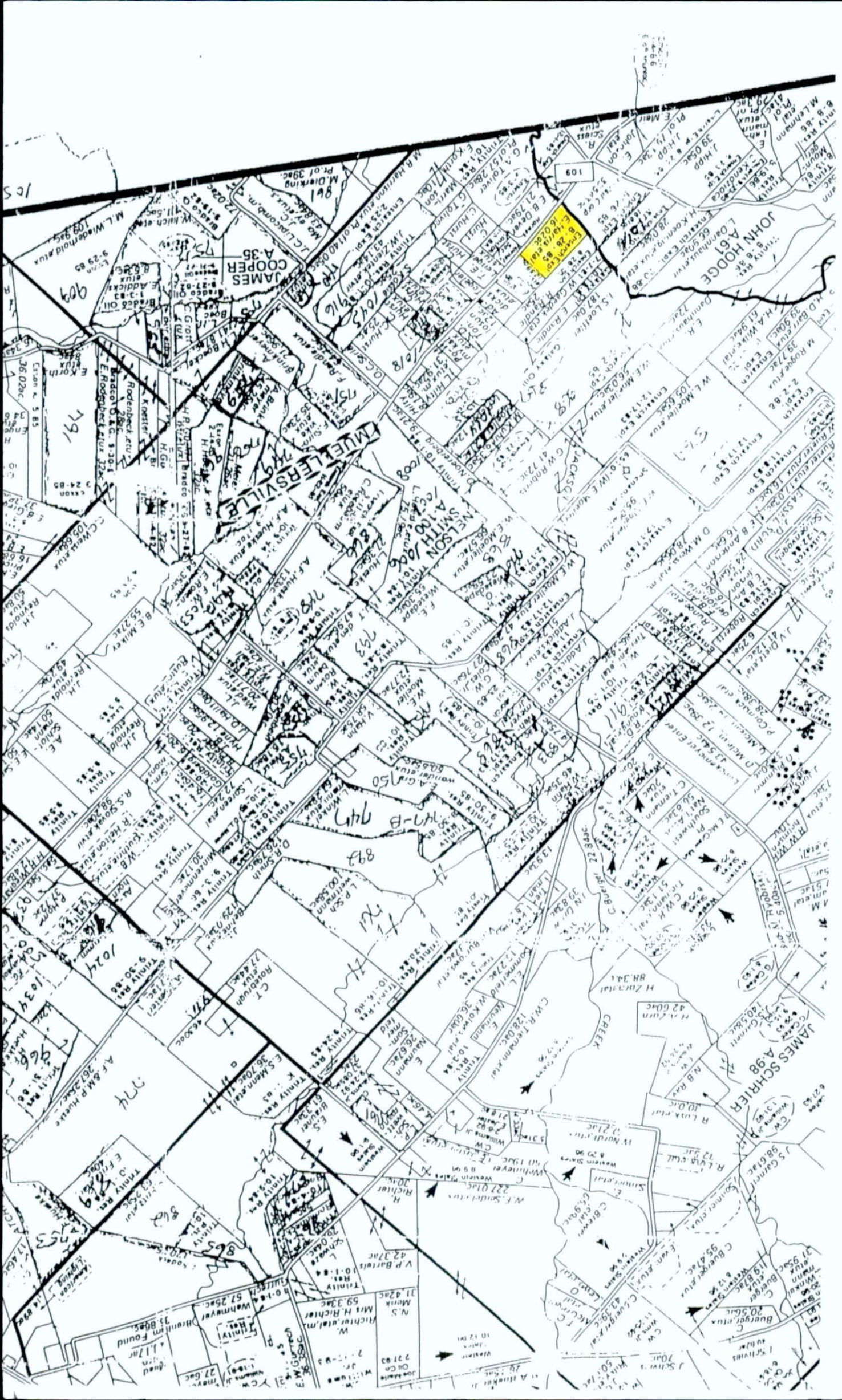
FILED
AT 1:15 P M.
MAY 30 1995
Beth A. Rothermel
BETH ROTHERMEL
COUNTY CLERK, WASHINGTON COUNTY, TX

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 31 1995

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


JOHN HODGE
A.61
JAMES COOPER
A.35
NELSON SMITH
A.100
JAMES SCHRIER
A.98
MUELLERSVILLE
Trinity Rest.
Trinity Rest. 10-3-84
Trinity Rest. 9-30-85
Trinity Rest. 9-24-85
Trinity Rest. 9-3-85
Trinity Rest. 9-30-86
Trinity Rest. 10-1-84
Trinity Rest. 10-15-86
Trinity Rest. 10-1-84
Trinity Rest. 10-1-84
Trinity Rest. 9-30-85
Trinity Rest. 9-30-85
Trinity Rest. 9-30-85

(36) MF 99333
ITEM toll Adj Levee
TO
FROM
DATE 3-29-95

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

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

PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 1ST day of APRIL, 19 98, between PETER HARRIS, JR.
1117 10TH STREET
BAKERSFIELD, CA 93304 as Lessor (whether one or more),
and CHESAPEAKE OPERATING, INC., P.O. BOX 18496, OKLAHOMA CITY, OK 73154-0496,
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):

28.71 ACRES OF LAND, MORE OR LESS, OUT OF THE NELSON SMITH SURVEY, A-100, WASHINGTON COUNTY, TEXAS, BEING A PART OF A 41.4 ACRE TRACT OF LAND, MORE OR LESS, DESCRIBED IN A DEED, DATED MAY 20, 1907, FROM F.W. ROSENBAUM TO PETER HARRIS, RECORDED IN VOLUME 64, PAGE 608, DEED RECORDS OF WASHINGTON COUNTY, TEXAS; SAVE AND EXCEPT A 12.69 ACRE TRACT OF LAND, MORE OR LESS, DESCRIBED IN A DEED, DATED FEBRUARY 11, 1969, FROM JOHN E. HARRIS, ET AL, TO ELIJAH HARRIS, ET UX, RECORDED IN VOLUME 295, PAGE 2, DEED RECORDS OF WASHINGTON COUNTY, TEXAS.

IT IS AGREED AND UNDERSTOOD BY LESSOR AND LESSEE THAT ALL ROYALTY PAYMENTS REFEREED TO IN THIS AGREEMENT AS ONE-EIGHT (1/8) SHALL BE CONSTRUED TO BE AND ARE HEREBY CHANGED TO BE ONE-SIXTH (1/6). THIS SHALL INCLUDE OIL, GAS, SULPHUR, AND ASSOCIATED LIQUID OR LIQUEFIABLE HYDROCARBONS

in the county of WASHINGTON, State of TEXAS, containing 28.71 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 DIRECT LESSOR BY CERTIFIED U.S. MAIL at ABOVE ADDRESS 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.

3894

3.1.
99333
ITEM Adj. Lease
TO
FROM
DATE 4-1-98

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

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

PAID UP OIL AND GAS LEASE

8841

THIS LEASE AGREEMENT is made as of the 4th day of August, 19 95, between B. L. Hartnett and wife, Charlene K. Hartnett

Address: Rt. 1, Box 363, Brenham, Texas 77833 as Lessor (whether one or more), and CHESAPEAKE OPERATING, INC., 6206 North Western, Oklahoma City, Oklahoma 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 12.077 acres of land, more or less, located in the Nelson Smith Survey, A-100, in Washington County, Texas, and being more particularly described in Exhibit "A" attached hereto and made a part hereof.

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

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

Shelby

in the county of Washington, State of Texas, containing 12.077 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

011827 The Brenham National Bank

at 2211 S. Day, Brenham, Texas 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) 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 1670570-000

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.~~

PARAGRAPHS 15-29 OF THE ATTACHED ADDENDUM ARE EXPRESSLY INCORPORATED & MADE A PART OF THIS LEASE.

WITNESSES AND/OR ATTESTATIONS: | **LESSOR (WHETHER ONE OR MORE)** | **SS NO. OR TAX ID**

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:

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 4, 1995, BY AND BETWEEN, B.L. HARTNETT and wife, CHARLENE K. HARTNETT, AS LESSOR, and CHESAPEAKE OPERATING, INC., AS LESSEE.

Being 12.077 acres of land, more or less, located in the Nelson Smith Survey, A-100 in Washington County, Texas, and more particularly described in Two Tracts as follows:

TRACT ONE: Being 8.857 acres of land, more or less, out of the Nelson Smith Survey, A-100, and being a part of 10.003 acres of land described as "Tract No. One" of 5.000 acres and "Tract No. Two" of 5.003 acres, in that certain Warranty Deed dated April 24, 1970 from Alfred Ziegenbein to B.L. Hartnett and wife, Charlene Hartnett, recorded in Volume 298, Page 873 in the Deed Records of Washington County, Texas, and being all of said 10.003 acres LESS AND EXCEPT 0.315 acre described in a Deed dated November 26, 1974 from B.L. Hartnett and wife, Charlene Hartnett to Mrs. Rachel Hartnett, recorded in Volume 332, Page 363, Deed Records of Washington County, Texas and LESS AND EXCEPT 0.831 acre described in a Deed dated April 28, 1986 from Bobby L. Hartnett and wife, Charlene K. Hartnett to Jerry B. Hartnett, recorded in Volume 535, Page 57, Deed Records of Washington County, Texas.

TRACT TWO: Being 3.220 acres of land, more or less, located in the Nelson Smith Survey, A-100, and being a part of a 4.000 acre tract of land described in that certain Warranty Deed dated April 18, 1974 from Thomas E. Lengel and wife, Margaret M. Lengel to B.L. Hartnett and wife, Charlene Hartnett, recorded in Volume 328, Page 312 of the Deed Records of Washington County, Texas and being all of said 4.000 acre tract LESS AND EXCEPT 0.780 acre described in a Deed dated September 10, 1984 from B.L. Hartnett and wife, Charlene Hartnett to Dennis Reimer and wife, Sherry Lynn Reimer, recorded in Volume 488, Page 716, Deed Records of Washington County, Texas.

SIGNED FOR IDENTIFICATION:

B.L. Hartnett

Charlene K. Hartnett

EXHIBIT "B"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE, DATED August 4, 1995, BY AND BETWEEN B. L. HARTNETT and CHARLENE HARTNETT, AS LESSOR, AND CHESAPEAKE OPERATING, INC., AS LESSEE. K. CKH

15. The following typewritten agreements and provisions are attached to and are expressly made a part of this lease and shall supersede and govern the provisions in the printed text of this lease whenever such printed form is in conflict herewith.

16. Notwithstanding anything hereinabove to the contrary, there is excepted herefrom and reserved to the Lessor herein all coal, lignite, iron, ore, thorium, uranium, fissionable materials and all bentonite, fullers earth, sand, gravel, and other claylike substances. It is specifically understood and agreed that this lease covers only oil, gas, sulphur and associated liquid or liquefiable hydrocarbons, but this lease does not cover or include any other minerals, with all other such minerals being reserved to the Lessor herein. Accordingly, the words "oil, gas" when used herein shall mean oil, gas, sulphur and associated liquid or liquefiable hydrocarbons, and the words "all other minerals" whenever used herein, shall be stricken from this lease, so that such "all other minerals", as defined herein, are reserved to the Lessor.

17. In the event a portion of the land herein leased is pooled or unitized so as to form a pool or unit designation, operations on or commercially reasonable production from such pool or unit will maintain this lease in force only as to the land included in such pool or unit. This lease, as to the land not included in such pool or unit, may be maintained in force and effect after the primary term of this lease by drilling or reworking operations as provided in this lease agreement. As to all other lands included within this lease as are not included within a pool or unit or which are not being held by continuing drilling or reworking operations under this lease, this lease shall terminate absolutely upon the expiration of said primary term.

Notwithstanding the provisions of this lease as permit Lessee to pool the lands covered by this lease with lands belonging to persons other than Lessor, Lessee covenants and agrees that Lessee shall utilize and include 100% of the leased premises in said pool or unit designation should Lessee elect to pool or unitize any portion of the leased premises with lands belonging to others.

18. Notwithstanding anything herein to the contrary, Lessee shall not maintain this lease solely by the payment of shut-in royalties for more than three years. Shut-in privileges are cumulative and may be exercised from time to time, but limited to a maximum of three years cumulative time. This paragraph in no way limits Lessee from maintaining this lease in force and effect by any other provisions or terms of this lease; provided, however only that portion of the leased premises which is contained in a pool or unit having a well then shut-in shall be maintained by the payment of shut-in royalty. As to all other lands not included in such pool or unit with a well therein shut-in and which are not being held by continuing drilling or reworking operations under the provisions of this lease shall terminate absolutely upon the expiration of the primary term of this lease. Further, production from other well or wells located on the leased premises or lands pooled therewith shall not relieve Lessee of Lessee's obligation to tender shut-in royalty to maintain this lease in effect as to that portion of the leased premises contained in said pool or unit which is "shut-in". Lessee shall pay as a shut-in royalty $10.00 for each acre of the leased premises then contained in said pool or unit on which a well is shut-in on or before the end of said 90 day period provided in paragraph 3. of this lease 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. The payment by Lessee to Lessor of such rentals shall in no manner relieve Lessee from the obligation of payment of all royalties as shall become due upon subsequent production of a well which has been shut-in under the terms of this lease; and in no event shall Lessee be entitled to credit against such royalties due Lessor such rental sums paid by Lessee to Lessor under the terms and provisions hereof.

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

20. The failure of Lessee to timely tender shut in royalties as may be due under this lease within ten days of service of written demand therefor upon Lessee shall cause a termination of the leasehold estate which would have otherwise been held under the terms and provisions of this lease had shut in royalty been timely paid.

21. Lessee shall have the right to use, free of royalty, oil, gas and other lease substances being produced from a well located on a unit covering all or any part of the leased premises for production, recovery, or rendering marketable the oil, gas or lease substances being produced from said well only.

22. Notwithstanding the terms of the printed lease as may be to the contrary, the royalty provided for in this lease shall be a one-sixth (1/6) royalty; and where the fraction one-eighth (1/8) appears, the same is hereby amended to read one-sixth (1/6).

23. It is agreed and understood by and between Lessor and Lessee herein that in calculation of Lessor's royalty, in no event shall the price of oil, gas or other minerals utilized for calculation of Lessor's royalty be less than the price actually received by Lessee upon the sale of any product produced from the unit which includes all or any part of the leased premises. Lessor and/or his designated representative shall have the right, upon written request to Lessee, to require Lessee to produce for inspection and copying any and all sales and/or expense records, reports, accounts, ledgers and the like which will reflect the price received by Lessee for the sale of oil, gas or other minerals, together with any expenses of deductions for delivering, processing or marketing or said minerals, which may reduce the actual sales price received by Lessee, and any production, severance or other excise taxes. Lessor's royalty shall at no time bear or be reduced by expenses incurred by Lessee for ad valorem taxes assessed against Lessee's interest in said oil, gas, and other minerals. Lessee shall act as a fiduciary of Lessor and in utmost good faith in the marketing and sale of said minerals.

24. Lessee shall notify Lessor of any assignment of this lease or of Lessee's interest herein within thirty (30) days after said assignment is executed and recorded. Any assignment of this lease, or of Lessee's interest herein shall not have the effect of relieving or discharging Lessee of any obligations of Lessee under the terms and provisions of this lease which have arisen, accrued, or which have occurred prior to said assignment.

25. Notwithstanding the terms of the printed lease to the contrary, Lessee understands and agrees that Lessor, their heirs or assigns, shall not be held liable to Lessee, its successors and assigns, upon any warranty of title contained in this lease save and except to the extent of the refund and proportionate reduction of bonuses and/or delay rentals which may be paid to Lessor to reflect Lessor's actual interest in the properties leased hereby if less than the whole; and it shall be the responsibility of Lessee to make such title examinations and satisfy itself as to

Lessor's right, title and interest in the property which is the subject of this lease and their rights to execute this lease in favor of Lessee. In the event it is determined that Lessor does not own title to the minerals as may otherwise be warranted or represented herein, Lessor shall have no obligation to reimburse Lessee for any payments heretofore received by Lessor and paid by Lessee in accordance with such representations as to fee simple title to said minerals, except for reimbursement of the proportionate part of any bonus paid by Lessee for the execution of this lease or delay rentals paid for an interest which is determined not to be owned by Lessor.

26. Notwithstanding paragraph 5. of this lease as may be to the contrary, drilling or reworking operations shall not have the effect of reviving this lease as to any portion of the leased premises on which this lease had previously terminated. Further, if this lease is being maintained by "continuing operations" after the primary term as provided in paragraph 5., such operations, once commenced, shall be conducted and prosecuted with deliberate speed and diligence to completion.

27. Notwithstanding the terms and conditions of paragraph 9 as may be to the contrary, Lessee's release of all or any portion of the leased premises shall not relieve or discharge Lessee of any obligations of Lessee under the terms and provisions of this lease which have arisen, accrued, or which have occurred prior to Lessee's delivery of said release.

28. Notwithstanding any other terms or provisions contained herein to the contrary, Lessee shall have no right of ingress or egress upon the surface of the leased premises and there shall be no use of the surface of the herein described property whatsoever for any type of operations (including, without limitation, drilling operations, storage tanks, pits and pipelines). It is further agreed and understood that Lessee shall have the right to drill and operate directional wells through and under said land, irrespective of the bottom hole locations of said wells. To this end, Lessor hereby grants to Lessee a subsurface easement for all purposes associated with such directional wells. Further, Lessee shall not establish nor operate on or under the subject property any facilities for the storage or disposal of saltwater or any noxious, poisonous or hazardous substances, drilling mud, chemicals, refuse, debris or any other substance.

29. 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 No/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.

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.

B. L. HARTNETT
SS# [redacted]

CHARLENE K. HARTNETT
SS# [redacted]

THE STATE OF TEXAS)(
)(
COUNTY OF WASHINGTON)(

This instrument was acknowledged before me on this the 1st day of ~~August~~ September, 1995, by B. L. HARTNETT.

Laura Sparks
NOTARY PUBLIC, STATE OF TEXAS

LAURA SPARKS
NOTARY PUBLIC
STATE OF TEXAS
My Commission Expires 5-27-99

THE STATE OF TEXAS)(
)(
COUNTY OF WASHINGTON)(

This instrument was acknowledged before me on this the 1st day of ~~August~~ September, 1995, by CHARLENE K. HARTNETT.

Laura Sparks
NOTARY PUBLIC, STATE OF TEXAS

LAURA SPARKS
NOTARY PUBLIC
STATE OF TEXAS
My Commission Expires 5-27-99

FILED
AT 10:25 A M.
OCT 30 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

OCT 31 1995

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


JAMES SCHRIER A-98
JOHN HODGE A-61
JAMES COOPER A-35
NELSON SMITH A-100
MUELLERSVILLE
JACKSON
CREEK
Trinity Res. 9-30-85
Trinity Res. 9-24-85
Trinity Res. 9-20-84
Trinity Res. 10-3-84
Trinity Res. 10-16-86
Trinity Res. 9-8-86
Trinity Res. 9-3-85
Trinity Res. 9-5-85
Trinity Res. 9-30-86
Trinity Res. 10-1-84
Trinity Res. 10-9-84
Trinity Res. 10-4-84
Trinity Res. 10-1-85
Trinity Res. 10-2-84
Trinity Res. 10-1-85
Trinity Res. 10-1-84
Trinity Res. 10-1-85
Trinity Res. 10-1-84
Trinity Res. 10-1-84
Trinity Res. 10-1-84

(38) 99333
ITEM Adj Land
TO
FROM
DATE 8-4-95

CHESAPEAKE OPERATING, INC. ✓

No. *156784*

008019 TEXAS GENERAL LAND OFFICE

ACCT DATE	VOUCHER NUMBER	INVOICE DATE	INVOICE NUMBER	DESCRIPTION OR GROSS AMOUNT DISCOUNT	NET AMOUNT
10/98	493278	10/06/98	100698	INDEPENDENCE LSE BNS/INDEPE	1062.20
				** TOTAL FOR CHECK	1062.20

RECEIVED
98 OCT 16 PM 12:38
ENERGY RESOURCES

170

99008982

CHESAPEAKE OPERATING, INC. LAND DEPARTMENT

P.O. BOX 18496
OKLAHOMA CITY, OKLAHOMA 73154-0496
405/848-8000
405/879-9535 FAX

October 12, 1998

Drew Reid
Texas General Land Office
1700 N. Congress Avenue
Austin, Texas 78701

Re: Mill Creek #1-H
Washington & Austin Counties, Texas

Dear Drew:

Enclosed please find Chesapeake's check No. 156784 in the amount of $1,062.20 which represents bonus and sales fee for the lease (M-99333) from the State of Texas for the captioned well.

If anything further is needed, please advise.

Sincerely yours,

Karan Watson

Karan Watson

Enc.

F:/karan/drafts/mill creek.doc

M-99333

(39) Letter 12/12/98. 1-22-99

CHESAPEAKE OPERATING, INC.

P.O. BOX 18496
OKLAHOMA CITY, OKLAHOMA 73154-0496
405/848-8000, EXT. 413
405/879-9535 FAX

LAND DEPARTMENT
MARILYN HOOSER
SENIOR TITLE ANALYST

January 28, 1999

Ms. Laura Leal
Commissioner of the General Land Office
of the State of Texas
Lease Administration/Energy Resources
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

Re: Oil and Gas Lease No. M-99333
Our Lease No. TX1671489-000
Washington County, Texas

Dear Ms. Leal:

Pursuant to the terms of the lease dated September 1, 1998, this is to notify you that Chesapeake Operating, Inc. has assigned an undivided working interest in this lease to Belco Energy I L.P., 5735 Pineland Drive, Suite 300, Dallas, Texas 75231.

A copy of the recorded Assignment is enclosed for your records, along with our check No. 172103 in the amount of $25.00, which represents the filing fee for the Assignment.

Sincerely,

Marilyn Hooser

Marilyn Hooser

Enclosures

texcom3
11-98 JDA Submittal

RECEIVED

CHESAPEAKE OPERATING, INC.

No. 172103

200476 COMMISSIONER OF THE TEXAS GEN

ACCT DATE	VOUCHER NUMBER	INVOICE DATE	INVOICE NUMBER	DESCRIPTION OR GROSS AMOUNT DISCOUNT	NET AMOUNT
01/99	493751	01/22/99	012299	SHELBY PROSPECT FEE/SHELBY	25.00
				** TOTAL FOR CHECK	25.00

129

99026686

ASSIGNMENT OF OIL AND GAS LEASES
GREATER GIDDINGS PROSPECT

L 27190

STATE OF TEXAS)
) KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF WASHINGTON)

WHEREAS, **CHESAPEAKE OPERATING, INC.** (the "ASSIGNOR"), having a mailing address at Post Office Box 18496, Oklahoma City, Oklahoma 73154, is the owner of the oil and gas leases described in Exhibit "A" attached hereto as a part hereof (the "Leases");

NOW, THEREFORE, for and in consideration of Ten Dollars ($10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby grants, bargains, sells, conveys, assigns, and delivers unto **BELCO ENERGY I L.P.**, a Delaware limited partnership (the "ASSIGNEE"), having a mailing address at 5735 Pineland Drive, Suite 300, Dallas, Texas 75231, an undivided forty-five percent (45.00%) interest in the Leases, reference to which is hereby made for all purposes, free and clear of all liens, claims and encumbrances by, through or under the ASSIGNOR, but not otherwise, subject to the overriding royalty interest reserved and retained by the ASSIGNOR as described below. To the extent ASSIGNOR owns less than one hundred percent (100%) interest in any of the Leases, the interest assigned hereunder in such Lease(s) shall be proportionately reduced to the interest owned by ASSIGNOR.

This Assignment is made subject to: (a) that certain Sale and Area of Mutual Interest Agreement dated December 30, 1994, as amended effective January 1, 1998, between the ASSIGNOR and the ASSIGNEE; (b) that certain Joint Development Agreement dated effective April 1, 1998, by and between Chesapeake Operating, Inc., Belco Operating Corp. and Union Pacific Resources Company; and (c) all existing leasehold burdens of record and, by acceptance hereof, the ASSIGNEE hereby assumes and agrees to perform the ASSIGNEE's pro rata portion of such burdens.

ASSIGNOR reserves and retains from this Assignment an overriding royalty interest in each of the Leases equal to the lesser of (i) one and one-half percent (1.5%) or (ii) the positive difference between ASSIGNOR's net revenue interest in the Leases and eighty percent (80.00%).

The terms and provisions hereof shall extend to and be binding upon the ASSIGNOR and the ASSIGNEE and their respective successors and assigns.

IN WITNESS WHEREOF, this instrument is dated the 4th day of December, 1998, but is effective as of the 24th day of November, 1998.

CHESAPEAKE OPERATING, INC.

By: _____
Henry J. Hood
Senior Vice President - Land and Legal

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

STATE OF OKLAHOMA)
) SS:
COUNTY OF OKLAHOMA)

L 27190

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 4th day of December, 1998, personally appeared Henry J. Hood, Senior Vice President - Land and Legal of Chesapeake Operating, Inc., to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

Notary Public

My Commission expires:

10-21-2001



f:\m\assign\giddings\gid-jda1
November, 1998 Submittal

EXHIBIT "A"

L 27190

ATTACHED HERETO AND MADE A PART OF THAT CERTAIN ASSIGNMENT OF OIL AND GAS LEASES BETWEEN CHESAPEAKE OPERATING, INC., AS ASSIGNOR, AND BELCO ENERGY I L.P., AS ASSIGNEE, DATED DECEMBER 4, 1998.

LEASE NO:	TX1671275-000
LESSOR:	Julian Martin and wife, Geneva Martin
LESSEE:	Chesapeake Operating, Inc.
DATE:	April 24, 1995
RECORDED:	788/253
DESCRIPTION:	6.081 acres of land, more or less, out of the C. Carmona League, A-125, Washington County, Texas, as referenced in said lease.

LEASE NO:	TX1671411-000
LESSOR:	H. L. Thomas and wife, Darnell Thomas
LESSEE:	Chesapeake Operating, Inc.
DATE:	August 15, 1998
RECORDED:	908/257
DESCRIPTION:	0.413 acres of land, more or less, out of the J. Carrington Survey, A-120; Washington County, Texas, as referenced in said lease.

LEASE NO:	TX1671318-000
LESSOR:	Marion J. Morris
LESSEE:	Chesapeake Operating, Inc.
DATE:	March 4, 1998
RECORDED:	890/45
DESCRIPTION:	2.098 acres of land, more or less, out of the John Hodge Survey, A-61; Washington County, Texas, as referenced in said lease.

LEASE NO:	TX1671319-001
LESSOR:	Marion J. Morris
LESSEE:	Chesapeake Operating, Inc.
DATE:	March 4, 1998
RECORDED:	890/48
DESCRIPTION:	31.4451 acres of land, more or less, out of the John Hodge Survey, A-61; Washington County, Texas, as referenced in said lease.

LEASE NO:	TX1671317-000
LESSOR:	Joseph H. Perino and wife, Sadie A. Perino
LESSEE:	Chesapeake Operating, Inc.
DATE:	March 16, 1998
RECORDED:	890/42
DESCRIPTION:	59.343 acres of land, more or less, out of the John Hodge Survey, A-61; Washington County, Texas, and in the John Hodge Survey, A-49, Austin County, Texas, as referenced in said lease.

LEASE NO:	TX1670582-002
LESSOR:	Harvey Allen Herzog, dealing with his separate property
LESSEE:	Chesapeake Operating, Inc.
DATE:	August 23, 1995
RECORDED:	806/786
DESCRIPTION:	6.868 acres of land, more or less, out of the Nelson Smith Survey, A-100; Washington County, Texas, as referenced in said lease.

L 27190

LEASE NO: TX1671315-000
LESSOR: Felix Randle, Sr.
LESSEE: Chesapeake Operating, Inc.
DATE: March 19, 1998
RECORDED: 891/328
DESCRIPTION: 12.67 acres of land, more or less, out of the Nelson Smith Survey, A-100; Washington County, Texas, as referenced in said lease.

LEASE NO: TX1671489-000
LESSOR: State of Texas – Lease No. M-99333
DATE: September 1, 1998
RECORDED: AT RECORD
DESCRIPTION: 14.95 acres of land, more or less, out of the Nelson Smith Survey, A-100; Washington County, Texas, as referenced in said lease.

LEASE NO: TX1671406-003
LESSOR: Marjorie Bogusch
LESSEE: Chesapeake Operating, Inc.
DATE: August 19, 1998
RECORDED: 908/255
DESCRIPTION: 16.6 acres of land, more or less, out of the Nelson Smith Survey, A-100; Washington County, Texas, as referenced in said lease.

LEASE NO: TX1670788-011
LESSOR: Bessie Mae Kesee Johnson
LESSEE: Chesapeake Operating, Inc.
DATE: April 1, 1998
RECORDED: 906/11
DESCRIPTION: 28.71 acres of land, more or less, out of the Nelson Smith Survey, A-100; Washington County, Texas, as referenced in said lease.

LEASE NO: TX1670788-012
LESSOR: Bobby Wayne Kesee
LESSEE: Chesapeake Operating, Inc.
DATE: April 1, 1998
RECORDED: 906/12
DESCRIPTION: 28.71 acres of land, more or less, out of the Nelson Smith Survey, A-100; Washington County, Texas, as referenced in said lease.

LEASE NO: TX1670788-013
LESSOR: John D. Kesee
LESSEE: Chesapeake Operating, Inc.
DATE: April 1, 1998
RECORDED: 906/15
DESCRIPTION: 28.71 acres of land, more or less, out of the Nelson Smith Survey, A-100; Washington County, Texas, as referenced in said lease.

LEASE NO: TX1670788-006
LESSOR: Lee Roy Kesee
LESSEE: Chesapeake Operating, Inc.
DATE: April 1, 1998
RECORDED: 899/48
DESCRIPTION: 28.71 acres of land, more or less, out of the Nelson Smith Survey, A-100; Washington County, Texas, as referenced in said lease.

L 27190

LEASE NO: TX1670788-005
LESSOR: Myrtle Harris Reynolds
LESSEE: Chesapeake Operating, Inc.
DATE: April 1, 1998
RECORDED: 895/392
DESCRIPTION: 28.71 acres of land, more or less, out of the Nelson Smith Survey, A-100; Washington County, Texas, as referenced in said lease.

LEASE NO: TX1670788-001
LESSOR: Charles Smoots
LESSEE: Chesapeake Operating, Inc.
DATE: April 1, 1998
RECORDED: 891/331
DESCRIPTION: 28.71 acres of land, more or less, out of the Nelson Smith Survey, A-100; Washington County, Texas, as referenced in said lease.

LEASE NO: TX1670788-002
LESSOR: Clifford Smoots, Sr.
LESSEE: Chesapeake Operating, Inc.
DATE: April 1, 1998
RECORDED: 891/333
DESCRIPTION: 28.71 acres of land, more or less, out of the Nelson Smith Survey, A-100; Washington County, Texas, as referenced in said lease.

LEASE NO: TX1671404-001
LESSOR: Thomas E. Bartley and wife, Ann Cravens Bartley
LESSEE: Chesapeake Operating, Inc.
DATE: August 18, 1998
RECORDED: 904/430
DESCRIPTION: 31.375 acres of land, more or less, out of the Nelson Smith Survey, A-100; Washington County, Texas, as referenced in said lease.

LEASE NO: TX1671407-001
LESSOR: Verlin Hafer, a married woman, dealing herein in her sole and separate property
LESSEE: Chesapeake Operating, Inc.
DATE: August 27, 1998
RECORDED: 907/522
DESCRIPTION: 33.2 acres of land, more or less, out of the Nelson Smith Survey, A-100; Washington County, Texas, as referenced in said lease.

LEASE NO: TX1671407-004
LESSOR: Madelyn Joyce Parr, a married woman dealing in her sole and separate property
LESSEE: Chesapeake Operating, Inc.
DATE: August 27, 1998
RECORDED: 907/516
DESCRIPTION: 33.2 acres of land, more or less, out of the Nelson Smith Survey, A-100; Washington County, Texas, as referenced in said lease.

LEASE NO: TX1671407-002
LESSOR: Lenora Runge, a widow
LESSEE: Chesapeake Operating. Inc.
DATE: August 27, 1998
RECORDED: 907/520
DESCRIPTION: 33.2 acres of land, more or less, out of the Nelson Smith Survey, A-100; Washington County, Texas, as referenced in said lease.

LEASE NO:	TX1671407-003
LESSOR:	Gerald W. Tegeler
LESSEE:	Chesapeake Operating, Inc.
DATE:	August 27, 1998
RECORDED:	907/518
DESCRIPTION:	33.2 acres of land, more or less, out of the Nelson Smith Survey, A-100; Washington County, Texas, as referenced in said lease.

L 27190

LEASE NO:	TX1671407-008
LESSOR:	Kay Lynn Tegeler, a single woman
LESSEE:	Chesapeake Operating, Inc.
DATE:	August 27, 1998
RECORDED:	908/259
DESCRIPTION:	33.2 acres of land, more or less, out of the Nelson Smith Survey, A-100; Washington County, Texas, as referenced in said lease.

LEASE NO:	TX1671407-005
LESSOR:	Janell Vogelpohl, a married woman dealing herein in her sole and separate property
LESSEE:	Chesapeake Operating, Inc.
DATE:	August 27, 1998
RECORDED:	907/514
DESCRIPTION:	33.2 acres of land, more or less, out of the Nelson Smith Survey, A-100; Washington County, Texas, as referenced in said lease.

LEASE NO:	TX1671052-004
LESSOR:	Joy Ann Korth Dickschat and Raymond H. Dickschat, her husband
LESSEE:	Chesapeake Operating, Inc.
DATE:	March 4, 1998
RECORDED:	890/55
DESCRIPTION:	78.91 acres of land, more or less, out of the Nelson Smith Survey, A-100; Washington County, Texas, and in the John Hodge Survey, A-49 and the James Cooper Survey, A-27, Austin County, Texas, as referenced in said lease.

STATE OF TEXAS
COUNTY OF WASHINGTON

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

DEC 15 1998

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

98 DEC 17 PM 3:39

File No. M-99333
Assign

Date Filed: 4/13/99

David Dewhurst, Commissioner

By _____

5-5-99

Texas General Land Office

David Dewhurst Commissioner

April 1, 1999

Ms. Marilyn Hooser
Chesapeake Operating, Inc.
P. O. Box 18496
Oklahoma City OK 73154 0496

RE: Assignment Filing M-99303 (TX1671489-000)
M-99333 (TX1671489-000)

Dear Ms. Hooser,

The General Land Office received the following documentation on January 2nd, 9th, 1999, respectfully, and has filed them in the aforementioned leases.

1. Assignment of an Oil and Gas Lease(s) executed on December 31, 1998 and effective as of first production from Hahn #1-H. By and between Chesapeake Operating, Inc., Chesapeake Investments, and TLW Investments recorded in Washington County, TX.

2. Assignment of an Oil and Gas Lease(s) executed on December 4, 1998 and effective as of November 24, 1998. By and between Chesapeake Operating, Inc., to Belco Energy 1, L.P. recorded in Washington County, TX.

$50.00 was received in connection with these two Assignments. Please call me at 512-475-1540 should you have any questions.

Sincerely,

Laura Leal

Laura Leal
Accounts Examiner

DD/ll

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

512-463-5001

File No. 99333
Ack ltr

Date Filed: 4/13/99

David Dewhurst, Commissioner

By _____

41

Texas General
Land Office

David Dewhurst
Commissioner

May 27, 1999

CHESAPEAKE OPERATING
ATTN: DIVISION ORDER DEPARTMENT
P.O. BOX 18496
OKLAHOMA CITY, OK 73154-0496

Re: Property Name: MILL CREEK #1-H
Mineral File No. MF-099333
Property Number: 343854

Dear Sir or Madam:

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

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

If you should have any questions, please feel free to call me at (512) 463-6718.

Sincerely,

Marc A. Fuentes

Marc A. Fuentes
Accounts Examiner III
Royalty and Revenue Processing
Energy Resources

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

512-463-5001

DIVISION ORDER

TO: CHESAPEAKE OPERATING, INC. ("PAYOR")
P.O. BOX 18496
OKLAHOMA CITY, OK 73154

PROPERTY NO.: 343854
PREPARED BY: JAMIE CARTER
EFFECTIVE: FIRST PRODUCTION

This agreement is made and entered into on the 12 day of APRIL, 19 99.

The undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil, gas and related liquid hydrocarbons produced from the property described below:

OPERATOR: CHESAPEAKE OPERATING INC.

PROPERTY NAME: MILL CREEK #1-H

COUNTY: WASHINGTON AND AUSTIN STATE: TEXAS

LEGAL DESCRIPTION: 889.80 ACRES IN N SMITH SVY A-100, J HODGE SVY A-61 & J COOPER SVY A-35;
J HODGE SVY 1-49 & J COOPER SVY A-27

IT	OWNER NO.	PROPERTY NO.	PY ST	OWNER NAME	OWNER ADDRESS	NET ACRES IN UNIT	LEASE ROYALTY	UNIT INTEREST	COMMENTS/ TITLE REQUIREMENTS

SEE EXHIBIT(S) ATTACHED TO AND MADE A PART OF THIS DIVISION ORDER

DIVISION OF INTEREST

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The following provisions apply to each interest owner ("Owner" whether one or more) who executes this agreement:

TERMS OF SALE: The undersigned Owner will be paid in accordance with the division of interest set out above and the remaining provisions of this instrument. Payor shall pay all Owners in accordance with the terms of the applicable oil and gas lease or operating agreement or otherwise by law.

PAYMENT: From the effective date, payment is to be made monthly by Payor's check, based on this division of interest, for oil and gas produced and sold from the property listed above, less authorized deductions. Payments of less than $100.00 may be accrued before disbursement until the total amount equals $100.00 or more, or until December 31 of each year, whichever occurs first. However, Payor may hold accumulated proceeds of less than $10.00 until production ceases or Payor's responsibility for making payment for production ceases, whichever occurs first.

INDEMNITY: Owner agrees to indemnify and hold Payor harmless from all liability resulting from payments made to Owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suit that affects Owner's interest to which Payor is made a party.

DISPUTE; WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of Owner, written notice shall be given to Payor by Owner together with a copy of the complaint or petition filed. In the event of a claim or dispute that affects title to the division of interest credited herein, Payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

TERMINATION: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on Payor until a certified copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor. Any change of interest shall be made effective on the first day of the month following receipt of such notice by Payor. Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party. In addition to the legal rights provided by the terms and provisions of this division order, Owner may have certain statutory rights under the laws of this state.

WITNESS	SIGNATURE OF INTEREST OWNER	SOCIAL SECURITY/ TAX I.D. NO.	ADDRESS

THIS COPY CAN BE RETAINED FOR YOUR RECORDS.

WORK PHONE NUMBER:	HOME PHONE NUMBER:	FAX NUMBER:
( )	( )	( )

Failure to furnish your Social Security/Tax I.D. number will result in withholding tax in accordance with federal law, and any tax withheld will not be refundable by payor.

EXHIBIT 'A'
ATTACHED TO DIVISION ORDER DATED: 4-12-99
WELL NAME: MILL CREEK OL #1-H
UNIT DESCRIPTION: 889.8 ACS OUT OF N SMITH SVY A-100, J HODGE SVY A-61 & COOPER SVY A-35; J HODGE SVY A-49 & J COOPER SVY A-27
COUNTY/PARISH: WASHINGTON & AUSTIN STATE: TX

										PAID BY COI	PAID BY BELCO	PAID BY UPRC	
IT	OWN NO.	PROP. NUMBER	PY ST	EX CL	OWNER NAME	OWNER ADDRESS	NET ACRES IN UNIT	LEASE ROYALTY	UNIT INTEREST	UNIT INTEREST	UNIT INTEREST	UNIT INTEREST	COMMENT/ TITLE REQUIREMENT
2	643365	343854	ST		HENRY C & TAMMI J WILLIAMS	RT 1 BOX 347-A BRENHAM TX 77833	0.80000	0.16666667	0.00014985	0.00012460		0.00002525	Att. #11 Req. 36
2	643366	343854	SS		ROBERT E & ROANN GANDY	RT 1 BOX 348 BRENHAM TX 77833	0.88000	0.16666667	0.00016483	0.00013705		0.00002778	
2	643367	343854	SS		DOROTHY MAE IWIG	P O BOX 2245 BRENHAM TX 77834-2245	0.66000	0.16666667	0.00012362	0.00010279		0.00002083	
2	643368	343854	ST		KEITH RUSSELL & CHRISTINE IWIG	P O BOX 2245 BRENHAM TX 77834-2245	0.66000	0.16666667	0.00012362	0.00010279		0.00002083	Att. #17 Req. 17
2	643369	343854	SS		GEORGE R & LAVERNE BLASINGAME	P O BOX 846 BRENHAM TX 77833	60.06000	0.16666667	0.01124972	0.00935377		0.00189595	
2	643370	343854	ST		MONTE L & REBECCA MARSHALL	3551 FM 109 BRENHAM TX 77833	2.42000	0.16666667	0.00045329	0.00037690		0.00007639	Att. #12 Req. 36
2	643371	343854	SS		MELVIN & CHARLYN C KRAUSE	RT 1 BOX 353 BRENHAM TX 77833	7.13000	0.16666667	0.00133551	0.00111043		0.00022508	
2	643372	343854	SS		CHARLES A & NELDA A KEESE	RT 1 BOX 355 BRENHAM TX 77833	4.95000	0.16666667	0.00092717	0.00077091		0.00015626	
2	643373	343854	ST		BRUCE A RODENBECK	RT 1 BOX 357 BRENHAM TX 77833	4.96000	0.16666667	0.00092905	0.00077247		0.00015658	Att. #13 Req. 36
2	643374	343854	ST		RICHARD D & ANDREA DEE SCHUBEL	RT 1 BOX 358 BRENHAM TX 77833	4.97000	0.16666667	0.00093092	0.00077403		0.00015689	Att. #14 Req. 36
2	643375	343854	SS		BEN & HILDA TEGELER	RT 1 BOX 359 BRENHAM TX 77833	5.00000	0.16666667	0.00093654	0.00077870		0.00015784	
2	643376	343854	ST		LARRY G ROBERTSON	RT 1 BOX 360 BRENHAM TX 77833	4.98000	0.16666667	0.00093279	0.00077558		0.00015721	Att. #18 Req. 18
2	643377	343854	SS		DENNIS & SHERRY LYNN REIMER	RT 1 BOX 361 BRENHAM TX 77833	0.77000	0.16666667	0.00014423	0.00011992		0.00002431	
2	643378	343854	SS		JERRY B & KIM A HARTNETT	9741 TOLIVER RD BRENHAM TX 77833	0.83000	0.16666667	0.00015547	0.00012927		0.00002620	
2	643379	343854	SS		RACHEL HARTNETT	RT 1 BOX 366 BRENHAM TX 77833	0.31000	0.16666667	0.00005807	0.00004828		0.00000979	
2	643380	343854	SS		B L & CHARLENE HARTNETT	RT 1 BOX 363 BRENHAM TX 77833	11.99000	0.16666667	0.00224582	0.00186732		0.00037850	
2	643381	343854	SS		STATE OF TEXAS M-99333	STEPHEN F AUSTIN BLDG 1700 N CONGRESS AVE AUSTIN TX 78701	14.95000	0.16666667	0.00280025	0.00232831		0.00047194	
2	643382	343854	SS		EMMA JEAN DEVER	1209 GARRETT ST BRENHAM TX 77833	21.31000	0.16666667	0.00399153	0.00331882		0.00067271	
2	643383	343854	SS		DORIS E NOERENBERG	1105 S GREEN BRENHAM TX 77833	19.20000	0.16666667	0.00359631	0.00299021		0.00060610	

(43)

File No. MF-99333

Dismiss Order

Date Filed: 6-2-95

David Dewhurst, Commissioner

By _____

2-5-80

Texas General Land Office

David Dewhurst Commissioner

July 23, 1999

Ms. Angela Ports
Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, OK 73154 0496

RE: Assignment Filing M-99333.

Dear Ms. Brown,

The General Land Office received the following documentation, on June 10, 1999, and has filed them in the aforementioned lease.

Assignment of Oil and Gas Lease, executed on February 16, 1999, and effective as of January 20, 1999, by and between Chesapeake Operating, Inc., to Union Pacific Resources Company recorded in Washington, County, TX.

Filing fees of $25.00 were received in connection with these Assignments. Should you have any questions, please call me at (512) 475-1540, if I can be of any assistance.

Sincerely,

Laura Leal
Energy Resources
Royalty Management

DD/ll

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

512-463-5001

43 1/2 MF-99333

Letter

7/23/99

Texas General
Land Office

David Dewhurst
Commissioner

July 23, 1999

Ms. Pamela S. Brown
Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, OK 73154 0496

RE: Assignment Filing M-99333.

Dear Ms. Brown,

The General Land Office received the following documentation, on April 12, 1999, and has filed them in the aforementioned lease.

Assignment of Oil and Gas Lease, executed on December 31, 1998, and effective as of April 1, 1998, by and between Chesapeake Operating, Inc., to Chesapeake Investments, and TLW Investments, Inc., recorded in Austin, and Washington, Counties, TX.

Filing fees of $25.00 were received in connection with these Assignments. Should you have any questions, please call me at (512) 475-1540, if I can be of any assistance.

Sincerely,

Laura Leal
Energy Resources
Royalty Management

DD/ll

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

CHESAPEAKE OPERATING, INC. LAND DEPARTMENT
P.O. BOX 18496
OKLAHOMA CITY, OKLAHOMA 73154-0496
405/848-8000
405/879-9535 FAX

April 7, 1999

Ms. Laura Leal
Commissioner of the General Land Office
of the State of Texas
Lease Administration/Energy Resources
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

Re: Oil and Gas Lease No. M-99333
Austin and Washington Counties, Texas

Dear Ms. Leal:

Pursuant to the terms of the lease dated September 1, 1998, this is to notify you that Chesapeake Operating, Inc. has assigned undivided working interests in this lease to:

Chesapeake Investments, an Oklahoma limited partnership
Post Office Box 18496
Oklahoma City, Oklahoma 73154-0496

TLW Investments Inc.
Post Office Box 54525
Oklahoma City, Oklahoma 73154-0496

A copy of the recorded Assignment is enclosed for your records, along with our Check No. 178468 in the amount of $25.00, which represents the filing fee for the Assignment.

If you have any questions or need additional information, please contact the undersigned at the above address, or by phone at 405/879-9405.

Very truly yours,

Pamela S. Brown
Sr. Title Analyst

Enclosures

s:/glfcstld/assignments-psb/state_land_office_TX-millcreek-state-ci.tlw

CHESAPEAKE OPERATING, INC.

No. *178468*

200476 COMMISSIONER OF THE TEXAS GEN

ACCT DATE	VOUCHER NUMBER	INVOICE DATE	INVOICE NUMBER	DESCRIPTION OR GROSS AMOUNT DISCOUNT	NET AMOUNT
03/99	577871	03/25/99	032599	MILL CREEK #1-H FILING FEE	25.00
				** TOTAL FOR CHECK	25.00

99039043

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RECEIVED
99 APR 13 AM 10:28
ENERGY RESOURCES

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VOL 0917 PAGE 747

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990793 ASSIGNMENT OF OIL AND GAS LEASES

386
L 27463

STATE OF TEXAS)
) KNOW ALL PERSONS BY THESE PRESENTS:
COUNTIES OF WASHINGTON)
AND AUSTIN)

WHEREAS, **CHESAPEAKE OPERATING, INC.** (the "Assignor"), having a mailing address at Post Office Box 18496, Oklahoma City, Oklahoma 73154, is the owner of the oil and gas leases described in Exhibit "A" attached hereto as a part hereof to the extent of the unit described on Exhibit "A" (the "Leases");

NOW, THEREFORE, for and in consideration of the premises and One Hundred Dollars ($100.00) cash in hand paid and other valuable consideration, the receipt and sufficiency of which is expressly hereby acknowledged, Chesapeake does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN and DELIVER unto the following parties (hereinafter referred to collectively as "Assignees") the following undivided percentage of the interest in the Leases, to-wit:

Assignees	**Percentage of Unit Working Interest Assigned**
Chesapeake Investments, an Oklahoma limited partnership Post Office Box 18496 Oklahoma City, Oklahoma 73154	1.000000 %
TLW Investments Inc. Post Office Box 54525 Oklahoma City, Oklahoma 73154	1.000000 %

This Assignment is made subject to (a) that certain Joint Development Agreement dated effective April 1, 1998, by and between Chesapeake Operating, Inc., Belco Operating Corp. and Union Pacific Resources Company; and (b) all existing leasehold burdens of record and, by acceptance hereof, the Assignee hereby assumes and agrees to perform the Assignee's pro rata portion of such burdens.

The terms and provisions hereof shall extend to and be binding upon the Assignor and the Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, this instrument is dated the 31st day of December, 1998.

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

CHESAPEAKE OPERATING, INC.

By: _____
Henry J. Hood
Senior Vice President - Land and Legal

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VOL 0917 PAGE 748

STATE OF OKLAHOMA)
) SS:
COUNTY OF OKLAHOMA)

L 27463

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 4th day of January, 1998, personally appeared Henry J. Hood, Senior Vice President - Land and Legal of Chesapeake Operating, Inc., to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

Marilyn J. Hoose
Notary Public

My Commission expires:

10-21-2001



f:\m\assign\well\millcreek2

EXHIBIT "A"

4·12·99

ATTACHED HERETO AND MADE A PART OF THAT CERTAIN ASSIGNMENT OF OIL AND GAS LEASES LOCATED IN WASHINGTON AND AUSTIN COUNTIES, TEXAS, BETWEEN CHESAPEAKE OPERATING, INC., AS ASSIGNOR, AND CHESAPEAKE INVESTMENTS AND TLW INVESTMENTS INC., AS ASSIGNEES, DATED DECEMBER 31, 1998.

LESSOR	LESSEE	LEASE NO.	GROSS ACRES IN LEASE	RECORDING VOL/PAGE	SURVEY OR ABSTRACT NUMBER	LEASE DATE
Blasingame, George R. et ux	Chesapeake Operating, Inc.	TX1671392-000	60.4620	774/533	Nelson Smith, A-100	01/05/95
Craven, Doris	Chesapeake Operating, Inc.	TX1670788-003	28.7100	895/398	Nelson Smith, A-100	04/01/98
Dever, Emma Jean	Chesapeake Operating, Inc.	TX1671393-000	21.7900	785/518	Nelson Smith, A-100	04/12/95
Dickschat, Raymond H. et ux	Chesapeake Operating, Inc.	TX1671052-004	78.9100	890/55	Nelson Smith, A-100	03/04/98
Dockery, Virginia E. Harris	Chesapeake Operating, Inc.	TX1670788-007	28.7100	784/755	Nelson Smith, A-100	03/29/95
Gandy, Robert et ux	Chesapeake Operating, Inc.	TX1670531-000	0.8780	803/235 Amendment 899/69	Nelson Smith, A-100	08/25/95
Goeke, John	Chesapeake Operating, Inc.	TX1670397-000	9.7180	799/555 Extension 899/24	Nelson Smith, A-100	07/25/95
Harris, Curtis	Chesapeake Operating, Inc.		28.7100		Nelson Smith, A-100	04/01/98
Harris, Elijah	Chesapeake Operating, Inc.	TX1671394-000	12.6900	784/123	Nelson Smith, A-100	03/29/95
Harris, Elijah	Chesapeake Operating, Inc.	TX1670788-008	28.7100	784/120	Nelson Smith, A-100	03/29/95
Harris, Eula Mae	Chesapeake Operating, Inc.	TX1670788-000	28.7100	802/535	Nelson Smith, A-100	03/29/95
Harris, Peter Jr.	Chesapeake Operating, Inc.		28.7100		Nelson Smith, A-100	04/01/98
Harrison, Maurine	Chesapeake Operating, Inc.	TX1670859-000	150.0560	775/379	Nelson Smith, A-100, James Cooper, A-35, James Cooper, A-27	12/17/94
Hartnett, B.L. et ux	Chesapeake Operating, Inc.	TX1670570-000	12.0770	803/255 Extension 899/79	Nelson Smith, A-100	08/04/95
Hartnett, Jerry B. et ux	Chesapeake Operating, Inc.	TX1670646-000	0.8310	806/759	Nelson Smith, A-100	09/12/95
Hartnett, Rachel	Chesapeake Operating, Inc.	TX1670645-000	0.3150	820/882	Nelson Smith, A-100	09/12/95
Holman, Ruby L.	Chesapeake Operating, Inc.	TX1670324-003	56.4700	797/794 Extension 901/230	Nelson Smith, A-100, John Hodge, A-49, John Hodge, A-61	07/12/95

L 27463

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EXHIBIT "A"

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LESSOR	LESSEE	LEASE NO.	GROSS ACRES IN LEASE	RECORDING VOL/PAGE	SURVEY OR ABSTRACT NUMBER	LEASE DATE
Hopkins, Evelyn B.	Chesapeake Operating, Inc.	TX1671003-000	8.1900	782/496	Nelson Smith, A-100	03/08/95
Iwig, Dorothy Mae et al	Chesapeake Operating, Inc.	TX1670649-000	1.3240	804/36 Extension 901/218	Nelson Smith, A-100	09/11/95
Johnson, Bessie Mae Kesee	Chesapeake Operating, Inc.	TX1670788-00?	28.7100	906/009	Nelson Smith, A-100	04/01/98
Keese, Charles A. et ux	Chesapeake Operating, Inc.	TX1670216-000	4.9680	801/177	Nelson Smith, A-100	07/10/95
Kesee, Bobby Wayne	Chesapeake Operating, Inc.	TX1670788-00?	28.7100	906/012	Nelson Smith, A-100	04/01/98
Kesee, John D.	Chesapeake Operating, Inc.	TX1670788-00?	28.7100	906/015	Nelson Smith, A-100	04/01/98
Kesee, Lee Roy	Chesapeake Operating, Inc.	TX1670788-006	28.7100	899/048	Nelson Smith, A-100	04/01/98
Kossie, Nelda	Chesapeake Operating, Inc.	T94-3107	25.0000	778/105	Nelson Smith, A-100	10/31/94
Krause, Melvin et ux	Chesapeake Operating, Inc.	TX1670872-000	7.1420	770/743	Nelson Smith, A-100	12/10/94
Latimer, Ralph et ux	Chesapeake Operating, Inc.	TX1670489-000	5.6200	764/212	Nelson Smith, A-100	10/20/94
LeFlore, Beulah Lee Toliver	Chesapeake Operating, Inc.	TX1670324-001	56.4700	805/686 Extension 901/232	Nelson Smith, A-100, John Hodge, A-49, John Hodge, A-61	07/12/95
LeFlore, Beulah Lee Toliver	Chesapeake Operating, Inc.	TX1670339-000	1.0000	799/492 Extension 898/172	Nelson Smith, A-100	07/12/95
Loeffler, Ida Sprain	Chesapeake Operating, Inc.	T95-0710	184.2450	775/390	Nelson Smith, A-100	01/23/95
Marshall, Monte L. et ux	Chesapeake Operating, Inc.	TX1670583-000	2.4310	802/575 Extension 899/85	Nelson Smith, A-100	08/19/95
Moeller, Waldo	Chesapeake Operating, Inc.	TX1670633-000	190.9860	770/159 Amendment 892/713	Nelson Smith, A-100	10/26/94
Morris, Marion J.	Chesapeake Operating, Inc.	TX1671318-000	2.0980	890/45	Nelson Smith, A-100	03/04/98
Morris, Marion J.	Chesapeake Operating, Inc.	TX1671319-001	31.4451	890/48	Nelson Smith, A-100	03/04/98
Noerenberg, Billie W.	Chesapeake Operating, Inc.	TX1670497-000	12.4390	764/113	Nelson Smith, A-100	10/15/94
Noerenberg, Doris	Chesapeake Operating, Inc.	TX1670495-000	19.2100	764/205	Nelson Smith, A-100	10/15/94
Pieper, Kenneth	Union Pacific Resources Company	TX1671420-001	18.5440	788/702	Nelson Smith, A-100	06/30/95
Pomykal, Roger et ux	Chesapeake Operating, Inc.	TX1670989-000	6.7930	781/218	Nelson Smith, A-100	02/15/95
Randle, Felix Sr.	Chesapeake Operating, Inc.	TX1671315-000	12.6700	891/328	Nelson Smith, A-100	03/19/98

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EXHIBIT "A"

4·12·99

LESSOR	LESSEE	LEASE NO.	GROSS ACRES IN LEASE	RECORDING VOL/PAGE	SURVEY OR ABSTRACT NUMBER	LEASE DATE
Randle, Raymond Sr.	Chesapeake Operating, Inc.	TX1670621-000	25.0000	804/01 Extension 899/91	Nelson Smith, A-100	08/31/95
Randle, Raymond Sr.	Chesapeake Operating, Inc.	TX1670622-000	12.3900	804/04 Extension 899/92	Nelson Smith, A-100	08/31/95
Reimer, Dennis et ux	Chesapeake Operating, Inc.	TX1670647-000	0.7800	806/768	Nelson Smith, A-100	09/12/95
Reynolds, Myrtle Harris	Chesapeake Operating, Inc.	TX1670788-005	28.7100	895/392	Nelson Smith, A-100	04/01/98
Roberts, Glennie	Chesapeake Operating, Inc.	TX1671418-000	83.4800	784/764	Nelson Smith, A-100	04/05/95
Robertson, Larry G.	Chesapeake Operating, Inc.	TX1670893-000	5.0000	809/243	Nelson Smith, A-100	09/14/95
Rodenbeck, Bruce A.	Chesapeake Operating, Inc.	TX1670171-000	4.9680	793/01	Nelson Smith, A-100	05/27/95
Schmidt, Robert C. et ux	Chesapeake Operating, Inc.	TX1670215-000	11.9790	797/156	Nelson Smith, A-100	05/27/95
Schubel, Richard Donald et ux	Chesapeake Operating, Inc.	TX1671064-000	5.0000	807/689	Nelson Smith, A-100	03/09/95
Seale, Olan C. et ux	Chesapeake Operating, Inc.	TX1671396-000	7.0000	773/510	Nelson Smith, A-100	01/05/95
Smoots, Charles	Chesapeake Operating, Inc.	TX1670788-001	28.7100	891/331	Nelson Smith, A-100	04/01/98
Smoots, Clifford	Chesapeake Operating, Inc.	TX1670788-002	28.7100	891/333	Nelson Smith, A-100	04/01/98
Sommer , John Jr.	Chesapeake Operating, Inc.	TX1671052-003	78.9100	790/397	Nelson Smith, A-100	05/05/95
Sommer, John	Chesapeake Operating, Inc.	TX1671052-002	78.9100	789/227	Nelson Smith, A-100	05/05/95
Sommer, Richard	Chesapeake Operating, Inc.	TX1671052-001	78.9100	790/391	Nelson Smith, A-100	05/05/95
State of Texas - Lease No. M-99333	Chesapeake Operating, Inc.		14.9500	986775 Austin Co.	John Hodge, A-61; Nelson Smith, A-100	09/01/98
Tegeler Larry W. et ux	Chesapeake Operating, Inc.	TX1671397-000	21.6780	776/112	Nelson Smith, A-100	01/28/95
Tegeler, Ben et ux	Chesapeake Operating, Inc.	TX1671063-000	5.0000	787/222	Nelson Smith, A-100	04/28/95
Toliver, Cleo L.	Chesapeake Operating, Inc.	TX1670324-002	56.4700	797/764 Extension 901/231	Nelson Smith, A-100, John Hodge, A-49, John Hodge, A-61	07/12/95
Toliver, Isaac	Chesapeake Operating, Inc.	TX1670388-000	7.9000	798/811 Extension 898/171	Nelson Smith, A-100	07/11/95
Toliver, Issac L.	Chesapeake Operating, Inc.	TX1670324-000	56.4700	798/805 Extension 901/233	Nelson Smith, A-100, John Hodge, A-49, John Hodge, A-61	07/12/95

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VOL 0916 PAGE 111
VOL 0917 PAGE 751

VOL 0917 PAGE 752
VOL 0916 PAGE 112

4129

EXHIBIT "A"

LESSOR	LESSEE	LEASE NO.	GROSS ACRES IN LEASE	RECORDING VOL/PAGE	SURVEY OR ABSTRACT NUMBER	LEASE DATE
Toliver, James	Chesapeake Operating, Inc.	TX1670324-004	56.4700	802/602 Extension 901/234	Nelson Smith, A-100, John Hodge, A-49, John Hodge, A-61	07/12/95
Toliver, Patricia A.	Chesapeake Operating, Inc.	TX1670324-006	56.4700	806/748 Extension 901/236	Nelson Smith, A-100, John Hodge, A-49, John Hodge, A-61	07/12/95
Toliver, Sherlon R.	Chesapeake Operating, Inc.	TX1670324-005	56.4700	806/744	Nelson Smith, A-100, John Hodge, A-49, John Hodge, A-61	07/12/95
Twiggs, Melba Kesee	Chesapeake Operating, Inc.	TX1670788-010	28.7100	903/615	Nelson Smith, A-100	04/01/98
Walker, Lenora	Chesapeake Operating, Inc.	TX1670788-004	28.7100	896/818	Nelson Smith, A-100	04/01/98
White, Perneta Bell Harris	Chesapeake Operating, Inc.	TX1670788-009	28.7100	784/115	Nelson Smith, A-100	03/29/95
Williams, Henry C. et ux	Chesapeake Operating, Inc.	TX1670648-000	0.7980	805/124	Nelson Smith, A-100	09/12/95
Zientek, Joyce	Chesapeake Operating, Inc.	TX1670710-000	43.1900	761/449	Nelson Smith, A-100	11/01/94

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JAN 26 1999

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

STATE OF TEXAS
COUNTY OF WASHINGTON

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

JAN 06 1999

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

L 27 6 6 8

$16 Chesapeake

19.00 Chesapeake

STATE OF TEXAS COUNTY OF AUSTIN

FILED

99 FEB -8 AM 11:49

Carrie Gregor

COUNTY CLERK
AUSTIN COUNTY, TEXAS

I certify that this instrument was filed on the date and time stamped by me and was duly RECORDED in the OFFICIAL PUBLIC RECORDS OF AUSTIN COUNTY, TEXAS

Carrie Gregor

Carrie Gregor, County Clerk
Austin County, Texas

930793

7

(44)

File No. 99333

Assignment

Date Filed: 7-26-99

D[illegible]d Dewhurst, Commissioner

By _____

4-15-99

CHESAPEAKE OPERATING, INC. LAND DEPARTMENT

P.O. BOX 18496
OKLAHOMA CITY, OKLAHOMA 73154-0496
405/848-8000
405/879-9535 FAX

June 7, 1999

Ms. Laura Leal
Commissioner of the General Land Office
of the State of Texas
Lease Administration/Energy Resources
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

Re: Oil and Gas Lease No. M-99333
Austin and Washington Counties, Texas

Dear Ms. Leal:

Pursuant to the terms of the lease dated September 1, 1998, this is to notify you that Chesapeake has assigned an undivided working interest in this lease to:

Union Pacific Resources Company
Post Office Box 7
Fort Worth, Texas 76101-0007

A copy of the recorded Assignment is enclosed for your records, along with our Check No. 181573 in the amount of $25.00, which represents the filing fee for the Assignment.

If you have any questions, please advise.

Sincerely yours,

Angela Ports

Angela Ports
Land Technician

:amp

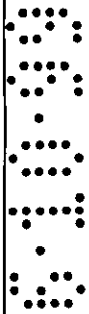
Enclosure

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CHESAPEAKE OPERATING, INC. No. *181573*

200476 COMMISSIONER OF THE TEXAS GEN

ACCT DATE	VOUCHER NUMBER	INVOICE DATE	INVOICE NUMBER	DESCRIPTION OR GROSS AMOUNT DISCOUNT	NET AMOUNT
04/99	587049	04/30/99	043099	SHELBY PROSPECT FILING FEE/	25.00



99048978

129

99048978 C X

** TOTAL FOR CHECK 25.00

ASSIGNMENT OF OIL AND GAS LEASES

931

L 28174

STATE OF TEXAS)
) KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF WASHINGTON)

WHEREAS, **CHESAPEAKE OPERATING, INC.** (the "ASSIGNOR"), having a mailing address at Post Office Box 18496, Oklahoma City, Oklahoma 73154, is the owner of the oil and gas leases described in Exhibit "A" attached hereto as a part hereof (the "Leases");

NOW, THEREFORE, for and in consideration of Ten Dollars ($10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby grants, bargains, sells, conveys, assigns, and delivers unto **UNION PACIFIC RESOURCES COMPANY,** a Delaware corporation (the "ASSIGNEE"), having a mailing address at Post Office Box 7, Fort Worth, Texas 76101-0007, an undivided 17.29% interest in the Leases, reference to which is hereby made for all purposes, free and clear of all liens, claims and encumbrances by, through or under the ASSIGNOR, but not otherwise.

This Assignment is made subject to: (a) that certain Joint Development Agreement dated effective April 1, 1998, by and between Chesapeake Operating, Inc., Belco Operating Corp. and Union Pacific Resources Company; and (b) all existing leasehold burdens of record and, by acceptance hereof, the ASSIGNEE hereby assumes and agrees to perform the ASSIGNEE's pro rata portion of such burdens.

The terms and provisions hereof shall extend to and be binding upon the ASSIGNOR and the ASSIGNEE and their respective successors and assigns.

IN WITNESS WHEREOF, this instrument is dated the 16th day of February, 1999, but is effective as of the 20th day of January, 1999.

CHESAPEAKE OPERATING, INC.

Return to:
Chesapeake Operating, Inc
P.O. Box 18496
Oklahoma City, OK 73154

By: _____ BS
Henry J. Hood
Senior Vice President - Land and Legal

STATE OF OKLAHOMA)
) SS:
COUNTY OF OKLAHOMA)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 16th day of February, 1999, personally appeared Henry J. Hood, Senior Vice President - Land and Legal of Chesapeake Operating, Inc., to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

SANDRA L. MATHIS NOTARY PUBLIC IN AND FOR STATE OF OKLAHOMA OKLAHOMA COUNTY

Notary Public

My Commission expires: May 5, 2000

f:\Angie\Submittals\UPRCAssn1298.doc
December, 1998 Submittal

6-10-99

EXHIBIT "A"
ATTACHED HERETO AND MADE A PART OF THAT CERTAIN
ASSIGNMENT OF OIL AND GAS LEASES BETWEEN
CHESAPEAKE OPERATING, INC., AS ASSIGNOR, AND
UNION PACIFIC RESOUCRES COMPANY, AS ASSIGNEE,
DATED Effective 6/1/99, 1999.

LEASE NUMBER	LESSOR	LESSEE	DATE	RECORDED		GROSS ACRES MORE OR LESS	SURVEY NAME	ABSTRACT NUBMER	COUNTY
				BOOK	PAGE				
TX1671407-006	Elton B. Anderson, Jr., Trustee	COI	8/19/98	907	508	33.2000	Nelson Smith	100	Washington
TX1671407-007	Elton B. Anderson Marital - GST Trust, Elton B. Anderson, Jr., Trustee; and Elton B. Anderson Marital Trust, Elton B. Anderson, Jr., Trustee	COI	8/19/98	907 Corrected 913	511 881	33.2000	Nelson Smith	100	Washington
TX1671495-000	Elton B. Anderson, Jr., and wife, Karen J. Anderson	COI	8/19/98	912	715	24.5600	Nelson Smith	100	Washington
TX1671490-000	Carroll C. Faske and wife, Margaret Z. Faske	COI	10/1/98	913	883	1.0000	John Carrington	120	Washington
TX1671430-000	T. W. Gajeske, and wife, Bernice Gajeske	COI	8/21/98	910	900	0.9580	John Carrington	120	Washington
TX1671498-000	Patrick Kelley and wife, Pamela Kelley	COI	10/29/98	913	268	1.0970	John Carrington	120	Washington
TX1671459-000	Tommy W. Lewis and wife, Elizabeth M. Lewis	COI	10/1/98	912	705	2.2580	John Carrington	120	Washington
TX1671442-000	Katerina Makowsky, a widow	COI	10/1/98	912	296	1.0000	John Carrington	120	Washington
TX1671497-000	Iris L. Pitts, a widow	COI	10/1/98	912	298	2.2360	John Carrington	120	Washington
TX1671288-000	P & J Restaurants, Inc., a Texas Corporation, herein acting by and through Patrick Hnewitt, President	COI	6/23/98	900	433	1.5780	John Long	156	Washington
TX1671457-000	Karen Schoen	COI	10/1/98	913	272	2.6360	John Carrington	120	Washington
TX1671494-000	Rebecca V. Schroeder and husband, Larry Schroeder	COI	10/29/98	914	724	0.9580	Nelson Smith	100	Washington
TX1671493-000	Scott A. Schroeder	COI	10/29/98	914	720	0.4070	Nelson Smith	100	Washington
TX1671405-000	State of Texas - Lease No. M-99302	COI	6/16/98	901	820	5.6200	Nelson Smith	100	Washington
TX1671499-000	Constance B. Truxillo and husband, Gary Paul Truxillo	COI	10/29/98	913	266	0.6160	Nelson Smith	100	Washington
TX1671458-000	Verbie Weiss, a feme sole	COI	10/29/98	912	707	1.3340	Nelson Smith	100	Washington

L 28174

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FILED FOR RECORD
WASHINGTON COUNTY, TX.

'99 FEB 19 AM 11 04

Beth A. Rothermel

WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

FEB 22 1999

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

Ck #11.00 Closquik

CHESAPEAKE OPERATING, INC. LAND DEPARTMENT

P.O. BOX 18496
OKLAHOMA CITY, OKLAHOMA 73154-0496
405/848-8000
405/879-9535 FAX

June 7, 1999

Ms. Laura Leal
Commissioner of the General Land Office
of the State of Texas
Lease Administration/Energy Resources
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

Re: Oil and Gas Lease No. M-99333
Austin and Washington Counties, Texas

Dear Ms. Leal:

Pursuant to the terms of the lease dated June 16, 1998, this is to notify you that Chesapeake has assigned an undivided working interest in this lease to:

Union Pacific Resources Company
Post Office Box 7
Fort Worth, Texas 76101-0007

A copy of the recorded Assignment is enclosed for your records, along with our Check No. 181574 in the amount of $25.00, which represents the filing fee for the Assignment.

If you have any questions, please advise.

Sincerely yours,

Angela Ports

Angela Ports
Land Technician

:amp

Enclosure

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CHESAPEAKE OPERATING, INC. No. *181574*

200476 COMMISSIONER OF THE TEXAS GEN

ACCT DATE	VOUCHER NUMBER	INVOICE DATE	INVOICE NUMBER	DESCRIPTION OR GROSS AMOUNT DISCOUNT	NET AMOUNT
04/99	587050	04/30/99	043099-2	SHELBY PROSPECT FILING FEE/	25.00

99048979

129

** TOTAL FOR CHECK 25.00

L 28080

ASSIGNMENT OF OIL AND GAS LEASES

1034

STATE OF TEXAS)
) KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF WASHINGTON)

WHEREAS, **CHESAPEAKE OPERATING, INC.** (the "ASSIGNOR"), having a mailing address at Post Office Box 18496, Oklahoma City, Oklahoma 73154, is the owner of the oil and gas leases described in Exhibit "A" attached hereto as a part hereof (the "Leases");

NOW, THEREFORE, for and in consideration of Ten Dollars ($10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby grants, bargains, sells, conveys, assigns, and delivers unto **UNION PACIFIC RESOURCES COMPANY,** a Delaware corporation (the "ASSIGNEE"), having a mailing address at Post Office Box 7, Fort Worth, Texas 76101-0007, an undivided 17.29% interest in the Leases, reference to which is hereby made for all purposes, free and clear of all liens, claims and encumbrances by, through or under the ASSIGNOR, but not otherwise.

This Assignment is made subject to: (a) that certain Joint Development Agreement dated effective April 1, 1998, by and between Chesapeake Operating, Inc., Belco Operating Corp. and Union Pacific Resources Company; and (b) all existing leasehold burdens of record and, by acceptance hereof, the ASSIGNEE hereby assumes and agrees to perform the ASSIGNEE's pro rata portion of such burdens.

The terms and provisions hereof shall extend to and be binding upon the ASSIGNOR and the ASSIGNEE and their respective successors and assigns.

IN WITNESS WHEREOF, this instrument is dated the 11 day of February, 1999, but is effective as of the 4th day of January, 1999.

CHESAPEAKE OPERATING, INC.

By: _____ BS
Henry J. Hood
Senior Vice President - Land and Legal

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

STATE OF OKLAHOMA)
) SS:
COUNTY OF OKLAHOMA)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 11 day of February, 1999, personally appeared Henry J. Hood, Senior Vice President - Land and Legal of Chesapeake Operating, Inc., to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

Angela Wilcox Rau
Notary Public

My Commission expires: 1/17/2000

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November, 1998 Submittal

6-10-99

L 28080

EXHIBIT "A"
ATTACHED HERETO AND MADE A PART OF THAT CERTAIN
ASSIGNMENT OF OIL AND GAS LEASES BETWEEN
CHESAPEAKE OPERATING, INC., AS ASSIGNOR, AND
UNION PACIFIC RESOUCRES COMPANY, AS ASSIGNEE,
DATED February 11, 1999.

LEASE NUMBER	LESSOR	LESSEE	DATE	RECORDED		GROSS ACRES MORE OR LESS	SURVEY NAME	ABSTRACT NUBMER	COUNTY
				BOOK	PAGE				
TX1671404-001	Thomas E. Bartley and wife, Ann Cravens Bartley	Chesapeake Operating, Inc.	8/18/98	904	430	31.3750	Nelson Smith	100	Washington
TX1671406-003	Marjorie Bogusch	Chesapeake Operating, Inc.	8/19/98	908	255	16.6000	Nelson Smith	100	Washington
TX1671407-001	Verlin Hafer	Chesapeake Operating, Inc.	8/27/98	907	522	33.2000	Nelson Smith	100	Washington
TX1670582-002	Harvey Allen Herzog	Chesapeake Operating, Inc.	8/23/95	806	786	6.8680	Nelson Smith	100	Washington
TX1670788-011	Bessie Mae Kesee Johnson	Chesapeake Operating, Inc.	4/1/98	906	11	28.7100	Nelson Smith	100	Washington
TX1670788-012	Bobby Wayne Kesee	Chesapeake Operating, Inc.	4/1/98	906	12	28.7100	Nelson Smith	100	Washington
TX1670788-013	John D. Kesee	Chesapeake Operating, Inc.	4/1/98	906	15	28.7100	Nelson Smith	100	Washington
TX1670788-006	Lee Roy Kesee	Chesapeake Operating, Inc.	4/1/98	899	48	28.7100	Nelson Smith	100	Washington
TX1671275-000	Julie Martin and wife, Geneva Martin	Chesapeake Operating, Inc.	4/24/95	788	253	6.0810	C. Carmona	125	Washington
TX1671407-004	Madelyn Joyce Parr	Chesapeake Operating, Inc.	8/27/98	907	516	33.2000	Nelson Smith	100	Washington
TX1671317-000	Joseph H. Perino and wife, Sadie A. Perino	Chesapeake Operating, Inc.	3/16/98	890	42	59.3430	John Hodge John Hodge	61 49	Washington Austin
TX1670788-005	Mytle Harris Reynolds	Chesapeake Operating, Inc.	4/1/98	895	392	28.7100	Nelson Smith	100	Washington
TX1671407-002	Lenora Runge	Chesapeake Operating, Inc.	8/27/98	907	520	33.2000	Nelson Smith	100	Washington
TX1671489-000	State of Texas - Lease No. M-99333	Chesapeake Operating, Inc.	9/1/98	819	36	14.9500	Nelson Smith	100	Washington
TX1671407-003	Gerald W. Tegeler	Chesapeake Operating, Inc.	8/27/98	907	518	33.2000	Nelson Smith	100	Washington
TX1671407-008	Kay Lynn Tegeler	Chesapeake Operating, Inc.	8/27/98	908	259	33.2000	Nelson Smith	100	Washington
TX1671411-000	H. L. Thomas and wife, Darnell Thomas	Chesapeake Operating, Inc.	8/15/98	908	257	0.4130	John Carrington	120	Washington
TX1671407-005	Janell Vogelpohl	Chesapeake Operating, Inc.	8/27/98	907	514	33.2000	Nelson Smith	100	Washington

FILED FOR RECORD
ASHINGTON COUNTY, TX

99 FEB 22 AM 11 00

Beth A. Rothermel
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

FEB 23 1999

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

(45)

File No. 99333

Assignment

Date Filed: 7-26-99

David Dewhurst, Commissioner

By _____

Chesapeake pd $11.00

DO NOT DESTROY

UNIT AGREEMENT MEMO
Unit No. 2901

Operator Chesapeake Operating, Inc.
Unit Name Mill Creek Unit
County Washington and Austin
Effective Date 9-26-00
Unitized for: Oil ___ Gas ___ Oil & Gas ___

1. M.F. No. 99333
Area _____ Tr. 25
Sec. ___ Blk. ___ Survey _____
14.95/889.80 x 1/6 = .2800 %
.016802 x .166667 = .002800

2. M.F. No. 100307
Area _____ Tr. 47
Sec. ___ Blk. ___ Survey _____
2.32/889.80 x 1/4* .052 %
.002607 x .20 = .00052

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

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

REMARKS:
HWY - ROW
INACTIVE 12-11-2000
* eligible for reduced royalty .003450

Prepared by: Marc A. Fuentes	Date 9-26-00
Map & GIS updated by:	Date
Keyed into database by: M. Silva	Date 9-29-00

GLO-36-11-97

covers all production from the land and depths described on the attached Exhibit "B", which is produced from any well drilled to the unitized interval underlying the Unit Area.

3. Unit Name. The pooled unit created hereby shall be known as the "**Mill Creek Unit**".

4. Additional Interest; Consent. In the event the undersigned own any leasehold interest or mineral interest other than those specifically described or referred to herein covering the lands inside the Unit Area, including any unleased mineral interest in lands inside the Unit Area, or any interest for which ratification of the pooled unit created hereby is necessary, such interest or interests are hereby pooled and combined into said pooled unit as hereby declared without the necessity of specifically enumerating such interests or the specific lands covered by such interests or in which they are held.

5. Right to Amend. The undersigned hereby expressly reserve the right, from time to time, to amend this Declaration of Pooled Unit, and the respective terms and provisions hereof, and to change the size and area of, and interests covered by the pooled unit described herein, including without limitation, the power (i) to change, reduce, enlarge or extend the size or configuration of the Unit Area; (ii) to include any other formation or formations and any other mineral or minerals therein, thereunder or produced therefrom, all in accordance with the terms and provisions of the Leases; (iii) to include in the pooled unit described herein or in any amendments hereto, oil, gas and mineral leases, or interests in the lands described therein, covering interests in the Unit Area, which are secured or obtained subsequent to the date hereof, or prior to the date hereof and not included and described herein, and (iv) to include in the pooled unit described herein or in any amendments hereto, full or undivided interests in the Unit Area which are not otherwise included herein by the respective owner of such full or undivided interests.

6. Dissolution of Unit. The pooled unit formed hereby may be dissolved by Chesapeake Operating, Inc., acting as the Operator of the pooled unit, at any time by an instrument filed for record in Washington and Austin Counties, Texas, after any failure to establish unit production or after cessation of operations upon the pooled unit.

7. Multiple Originals. This instrument may be executed in any number of multiple counterparts, each of which shall have the same force and effect as an original instrument executed by all of the undersigned parties, regardless of whether such counterpart is executed prior to or subsequent to the date hereof or the filing of record of a counterpart hereof. Further, this instrument may not be ratified, consented to or approved by any party, individual, person or entity except upon the express written consent of all the undersigned parties hereto. This Declaration of Pooled Unit, and each counterpart or ratification hereof, shall be binding upon each party who executed the same, without regard to whether any other party owning an interest in the Leases or Unit Area may execute this instrument, or a counterpart or ratification hereof.

DECLARATION OF POOLED UNIT
MILL CREEK UNIT

4119

STATE OF TEXAS)
) KNOW ALL PERSONS BY THESE PRESENTS:
COUNTIES OF WASHINGTON AND AUSTIN)

This Declaration of Pooled Unit is executed to be effective as of July 19, 1998, by the undersigned parties, who are the owners of an interest in the leasehold estates created under those certain Oil, Gas and Mineral Leases (the "Leases") which are more particularly described on Exhibit "A", attached hereto and incorporated herein by reference for all purposes, or who are the owners of an interest in the mineral estate in the lands described in the Leases, who join in the execution hereof to evidence their consent to the pooling, unitization and combination of the leases and mineral estates herein described.

RECITALS

WHEREAS, each of the Leases authorizes the lessee thereunder to pool, unitize or combine all or a portion of the lands covered thereby with other land, lands, lease, or leases, to form a pooled unit of the size prescribed or permitted under the rules or regulations of the appropriate governmental authority for the exploration, development and production of oil, gas and associated and constituent hydrocarbons from the lands covered by the Leases; and

WHEREAS, the pooling, unitization and combination of the Leases and mineral estates to the extent necessary to form the hereinafter described pooled unit are necessary and advisable in the judgment of the undersigned.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual benefits to be derived by the parties hereto and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agree as follows:

1. Declaration of Unit. In accordance with the provisions of the Leases, the undersigned do hereby declare, pool, unitize and combine the Leases, including all renewals, extensions, ratifications and amendments thereof, and the lands covered thereby and the mineral estates therein, to the extent necessary to form and create the Unit Area described below. Production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion which the number of surface acres in each of such tracts bears to the total number of surface acres in the Unit.

2. Description of Unit Area. The Unit Area (herein so called) shall consist of **889.80 acres**, more or less, being the lands which are more particularly described and depicted on Exhibit "B", which is attached hereto and incorporated herein by reference for all purposes, and the unit shall be limited to the interval and depths lying between the top of the Austin Chalk formation and the base of the Austin Chalk formation, INSOFAR AND ONLY INSOFAR as to oil, gas, and associated and constituent hydrocarbons produced from a well or wells classified as an oil well or a gas well. This Declaration of Pooled Unit

FOR RECORDING 8/31/99
(AUSTIN CO.)

8. General Provisions. This instrument shall bind, inure to the benefit of, and be exercised by heirs, assigns, and successors in interest of all parties. When the context requires, singular nouns and pronouns include the plural.

EXECUTED by the undersigned parties on the respective dates of acknowledgment hereof, to be effective for all purposes as of the date first above written.

CHESAPEAKE OPERATING, INC.

By: _____
Henry J. Hood
Senior Vice President - Land and Legal

CHESAPEAKE INVESTMENTS

By: _____
Aubrey K. McClendon, Sole General Partner

TLW INVESTMENTS INC.

By: _____
Tom L. Ward, President

Belco Energy I L. P.

By: Belco Energy Corp.
Its General Partner

By: _____
Gary Byrd
Vice-President - Land

UNION PACIFIC RESOURCES COMPANY

By: _____
Attorney-In-Fact

ACKNOWLEDGMENTS

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this _____ day of _____, 1999, personally appeared HENRY J. HOOD, Senior Vice President - Land and Legal of **CHESAPEAKE OPERATING, INC.**, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

8. General Provisions. This instrument shall bind, inure to the benefit of, and be exercised by heirs, assigns, and successors in interest of all parties. When the context requires, singular nouns and pronouns include the plural.

EXECUTED by the undersigned parties on the respective dates of acknowledgment hereof, to be effective for all purposes as of the date first above written.

CHESAPEAKE OPERATING, INC.

By: _____
Henry J. Hood
Senior Vice President - Land and Legal

CHESAPEAKE INVESTMENTS

By: _____
Aubrey K. McClendon, Sole General Partner

TLW INVESTMENTS INC.

By: _____
Tom L. Ward, President

Belco Energy I L. P.

By: Belco Energy Corp.
Its General Partner

By: _____
Gary Byrd
Vice-President - Land

UNION PACIFIC RESOURCES COMPANY

By: _____
Attorney-In-Fact

ACKNOWLEDGMENTS

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this _____ day of _____, 1999, personally appeared HENRY J. HOOD, Senior Vice President - Land and Legal of **CHESAPEAKE OPERATING, INC.**, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

8. General Provisions. This instrument shall bind, inure to the benefit of, and be exercised by heirs, assigns, and successors in interest of all parties. When the context requires, singular nouns and pronouns include the plural.

EXECUTED by the undersigned parties on the respective dates of acknowledgment hereof, to be effective for all purposes as of the date first above written.

CHESAPEAKE OPERATING, INC.

By: _____
Henry J. Hood
Senior Vice President - Land and Legal

CHESAPEAKE INVESTMENTS

By: _____
Aubrey K. McClendon, Sole General Partner

TLW INVESTMENTS INC.

By: _____
Tom L. Ward, President

Belco Energy I L. P.

By: Belco Energy Corp.
Its General Partner

By: _____
Gary Byrd
Vice-President - Land

UNION PACIFIC RESOURCES COMPANY

By: _____
Attorney-In-Fact

ACKNOWLEDGMENTS

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 7th day of JULY, 1999, personally appeared HENRY J. HOOD, Senior Vice President - Land and Legal of **CHESAPEAKE OPERATING, INC.**, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

Pamela S Brown
Notary Public

My Commission expires:

1-11-02
(SEAL)

PAMELA S. BROWN
Oklahoma County
Notary Public in and for
State of Oklahoma
My commission expires Jan. 11, 2002.

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 9th day of JULY, 1999, personally appeared Aubrey K. McClendon, Sole General Partner of **CHESAPEAKE INVESTMENTS**, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such partnership, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

Pamela S Brown
Notary Public

My Commission expires:

Jan 11 2002
(SEAL)

PAMELA S. BROWN
Oklahoma County
Notary Public in and for
State of Oklahoma
My commission expires Jan. 11, 2002.

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 9th day of July, 1999, personally appeared Tom L. Ward, President of **TLW INVESTMENTS INC.**, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

Deborah J. Richardson
Notary Public

My Commission expires:

2-13-00
(SEAL)

DEBORAH J. RICHARDSON
Oklahoma County
Notary Public in and for
State of Oklahoma
My commission expires Feb. 13, 2000.

STATE OF TEXAS)
) ss:
COUNTY OF DALLAS)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this _____ day of _____, 1999, personally appeared Gary Byrd, Vice President - Land of **BELCO ENERGY CORP.**, a Nevada corporation, successor by merger to Belco Operating Corp., a Delaware corporation, acting as General Partner of **BELCO ENERGY I L.P.**, a Delaware Limited Partnership, formerly known as Belco Energy L.P., a Delaware Limited Partnership, and on behalf of said partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

Notary Public

My Commission expires:

(SEAL)

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this _____ day of _____, 1999, personally appeared Aubrey K. McClendon, Sole General Partner of **CHESAPEAKE INVESTMENTS**, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such partnership, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

Notary Public

My Commission expires:

(SEAL)

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this _____ day of _____, 1999, personally appeared Tom L. Ward, President of **TLW INVESTMENTS INC.**, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

Notary Public

My Commission expires:

(SEAL)

STATE OF TEXAS)
) ss:
COUNTY OF DALLAS)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 8th day of July, 1999, personally appeared Gary Byrd, Vice President - Land of **BELCO ENERGY CORP.**, a Nevada corporation, successor by merger to Belco Operating Corp., a Delaware corporation, acting as General Partner of **BELCO ENERGY I L.P.**, a Delaware Limited Partnership, formerly known as Belco Energy L.P., a Delaware Limited Partnership, and on behalf of said partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

Notary Public

My Commission expires:

(SEAL)

STATE OF TEXAS)
) ss:
COUNTY OF TARRANT)

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 14th day of July, 1999, personally appeared Andrew C. Rueckert, as Attorney-In-Fact for UNION PACIFIC RESOURCES COMPANY, and on behalf of said corporation, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

Notary Public

My Commission expires:

1-16-2002

(SEAL)

P. J. TURMAN
Notary Public
STATE OF TEXAS
My Comm. Exp. January 16, 2002

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10-11-99

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EXHIBIT "A"

ATTACHED HERETO AND MADE A PART OF THAT CERTAIN DECLARATION OF POOLED UNIT DATED EFFECTIVE AS OF JULY 19, 1998
INSOFAR AND ONLY INSOFAR AS THE LEASES PERTAIN TO THE MILL CREEK UNIT

LESSOR	LEGAL DESCRIPTION (FROM LEASE)	GROSS ACRES ON LEASE	LESSEE	LEASE NO.	RECORDED VOL/PAGE	LEASE DATE	NOTES
Blasingame, George R./LaVerne	60.462 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	60.4662	COI	TX1671392-000	774/533	01/05/95	
Craven, Doris Virginia	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-003	895/398	04/01/98	
Dever, Emma Jean	21.79 acres, more or less, out of the Nelson Smith Survey, A-100 and the John Hodge Survey, A-61, Washington County, Texas	21.7900	COI	TX1671393-000	785/518	04/12/95	
Dickschat, Joy Ann Korth/Raymond	78.91 acres, more or less, out of the Nelson Smith Survey, A-100 Washington County, Texas; and the John Hodge Survey, A-49 and the James Cooper Survey, A-27 Austin County, Texas	78.9100	COI	TX1671052-004	890/55	03/04/98	Lease also recorded under File #985019 in Austin County, Texas
Dockery, Virginia E. Harris	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-007	784/755	03/29/95	Extension of Lease dated 07/07/98
Gandy, Robert/Roann	.878 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	0.8780	COI	TX1670531-000	803/235	08/25/95	Extension of Lease dated 07/07/98, recorded - 899/069
Goeke, John	9.718 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	9.7180	COI	TX1670397-000	799/555	07/25/95	Amendment of Lease dated 06/15/98, recorded - 899/024
Harris, Curtis	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	L28709	924/926	04/01/98	
Harris, Elijah	12.69 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	12.6900	COI	TX1671394-000	784/123	03/29/95	
Harris, Elijah	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-008	784/120	03/29/95	

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LESSOR	LEGAL DESCRIPTION (FROM LEASE)	GROSS ACRES ON LEASE	LESSEE	LEASE NO.	RECORDED VOL/PAGE	LEASE DATE	NOTES
Harris, Eula Mae	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-000	802/535	03/29/95	
Harris, Peter (Jr.)	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1673854-000	923/912	04/01/98	
Harrison, Maurine B.	150.056 acres, more or less, out of the Nelson Smith Survey, A-100 and the James Cooper Survey, A-35, Washington County, Texas; and the James Cooper Survey, A-27, Austin County, Texas	150.0560	COI	TX1670859-000	775/379	12/17/94	Lease also recorded at 725/394 in Austin County, Texas
Hartnett, B.L./Charlene	12.077 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	12.0770	COI	TX1670570-000	803/255	08/04/95	Extension of Lease dated 07/07/98, recorded - 899/79
Hartnett, Jerry B./Kim A.	.831 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	0.8310	COI	TX1670646-000	806/759	09/12/95	
Hartnett, Rachel	.315 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	0.3150	COI	TX1670645-000	820/882	09/12/95	
Holman, Ruby L.	56.47 acres, more or less, out of the Nelson Smith Survey, A-100 and the John Hodge Survey, A-61, Washington County, Texas; and the John Hodge Survey, A-49, Austin County, Texas	56.4700	COI	TX1670324-003	797/794	07/12/95	Lease also recorded at File #983900 in Austin County, Texas Extension of Lease dated 07/20/98 recorded - 901/230 (Washington County)
Hopkins, Evelyn B. (a/k/a Evelyn Brown Hopkins), Individually and as Trustee of the Evelyn B. Hopkins Trust under the Will of Roscoe F. Hopkins, deceased	8.19 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	8.1900	COI	TX1671003-000	782/496	03/08/95	
Iwig, Dorothy Mae; and Iwig, Keith Russell/Christine	1.324 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	1.3240	COI	TX1670649-000	804/36	09/11/95	Extension of Lease dated 07/20/98 recorded - 901/218
Johnson, Bessie Mae Kesee	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-011	906/09	04/01/98	
Jones, Lillie Mae Krause	36.842 acres, more or less, out of the James Cooper Survey, A-27, Austin County, Texas	36.8420	J. Burgin & Assoc.		736/227	07/12/95	Recording information refers to Austin County, Texas

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LESSOR	LEGAL DESCRIPTION (FROM LEASE)	GROSS ACRES ON LEASE	LESSEE	LEASE NO.	RECORDED VOL/PAGE	LEASE DATE	NOTES
Keese, Charles A./Nelda	4.968 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	4.9680	COI	TX1670216-000	801/177	07/10/95	
Kesee, Bobby Wayne	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-012	906/012	04/01/98	
Kesee, John D.	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-013	906/015	04/01/98	
Kesee, Lee Roy	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-006	899/048	04/01/98	
Kossie, Nelda	25.0 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	25.0000	COI	TX1671395-000	778/105	10/31/94	
Krause, Melvin/Charlyn C.	7.142 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	7.1420	COI	TX1670872-000	770/743	12/10/94	
Krause, Wilfred W./Marjorie A.	36.842 acres, more or less, out of the James Cooper Survey, A-27, Austin County, Texas	36.8420	J. Burgin & Assoc.		736/165	07/12/95	Recording information refers to Austin County, Texas
Latimer, Ralph/Elizabeth	5.62 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	5.6200	COI	TX1670489-000	764/212	10/17/94	
LeFlore, Beulah Lee Toliver	56.47 acres, more or less, out of the Nelson Smith Survey, A-100 and the John Hodge Survey, A-61, Washington County, Texas; and the John Hodge Survey, A-49, Austin County, Texas	56.4700	COI	TX1670324-001	805/686	07/12/95	Lease also recorded at File #983895 in Austin County, Texas Extension of Lease dated 07/16/98 recorded - 901/232 (Washington County)
LeFlore, Beulah Lee Toliver	1.0 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	1.0000	COI	TX1670339-000	799/492	07/12/95	Extension of Lease dated 06/26/98 recorded - 898/172
Loeffler, Ida Sprain (f/k/a Ida Sprain)	184.245 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	184.2450	COI	TX1671419-000	775/390	01/23/95	
Marshall, Monte L./Rebecca	2.431 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	2.4310	COI	TX1670583-000	802/575	08/19/95	Extension of Lease dated 07/07/98 recorded - 899/85

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LESSOR	LEGAL DESCRIPTION (FROM LEASE)	GROSS ACRES ON LEASE	LESSEE	LEASE NO.	RECORDED VOL/PAGE	LEASE DATE	NOTES
Moeller, Waldo E. (Individually and as Independent Executor of the Estate of Jeanette Moeller, deceased)	218.266 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	218.2660	COI	TX1670632-000	770/170	10/26/94	Amendment of Lease dated 3/24/99, recorded - 926/54
Morris, Marion J.	31.4451 acres, more or less, out of the John Hodge Survey, A-61, Washington County, Texas	31.4451	COI	TX1671319-001	890/048	03/04/98	
Noerenberg, Billie W.	12.439 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	12.4390	COI	TX1670497-000	764/113	10/15/94	
Noerenberg, Doris	19.21 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	19.2100	COI	TX1670495-000	764/205	10/15/94	
Pieper, Kenneth R./Ann J.	18.544 acres, more or less, out of the John Hodge Survey, A-61, Washington County, Texas	18.5440	UPRC	TX1671420-001	788/702	06/30/95	Memorandum of Lease dated 3/12/98 recorded - 886/790
Pomykal, Roger/Elinor	6.793 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	6.7930	COI	TX1670989-000	781/218	02/15/95	
Randle, Felix (Sr.)	12.67 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	12.6700	COI	TX1671315-000	891/328	03/19/98	
Randle, Raymond (Sr.), Individually and as Trustee of the Raymond Randle, Sr. Revocable Trust dated May 27, 1987	25.0 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	25.0000	COI	TX1670621-000	804/01	08/31/95	Extension of Lease dated 07/07/98 recorded - 899/91
Randle, Raymond (Sr.)	12.39 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	12.3900	COI	TX1670622-000	804/04	08/31/95	Extension of Lease dated 07/07/98 recorded - 899/92
Reimer, Dennis/Sherry Lynn	.78 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	0.7800	COI	TX16700647-000	806/768	09/12/95	
Reynolds, Myrtle Harris	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-005	895/392	04/01/98	
Roberts, Glennie W. (Jr.)	83.48 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	83.4800	COI	TX1671418-000	784/764	04/05/95	

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LESSOR	LEGAL DESCRIPTION (FROM LEASE)	GROSS ACRES ON LEASE	LESSEE	LEASE NO.	RECORDED VOL/PAGE	LEASE DATE	NOTES
Robertson, Larry G. (a/k/a Larry Gene Robertson)	5.0 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	5.0000	COI	TX1670893-000	809/243	09/14/95	
Rodenbeck, Bruce A.	4.968 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	4.9680	COI	TX1670171-000	793/01	05/27/95	
Schmidt, Robert C./Rosanne	11.979 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	11.9790	COI	TX1670215-000	797/156	05/27/95	
Schubel, Richard Donald/Andrea Dee	5.0 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	5.0000	COI	TX1671064-000	807/689	03/09/95	
Seale, Olan C./Walline	7.0 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	7.0000	COI	TX1671396-000	773/510	01/05/95	
Smoots, Charles	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-001	891/331	04/01/98	
Smoots, Clifford (Sr.)	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-002	891/333	04/01/98	
Sommer, John (Sr.)	78.91 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas; and the John Hodge Survey, A-49 and the James Cooper Survey, A-27, Austin County, Texas	78.9100	COI	TX1671052-002	789/227	05/05/95	Lease also recorded at 753/729 in Austin County, Texas
Sommer, John (Jr.)	78.91 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas; and the John Hodge Survey, A-49 and the James Cooper Survey, A-27, Austin County, Texas	78.9100	COI	TX1671052-003	790/397	05/05/95	Lease also recorded at 753/721 in Austin County, Texas
Sommer, Richard	78.91 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas; and the John Hodge Survey, A-49 and the James Cooper Survey, A-27, Austin County, Texas	78.9100	COI	TX1671052-001	790/391	05/05/95	Lease also recorded at 753/725 in Austin County, Texas

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LESSOR	LEGAL DESCRIPTION (FROM LEASE)	GROSS ACRES ON LEASE	LESSEE	LEASE NO.	RECORDED VOL/PAGE	LEASE DATE	NOTES
State of Texas - M99333	14.95 acres, more or less, out of the Nelson Smith Survey, A-100 and the James Cooper Survey A-35, Washington County, Texas; and the James Cooper Survey, A-27, Austin County, Texas	14.9500	COI	TX1671489-000	918/36	09/01/98	Lease also recorded at File #986775 in Austin County, Texas Amendment of Lease dated 05/01/98
State of Texas - M100307	35.0 acres, more or less, out of the Nelson Smith Survey, A-100 and the John Hodge Survey A-61, Washington County, Texas; and the John Hodge Survey, A-49, Austin County, Texas	35.0000	UPRC		12/15/98	10/06/98	Lease also recorded at File #987746 in Austin County, Texas
Stein, William Odell/Marilyn F.	181.801 acres, more or less, out of the A. Larrison Survey, A-65 and the James Cooper Survey, A-27, Austin County, Texas; and the James Cooper Survey, A-35, Washington County, Texas	181.8010	J. Burgin & Assoc.	TX1671437-000	812/308	07/20/95	Lease also recorded at 736/417 in Austin County, Texas
Tegeler, Ben/Hilda	5.0 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	5.0000	COI	TX1671063-000	787/222	04/28/95	
Tegeler, Larry W./Julie	21.678 acres, more or less, out of the Nelson Smith Survey, A-100 and the C. C. Givens Survey, A-48, Washington County, Texas	21.6780	COI	TX1671397-000	776/112	01/28/95	
Toliver, Cleo L.	56.47 acres, more or less, out of the Nelson Smith Survey, A-100 and the John Hodge Survey A-61, Washington County, Texas; and the John Hodge Survey, A-49, Austin County, Texas	56.4700	COI	TX1670324-002	797/764	07/12/95	Lease also recorded at File #983897 in Austin County, Texas Extension of Lease dated 07/16/98 recorded - 901/231
Toliver, Issac L.	56.47 acres, more or less, out of the Nelson Smith Survey, A-100 and the John Hodge Survey A-61, Washington County, Texas; and the John Hodge Survey, A-49, Austin County, Texas	56.4700	COI	TX1670324-000	798/805	07/12/95	Lease also recorded at File #983896 in Austin County, Texas Extension of Lease dated 07/16/98 recorded - 901/233
Toliver, Issac L.	7.9 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	7.9000	COI	TX1670338-000	798/811	07/11/95	Extension of Lease dated 06/26/98 recorded - 898/171

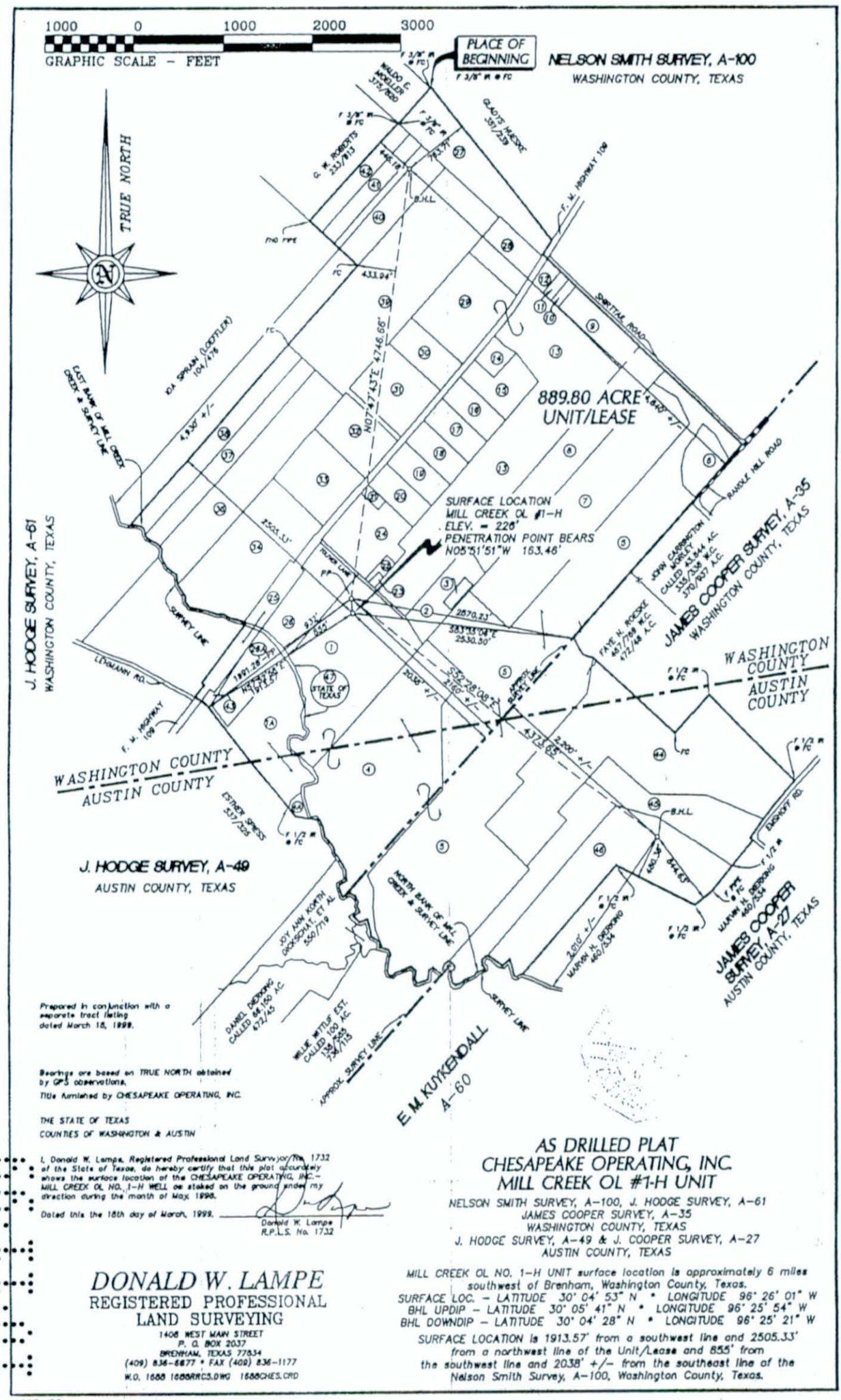
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LESSOR	LEGAL DESCRIPTION (FROM LEASE)	GROSS ACRES ON LEASE	LESSEE	LEASE NO.	RECORDED VOL/PAGE	LEASE DATE	NOTES
Toliver, James	56.47 acres, more or less, out of the Nelson Smith Survey, A-100 and the John Hodge Survey A-61, Washington County, Texas; and the John Hodge Survey, A-49, Austin County, Texas	56.4700	COI	TX1670324-004	802/602	07/12/95	Lease also recorded at File #983899 in Austin County, Texas Extension of Lease dated 07/16/98 recorded - 901/234
Toliver, Patricia	56.47 acres, more or less, out of the Nelson Smith Survey, A-100 and the John Hodge Survey A-61, Washington County, Texas; and the John Hodge Survey, A-49, Austin County, Texas	56.4700	COI	TX1670324-006	806/748	07/12/95	Lease also recorded at File #983894 in Austin County, Texas Extension of Lease dated 07/16/98 recorded - 901/236
Toliver, Sherlon R.	56.47 acres, more or less, out of the Nelson Smith Survey, A-100 and the John Hodge Survey A-61, Washington County, Texas; and the John Hodge Survey, A-49, Austin County, Texas	56.4700	COI	TX1670324-005	806/744	07/12/95	Lease also recorded at File #983898 in Austin County, Texas Extension of Lease dated 07/16/98 recorded - 901/235
Twiggs, Melba Kesee	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-010	903/615	04/01/98	
Walker, Lenora	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-004	896/818	04/01/98	
White, Pemeta B. Harris	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-009	784/115	03/29/95	
Williams, Henry C./Tammi J.	.798 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	0.7980	COI	TX1670648-000	805/124	09/11/95	
Zientek, Joyce	43.19 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	43.1900	COI	TX1670710-000	761/449	11/01/94	

All recording references are to Washington County, unless otherwise indicated


1000 0 1000 2000 3000
GRAPHIC SCALE - FEET
PLACE OF BEGINNING
NELSON SMITH SURVEY, A-100
WASHINGTON COUNTY, TEXAS
TRUE NORTH
889.80 ACRE UNIT/LEASE
SURFACE LOCATION
MILL CREEK OL #1-H
ELEV. = 226'
PENETRATION POINT BEARS
N05°51'51"W 163.48'
N07°47'43"E 4746.66'
J. HODGE SURVEY, A-61
WASHINGTON COUNTY, TEXAS
JAMES COOPER SURVEY, A-35
WASHINGTON COUNTY, TEXAS
WASHINGTON COUNTY
AUSTIN COUNTY
J. HODGE SURVEY, A-49
AUSTIN COUNTY, TEXAS
JAMES COOPER SURVEY, A-27
AUSTIN COUNTY, TEXAS
E.M. KUYKENDALL A-60
STATE OF TEXAS
F.M. HIGHWAY 109
LEDBETTER-PAYNE ROAD
RANGER HILL ROAD
SHORTHAIR ROAD
EAGLEHOOT RD.
SURVEY LINE
NORTH BANK OF MILL CREEK & SURVEY LINE
EAST BANK OF MILL CREEK & SURVEY LINE
APPROX. SURVEY LINE
2505.33'
2670.23'
S83°48'09"E 2530.30'
S52°28'08"E 3160' +/-
4373.65'
2,200' +/-
2,010' +/-
2038' +/-
855'
1913.57'
4,830' +/-
4,830' +/-
B.H.L.
Prepared in conjunction with a separate tract listing dated March 18, 1999.
Bearings are based on TRUE NORTH obtained by GPS observations.
Title furnished by CHESAPEAKE OPERATING, INC.
THE STATE OF TEXAS
COUNTIES OF WASHINGTON & AUSTIN
I, Donald W. Lampe, Registered Professional Land Surveyor No. 1732 of the State of Texas, do hereby certify that this plat accurately shows the surface location of the CHESAPEAKE OPERATING, INC.- MILL CREEK OL NO. 1-H WELL as staked on the ground under my direction during the month of May, 1998.
Dated this the 18th day of March, 1999.
Donald W. Lampe
R.P.L.S. No. 1732
DONALD W. LAMPE
REGISTERED PROFESSIONAL
LAND SURVEYING
1406 WEST MAIN STREET
P. O. BOX 2037
BRENHAM, TEXAS 77834
(409) 836-6877 * FAX (409) 836-1177
W.O. 1688 1688RRCS.DWG 1688CHES.CRD
AS DRILLED PLAT
CHESAPEAKE OPERATING, INC.
MILL CREEK OL #1-H UNIT
NELSON SMITH SURVEY, A-100, J. HODGE SURVEY, A-61
JAMES COOPER SURVEY, A-35
WASHINGTON COUNTY, TEXAS
J. HODGE SURVEY, A-49 & J. COOPER SURVEY, A-27
AUSTIN COUNTY, TEXAS
MILL CREEK OL NO. 1-H UNIT surface location is approximately 6 miles southwest of Brenham, Washington County, Texas.
SURFACE LOC. - LATITUDE 30° 04' 53" N * LONGITUDE 96° 26' 01" W
BHL UPDIP - LATITUDE 30° 05' 41" N * LONGITUDE 96° 25' 54" W
BHL DOWNDIP - LATITUDE 30° 04' 28" N * LONGITUDE 96° 25' 21" W
SURFACE LOCATION is 1913.57' from a southwest line and 2505.33' from a northwest line of the Unit/Lease and 855' from the southwest line and 2038' +/- from the southeast line of the Nelson Smith Survey, A-100, Washington County, Texas.

1688-99

CHESAPEAKE OPERATING, INC. March 18, 1999
MILL CREEK OL NO. 1-H UNIT
889.80 ACRES
WASHINGTON & AUSTIN COUNTIES, TEXAS
Nelson Smith Survey, A-100, (Washington County), James Cooper Survey, A-35, (Washington County) and A-27, (Austin County), John Hodge Survey, A-61 (Washington County) and A-49 (Austin County)

TRACT LISTING

TRACT	MINERAL OWNER(S)	ACREAGE	VOLUME/PAGE *
1	Issac L. Toliver, et al	37.08 Acres	281/550
1A	Issac L. Toliver, et al	18.41 Acres	281/550
2	Issac L. Toliver	7.50 Acres	323/650
3	Beulah L. Toliver LeFlore	1.00 Acre	281/552
4	Joy Ann Korth Dickschat, et al	59.72 Acres	550/719
4A	Joy Ann Korth Dickschat, et al	0.85 Acre	550/719
5	Maurine B. Harrison, et al	149.95 Acres	725/394
6	Ralph Latimer	5.61 Acres	345/515
7	Joyce Zientek	42.92 Acres	309/243
8	Nelda Kossie	25.02 Acres	079/334
9	Olan C. Seale	7.08 Acres	450/129
10	Henry C. Williams	0.80 Acre	512/739
11	Robert Gandy	0.88 Acre	505/598
12	Dorothy Mae Iwig, et al	1.32 Acres	502/167
13	LaVerne Blasingame	60.06 Acres	774/533
14	Monte L. Marshall	2.42 Acres	687/798
15	Melvin Krause	7.13 Acres	326/497, 333/003
16	Charles A. Keese	4.95 Acres	326/082
17	Bruce A. Rodenbeck	4.96 Acres	621/771
18	Richard D. Schubel	4.97 Acres	525/764
19	Ben Tegeler	5.00 Acres	341/148
20	Larry G. Robertson	4.98 Acres	696/540
21	Dennis Reimer	0.77 Acre	488/716
22	Jerry B. Hartnett	0.83 Acre	535/057
23	Rachel Hartnett	0.31 Acre	332/363
24	B. L. Hartnett	11.99 Acres	803/255
25	Washington County/State of Texas MF-99333	14.95 Acres	80/574, 80/572 80/571, 80/573 91/013, 91/009 80/442, 91/012 91/014, 91/015
26	Emma Jean Dever	13.03 Acres	710/192
26A	Emma Jean Dever	8.28 Acres	710/192
27	Doris Noerenberg	19.20 Acres	351/236
28	Evelyn B. Hopkins, et al	8.16 Acres	776/809
29	Larry W. Tegeler	16.94 Acres	473/447
30	Roger Pomykal, et al	6.81 Acres	803/733
31	Robert C. Schmidt	12.00 Acres	549/757
32	John Goeke	9.74 Acres	766/358
33	Elijah Harris	12.67 Acres	295/002

CHESAPEAKE OPERATING, INC.
MILL CREEK OL NO. I-H UNIT
TRACT LISTING (Continued)

34	Perneta B. Harris White, et al	27.88 Acres	64/608
35	OMITTED		
36	Raymond Randle, Sr., Trustee	26.24 Acres	563/566
37	Raymond Randle, Sr.	12.16 Acres	706/719
38	Felix Randle, Sr.	11.95 Acres	17/433
39	Ida Sprain Loeffler	51.42 Acres	775/390
40	Billie W. Noerenberg	12.47 Acres	456/013
41	Waldo E. Moeller	6.22 Acres	318/289
42	Glennie W. Roberts	6.35 Acres	714/856
43	Marion J. Morris	0.66 Acre	465/503
44	William Odell Stein	68.91 Acres	357/680 & 587/092
45	Lillie Mae Krause Jones, et al	37.74 Acres	629/309
46	Wilfred W. Krause, et al	37. 19 Acres	629/306
47	State of Texas (Oil & Gas Lse. No. M-100307)	2.32 Acres	Sovereignty
		UNIT TOTAL 889.80 ACRES	

Tract acreages subject to this Unit are from record and/or lease documents or scaled from the Unit Plat.
** All recording references - Volume & Pages (Vol./Pg.) are Deed or Official Records of Washington County, and/or Austin County, Texas.*
Title furnished by Chesapeake Operating, Inc.
Prepared in conjunction with a separate survey plat and description prepared by Donald W. Lampe Professional Land Surveyors, dated March 18, 1999.

1688/99
1688LIS3

CHESAPEAKE OPERATING, INC.
MILL CREEK OL NO. 1-H UNIT
889.80 ACRES
WASHINGTON & AUSTIN COUNTIES, TEXAS

Being 889.80 Acres of land, lying and being situated in Washington and Austin Counties, Texas, part of the Nelson Smith Survey, A-100, (Washington County), part of the James Cooper Survey, A-35, (Washington County) and A-27, (Austin County), and part of the John Hodge Survey, A-61, (Washington County) and A-49, (Austin County), and being more particularly described as follows:

BEGINNING at a 3/8" iron rod found at a fence corner for the north corner hereof and for the north corner of the Doris Noerenberg tract, recorded in Volume 351, Page 236, Deed Records of Washington County, Texas (351/236, D.R.W.C.,Tx.), being an interior corner of the Gladys Hueske tract (351/239, D.R.W.C.,Tx.);

THENCE, along the northeast line of said Noerenberg tract, S 38° 42' 45" E, 2206.47 feet, to the east corner of same in the northwest margin of F. M. Highway 109;

THENCE, along said highway margin, S 33° 06' 34" W, 186.35 feet, to an interior corner hereof in the southeast line of said Noerenberg tract;

THENCE, S 46° 56' 55" E, at 71.07 feet pass the southeast margin of said highway, common with the north corner of the Dorothy Mae Iwig tract (502/167, O.R.W.C.,Tx.), at a total distance of 511.37 feet, to a 1/2" iron rod found on the southwest margin of Shirttail Road for the east corner of the Henry C. Williams tract (512/739, O.R.W.C.,Tx.), common with the north corner of the Olan C. Seale tract (450/129, D.R.W.C.,Tx.);

THENCE, along the southwest margin of Shirttail Road, as follows:
S 47° 22' 39" E, 1391.20 feet, to a 1/2" iron rod found at a fence corner; and
S 47° 19' 35" E, 1152.29 feet, to the east corner of this unit tract in a northwest margin of Randle Hill Road;

THENCE, along the northwest margin of Randle Hill Road, as follows:
S 41° 18' 04" W, 220.23 feet, to a 1/2" iron rod found for the east corner of the Ralph Latimer tract (345/515, D.R.W.C.,Tx.);
S 42° 14' 21" W, 562.42 feet, to a 3/8" iron rod found for the south corner of said Latimer tract;
S 43° 55' 59" E, 16.09 feet, to an exterior corner hereof; and
S 42° 09' 35" W, at 70.74 feet pass a 3/8" iron rod found at a fence corner, at a total distance of 1924.87 feet, to an interior corner hereof and of the Maurine B. Harrison tract (230/491, D.R.W.C.,Tx.) in the center of Williams Creek on the southeast line of said Nelson Smith Survey, common with the northwest line of said James Cooper Survey, a 1/2" iron rod found bears N 42° 09' 35" E, 38.93 feet;

THENCE, along the center of Williams Creek with its meanders, as follows:
S 06° 37' 15" W, 22.70 feet; S 73° 14' 33" W, 23.31 feet; S 39° 15' 04" W, 59.49 feet;
S 17° 03' 35" W, 26.21 feet; S 25° 55' 07" E, 86.04 feet; S 32° 00' 33" E, 113.29 feet;
S 70° 56' 01" E, 79.88 feet; S 88° 17' 38" E, 35.53 feet; and S 40° 19' 46" E, 8.13 feet, to corner in the center of said creek at the north corner of the William Odell Stein tract recorded in Volume 587, Page 092, Official Records of Austin County, Texas (587/092, O.R.A.C.,Tx.), a 1/2" iron rod found on the west bank of said creek for reference bears S 09° 45' 21" W, 40.00 feet;

THENCE, along the northeasterly lines of said Stein tract, common with southwesterly lines of the Faye N. Roeske tract (467/769 O.R.W.C.,Tx. & 472/48 D.R.A.C.,Tx.), as follows:
S 48° 00' 01" E, 1244.57 feet, to a fence corner;
N 42° 06' 18" E, 564.66 feet, to a 1/2" iron rod found at a fence corner; and
S 44° 53' 35" E, 1361.64 feet, to a 1/2" iron rod found at a fence corner for an east corner hereof and of said Stein tract on the northwest margin of Emshoff Road;

CHESAPEAKE OPERATING, INC.
MILL CREEK OL NO. 1-H

THENCE, along the southeast line of said Stein tract and of the Lillie Mae Krause Jones tract (629/309, O.R.A.C.,Tx.), common with the northwest margin of Emshoff Road, as follows:

S 39° 35' 55" W, 401.52 feet;
S 35° 54' 27" W, 159.77 feet, to a 1/2" iron rod found at a fence corner;
S 35° 17' 08" W, 260.25 feet, to a fence corner;
S 53° 44' 21" E, 38.86 feet, to an iron pipe found at a fence corner; and
S 39° 55' 43" W, 364.76 feet, to a 1/2" iron rod found for the south corner of said Jones tract, common with the east corner of the Wilfred W. Krause tract (629/306, O.R.A.C.,Tx.) in the northwest line of the Marvin H. Dierking tract (460/534, D.R.A.C.,Tx.);

THENCE, along southeasterly lines of said Krause tract, common with northwesterly lines of said Dierking tract, as follows:

S 39° 28' 03" W, 353.01 feet, to an iron pipe found at a fence corner;
S 52° 16' 33" W, 243.05 feet, to a 1/2" iron rod found at a fence corner;
N 63° 55' 14" W, 983.47 feet, to a 1/2" iron rod found at a fence corner; and
S 41° 45' 42" W, at 1573.02 feet pass a pinched top pipe found at a fence corner, at a total distance of 1592.15 feet, to corner on the north bank of East Mill Creek for a southerly corner hereof;

THENCE, along the north bank of East Mill Creek with its meanders, as follows:

N 85° 19′ 34″ W, 14.30 feet; S 57° 41′ 43″ W, 61.88 feet; N 66° 37′ 34″ W, 30.78 feet;
N 12° 41′ 53″ W, 127.52 feet; N 20° 26′ 47″ W, 64.57 feet; S 49° 16′ 05″ W, 105.46 feet;
N 53° 34′ 39″ W, 130.32 feet; N 57° 23′ 07″ W, 54.06 feet; N 82° 59′ 37″ W, 37.26 feet;
S 47° 36′ 10″ W, 56.02 feet; S 01° 50′ 59″ W, 67.03 feet; S 51° 34′ 59″ E, 26.19 feet;
S 20° 37′ 00″ E, 29.32 feet; S 70° 16′ 48″ W, 94.71 feet; S 36° 57′ 09″ W, 48.42 feet;
S 65° 09′ 24″ W, 113.72 feet; S 55° 00′ 59″ W, 80.59 feet; S 73° 52′ 51″ W, 47.25 feet;
N 61° 46′ 45″ W, 40.79 feet; N 11° 04′ 09″ W, 97.48 feet; N 07° 15′ 12″ E, 47.65 feet;
N 63° 42′ 52″ E, 31.66 feet; N 14° 29′ 07″ E, 33.70 feet; N 31° 22′ 43″ W, 32.00 feet;
N 49° 01′ 54″ W, 57.95 feet; S 57° 11′ 00″ W, 62.05 feet; S 21° 31′ 05″ W, 88.82 feet;
S 59° 16′ 19″ W, 33.61 feet; N 51° 29′ 49″ W, 89.46 feet; S 66° 54′ 24″ W, 51.63 feet;
S 05° 02′ 48″ W, 116.97 feet; S 71° 08′ 19″ W, 117.83 feet; N 77° 44′ 05″ W, 25.49 feet;
N 18° 22′ 53″ W, 35.39 feet; N 03° 24′ 41″ E, 106.39 feet; N 49° 55′ 39″ W, 68.56 feet;
S 69° 28′ 19″ W, 190.03 feet; S 41° 00′ 52″ W, 46.58 feet; N 80° 17′ 35″ W, 46.57 feet;
N 17° 38′ 37″ W, 50.17 feet; N 07° 57′ 13″ E, 147.39 feet; N 29° 30′ 43″ E, 37.45 feet;
N 23° 07′ 00″ W, 60.07 feet; N 74° 30′ 17″ W, 107.47 feet; N 08° 41′ 05″ E, 59.63 feet;
N 59° 43′ 52″ W, 118.50 feet; N 06° 36′ 39″ W, 67.05 feet; N 15° 56′ 20″ W, 126.17 feet;
S 72° 20′ 23″ W, 96.24 feet; N 45° 24′ 46″ W, 89.50 feet; N 55° 22′ 00″ E, 83.45 feet;
N 23° 44′ 05″ W, 69.18 feet; N 13° 16′ 47″ E, 46.90 feet; N 29° 52′ 53″ W, 80.18 feet;
N 64° 25′ 28″ W, 64.86 feet; S 60° 17′ 08″ W, 82.87 feet; N 60° 54′ 06″ W, 14.92 feet;
N 17° 45′ 02″ W, 98.25 feet; N 00° 51′ 56″ E, 30.23 feet; N 62° 13′ 36″ E, 93.70 feet;
N 06° 46′ 14″ W, 115.76 feet; N 30° 50′ 49″ W, 166.33 feet; N 42° 37′ 25″ W, 56.67 feet;
N 07° 19′ 47″ W, 52.81 feet; N 33° 00′ 40″ W, 61.19 feet; N 44° 44′ 36″ W, 101.33 feet;
N 10° 29′ 59″ W, 113.29 feet; and N 24° 59′ 50″ W, 82.15 feet, to corner on the northeast bank of Mill Creek;

THENCE, as follows:

N 77° 47' 43" W, 119.17 feet; S 81° 25' 17" W, 28.27 feet; N 77° 27' 18" W, 138.81 feet; and
N 38° 18' 13" W, 129.96 feet, to a 1/2" iron rod found at a fence corner for the south corner of the Georgia A. Toliver tract (281/550, D.R.W.C.,Tx.);

THENCE, along southwest lines of said Toliver tract, the Marion J. Morris tract (465/503,O.R.W.C.,Tx.), and crossing F. M. Highway 109, as follows:

N 38° 18' 13" W, 292.45 feet;
N 38° 38' 08" W, 396.36 feet, to a 1/2" iron rod found;

CHESAPEAKE OPERATING, INC.
MILL CREEK OL NO. 1-H

N 38° 01' 50" W, 450.17 feet, to a 3/8" iron rod found;
N 38° 15' 38" W, 301.77 feet, to a 3/8" iron rod found;
N 39° 58' 41" W, 37.56 feet, to a 1/2" iron rod found;
N 53° 33' 02" W, 69.33 feet; and
N 60° 49' 34" W, 80.80 feet, to the south corner of the Marion J. Morris tracts (460/376, D.R.W.C.,Tx. & 465/503, O.R.W.C.,Tx.) in a northwest margin of F.M. Highway 109, a 3/8" iron rod found bears S 60° 58' 21"E, 2.32 feet;

THENCE, along the northwest margin of F.M. Highway 109, as follows:
N 37° 14' 34" E, 169.61 feet; N 52° 45' 26" W, 35.00 feet; N 37° 14' 34" E, 805.56 feet; N 75° 25' 43" W, 27.09 feet; and N 37° 14' 34" E, 21.61 feet, to corner on the northeast bank of Mill Creek on the northwest margin of F.M. Highway 109;

THENCE, along the northeast bank of East Mill Creek with its meanders, as follows:

N 83° 17' 07" W, 30.05 feet;	N 74° 26' 53" W, 136.82 feet;	N 59° 37' 22" W, 84.91 feet;
S 88° 32' 06" W, 69.60 feet;	N 71° 14' 34" W, 120.58 feet;	N 78° 21' 48" W, 198.33 feet;
N 37° 32' 56" W, 75.96 feet;	N 02° 10' 07" W, 61.30 feet;	N 31° 17' 32" W, 149.12 feet;
N 07° 29' 23" W, 106.31 feet;	N 53° 45' 17" W, 135.17 feet;	N 28° 19' 17" W, 133.63 feet;
N 08° 38' 54" E, 76.81 feet;	N 35° 34' 03" W, 76.15 feet;	N 61° 46' 23" W, 142.64 feet;
N 35° 47' 59" W, 42.15 feet;	N 06° 31' 58" W, 64.33 feet;	N 47° 20' 15" W, 42.17 feet;

N 76° 38' 55" W, 56.53 feet; and S 88° 02' 38" W, 73.80 feet, to a west corner hereof and of the Frank Randle tract (17/433, D.R.W.C.,Tx.);

THENCE, along the northwest line of said Randle tract and a southeast line of the Ida Sprain (Loeffler) tract (104/476, D.R.W.C.,Tx.), as follows:
N 41° 54' 05" E, 2629.88 feet, to a fence corner at an interior corner of said Sprain tract; and
N 42° 08' 19" E, 1167.15 feet, to a fence corner found for an interior corner hereof and for the south corner of the Billie W. Noerenberg tract (456/013, D.R.W.C.,Tx.);

THENCE, along southwest lines of said Noerenberg tract, the Waldo Moeller tract (318/289, D.R.W.C.,Tx.), and the Glennie W. Roberts tract (714/856, O.R.W.C.,Tx.), as follows:
N 47° 49' 30" W, 363.30 feet, to a 1/2" iron rod found at a fence corner;
N 47° 16' 53" W, 181.62 feet, to a found planted stone; and
N 42° 08' 19" E, 1167.15 feet, to a fence corner for an interior corner hereof and for the south corner of the Billie W. Noerenberg tract (456/013, D.R.W.C., Tx.);

THENCE, along northwesterly lines of said Roberts tract and of said Doris Noerenberg tract, as follows:
N 42° 07' 01" E, 1487.92 feet, to a 3/8" iron rod found at a fence corner;
S 44° 37' 08" E, 10.25 feet, to a 3/8 iron rod found at a fence corner;
N 41° 31' 42" E, 536.90 feet, to a 3/8" iron rod found at a fence corner; and
N 43° 44' 19" E, 10.57 feet, to the PLACE OF BEGINNING, containing 889.80 acres of land.

Bearings are based on True North obtained by GPS observations.
Tract acreages subject to this Unit are from record and/or lease documents or scaled from the Unit Plat.
Prepared by Donald W. Lampe Professional Land Surveyors.

Dated this 18th day of March, 1999.

Donald W. Lampe
R.P.L.S. No. 1732

1688-99
1688DES5

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 21 1999 3

Beth Rothermel, County Clerk
Washington County, Texas

FILED FOR RECORD
WASHINGTON COUNTY, TX
99 JUL 20 AM 8:41
BETH A. ROTHERMEL
WASHINGTON CO. CLERK

M-99333 (46)

UNIT DESIGNATION

9/26/00

10-11-00

DO NOT DESTROY

UNIT AGREEMENT MEMO

Unit No. 3129

Operator Chesapeake Exploration LTD
Unit Name Mill Creek Unit
County Austin - Washington Counties
Effective Date Dec 11, 2001
Unitized for: Oil _____ Gas _____ Oil & Gas ✓

1. M.F. No. 100307 Tr.# 47
Lease Acres: 2.32 ÷ Total Unit Acres 889.8 =
Tract Participation: 0.2607 x
Royalty Decimal: * .199847 =
Unit Royalty Decimal: 0.0521 %
*Royalty Reduction: Yes ✓ No _____

2. M.F. No. 99333 Tr.# 25
Lease Acres: 1495 ÷ Total Unit Acres 889.8 =
Tract Participation: 1.6802 x
Royalty Decimal: * 1.666667 =
Unit Royalty Decimal: .002800
*Royalty Reduction: Yes ✓ No _____

3. M.F. No. _____ Tr.# _____
Lease Acres: _____ ÷ Total Unit Acres _____ =
Tract Participation: _____ x
Royalty Decimal: * _____ =
Unit Royalty Decimal: _____
*Royalty Reduction: Yes _____ No _____

4. M.F. No. _____ Tr.# _____
Lease Acres: _____ ÷ Total Unit Acres _____ =
Tract Participation: _____ x
Royalty Decimal: * _____ =
Unit Royalty Decimal: _____
*Royalty Reduction: Yes _____ No _____

Remarks:

Prepared by: Steve Valdez	
Data Base Update M. Silva	Date 4/15/02
GIS AA	Date 4/24/02
Mineral Maps	Date

GLO-275-08-2001

POOLING COMMITTEE REPORT

TO: SCHOOL LAND BOARD PA#: 01-104
DATE OF BOARD MEETING: December 11, 2001
EFFECTIVE DATE: December 11, 2001

APPLICANT: Chesapeake Exploration Ltd. Prnshp.
OPERATOR: same COUNTY: Austin & Washington

UNIT NAME: Mill Creek Unit FIELD: Giddings
(Austin Chalk, Gas)

STATE LEASE(S) IN UNIT

Lease *Type	State Number	State Royalty	Expiration Date	Term Year	Acres	Acres In Unit	Lessee of Record	Royalty Participation
SF	M-100307	¼ **	HBP	3	35	2.32	Chesapeake	0.0521%

* SF = State Fee * RAL = Relinquishment Act * FR = Free Royalty

** Subject to variable royalty provision in the lease

PRIVATE ACRES: 887.48
STATE ACRES: 2.32
TOTAL UNIT ACRES: 889.80

Type Unit:
Permanent x
Temporary _____
Term _____

Unitized for:
Oil _____
Gas _____
Both x

Well Location:
State Land _____
Private Land x

Participation:
Basis Surface acreage
State Acreage 0.2607%
State Unit Royalty 0.0521%

Railroad Commission Rules:
Statewide _____
Special Field Rules x
Spacing 1,760 Acres

Holds only acreage included in the unit past primary term: Yes x No _____

REMARKS:

- Chesapeake Exploration Limited Partnership is requesting permanent oil and gas pooling of the Austin Chalk Formation defined as the stratigraphic interval or its correlative equivalent occurring from 15,168 feet TVD to 15,533 feet TVD as seen on the unit well log.

- The applicant completed a dual lateral horizontal gas well in the Austin Chalk Formation on October 23, 1998. The well has produced approximately 230 MMCF of gas through September 2001.

- If the unit is approved the applicant will earn a reduced royalty to 20% on the state lease making the state's unit royalty participation 0.0521%.

- The state has participated from the date of first production.

- Horizontal severance is provided for in the state lease.

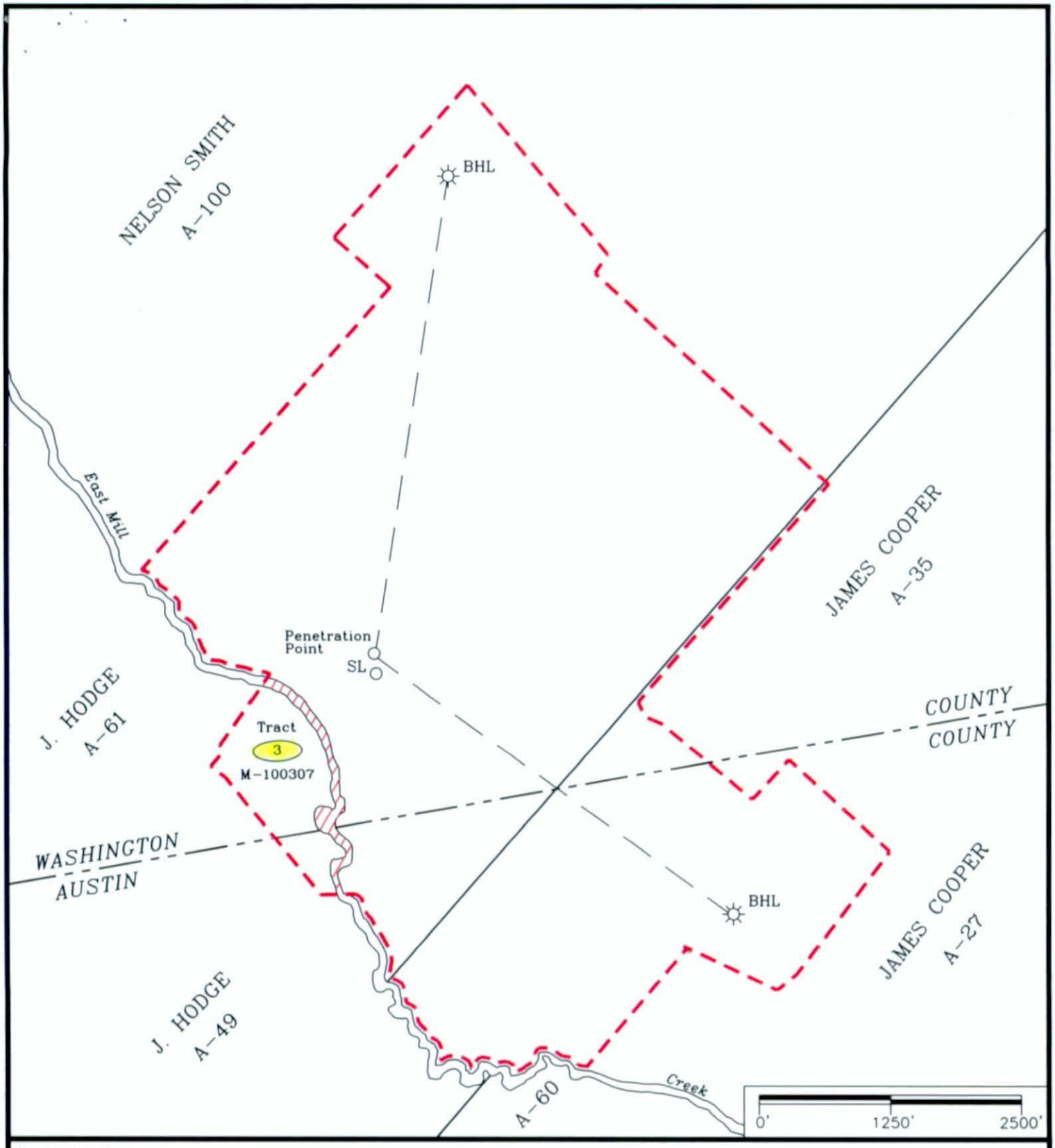
- APPROVAL BY THE SCHOOL LAND BOARD IN NO WAY RATIFIES ANY OF THE STATE LEASES INCLUDED IN THIS PROPOSED UNIT.

POOLING COMMITTEE RECOMMENDATION:

- The Pooling Committee recommends Board approval of a permanent oil and gas unit under the above-stated provisions.

Jeffee Martinez-Vargas — 11/29/01
Jeffee Martinez-Vargas — Date

Peter A. Boone — 11.29.01
Peter A. Boone — Date



01-104\ft\12-01

CHESAPEAKE EXPLORATION LTD. RNSHP.

MILL CREEK UNIT

GIDDINGS (AUSTIN CHALK, GAS)

M-100307

AUSTIN & WASHINGTON COUNTIES

POOLING AGREEMENT
CHESAPEAKE EXPLORATION LTD. PARTNERSHIP
MILL CREEK UNIT
AUSTIN AND WASHINGTON COUNTIES, TEXAS

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Chesapeake Exploration Ltd. Partnership, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

PURPOSES: 1.

This Pooling Agreement ("Agreement") is made for the purposes of conservation and utilization of the pooled mineral, to prevent waste, to facilitate orderly development and to preserve correlative rights. To such end, it is the purpose of this Agreement to effect equitable participation within the unit formed hereby. This Agreement is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of the pooled mineral and in its interpretation and application shall, in all things, be subject thereto.

UNIT DESCRIPTION: 2.

The oil and gas leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C".

MINERAL POOLED: 3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit in the Austin Chalk Formation defined as the stratigraphic interval or its correlative equivalent occurring from 15,168 feet true vertical depth to 15,533 feet true vertical depth as seen on the log of the Chesapeake Exploration Ltd. Partnership, Mill Creek Unit No. 1 well ("unitized interval").

POOLING AND EFFECT: 4.

The parties hereto commit all of their interests which are within the unit to the extent and as above described into said unit and unitize and pool hereunder the separate tracts described on the attached Exhibit "B", for and during the term hereof, so that such pooling or unitization shall have the following effect:

(a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.

(b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional well drilled under the unitized area from a surface location on adjacent or adjoining lands not included within the boundaries of the unitized area, such operations shall be considered to have been commenced on the unitized area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the unitized area and production of oil or gas from the unitized area through any directional well surfaced on adjacent or adjoining land or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations, as the case may be, on the unitized area for all purposes under this Agreement. Nothing in this Agreement is intended or shall be construed as granting to Lessee any leasehold interest, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, easements, or other rights which the lessee, operator or other interest owner in the unitized area may have lawfully acquired from the state or others.

(c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement. Provided that, if any State Lease described in Exhibit "A" attached hereto contains provision 4(E) VARIABLE ROYALTY, and a unit well is not located on such State Lease and a reduced royalty has not otherwise been earned, then a reduced royalty may be earned by unit production, but it shall only apply to the acreage included within the unit. Acreage outside of the unitized area must earn a reduced royalty independently.

(d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis

shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.

(e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners.

(f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.

(g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 889.80 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.

(h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other Lawful authority, from any one or more wells completed thereon.

(i) There shall be no obligation to drill internal offsets to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.

(j) Should this Agreement terminate for any cause, in whole or in part, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION: 5.

For the purpose of computing the share of production of the pooled mineral to which each interest owner shall be entitled from the pooled unit, there shall be allocated to each tract committed to said unit that pro rata portion of the pooled mineral produced from the pooled unit which the number of surface acres covered by each such tract and included in the unit bears to the total number of surface acres included in said unit, and the share of production to which each interest owner is entitled shall be computed on the basis of such owner's interest in the production so allocated to each tract.

TAKING ROYALTY IN KIND: 6.

Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this pooling or unitization agreement be made in kind, without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

FULL MARKET VALUE: 7.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

(a) As to royalty on oil by (1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) gross proceeds of the sale thereof, whichever is the greater;

(b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Agreement "field" means the general area in which the lands covered hereby are located.)

EFFECTIVE DATE: 8.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of December 11, 2001; however, it is agreed that the State will participate in production from the Unit well or wells on a unitized basis from the date the pooled mineral was or is first produced.

TERM: 9.

This Agreement shall remain in effect so long as the pooled mineral is being produced from said unit, or so long as all leases included in the pooled unit are maintained in force by payment of delay rentals or shut-in oil or gas well royalties, by drilling or rework, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof which are contained in any State lease covered by this Agreement.

STATE LAND: 10.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code having been duly considered, made and obtained.

DISSOLUTION: 11.

The unit covered by this Agreement may be dissolved by Lessee, his heirs, successors or assigns, by an instrument filed for record in Austin and Washington Counties, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production or upon such other date as may be approved by the School Land Board and mutually agreed to by the undersigned parties, their successors or assigns.

RATIFICATION/WAIVER: 12.

Nothing in this Agreement, nor the approval of this Agreement by the School Land Board, nor the execution of this Agreement by the Commissioner shall: (1) operate as a ratification or revivor of any State lease that has expired, terminated, or has been released in whole or in part or terminated under the terms of such State lease or the laws applicable thereto; (2) constitute a waiver or release of any claim for money, oil, gas or other hydrocarbons, or other thing due to the State by reason of the existence or failure of such lease; (3) constitute a waiver or release of any claim by the State that such lease is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or failure of consideration; (4) constitute a confirmation or recognition of any boundary or acreage of any tract or parcel of land in which the State has or claims an interest; or (5) constitute a ratification of, or a waiver or release of any claim by the State with respect to any violation of a statute, regulation, or any of the common laws of this State, or any breach of any contract, duty, or other obligation owed to the State.

COUNTERPARTS: 13.

This Agreement may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement upon the respective dates indicated below.

Date Executed 2-12-2002

STATE OF TEXAS

Legal
Content
Geology
Executive

By: David Dewhurst
David Dewhurst, Commissioner
of the General Land Office

Date Executed _____

CHESAPEAKE EXPLORATION LTD. PARTNERSHIP

By: CHESAPEAKE OPERATING, INC.,
General Partner

By: _____
Henry J. Hood, Senior Vice President-
Land and Legal
Its: _____

CERTIFICATE

I, Judy Powell, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 11th day of December, 2001, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 12 day of March, 2002.

Judy Powell
Secretary of the School Land Board

STATE OF OKLAHOMA

COUNTY OF OKLAHOMA

This instrument was acknowledged before me on January 25, 2002, by Henry J. Hood, Senior Vice President-Land and Legal of Chesapeake Operating, Inc. general partner on behalf of Chesapeake Exploration Ltd. Partnership.

SANDRA L. MATHIS NOTARY PUBLIC IN AND FOR STATE OF OKLAHOMA OKLAHOMA COUNTY

Sandra L. Mathis
Notary Public in and for the
State of Oklahoma

My Commission Expires: May 5, 2002

Date Executed _____

CHESAPEAKE EXPLORATION LTD. PARTNERSHIP

By: CHESAPEAKE OPERATING, INC.,
General Partner

By: _____

Henry J. Hood, Senior Vice President-
Its: Land and Legal

CERTIFICATE

I, Judy Powell, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 11th day of December, 2001, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the _____ day of _____, 200__.

_____
Secretary of the School Land Board

STATE OF OKLAHOMA
COUNTY OF OKLAHOMA

This instrument was acknowledged before me on January 25, 2002, by Henry J. Hood, Senior Vice President-Land and Legal of Chesapeake Operating, Inc. general partner on behalf of Chesapeake Exploration Ltd. Partnership.

SANDRA L. MATHIS NOTARY PUBLIC IN AND FOR STATE OF OKLAHOMA OKLAHOMA COUNTY

_____
Notary Public in and for the
State of Oklahoma
My Commission Expires: May 5, 2002

Date Executed: 2-28-02

CHESAPEAKE INVESTMENTS

By: CHESAPEAKE INVESTMENTS

By: _____

Aubery K. Mclendon

Its: Sole General Partner

AMP

CERTIFICATE

I, Judy Powell, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 11th day of December, 2001, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this____ the day of, _____, 2002

_____

Secretary of the School Land Board

STATE OF OKLAHOMA

COUNTY OF OKLAHOMA

This instrument was acknowledged before me on Feburary 28, 2002, by Aubrey K. McClendon, Sole General Partner of Chesapeake Investments on behalf of Chesapeake Investment

_____

Notary Public in and for the
State of Oklahoma

My Commission Expires: 3-23-04

ANGELA PORTS
CANADIAN COUNTY

Date Executed: 2-28-02

TLW INVESTMENTS, INC.

By: TLW INVESTMENTS, INC.

By: _____

Tom L. Ward

Its: President

AMP

CERTIFICATE

I, Judy Powell, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 11th day of December, 2001, the foregoing instrument was presented to and approved by said Board under the provisions of Sub-chapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this____ the day of, _____, 2002

_____

Secretary of the School Land Board

STATE OF OKLAHOMA

COUNTY OF OKLAHOMA

This instrument was acknowledged before me on February, 28, 2002, by Tom L. Ward, President of TLW Investments, Inc. on behalf of TLW Investment, Inc.

Angela Ports

Notary Public in and for the
State of Oklahoma

My Commission Expires: 3/23/04

ANGELA PORTS NOTARY PUBLIC COMM EXP. 03-23-2004 STATE OF OKLAHOMA CANADIAN COUNTY

Date Executed: 02-28-02

Westport Oil and Gas Company L.P.

By: Westport Oil & Gas Company L.P.
(F.K.A.) Belco Energy Corp.

By: Joe Callaway

Its: Attorney-in-Fact

CERTIFICATE

I, Judy Powell, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 11th day of December, 2001, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this 22 the day of, March, 2002

Judy Powell
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on February 28, 2002, by Joe Callaway, Attorney-in-Fact

of Westport Oil and Gas Company L.P. on behalf of Westport Oil and Gas Company L.P.

D. J. Graham

Notary Public in and for the
State of Texas

My Commission Expires:

D. J. GRAHAM
MY COMMISSION EXPIRES
December 7, 2002

20-81-2

EXHIBIT "A"

ATTACHED HERETO AND MADE A PART OF THAT CERTAIN DECLARATION OF POOLED UNIT DATED EFFECTIVE AS OF JULY 19, 1998
INSOFAR AND ONLY INSOFAR AS THE LEASES PERTAIN TO THE MILL CREEK UNIT

LESSOR	LEGAL DESCRIPTION (FROM LEASE)	GROSS ACRES ON LEASE	LESSEE	LEASE NO.	RECORDED VOL/PAGE	LEASE DATE	NOTES
Blasingame, George R /LaVerne	60.462 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	60.4662	COI	TX1671392-000	774/533	01/05/95	
Craven, Doris Virginia	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-003	895/398	04/01/98	
Dever, Emma Jean	21.79 acres, more or less, out of the Nelson Smith Survey, A-100 and the John Hodge Survey, A-61, Washington County, Texas	21.7900	COI	TX1671393-000	785/518	04/12/95	
Dickschat, Joy Ann Korth/Raymond	78.91 acres, more or less, out of the Nelson Smith Survey, A-100 Washington County, Texas; and the John Hodge Survey, A-49 and the James Cooper Survey, A-27 Austin County, Texas	78.9100	COI	TX1671052-004	890/55	03/04/98	Lease also recorded under File #985019 in Austin County, Texas
Dockery, Virginia E. Harris	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-007	784/755	03/29/95	Extension of Lease dated 07/07/98
Gandy, Robert/Roann	.878 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	0.8780	COI	TX1670531-000	803/235	08/25/95	Extension of Lease dated 07/07/98, recorded - 899/069
Goeke, John	9.718 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	9.7180	COI	TX1670397-000	799/555	07/25/95	Amendment of Lease dated 06/15/98, recorded - 899/024
Harris, Curtis	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	L28709	924/926	04/01/98	
Harris, Elijah	12.69 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	12.6900	COI	TX1671394-000	784/123	03/29/95	
Harris, Elijah	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-008	784/120	03/29/95	

LESSOR	LEGAL DESCRIPTION (FROM LEASE)	GROSS ACRES ON LEASE	LESSEE	LEASE NO.	RECORDED VOL/PAGE	LEASE DATE	NOTES
Harris, Eula Mae	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-000	802/535	03/29/95	
Harris, Peter (Jr.)	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1673854-000	923/912	04/01/98	
Harrison, Maurine B.	150.056 acres, more or less, out of the Nelson Smith Survey, A-100 and the James Cooper Survey, A-35, Washington County, Texas; and the James Cooper Survey, A-27, Austin County, Texas	150.0560	COI	TX1670859-000	775/379	12/17/94	Lease also recorded at 725/394 in Austin County, Texas
Hartnett, B.L./Charlene	12.077 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	12.0770	COI	TX1670570-000	803/255	08/04/95	Extension of Lease dated 07/07/98, recorded - 899/79
Hartnett, Jerry B./Kim A.	.831 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	0.8310	COI	TX1670646-000	806/759	09/12/95	
Hartnett, Rachel	.315 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	0.3150	COI	TX1670645-000	820/882	09/12/95	
Holman, Ruby L.	56.47 acres, more or less, out of the Nelson Smith Survey, A-100 and the John Hodge Survey, A-61, Washington County, Texas; and the John Hodge Survey, A-49, Austin County, Texas	56.4700	COI	TX1670324-003	797/794	07/12/95	Lease also recorded at File #983900 in Austin County, Texas Extension of Lease dated 07/20/98 recorded - 901/230 (Washington County)
Hopkins, Evelyn B. (a/k/a Evelyn Brown Hopkins), Individually and as Trustee of the Evelyn B. Hopkins Trust under the Will of Roscoe F. Hopkins, deceased	8.19 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	8.1900	COI	TX1671003-000	782/496	03/08/95	
Iwig, Dorothy Mae; and Iwig, Keith Russell/Christine	1.324 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	1.3240	COI	TX1670649-000	804/36	09/11/95	Extension of Lease dated 07/20/98 recorded - 901/218
Johnson, Bessie Mae Kesee	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-011	906/09	04/01/98	
Jones, Lillie Mae Krause	36.842 acres, more or less, out of the James Cooper Survey, A-27, Austin County, Texas	36.8420	J. Burgin & Assoc.		736/227	07/12/95	Recording information refers to Austin County, Texas

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LESSOR	LEGAL DESCRIPTION (FROM LEASE)	GROSS ACRES ON LEASE	LESSEE	LEASE NO.	RECORDED VOL/PAGE	LEASE DATE	NOTES
Keese, Charles A./Nelda	4.968 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	4.9680	COI	TX1670216-000	801/177	07/10/95	
Kesee, Bobby Wayne	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-012	906/012	04/01/98	
Kesee, John D.	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-013	906/015	04/01/98	
Kesee, Lee Roy	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-006	899/048	04/01/98	
Kossie, Nelda	25.0 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	25.0000	COI	TX1671395-000	778/105	10/31/94	
Krause, Melvin/Charlyn C.	7.142 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	7.1420	COI	TX1670872-000	770/743	12/10/94	
Krause, Wilfred W./Marjone A.	36.842 acres, more or less, out of the James Cooper Survey, A-27, Austin County, Texas	36.8420	J. Burgin & Assoc.		736/165	07/12/95	Recording information refers to Austin County, Texas
Latimer, Ralph/Elizabeth	5.62 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	5.6200	COI	TX1670489-000	764/212	10/17/94	
LeFlore, Beulah Lee Toliver	56.47 acres, more or less, out of the Nelson Smith Survey, A-100 and the John Hodge Survey, A-61, Washington County, Texas; and the John Hodge Survey, A-49, Austin County, Texas	56.4700	COI	TX1670324-001	805/686	07/12/95	Lease also recorded at File #983895 in Austin County, Texas Extension of Lease dated 07/16/98 recorded - 901/232 (Washington County)
LeFlore, Beulah Lee Toliver	1.0 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	1.0000	COI	TX1670339-000	799/492	07/12/95	Extension of Lease dated 06/26/98 recorded - 898/172
Loeffler, Ida Sprain (f/k/a Ida Sprain)	184.245 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	184.2450	COI	TX1671419-000	775/390	01/23/95	
Marshall, Monte L./Rebecca	2.431 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	2.4310	COI	TX1670583-000	802/575	08/19/95	Extension of Lease dated 07/07/98 recorded - 899/85

LESSOR	LEGAL DESCRIPTION (FROM LEASE)	GROSS ACRES ON LEASE	LESSEE	LEASE NO.	RECORDED VOL/PAGE	LEASE DATE	NOTES
Moeller, Waldo E. (Individually and as Independent Executor of the Estate of Jeanette Moeller, deceased)	218.266 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	218.2660	COI	TX1670632-000	770/170	10/26/94	Amendment of Lease dated 3/24/99, recorded - 926/54
Morris, Marion J.	31.4451 acres, more or less, out of the John Hodge Survey, A-61, Washington County, Texas	31.4451	COI	TX1671319-001	890/048	03/04/98	
Noerenberg, Billie W	12.439 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	12.4390	COI	TX1670497-000	764/113	10/15/94	
Noerenberg, Doris	19.21 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	19.2100	COI	TX1670495-000	764/205	10/15/94	
Pieper, Kenneth R./Ann J.	18.544 acres, more or less, out of the John Hodge Survey, A-61, Washington County, Texas	18.5440	UPRC	TX1671420-001	788/702	06/30/95	Memorandum of Lease dated 3/12/98 recorded - 886/790
Pomykal, Roger/Elinor	6.793 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	6.7930	COI	TX1670989-000	781/218	02/15/95	
Randle, Felix (Sr.)	12.67 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	12.6700	COI	TX1671315-000	891/328	03/19/98	
Randle, Raymond (Sr.), Individually and as Trustee of the Raymond Randle, Sr. Revocable Trust dated May 27, 1987	25.0 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	25.0000	COI	TX1670621-000	804/01	08/31/95	Extension of Lease dated 07/07/98 recorded - 899/91
Randle, Raymond (Sr.)	12.39 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	12.3900	COI	TX1670622-000	804/04	08/31/95	Extension of Lease dated 07/07/98 recorded - 899/92
Reimer, Dennis/Sherry Lynn	.78 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	0.7800	COI	TX16700647-000	806/768	09/12/95	
Reynolds, Myrtle Harris	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-005	895/392	04/01/98	
Roberts, Glennie W. (Jr.)	83.48 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	83.4800	COI	TX1671418-000	784/764	04/05/95	

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LESSOR	LEGAL DESCRIPTION (FROM LEASE)	GROSS ACRES ON LEASE	LESSEE	LEASE NO.	RECORDED VOL/PAGE	LEASE DATE	NOTES
Robertson, Larry G. (a/k/a Larry Gene Robertson)	5.0 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	5.0000	COI	TX1670893-000	809/243	09/14/95	
Rodenbeck, Bruce A.	4.968 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	4.9680	COI	TX1670171-000	793/01	05/27/95	
Schmidt, Robert C./Rosanne	11.979 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	11.9790	COI	TX1670215-000	797/156	05/27/95	
Schubel, Richard Donald/Andrea Dee	5.0 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	5.0000	COI	TX1671064-000	807/689	03/09/95	
Seale, Olan C./Walline	7.0 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	7.0000	COI	TX1671396-000	773/510	01/05/95	
Smoots, Charles	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-001	891/331	04/01/98	
Smoots, Clifford (Sr.)	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-002	891/333	04/01/98	
Sommer, John (Sr.)	78.91 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas; and the John Hodge Survey, A-49 and the James Cooper Survey, A-27, Austin County, Texas	78.9100	COI	TX1671052-002	789/227	05/05/95	Lease also recorded at 753/729 in Austin County, Texas
Sommer, John (Jr.)	78.91 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas; and the John Hodge Survey, A-49 and the James Cooper Survey, A-27, Austin County, Texas	78.9100	COI	TX1671052-003	790/397	05/05/95	Lease also recorded at 753/721 in Austin County, Texas
Sommer, Richard	78.91 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas; and the John Hodge Survey, A-49 and the James Cooper Survey, A-27, Austin County, Texas	78.9100	COI	TX1671052-001	790/391	05/05/95	Lease also recorded at 753/725 in Austin County, Texas

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LESSOR	LEGAL DESCRIPTION (FROM LEASE)	GROSS ACRES ON LEASE	LESSEE	LEASE NO.	RECORDED VOL/PAGE	LEASE DATE	NOTES
State of Texas - M99333	14.95 acres, more or less, out of the Nelson Smith Survey, A-100 and the James Cooper Survey A-35, Washington County, Texas; and the James Cooper Survey, A-27, Austin County, Texas	14.9500	COI	TX1671489-000	918/36	09/01/98	Lease also recorded at File #986775 in Austin County, Texas Amendment of Lease dated 05/01/98
State of Texas - M1C0307	35.0 acres, more or less, out of the Nelson Smith Survey, A-100 and the John Hodge Survey A-61, Washington County, Texas; and the John Hodge Survey, A-49, Austin County, Texas	35.0000	UPRC		12/15/98	10/06/98	Lease also recorded at File #987746 in Austin County, Texas
Stein, William Odell/Marilyn F	181.801 acres, more or less, out of the A. Larrison Survey, A-65 and the James Cooper Survey, A-27, Austin County, Texas; and the James Cooper Survey, A-35, Washington County, Texas	181.8010	J. Burgin & Assoc.	TX1671437-000	812/308	07/20/95	Lease also recorded at 736/417 in Austin County, Texas
Tegeler Ben/Hilda	5.0 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	5.0000	COI	TX1671063-000	787/222	04/28/95	
Tegeler, Larry W./Julie	21.678 acres, more or less, out of the Nelson Smith Survey, A-100 and the C. C. Givens Survey, A-48, Washington County, Texas	21.6780	COI	TX1671397-000	776/112	01/28/95	
Toliver, Cleo L.	56.47 acres, more or less, out of the Nelson Smith Survey, A-100 and the John Hodge Survey A-61, Washington County, Texas; and the John Hodge Survey, A-49, Austin County, Texas	56.4700	COI	TX1670324-002	797/764	07/12/95	Lease also recorded at File #983897 in Austin County, Texas Extension of Lease dated 07/16/98 recorded - 901/231
Toliver, Issac L.	56.47 acres, more or less, out of the Nelson Smith Survey, A-100 and the John Hodge Survey A-61, Washington County, Texas; and the John Hodge Survey, A-49, Austin County, Texas	56.4700	COI	TX1670324-000	798/805	07/12/95	Lease also recorded at File #983896 in Austin County, Texas Extension of Lease dated 07/16/98 recorded - 901/233
Toliver, Issac L.	7.9 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	7.9000	COI	TX1670338-000	798/811	07/11/95	Extension of Lease dated 06/26/98 recorded - 898/171

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LESSOR	LEGAL DESCRIPTION (FROM LEASE)	GROSS ACRES ON LEASE	LESSEE	LEASE NO.	RECORDED VOL/PAGE	LEASE DATE	NOTES
Toliver, James	56.47 acres, more or less, out of the Nelson Smith Survey, A-100 and the John Hodge Survey A-61, Washington County, Texas; and the John Hodge Survey, A-49, Austin County, Texas	56.4700	COI	TX1670324-004	802/602	07/12/95	Lease also recorded at File #983899 in Austin County, Texas Extension of Lease dated 07/16/98 recorded - 901/234
Toliver, Patricia	56.47 acres, more or less, out of the Nelson Smith Survey, A-100 and the John Hodge Survey A-61, Washington County, Texas; and the John Hodge Survey, A-49, Austin County, Texas	56.4700	COI	TX1670324-006	806/748	07/12/95	Lease also recorded at File #983894 in Austin County, Texas Extension of Lease dated 07/16/98 recorded - 901/236
Toliver, Sherlon R	56.47 acres, more or less, out of the Nelson Smith Survey, A-100 and the John Hodge Survey A-61, Washington County, Texas; and the John Hodge Survey, A-49, Austin County, Texas	56.4700	COI	TX1670324-005	806/744	07/12/95	Lease also recorded at File #983898 in Austin County, Texas Extension of Lease dated 07/16/98 recorded - 901/235
Twiggs, Melba Kesee	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-010	903/615	04/01/98	
Walker, Lenora	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-004	896/818	04/01/98	
White, Pemeta B. Harris	28.71 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	28.7100	COI	TX1670788-009	784/115	03/29/95	
Williams, Henry C./Tammi J.	.798 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	0.7980	COI	TX1670648-000	805/124	09/11/95	
Zientek, Joyce	43.19 acres, more or less, out of the Nelson Smith Survey, A-100, Washington County, Texas	43.1900	COI	TX1670710-000	761/449	11/01/94	

All recording references are to Washington County, unless otherwise indicated

CHESAPEAKE OPERATING, INC.
MILL CREEK OL NO. 1-H UNIT
889.80 ACRES
WASHINGTON & AUSTIN COUNTIES, TEXAS

March 18, 1999

Nelson Smith Survey, A-100, (Washington County), James Cooper Survey, A-35, (Washington County) and A-27, (Austin County), John Hodge Survey, A-61 (Washington County) and A-49 (Austin County)

TRACT LISTING

TRACT	MINERAL OWNER(S)	ACREAGE	VOLUME/PAGE *
1	Issac L. Toliver, et al	37.08 Acres	281/550
1A	Issac L. Toliver, et al	18.41 Acres	281/550
2	Issac L. Toliver	7.50 Acres	323/650
3	Beulah L. Toliver LeFlore	1.00 Acre	281/552
4	Joy Ann Korth Dickschat, et al	59.72 Acres	550/719
4A	Joy Ann Korth Dickschat, et al	0.85 Acre	550/719
5	Maurine B. Harrison, et al	149.95 Acres	725/394
6	Ralph Latimer	5.61 Acres	345/515
7	Joyce Zientek	42.92 Acres	309/243
8	Nelda Kossie	25.02 Acres	079/334
9	Olan C. Seale	7.08 Acres	450/129
10	Henry C. Williams	0.80 Acre	512/739
11	Robert Gandy	0.88 Acre	505/598
12	Dorothy Mae Iwig, et al	1.32 Acres	502/167
13	LaVerne Blasingame	60.06 Acres	774/533
14	Monte L. Marshall	2.42 Acres	687/798
15	Melvin Krause	7.13 Acres	326/497, 333/003
16	Charles A. Keese	4.95 Acres	326/082
17	Bruce A. Rodenbeck	4.96 Acres	621/771
18	Richard D. Schubel	4.97 Acres	525/764
19	Ben Tegeler	5.00 Acres	341/148
20	Larry G. Robertson	4.98 Acres	696/540
21	Dennis Reimer	0.77 Acre	488/716
22	Jerry B. Hartnett	0.83 Acre	535/057
23	Rachel Hartnett	0.31 Acre	332/363
24	B. L. Hartnett	11.99 Acres	803/255
25	Washington County/State of Texas M-99333	14.95 Acres	80/574, 80/572 80/571, 80/573 91/013, 91/009 80/442, 91/012 91/014, 91/015
26	Emma Jean Dever	13.03 Acres	710/192
26A	Emma Jean Dever	8.28 Acres	710/192
27	Doris Noerenberg	19.20 Acres	351/236
28	Evelyn B. Hopkins, et al	8.16 Acres	776/809
29	Larry W. Tegeler	16.94 Acres	473/447
30	Roger Pomykal, et al	6.81 Acres	803/733
31	Robert C. Schmidt	12.00 Acres	549/757
32	John Goeke	9.74 Acres	766/358
33	Elijah Harris	12.67 Acres	295/002

CHESAPEAKE OPERATING, INC.
MILL CREEK OL NO. 1-H UNIT
TRACT LISTING (Continued)

34	Perneta B. Harris White, et al	27.88 Acres	64/608
35	OMITTED		
36	Raymond Randle, Sr., Trustee	26.24 Acres	563/566
37	Raymond Randle, Sr.	12.16 Acres	706/719
38	Felix Randle, Sr.	11.95 Acres	17/433
39	Ida Sprain Loeffler	51.42 Acres	775/390
40	Billie W. Noerenberg	12.47 Acres	456/013
41	Waldo E. Moeller	6.22 Acres	318/289
42	Glennie W. Roberts	6.35 Acres	714/856
43	Marion J. Morris	0.66 Acre	465/503
44	William Odell Stein	68.91 Acres	357/680 & 587/092
45	Lillie Mae Krause Jones, et al	37.74 Acres	629/309
46	Wilfred W. Krause, et al	37. 19 Acres	629/306
47	State of Texas (Oil & Gas Lse. No. M-100307)	2.32 Acres	Sovereignty
		UNIT TOTAL 889.80 ACRES	

Tract acreages subject to this Unit are from record and/or lease documents or scaled from the Unit Plat.
** All recording references - Volume & Pages (Vol./Pg.) are Deed or Official Records of Washington County, and/or Austin County, Texas.*
Title furnished by Chesapeake Operating, Inc.
Prepared in conjunction with a separate survey plat and description prepared by Donald W. Lampe Professional Land Surveyors, dated March 18, 1999.

1688/99
1688LIS3

EXHIBIT "B"

CHESAPEAKE OPERATING, INC.
MILL CREEK OL NO. 1-H UNIT
889.80 ACRES
WASHINGTON & AUSTIN COUNTIES, TEXAS

Being 889.80 Acres of land, lying and being situated in Washington and Austin Counties, Texas, part of the Nelson Smith Survey, A-100, (Washington County), part of the James Cooper Survey, A-35, (Washington County) and A-27, (Austin County), and part of the John Hodge Survey, A-61, (Washington County) and A-49, (Austin County), and being more particularly described as follows:

BEGINNING at a 3/8" iron rod found at a fence corner for the north corner hereof and for the north corner of the Doris Noerenberg tract, recorded in Volume 351, Page 236, Deed Records of Washington County, Texas (351/236, D.R.W.C.,Tx.), being an interior corner of the Gladys Hueske tract (351/239, D.R.W.C.,Tx.);

THENCE, along the northeast line of said Noerenberg tract, S 38° 42' 45" E, 2206.47 feet, to the east corner of same in the northwest margin of F. M. Highway 109;

THENCE, along said highway margin, S 33° 06' 34" W, 186.35 feet, to an interior corner hereof in the southeast line of said Noerenberg tract;

THENCE, S 46° 56' 55" E, at 71.07 feet pass the southeast margin of said highway, common with the north corner of the Dorothy Mae Iwig tract (502/167, O.R.W.C.,Tx.), at a total distance of 511.37 feet, to a 1/2" iron rod found on the southwest margin of Shirttail Road for the east corner of the Henry C. Williams tract (512/739, O.R.W.C.,Tx.), common with the north corner of the Olan C. Seale tract (450/129, D.R.W.C.,Tx.);

THENCE, along the southwest margin of Shirttail Road, as follows:
S 47° 22' 39" E, 1391.20 feet, to a 1/2" iron rod found at a fence corner; and
S 47° 19' 35" E, 1152.29 feet, to the east corner of this unit tract in a northwest margin of Randle Hill Road;

THENCE, along the northwest margin of Randle Hill Road, as follows:
S 41° 18' 04" W, 220.23 feet, to a 1/2" iron rod found for the east corner of the Ralph Latimer tract (345/515, D.R.W.C.,Tx.);
S 42° 14' 21" W, 562.42 feet, to a 3/8" iron rod found for the south corner of said Latimer tract;
S 43° 55' 59" E, 16.09 feet, to an exterior corner hereof; and
S 42° 09' 35" W, at 70.74 feet pass a 3/8" iron rod found at a fence corner, at a total distance of 1924.87 feet, to an interior corner hereof and of the Maurine B. Harrison tract (230/491, D.R.W.C.,Tx.) in the center of Williams Creek on the southeast line of said Nelson Smith Survey, common with the northwest line of said James Cooper Survey, a 1/2" iron rod found bears N 42° 09' 35" E, 38.93 feet;

THENCE, along the center of Williams Creek with its meanders, as follows:
S 06° 37' 15" W, 22.70 feet; S 73° 14' 33" W, 23.31 feet; S 39° 15' 04" W, 59.49 feet;
S 17° 03' 35" W, 26.21 feet; S 25° 55' 07" E, 86.04 feet; S 32° 00' 33" E, 113.29 feet;
S 70° 56' 01" E, 79.88 feet; S 88° 17' 38" E, 35.53 feet; and S 40° 19' 46" E, 8.13 feet, to corner in the center of said creek at the north corner of the William Odell Stein tract recorded in Volume 587, Page 092, Official Records of Austin County, Texas (587/092, O.R.A.C.,Tx.), a 1/2" iron rod found on the west bank of said creek for reference bears S 09° 45' 21" W, 40.00 feet;

THENCE, along the northeasterly lines of said Stein tract, common with southwesterly lines of the Faye N. Roeske tract (467/769 O.R.W.C.,Tx. & 472/48 D.R.A.C.,Tx.), as follows:
S 48° 00' 01" E, 1244.57 feet, to a fence corner;
N 42° 06' 18" E, 564.66 feet, to a 1/2" iron rod found at a fence corner; and
S 44° 53' 35" E, 1361.64 feet, to a 1/2" iron rod found at a fence corner for an east corner hereof and of said Stein tract on the northwest margin of Emshoff Road;

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THENCE, along the southeast line of said Stein tract and of the Lillie Mae Krause Jones tract (629/309, O.R.A.C.,Tx.), common with the northwest margin of Emshoff Road, as follows:

S 39° 35' 55" W, 401.52 feet;
S 35° 54' 27" W, 159.77 feet, to a 1/2" iron rod found at a fence corner;
S 35° 17' 08" W, 260.25 feet, to a fence corner;
S 53° 44' 21" E, 38.86 feet, to an iron pipe found at a fence corner; and
S 39° 55' 43" W, 364.76 feet, to a 1/2" iron rod found for the south corner of said Jones tract, common with the east corner of the Wilfred W. Krause tract (629/306, O.R.A.C.,Tx.) in the northwest line of the Marvin H. Dierking tract (460/534, D.R.A.C.,Tx.);

THENCE, along southeasterly lines of said Krause tract, common with northwesterly lines of said Dierking tract, as follows:

S 39° 28' 03" W, 353.01 feet, to an iron pipe found at a fence corner;
S 52° 16' 33" W, 243.05 feet, to a 1/2" iron rod found at a fence corner;
N 63° 55' 14" W, 983.47 feet, to a 1/2" iron rod found at a fence corner; and
S 41° 45' 42" W, at 1573.02 feet pass a pinched top pipe found at a fence corner, at a total distance of 1592.15 feet, to corner on the north bank of East Mill Creek for a southerly corner hereof;

THENCE, along the north bank of East Mill Creek with its meanders, as follows:

N 85° 19' 34" W, 14.30 feet; S 57° 41' 43" W, 61.88 feet; N 66° 37' 34" W, 30.78 feet;
N 12° 41' 53" W, 127.52 feet; N 20° 26' 47" W, 64.57 feet; S 49° 16' 05" W, 105.46 feet;
N 53° 34' 39" W, 130.32 feet; N 57° 23' 07" W, 54.06 feet; N 82° 59' 37" W, 37.26 feet;
S 47° 36' 10" W, 56.02 feet; S 01° 50' 59" W, 67.03 feet; S 51° 34' 59" E, 26.19 feet;
S 20° 37' 00" E, 29.32 feet; S 70° 16' 48" W, 94.71 feet; S 36° 57' 09" W, 48.42 feet;
S 65° 09' 24" W, 113.72 feet; S 55° 00' 59" W, 80.59 feet; S 73° 52' 51" W, 47.25 feet;
N 61° 46' 45" W, 40.79 feet; N 11° 04' 09" W, 97.48 feet; N 07° 15' 12" E, 47.65 feet;
N 63° 42' 52" E, 31.66 feet; N 14° 29' 07" E, 33.70 feet; N 31° 22' 43" W, 32.00 feet;
N 49° 01' 54" W, 57.95 feet; S 57° 11' 00" W, 62.05 feet; S 21° 31' 05" W, 88.82 feet;
S 59° 16' 19" W, 33.61 feet; N 51° 29' 49" W, 89.46 feet; S 66° 54' 24" W, 51.63 feet;
S 05° 02' 48" W, 116.97 feet; S 71° 08' 19" W, 117.83 feet; N 77° 44' 05" W, 25.49 feet;
N 18° 22' 53" W, 35.39 feet; N 03° 24' 41" E, 106.39 feet; N 49° 55' 39" W, 68.56 feet;
S 69° 28' 19" W, 190.03 feet; S 41° 00' 52" W, 46.58 feet; N 80° 17' 35" W, 46.57 feet;
N 17° 38' 37" W, 50.17 feet; N 07° 57' 13" E, 147.39 feet; N 29° 30' 43" E, 37.45 feet;
N 23° 07' 00" W, 60.07 feet; N 74° 30' 17" W, 107.47 feet; N 08° 41' 05" E, 59.63 feet;
N 59° 43' 52" W, 118.50 feet; N 06° 36' 39" W, 67.05 feet; N 15° 56' 20" W, 126.17 feet;
S 72° 20' 23" W, 96.24 feet; N 45° 24' 46" W, 89.50 feet; N 55° 22' 00" E, 83.45 feet;
N 23° 44' 05" W, 69.18 feet; N 13° 16' 47" E, 46.90 feet; N 29° 52' 53" W, 80.18 feet;
N 64° 25' 28" W, 64.86 feet; S 60° 17' 08" W, 82.87 feet; N 60° 54' 06" W, 14.92 feet;
N 17° 45' 02" W, 98.25 feet; N 00° 51' 56" E, 30.23 feet; N 62° 13' 36" E, 93.70 feet;
N 06° 46' 14" W, 115.76 feet; N 30° 50' 49" W, 166.33 feet; N 42° 37' 25" W, 56.67 feet;
N 07° 19' 47" W, 52.81 feet; N 33° 00' 40" W, 61.19 feet; N 44° 44' 36" W, 101.33 feet;
N 10° 29' 59" W, 113.29 feet; and N 24° 59' 50" W, 82.15 feet, to corner on the northeast bank of Mill Creek;

THENCE, as follows:

N 77° 47' 43" W, 119.17 feet; S 81° 25' 17" W, 28.27 feet; N 77° 27' 18" W, 138.81 feet; and
N 38° 18' 13" W, 129.96 feet, to a 1/2" iron rod found at a fence corner for the south corner of the Georgia A. Toliver tract (281/550, D.R.W.C.,Tx.);

THENCE, along southwest lines of said Toliver tract, the Marion J. Morris tract (465/503,O.R.W.C.,Tx.), and crossing F. M. Highway 109, as follows:

N 38° 18' 13" W, 292.45 feet;
N 38° 38' 08" W, 396.36 feet, to a 1/2" iron rod found;

CHESAPEAKE OPERATING, INC.
MILL CREEK OL NO. 1-H

N 38° 01' 50" W, 450.17 feet, to a 3/8" iron rod found;
N 38° 15' 38" W, 301.77 feet, to a 3/8" iron rod found;
N 39° 58' 41" W, 37.56 feet, to a 1/2" iron rod found;
N 53° 33' 02" W, 69.33 feet; and
N 60° 49' 34" W, 80.80 feet, to the south corner of the Marion J. Morris tracts (460/376, D.R.W.C.,Tx. & 465/503, O.R.W.C.,Tx.) in a northwest margin of F.M. Highway 109, a 3/8" iron rod found bears S 60° 58' 21"E, 2.32 feet;

THENCE, along the northwest margin of F.M. Highway 109, as follows:
N 37° 14' 34" E, 169.61 feet; N 52° 45' 26" W, 35.00 feet; N 37° 14' 34" E, 805.56 feet; N 75° 25' 43" W, 27.09 feet; and N 37° 14' 34" E, 21.61 feet, to corner on the northeast bank of Mill Creek on the northwest margin of F.M. Highway 109;

THENCE, along the northeast bank of East Mill Creek with its meanders, as follows:

N 83° 17' 07" W, 30.05 feet;	N 74° 26' 53" W, 136.82 feet;	N 59° 37' 22" W, 84.91 feet;
S 88° 32' 06" W, 69.60 feet;	N 71° 14' 34" W, 120.58 feet;	N 78° 21' 48" W, 198.33 feet;
N 37° 32' 56" W, 75.96 feet;	N 02° 10' 07" W, 61.30 feet;	N 31° 17' 32" W, 149.12 feet;
N 07° 29' 23" W, 106.31 feet;	N 53° 45' 17" W, 135.17 feet;	N 28° 19' 17" W, 133.63 feet;
N 08° 38' 54" E, 76.81 feet;	N 35° 34' 03" W, 76.15 feet;	N 61° 46' 23" W, 142.64 feet;
N 35° 47' 59" W, 42.15 feet;	N 06° 31' 58" W, 64.33 feet;	N 47° 20' 15" W, 42.17 feet;

N 76° 38' 55" W, 56.53 feet; and S 88° 02' 38" W, 73.80 feet, to a west corner hereof and of the Frank Randle tract (17/433, D.R.W.C.,Tx.);

THENCE, along the northwest line of said Randle tract and a southeast line of the Ida Sprain (Loeffler) tract (104/476, D.R.W.C.,Tx.), as follows:
N 41° 54' 05" E, 2629.88 feet, to a fence corner at an interior corner of said Sprain tract; and
N 42° 08' 19" E, 1167.15 feet, to a fence corner found for an interior corner hereof and for the south corner of the Billie W. Noerenberg tract (456/013, D.R.W.C.,Tx.);

THENCE, along southwest lines of said Noerenberg tract, the Waldo Moeller tract (318/289, D.R.W.C.,Tx.), and the Glennie W. Roberts tract (714/856, O.R.W.C.,Tx.), as follows:
N 47° 49' 30" W, 363.30 feet, to a 1/2" iron rod found at a fence corner;
N 47° 16' 53" W, 181.62 feet, to a found planted stone; and
N 42° 08' 19" E, 1167.15 feet, to a fence corner for an interior corner hereof and for the south corner of the Billie W. Noerenberg tract (456/013, D.R.W.C., Tx.);

THENCE, along northwesterly lines of said Roberts tract and of said Doris Noerenberg tract, as follows:
N 42° 07' 01" E, 1487.92 feet, to a 3/8" iron rod found at a fence corner;
S 44° 37' 08" E, 10.25 feet, to a 3/8 iron rod found at a fence corner;
N 41° 31' 42" E, 536.90 feet, to a 3/8" iron rod found at a fence corner; and
N 43° 44' 19" E, 10.57 feet, to the PLACE OF BEGINNING, containing 889.80 acres of land.

Bearings are based on True North obtained by GPS observations.
Tract acreages subject to this Unit are from record and/or lease documents or scaled from the Unit Plat.
Prepared by Donald W. Lampe Professional Land Surveyors.

Dated this 18th day of March, 1999.

Donald W. Lampe
R.P.L.S. No. 1732

1688-99
1688DES5

STATE OF TEXAS
COUNTY OF WASHINGTON

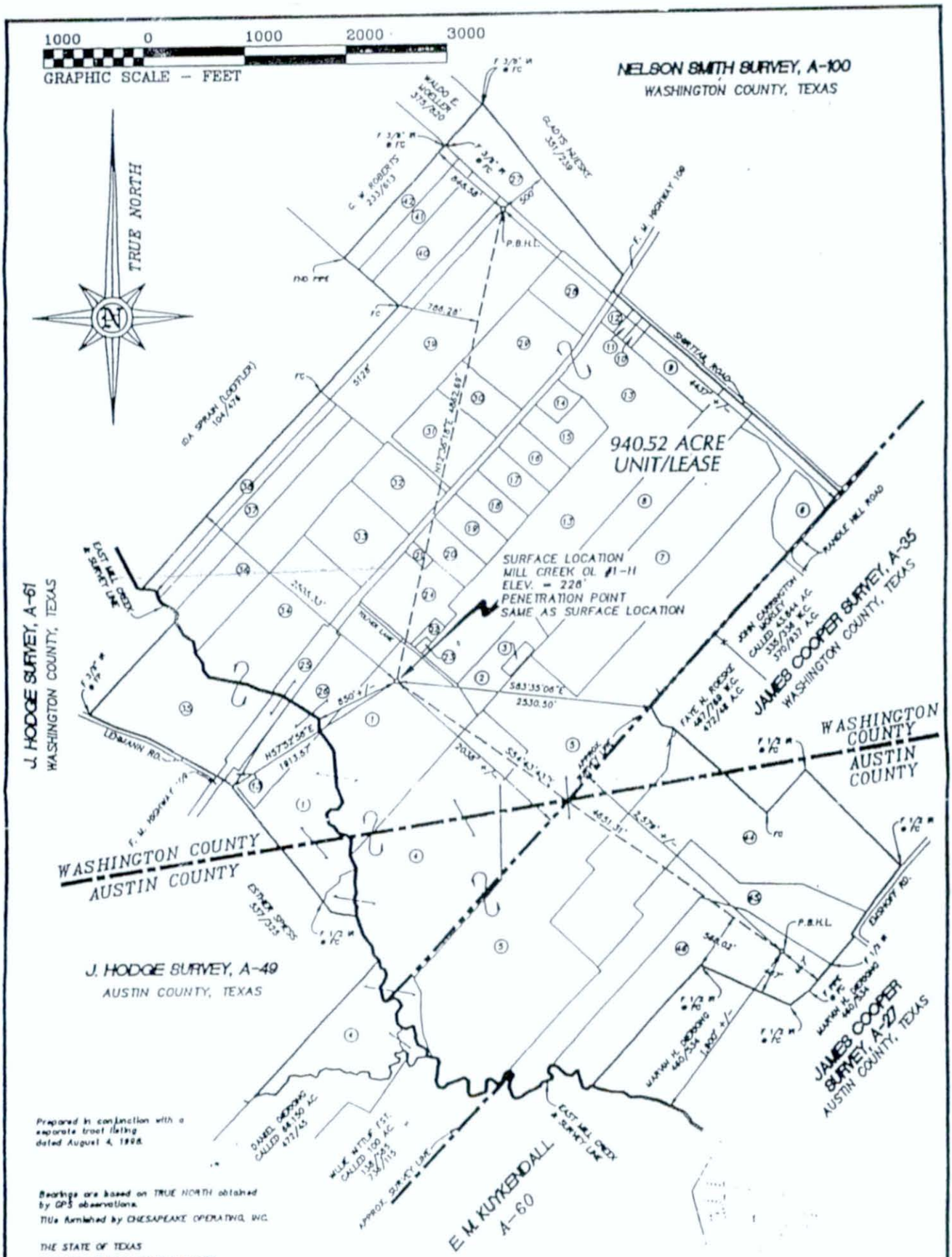
I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on

JUL 21 1999

Beth Rothermel, County Clerk
Washington County, Texas

FILED FOR RECORD
99 JUL 20 AM 8:41
BETH ROTHERMEL
WASHINGTON CO. CLERK

EXHIBIT "C"



Prepared in conjunction with a separate tract listing dated August 4, 1998.

Bearings are based on TRUE NORTH obtained by GPS observations.

Title furnished by CHESAPEAKE OPERATING, INC.

THE STATE OF TEXAS
COUNTIES OF WASHINGTON & AUSTIN

I, Donald W. Lampe, Registered Professional Land Surveyor No. 1733 of the State of Texas, do hereby certify that this plat accurately shows the surface location of the CHESAPEAKE OPERATING, INC. – MILL CREEK OL NO. 1-H WELL as staked on the ground under my direction during the month of May, 1998.

Dated this the 4th day of August, 1998

Donald W. Lampe
R.P.L.S. No. 1733

DONALD W. LAMPE
REGISTERED PROFESSIONAL LAND SURVEYING
1408 WEST MAIN STREET
P. O. BOX 2037
BRENHAM, TEXAS 77834
(409) 836-4877 • FAX (409) 836-1177
W.O. 1688 1688PRAC2.DWG 1688CNES.CRD

CHEASPEAKE OPERATING, INC.
MILL CREEK OL #1-H UNIT

NELSON SMITH SURVEY, A-100, J. HODGE SURVEY, A-61
JAMES COOPER SURVEY, A-35
WASHINGTON COUNTY, TEXAS
J. HODGE SURVEY, A-49 & J. COOPER SURVEY, A-27
AUSTIN COUNTY, TEXAS

MILL CREEK OL NO. 1-H UNIT surface location is approximately 6 miles southwest of Brenham, Washington County, Texas
LATITUDE 30° 04' 53" N • LONGITUDE 96° 26' 01" W

SURFACE LOCATION is 1913.57' from a southwest line and 2505.33' from a northwest line of the Unit/Lease and 850' +/– from the southwest line and 2038' +/– from the southeast line of the Nelson Smith Survey, A-100, Washington County, Texas.

1688-98-2

M-99333 (47)

File No. _____

Pooling Committee Report &
Pooling Agreement

Date Filed: 3/14/02

David Dewhurst, Commissioner

By _____