Rentals: MM.

Lease Admin: 4

Mineral Maps:

STATE LEASE PAID-UP

MF100087

CONTROL

BASEFILE

COUNTY

07-110164

91858 -

REEVES /195

SURVEY

: T & P RY CO

: 55 BLOCK TOWNSHIP : 05S

SECTION/TRACT: 32

PART

ACRES : 40.00

DEPTH LIMITS : NO

LESSEE : JOHNSON, CLAY LEASE DATE : May 11 1998

PRIMARY TERM : 5 yrs

BONUS (\$) : 1080.00

RENTAL (\$)

ROYALTY : 0.18750000

VAR ROYALTY :





	CONTENTS OF FIL	E NOME-100087
1. Lease 5/11/98.	\$21/98	
2. Letter 411/98.	8/21/98	
J. Memo \$4/98. G. Letter \$14/98.	8/21/98	
5. Assignment	6/23/03	
Scanned sm	3/19/15	

General Land Office Relinquishmnt Act Lease Form Revised, September 1997

#### Paid-UP OIL AND GAS LEASE

	and separate property of P. O. Box 2881, Fallbrook CA 92088
	(Give Permanent Address)said agent
rein referred	to as the owner of the soil (whether one or more), and CLAY JOHNSON
	203 W. Wall, Suite 800 XX
	Midland, TX 79701 (Give Permanent Address)
reinafter calle	
	RANTING CLAUSE. For and in consideration of the amounts stated below and of the covenants and agreements to be paid, kept and performed by
essee under th	is lease, the State of Texas acting by and through the owner of the soil, hereby grants, leases and lets unto Lessee, for the sole and only purpose of
ospecting and	drilling for and producing oil and gas, laying pipe lines, building tanks, storing oil and building power stations, telephone lines and other structures uce, save, take care of, treat and transport said products of the lease, the following lands situated in Reeves County, State
Texas, to-wit	county, oute
Texas, to an	
cw/	4 SW/4 of Section 32, Block 55, Twp-5, T&P Ry. Co. Survey
SH/	34,4 of Section 32, Block 33, Tap-3, Tar My. co. Survey
-talala-	40 acres, more or less. The bonus consideration paid for this lease is as follows:
ntaining	acres, more or less. The bonus consideration paid for this lease is as follows:
	To the State of Texas: One Thousand Eighty and 00/100
	Dollars (5 1,080.00
	The managed Tighty and 00/100
	To the owner of the soil: One Thousand Eighty and 00/100
	Dollars (\$ 1,080.00
	Total bonus consideration: Two Thousand One Hundred Sixty and 00/100
	Dollars (\$ 2,160.00 )
	7/5/- 7
he total bonus	consideration paid represents a bonus of Fifty Four and 00/100
	Dollars (\$ 54.00 ) per acre, on 40 net acres.
2.	TERM. Subject to the other provisions in this lease, this lease shall be for a term of Five (5) years from this date
erein called "p	rimary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land.
a used in this !	ease, the term "produced in paying quantities" means that the receipts from the sale or other authorized commercial use of the substance(s) covered
s used in mis i	
ceed out of po	cket operational expenses for the six months last past.
ceed out of po	ibit "A" attached for Pd-Up Delay Rental provision shown as Paragraph
ee Exh	ibit "A" attached for Pd-Up Delay Rental provision shown as Paragraph  DELAY RENTALS. If no well is commenced on the leased premises on or before one (1) year from this date, this lease shall terminate, units.
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- 4. PRODUCTION ROYALTIES. Upon production of oil and/or gas, Lessee agrees to pay or cause to be paid one-half (1/2) of the royalty provided for in this lease to the Commissioner of the General Land Office of the State of Texas, at Austin, Texas, and one-half (1/2) of such royalty to the owner of the soil:
- (A) OIL. Royalty payable on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also as all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, shall be

  3/16 part of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be determined 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 in the general area where produced and when run, or 2) the highest market price thereof offered or paid in the general area where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before any gas produced from the leased premises is sold, used or processed in a plant, it will be run free of cost to the royalty owners through an adequate oil and gas separator of conventional type, or other equipment at least as efficient, so that all liquid hydrocarbons recoverable from the gas by such means will be recovered. The requirement that such gas be run through a separator or other equipment may be waived in writing by the royalty owners upon such terms and conditions as they prescribe.
- PROCESSED GAS. Royalty on any gas processed in a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons shall be owner of the soil or the Commissioner of the General Land Office. All royalties due herein shall be based on one hundred percent (100%) of the total plant production of residue gas attributable to gas produced from this lease, and on fifty percent (50%), or that percent accruing to Lessee, whichever is the greater, of the total plant production of liquid hydrocarbons attributable to the gas produced from this lease; provided that if liquid hydrocarbons are recovered from gas processed in a plant in which Lessee (or its parent, subsidiary or affiliate) owns an interest, then the percentage applicable to liquid hydrocarbons shall be fifty percent (50%) or the highest percent accruing to a third party processing gas through such plant under a processing agreement negotiated at arm's length (or if there is no such third party, the highest percent then being specified in processing agreements or contracts in the industry), whichever is the greater. The respective royalties on residue gas and on liquid hydrocarbons shall be determined by 1) the highest market price paid or offered for any gas (or liquid hydrocarbons) of comparable quality in the general area, or 2) the gross price paid or offered for such residue gas (or the weighted average gross selling price for the respective grades of liquid hydrocarbons), whichever is the greater. In no event, however, shall the royalties payable under this paragraph be less than the royalties which would have been due had the gas not been processed.
- (D) OTHER PRODUCTS. Royalty on earbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead," "dry," or any other gas, by fractionating, burning or any other processing shall be 3/16 part of the gross production of such products, or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such market value to be determined as follows: 1) on the basis of the highest market price of each product for the same month in which such product is produced, or 2) on the basis of the average gross sale price of each product for the same month in which such products are produced; whichever is the greater.
- 5. MINIMUM ROYALTY. During any year after the expiration of the primary term of this lease, if this lease is maintained by production, the royalties paid under this lease in no event shall be less than an amount equal to the total annual delay rental herein provided; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of this lease a sum equal to the total annual rental less the amount of royalties paid during the preceding year. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar (\$1.00) per acre.
- 6. ROYALTY IN KIND. Notwithstanding any other provision in this lease, at any time or from time to time, the owner of the soil or the Commissioner of the General Land Office may, at the option of either, upon not less than sixty (60) days notice to the holder of the lease, require that the payment of any royalties accruing to such royalty owner under this lease be made in kind. The owner of the soil's or the Commissioner of the General Land Office's right to take its royalty in kind shall not diminish or negate the owner of the soil's or the Commissioner of the General Land Office's rights or Lessee's obligations, whether express or implied, under this lease.
- 7. NO DEDUCTIONS. Lessee agrees that all royalties accruing under this lease (including those paid in kind) shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the oil, gas and other products hereunder ready for sale or use. Lessee agrees to compute and pay royalties on the gross value received, including any reimbursements for severance taxes and production related costs.
- 8. PLANT FUEL AND RECYCLED GAS. No royalty shall be payable on any gas as may represent this lease's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding any other provision of this lease, and subject to the written consent of the owner of the soil and the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises or for injection into any oil or gas producing formation underlying the leased premises after the liquid hydrocarbons contained in the gas have been removed; no royalties shall be payable on the recycled gas until it is produced and sold or used by Lessee in a manner which entitles the royalty owners to a royalty under this lease.
- 9. ROYALTY PAYMENTS AND REPORTS. All royalties not taken in kind shall be paid to the Commissioner of the General Land Office at Austin, Texas, in the following manner:

Payment of royalty on production of oil and gas shall be as provided in the rules set forth in the Texas Register. Rules currently provide that 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, then 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.

- 10. (A) RESERVES, CONTRACTS AND OTHER RECORDS. Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of oil and gas reserves underlying this lease or allocable to this lease and shall furnish said Commissioner with copies of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts within thirty (30) days after entering into or making such contracts agreements. Such contracts and agreements when received by the General Land Office shall be held in confidence by the General Land Office unless otherwise authorized by Lessee. All other contracts and records pertaining to the production, transportation, sale and marketing of the oil and gas produced on said premises, including the books and accounts, receipts and discharges of all wells, tanks, pools, meters, and pipelines shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, the Governor, or the representative of any of them.
- (B) PERMITS, DRILLING RECORDS. Written notice of all operations on this lease shall be submitted to the Commissioner of the General Land Office by Lessee or operator five (5) days before spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. All applications, permits, reports or other filings that reference this lease or any specific well on the leased premises and that are submitted to the Texas Railroad Commission or any other governmental agency shall include the word "State" in the title. Additionally, in accordance with Railroad Commission rules, any signage on the leased premises for the purpose of identifying wells, tank batteries or other associated improvements to the land must also include the word "State." Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above-described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall have an electrical and/or radioactivity survey made on the bore-hole section, from the base of the surface casing to the total depth of well, of all wells drilled on the above described premises and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.
- (C) PENALTIES. Lessee shall incur a penalty whenever reports, documents or other materials are not filed in the General Land Office when due. The penalty for late filing shall be set by the General Land Office administrative rule which is effective on the date when the materials were due in the General Land Office.
- 11. DRY HOLE/CESSATION OF PRODUCTION DURING PRIMARY TERM. If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if during the primary term hereof and after the discovery and actual production of oil or gas from the leased premises such production thereof should cease from any cause, this lease shall not terminate if on or before the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or pays or tenders the next annual delay rental in the same manner as provided in this lease. If, during the last year of the primary term or within sixty (60) days prior thereto, a dry hole be completed and abandoned, or the production of oil or gas should cease for any cause, Lessee's rights shall remain in full force and effect without further operations? until the expiration of the primary term, and if Lessee has not resumed production in paying quantities at the expiration of the primary term, Lessee may maintain this lease by conducting additional drilling or reworking operations pursuant to Paragraph 13, using the expiration of the primary term as the date of cessation of production under Paragraph 13. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in oil or gas well within the primary term hereof, Lessee may resume payment of the annual rental in the same manner as provided herein on or before the rental paying date following the expiration of sixty (60) days from the date of completion of such shut-in oil or gas well and upon the failure to make such payment, this lease shall ipso facto terminate. If at the expiration of the primary term or any time thereafter a shut-in oil or gas well is located on the leased premises, payments may be made in accordance with the shut-in provisions hereof.
- 12. DRILLING AND REWORKING AT EXPIRATION OF PRIMARY TERM. If, at the expiration of the primary term, neither oil nor gas is being produced on said land, but Lessee is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days during any one such operation, and if they result in the production of oil and/or gas, so long thereafter as oil and/or gas is produced in paying quantities from said land, or payment of shut-in oil or gas well royalties or compensatory royalties is made as provided in this lease.
- 13. CESSATION, DRILLING, AND REWORKING. If, after the expiration of the primary term, production of oil or gas from the leased premises, after once obtained, should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within sixty (60) days after such cessation, and this lease shall remain in full force and effect for so long as such operations continue in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days. If such drilling or reworking operations result in the production of oil or gas, the lease shall remain in full force and effect for so long as oil or gas is produced from the leased premises in paying quantities or payment of shut-in oil or gas well royalties or payment of compensatory royalties is made as provided herein or as provided by law. If the drilling or reworking operations result in the completion of a well as a dry hole, the lease will not terminate if the Lessee commences additional drilling or reworking operations within sixty (60) days after the completion of the well as a dry hole, and this lease shall remain in effect so long as Lessee continues drilling or reworking operations in good faith and in a workmanlike manner without interruptions totaling more than sixty (60) days. Lessee shall give written notice to the General Land Office within thirty (30) days of any cessation of production.
- 14. SHUT-IN ROYALTIES. For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If, at any time after the expiration of the primary term of a lease that, until being shut in, was being maintained in force and effect, a well capable of producing oil or gas in paying quantities is located on the leased premises, but oil or gas is not being produced for lack of suitable production facilities or lack of a suitable market, then Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease, but not less than \$1,200 a year for each well capable of producing oil or gas in paying quantities. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar (\$1.00) per acre. To be effective, each initial shut-in oil or gas royalty



must be paid on or before: (1) the expiration of the primary term, (2) 60 days after the Lessee ceases to produce oil or gas from the leased premises, or (3) 60 days after Lessee completes a drilling or reworking operation in accordance with the lease provisions; whichever date is latest. Such payment shall be made one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil. If the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term, or from the first day of the month following the month in which production ceased, and, after that, if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

- 15. COMPENSATORY ROYALTIES. If, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the leased premises and completed in the same producing reservoir, or in any case in which drainage is occurring, the right to continue to maintain the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the lease for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in the lease of the market value of production from the well causing the drainage or which is completed in the same producing reservoir and within one thousand (1,000) feet of the leased premises. The compensatory royalty is to be paid monthly, one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil, beginning on or before the last day of the month following the month in which the oil or gas is produced from the well causing the drainage or that is completed in the same producing reservoir and located within one thousand (1,000) feet of the leased premises. If the compensatory royalty paid in any 12-month period is in an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period. Compensatory royalty payments which are not timely paid will accrue penalty and interest in accordance with Paragraph 9 of this lease. None of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells. so provided in Texas Natural Resources Code 52.173; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties can satisfy the obligation to drill offset wells.
- 16. RETAINED ACREAGE. Notwithstanding any provision of this lease to the contrary, after a well producing or capable of producing oil or gas has been completed on the leased premises, Lessee shall exercise the diligence of a reasonably prudent operator in drilling such additional well or wells as may be reasonably necessary for the proper development of the leased premises and in marketing the production thereon.
- (A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres is included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.153, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

(B) HORIZONTAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall further terminate as to all depths below 100 feet below the total depth drilled (hereinafter "deeper depths") in each well located on acceage retained in Paragraph 16 (A) above, unless on or before two (2) years after the primary or extended term Lessee pays an amount equal to one-half (1/2) of the bonus originally paid acconsideration for this lease (as specified on page 1 hereof). If such amount is paid, this lease shall be in force and effect as to such deeper depths, and said-termination shall be delayed for an additional period of two (2) years and so long thereafter as oil or gas is produced in paying quantities from such deeper depths—covered by this lease.

- (C) IDENTIFICATION AND FILING. The surface acreage retained hereunder as to each well shall, as nearly as practical, be in the form of a square with the well located in the center thereof, or such other shape as may be approved by the Commissioner of the General Land Office. Within thirty (30) days after partial termination of this lease as provided herein, Lessee shall execute and record a release or releases containing a satisfactory legal description of the acreage and/or depths not retained hereunder. The recorded release, or a certified copy of same, shall be filed in the General Land Office, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date the release is filed. If Lessee fails or refuses to execute and record such release or releases within ninety (90) days after being requested to do so by the General Land Office, then the Commissioner at his sole discretion may designate by written instrument the acreage and/or depths to be released hereunder and record such instrument at Lessee's expense in the country or counties where the lease is located and in the official records of the General Land Office and such designation shall be binding upon Lessee for all purposes.
- 17. OFFSET WELLS. Neither the bonus, delay rentals, nor royalties paid, or to be paid, under this lease shall relieve Lessee of his obligation to protect the oil and gas under the above-described land from being drained. Lessee, sublessee, receiver or other agent in control of the leased premises shall drill as many wells as the facts may justify and shall use appropriate means and drill to a depth necessary to prevent undue drainage of oil and gas from the leased premises. In addition, if oil and/or gas should be produced in commercial quantities within 1,000 feet of the leased premises, or in any case where the leased premises is being drained by production of oil or gas, the Lessee, sublessee, receiver or other agent in control of the leased premises shall in good faith begin the drilling of a well or wells upon the leased premises within 100 days after the draining well or wells or the well or wells completed within 1,000 feet of the leased premises start producing in commercial quantities and shall prosecute such drilling with diligence. Failure to satisfy the statutory offset obligation may subject this lease and the owner of the soil's agency rights to forfeiture. Only upon the determination of the Commissioner of the General Land Office and with his written approval may the payment of compensatory royalty under applicable statutory parameters satisfy the obligation to drill an offset well or wells required under this paragraph.
- 18. FORCE MAJEURE. If, after a good faith effort, Lessee is prevented from complying with any express or implied covenant of this lease, from conducting drilling operations on the leased premises, or from producing oil or gas from the leased premises by reason of war, rebellion, riots, strikes, acts of God, or any valid order, rule or regulation of government authority, then while so prevented, Lessee's obligation to comply with such covenants shall be suspended and Lessee shall not be liable for damages for failure to comply with such covenants; additionally, this lease shall be extended while Lessee is prevented, by any such cause, from conducting drilling and reworking operations or from producing oil or gas from the leased premises. However, nothing in this paragraph shall suspend the payment of delay rentals in order to maintain this lease in effect during the primary term in the absence of such drilling or reworking operations or production of oil or gas.



- 19. WARRANTY CLAUSE. The owner of the soil warrants and agrees to defend title to the leased premises. If the owner of the soil defaults in payments owed on the leased premises, then Lessee may redeem the rights of the owner of the soil in the leased premises by paying any mortgage, taxes or other liens on the leased premises. If Lessee makes payments on behalf of the owner of the soil under this paragraph, Lessee may recover the cost of these payments from the rental and royalties due the owner of the soil.
- (A) PROPORTIONATE REDUCTION CLAUSE. If the owner of the soil owns less than the entire undivided surface estate in the above described land, whether or not Lessee's interest is specified herein, then the royalties and rental herein provided to be paid to the owner of the soil owns less than the entire undivided surface estate in the above described land, whether or not Lessee's interest is specified herein, then the royalties and rental herein provided to be paid to the Ownmissioner of the General Land Office of the State of Texas shall be likewise proportionately reduced. However, before Lessee adjusts the royalty or rental due to the Commissioner of the General Land Office, Lessee or his authorized representative must submit to the Commissioner of the General Land Office a written statement which explains the discrepancy between the interest purportedly leased under this lease and the actual interest owned by the owner of the soil. The Commissioner of the General Land Office shall be paid the value of the whole production allocable to any undivided interest not covered by a lease, less the proportionate development and production cost allocable to such undivided interest. However, in no event shall the Commissioner of the General Land Office receive as a royalty on the gross production allocable to the undivided interest. allocable to the undivided interest not leased an amount less than the value of one-sixteenth (1/16) of such gross production
- (B) REDUCTION OF PAYMENTS. If, during the primary term, a portion of the land covered by this lease is included within the boundaries of a pooled unit that has been approved by the School Land Board and the owner of the soil in accordance with Natural Resources Code Sections 52.151-52.154, or if, at any time after the expiration of the primary term or the extended term, this lease covers a lesser number of acres than the total amount described herein, payments that are made on a per acre basis hereunder shall be reduced according to the number of acres pooled, released, surrendered, or otherwise severed, so that payments determined on a per acre basis under the terms of this lease during the primary term shall be calculated based upon the number of acres outside the boundaries of a pooled unit, or, if after the expiration of the primary term, the number of acres actually retained and covered by this lease.
- 21. USE OF WATER. Lessee shall have the right to use water produced on said land necessary for operations under this lease except water from wells or tanks of the owner of the soil; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for waterflood operations without the prior consent of the owner of the soil. tanks of the ov
- 22. AUTHORIZED DAMAGES. Lessee shall pay the owner of the soil for damages caused by its operations to all personal property, improvements, livestock and crops on said land
  - 23. PIPELINE DEPTH. When requested by the owner of the soil, Lessee shall bury its pipelines below plow depth.
- 24. WELL LOCATION LIMIT. No well shall be drilled nearer than two hundred (200) feet to any house or barn now on said premises without the
- 25. POLLUTION. In developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other springer, schage of ground was containmators. The event of pollution, besset shall be all the state of ground and shall be responsible for all damage to public and private properties. Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level all slush pits and cellars and completely clean up the drilling site of all rubbish thereon. Lessee shall, while conducting operations on the leased premises, keep said premises free of all rubbish, cans, bottles, paper cups or garbage, and upon completion of operations shall restore the surface of the land to as near its original condition and contours as is practicable. Tanks and equipment will be kept painted and presentable.
- 26. REMOVAL OF EQUIPMENT. Subject to limitations in this paragraph, Lessee shall have the right to remove machinery and fixtures placed by Lessee on the leased premises, including the right to draw and remove easing, within one hundred twenty (120) days after the expiration or the termination of this lease unless the owner of the soil grants Lessee an extension of this 120-day period. However, Lessee may not remove easing from any well capable of producing oil and gas in paying quantities. Additionally, Lessee may not draw and remove easing until after thirty (30) days written notice to the Commissioner of the General Land Office and to the owner of the soil. The owner of the soil shall become the owner of any machinery, fixtures, or casing which are not timely removed by Lessee under the terms of this paragraph
- 27. (A) ASSIGNMENTS. Under the conditions contained in this paragraph and Paragraph 29 of this lease, the rights and estates of either party to this lease may be assigned, in whole or in part, and the provisions of this lease shall extend to and be binding upon their heirs, devisees, legal representatives, successors and estates of Lessee, diminish the rights, privileges and estates of Lessee, impair the effectiveness of any payment made by Lessee or impair the effectiveness of any act performed by Lessee. And no change or division in ownership of the land, rentals, or royalties shall bind Lessee for any purpose until thirty (30) days after the owner of the soil (or his heirs, devisees, legal representatives or assigns) furnishes the Lessee with satisfactory written evidence of the change in ownership, including the original recorded muniments of title (or a certified copy of such original) when the ownership changed because of a conveyance. A total or partial assignment of this lease shall, to the extent of the interest assigned, relieve and discharge Lessee of all subsequent obligations under this lease. If this lease is assigned in its entirety as to only part of the acreage, the right and option to pay rentals shall be apportioned as between the several owners ratably, according to the area of each, and failure by one or more of them to pay his share of the rental shall not affect this lease on the part of the land upon which pro rata rentals are timely paid or tendered; however, if the assignor or assignee does not file a certified copy of such assignment in the General Land Office before the next rental paying date, the entire lease shall terminate for failure to pay the entire rental due under Paragraph 3. Every assignee 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 assignee of the lease, including any liabilities to the State for unpaid royalties.
- (B) ASSIGNMENT LIMITATION. Notwithstanding any provision in Paragraph 27(a), if the owner of the soil acquires this lease in whole or in part by assignment without the prior written approval of the Commissioner of the General Land Office, this lease is void as of the time of assignment and the agency power of the owner may be forfeited by the Commissioner. An assignment will be treated as if it were made to the owner of the soil if the assignee is:

  (1) a nominee of the owner of the soil;
  (2) a corporation or subsidiary in which the owner of the soil is a principal stockholder or is an employee of such a corporation or subsidiary;
  (3) a partnership in which the owner of the soil is a partner or is an employee of such a partnership;
  (4) a principal stockholder or employee of the corporation which is the owner of the soil;
  (5) a partner or employee in a partnership which is the owner of the soil;

(6) a fiduciary for the owner of the soil; including but not limited to a guardian, trustee, executor, administrator, receiver, or conservator for the owner of the soil; or

owner of the soil; or

(7) a family member of the owner of the soil or related to the owner of the soil by marriage, blood, or adoption.

28. RELEASES. Under the conditions contained in this paragraph and Paragraph 29, Lessee may at any time execute and deliver to the owner of the soil and place of record a release or releases covering any portion or portions of the leased premises, and thereby surrender this lease as to such portion or portions, and be relieved of all subsequent obligations as to acreage surrendered. If any part of this lease is properly surrendered, the delay rental due under this lease shall be reduced by the proportion that the surrendered acreage bears to the acreage which was covered by this lease immediately prior to such surrender; however, such release will not relieve Lessee of any liabilities which may have accrued under this lease prior to the surrender of such acreage.

- 29. FILING OF ASSIGNMENTS AND RELEASES. If all or any part of this lease is assigned or released, such assignment or release must be recorded in the county where the land is situated, and the recorded instrument, or a copy of the recorded instrument certified by the County Clerk of the county in which the instrument is recorded, must be filed in the General Land Office within 90 days of the last execution date accompanied by the prescribed filing fee. If any such assignment is not so filed, the rights acquired under this lease shall be subject to forfeiture at the option of the Commissioner of the General Land Office.
- 30. DISCLOSURE CLAUSE. All provisions pertaining to the lease of the above-described land have been included in this instrument, including the statement of the true consideration to be paid for the execution of this lease and the rights and duties of the parties. Any collateral agreements concerning the development of oil and gas from the leased premises which are not contained in this lease render this lease invalid.
- 31. FIDUCIARY DUTY. The owner of the soil owes the State a fiduciary duty and must fully disclose any facts affecting the State's interest in the leased premises. When the interests of the owner of the soil conflict with those of the State, the owner of the soil is obligated to put the State's interests before his personal interests.
- 32. FORFEITURE. If Lessee shall fail or refuse to make the payment of any sum within thirty 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, the School Land Board, or the Railroad Commission, or if Lessee should 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 Lessee shall knowingly violate any of the material provisions of this lease, or if this lease is assigned and the 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 under the terms of the Relinquishment Act. However, nothing herein shall be construed as waiving the automatic termination of this lease by operation 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.
- 33. LIEN. In accordance with Texas Natural Resources Code 52.136, the State shall have a first lien upon all oil and gas produced from the area covered by this lease to secure payment of all unpaid royalty and other sums of money that may become due under this lease. By acceptance of this lease, Lessee grants the State, in addition to the lien provided by Texas Natural Resources Code 52.136 and any other applicable statutory lien, an express contractual lien on and security interest in all leased minerals in and extracted from the leased premises, all proceeds which may accrue to Lessee from the sale of such leased minerals, whether such proceeds are held by Lessee or by a third party, and all fixtures on and improvements to the leased premises used in connection with the production or processing of such leased minerals in order to secure the payment of all royalties or other amounts due or to become due under this lease and to secure payment of any damages or loss that Lessor may suffer by reason of Lessee's breach of any covenant or condition of this lease, whether express or implied. This lien and security interest may be foreclosed with or without court proceedings in the manner provided in the Title 1, Chapter 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's acquisition of this lease. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this lease forfeited as provided herein.
- 34. POOLING. Lessee is hereby granted the right to pool or unitize the royalty interest of the owner of the soil under this lease with any other leasehold or mineral interest for the exploration, development and production of oil or gas or either of them upon the same terms as shall be approved by the School Land Board and the Commissioner of the General Land Office for the pooling or unitizing of the interest of the State under this lease pursuant to Texas Natural Resources Code 52.151-52.153. The owner of the soil agrees that the inclusion of this provision in this lease satisfies the execution requirements stated in Texas Natural Resources Code 52.152.
- 35. INDEMNITY. Lessee hereby releases and discharges the State of Texas aEd the owner of the soil, their officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns, of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the activities of Lessee, its officers, employees, and agents arising out of, incidental to, or resulting from, the operations of or for Lessee on the leased premises hereunder, or that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement, or by any other negligent or strictly liable act or omission of Lessee. Further, Lessee hereby agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees and agents, their successors or assigns, against any and all claims, liabilities, losses, damages, actions, personal injury (including death), costs and expenses, or other harm for which recovery of damages is sought, under any theory including tort, contract, or strict liability, including attorneys' fees and other legal expenses, including those related to environmental hazards, on the leased premises or in any way related to Lessee's failure to comply with any and all environmental laws; those arising from or in any way related to Lessee's operations or any other of Lessee's activities on the leased premises; those arising from Lessee's use of the surface of the leased premises; and those that may arise out of or be occasioned by Lessee's herach of any of the terms or provisions of this Agreement or any other act or omistion of Lessee, its directors, officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns. Each assignee of this Agreement, or an interest the



36. ENVIRONMENTAL HAZARDS. Lessee shall use the highest degree of care and all reasonable safeguards to prevent contamination or pollution of any environmental medium, including soil, surface waters, groundwater, sediments, and surface or subsurface strata, ambient air or any other environmental medium in, on, or under, the leased premises, by any waste, pollutant, or contaminant. Lessee shall not bring or permit to remain on the leased premises any asbestos containing materials, explosives, toxic materials, or substances regulated as hazardous wastes, hazardous substances (as the term "Hazardous Substance" is defined in the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Sections 9601, et seq.), or toxic substances under any federal, state, or local law or regulation ("Hazardous Materials"), except ordinary products commonly used in connection with oil and gas exploration and development operations and stored in the usual manner and quantities. LESSEE'S VIOLATION OF THE FOREGOING PROHIBITION SHALL CONSTITUTE A MATERIAL BREACH AND DEFAULT HEREUNDER AND LESSEE SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND THE STATE OF TEXAS AND THE OWNER OF THE SOIL FROM AND AGAINST ANY CLAIMS, DAMAGES, JUDGMENTS, PENALTIES, LIABILITIES, AND COSTS (INCLUDING REASONABLE ATTORNEYS' FEES AND COURT COSTS) CAUSED BY OR ARISING OUT OF (I) A VIOLATION OF THE FOREGOING PROHIBITION OR (II) THE PRESENCE, RELEASE, OR DISPOSAL OF ANY HAZARDOUS MATERIALS ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OR CONTROL OF THE LEASED PREMISES. LESSEE SHALL CLEAN UP, REMOVE, REMEDY AND REPAIR ANY SOIL OR GROUND WATER CONTAMINATION AND DAMAGE CAUSED BY THE PRESENCE OR RELEASE OF ANY HAZARDOUS MATERIALS IN, ON, UNDER, OR ABOUT THE LEASED PREMISES. LESSEE SHALL INDEMNIFICATION AND ASSUMPTION SHALL APPLY, BUT IS NOT LIMITED TO, LIABILITY FOR RESPONSE ACTIONS UNDERTAKEN PURSUANT TO CERCLA OR ANY OTHER ENVIRONMENTAL LAW OR REGULATION. LESSEE SHALL IMMEDIATELY GIVE THE STATE OF TEXAS AND THE OWNER OF TH

- 37. APPLICABLE LAW. This lease is issued under the provisions of Texas Natural Resources Code 52.171 through 52.190, commonly known as the Relinquishment Act, and other applicable statutes and amendments thereto, and if any provision in this lease does not conform to these statutes, the statutes will prevail over any nonconforming lease provisions.
- 38. EXECUTION. This oil and gas lease must be signed and acknowledged by the Lessee before it is filed of record in the county records and in the General Land Office of the State of Texas. Once the filing requirements found in Paragraph 39 of this lease have been satisfied, the effective date of this lease shall be the date found on Page 1.
- 39. LEASE FILING. Pursuant to Chapter 9 of the Texas Business and Commerce Code, this lease must be filed of record in the office of the County Clerk in any county in which all or any part of the leased premises is located, and certified copies thereof must be filed in the General Land Office. This lease is not effective until a certified copy of this lease (which is made and certified by the County Clerk from his records) is filed in the General Land Office in accordance with Texas Natural Resources Code 52.183. Additionally, this lease shall not be binding upon the State unless it recites the actual and true consideration paid or promised for execution of this lease. The bonus due the State and the prescribed filing fee shall accompany such certified copy to the General Land Office.

DATE: 53/98	
STATE OF TEXAS	STATE OF TEXAS
BY: James William medarland	7, <sub>BY:</sub>
	Individually and as agent for the State of Texas in his sole and separate property
Date: 5-20-78	Date:
STATE OF TEXAS	STATE OF TEXAS
STATE OF TEAAS	STATE OF TEAAS
BY:	BY:
Individually and as agent for the State of Texas	Individually and as agent for the State of Texas
Date:	Date:

1/Johnson

CLAY JOHNSON

LESSEE



	(CORPORATION ACKNOWLEDGMENT)
OUNTY OF	
BEFORE ME, the undersigned authority, on this day personally appeared_	
nown to me to be the person whose name is subscribed to the foregoing instrument, as	of
	and acknowledged to me that he executed the sam
r the purposes and consideration therein expressed, in the capacity stated, and as the	
Given under my hand and seal of office this theday of	
	Notary Public in and for
TATE OF	(CORPORATION ACKNOWLEDGMENT)
OUNTY OF	and the state of t
BEFORE ME, the undersigned authority, on this day personally appeared_	
nown to me to be the person whose name is subscribed to the foregoing instrument, as	of
	and acknowledged to me that he executed the sam
or the purposes and consideration therein expressed, in the capacity stated, and as the	A CONTROL OF THE CONT
Given under my hand and seal of office this theday of	, 19
	Notary Public in and for
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TATE OF CALL	(INDIVIDUAL ACKNOWLEDGMENT)
OLINTY OF SCALE PORT	
	mae William McFarland % In (1)
Before me, the undersigned authority, on this day personally appeared Jal	mes William McFarland, Jr. (1922)
Before me, the undersigned authority, on this day personally appeared Jain married man dealing in his sole and shown to me to be the persons whose names are subscribed to the foregoing instrument	mes William McFarland, Jr.  eparate property t, and acknowledged to me that they executed the same for the purposes a
Before me, the undersigned authority, on this day personally appeared Jan a married man dealing in his sole and so nown to me to be the persons whose names are subscribed to the foregoing instrument onsideration therein expressed.	t, and acknowledged to me that they executed the same for the purposes a
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Before me, the undersigned authority, on this day personally appeared Jan amaried man dealing in his sole and so nown to me to be the persons whose names are subscribed to the foregoing instrument consideration therein expressed.  Given under my hand and seal of office this the	ELACE TRUBIC IN ADDIVIDUAL ACKNOWLEDGMENT



#### EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE DATED MAY 11, 1998, BY AND BETWEEN JAMES WILLIAM MCFARLAND, JR., A MARRIED MAN DEALING IN HIS SOLE AND SEPARATE PROPERTY AS LESSOR, AND CLAY JOHNSON, AS LESSEE, AND COVERING THE SW/4 SW/4 OF SECTION 32, BLOCK 55, TWP-5 T&P RY. CO. SURVEY, REEVES COUNTY, TEXAS.

40. Notwithstanding anything to the contrary indicated in Paragraph Three (3) herein this Lease for all purposes shall be considered a fully Paid-Up Oil & Gas Lease. Said Delay Rentals have been paid in full with the Bonus Consideration tendered herein. Delay Rental payment was based on a \$1.00 per net mineral acre per year for Four (4) Years. Concluding a \$4.00 per acre Pd-Up Rental Payment was made in advance for the Four (4) Year Period on the net mineral acres indicated in this Lease.

James William Fritz areland Jr., SAMES WILLIAM MCFARLAND, JR., A MARRIED MAN DEALING IN HIS SOLE AND SEPARATE PROPERTY

FILE NO. 1615

FILED FOR RECORD ON THE 9TH. DAY OF JUNE A.D. 1998 AT 10:24 A M

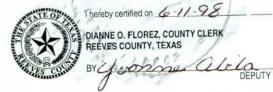
DULY RECORDED ON THE 10TH. DAY OF JUNE A.D. 1998 AT 2:00 P M

BY: DEPUTY DIANNE O, FLOREZ, COUNTY CLERK REEVES COUNTY, TEXAS

1. 3

CERTIFIED TRUE AND CORRECT COPY CERTIFICATE STATE OF TEXAS COUNTY OF REEVES

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 52 Y. PAGE 55 7 THRU 5655





True and Correct copy of Original filed in Reeves County Clerks Office 

MF 100	2087	
ITEM _	ease	
то		
FROM	100	
DATE	1198	



June 11, 1998

Mr. Drew Reid Texas General Land Office Stephen F. Austin Building 1700 North Congress Avenue Austin, Texas 78701

Re:

Relinquishment Act Oil and Gas Lease

James William McFarland, Agent for the State of Texas, Lessor

Clay Johnson, Lessee Reeves County, Texas

Paragon Prospect

Dear Mr. Reid:

With reference to our previous conversations pertaining to the captioned Oil and Gas Lease, enclosed please find the following for your files and further handling:

- Certified copy of Oil and Gas Lease dated May 11, 1998, between the State of Texas, acting by
  and through its Agent, James William McFarland, said Agent referred to as the owner of the
  soil, and Clay Johnson, Lessee, covering the SW/4SW/4 of Section 32, Block 55, Twp. 5, T&P
  Ry. Co. Survey, containing 40 acres in Reeves County, Texas, which has been duly filed and
  recorded in the Oil and Gas Lease Records of Reeves County, Texas. Titan Lease No. TX299389-092-000-00.
- 2. Titan Resources, L.P. Check No. 1909 made payable to the order of Commissioner of the General Land Office of the State of Texas in the amount of \$1,080.00, representing payment in full of lease bonus consideration (1/2 due the State of Texas) for the above mentioned Oil and Gas Lease.
- Titan Resources, L.P. Check No. 1908 made payable to the order of Commissioner of the General Land Office of the State of Texas in the amount of \$125.00, representing the required processing and filing fee for handling this matter.

Please advise this office of the assigned Mineral Number for the enclosed lease when it has been processed and duly filed in your records. If additional information is required, please do not hesitate to contact the undersigned. Thank you for your continued cooperation and courtesy in this matter.

Very truly yours

J. Robert Ready

/gm/wb Enclosures

> Centael -186 Drans. - 2490 Ben - 07-110164

IIIAN ILOUUNOLO, L.I . V 001909 ACQUISITION CHECKING COMMISSIONER OF THE GENERAL LAND OFFICE 6/9/98 PARAGON #299:Lease Bonus 1,080.00 Payment in full of the 1/2 of lease bonus consideration due the State of Texas for Oil and Gas Lease dated 05/11/98 from the State of Texas by Agent, James William McFarland, Jr., Lessors, in favor of Clay Johnson, Lessee, covering the SW/4SW/4 of Section 32, Block 55, Twp. 5, T&P Ry. Co. Survey, Reeves County, Texas. 1,080.00 Checking Lease Bonus 98053853 TITAN RESOURCES, L.P. 001909 ACQUISITION CHECKING OF THE GENERAL LAND OFFICE 6/9/98 ARAGON #299:Lease Bonus Payment in full of the 1/2 of lease bonus 1,080.00 consideration due the State of Texas for Oil and Gas Lease dated 05/11/98 from the State of Texas by Agent, James William McFarland, Jr., Lessors, in favor of Clay Johnson, Lessee, covering the SW/4SW/4 of Section 32, Block 55, Twp. 5, T&P Ry. Co. Survey, Reeves County, Texas. Jrans, 2490 Lease Bonus Checking 1,080.00

ACQUISITION CEECKING ACQUISITION CEECKING FOR THE GENERAL LAN PARAGON #299:GLO Filing & Processing Fees	Payment in full of the filing and processing fees due the State of Texas for Oil and Gas Lease dated 05/11/98 from the State of Texas by Ag James William McFarland, Jr., Lessors, in favor of Clay Johnson, Lessee, covering the SW/4SW/4 of Section 32, Block 55, Twp. 5, T&P Ry. Co. Survey, Reeves County, Texas.		001908 125.00
Checking GLO Filing and Proces	ssing Fees	98053852	125.00
TITAN RESOURCES, L.P. ACQUISITION GINESSINGER OF THE GENERAL LAN PARAGON #299:GLO Filing & Processing Fees	Payment in full of the filing and processing fees due the State of Texas for Oil and Gas Lease dated 05/11/98 from the State of Texas by Ag James William McFarland, Jr., Lessors in favor of Clay Johnson, Lessee, covering the SW/4SW/4 of Section 32, Block 55, Twp. 5, T&P Ry. Co. Survey, Reeves County, Texas.		001908
		Jeans. 2490	
Checking GLO Filing and Proces	ssing Fees	Just	125.00

MF _	100087	
ITEM .	Letter	
TO FROM		 
DATE .	6/11/98	



## TEXAS GENERAL LAND OFFICE

# GARRY MAURO COMMISSIONER

## **MEMORANDUM**

			DATE: 04-Aug-98
TO:	Garry Mauro, Commission		
	Spencer Reid, Senior Dep	outy Commissioner	
FROM:	Robert Hatter, Director of	of Mineral Leasing	10087
	Peter Boone, Chief Geolo	ogist	M-100087
RE: Reli	inquishment Act Lease		
Appl	licant: Clay Johnson		
Cour	nty: REEVES		Base File #: 91858
Secti	ion: 32	Block: 55	Abstract: 2154
Surv	rey: T & P RY CO		
Prim	. Term: 5 years	Bonus/Acre	\$50.00
Roya	alty: 3/16	Rental/Acre	\$1.00
Not Reco Commen	ommended:		
Recomm	Reid, Senior Deputy nended: ommended:	Date: <u>8/7</u>	2/98
	d:	Date:	

MF 100087
ITEM Shemo
TO
FROM 8/4/98

.

1000



August 14, 1998

Attn: J. Robert Ready Titan Resources, L.P. 500 W. Texas, Suite 500 Midland, Texas 79701

Re:

RELINQUISHMENT ACT LEASE NO. M-100087 SW/4 SW/4 of Sec. 32, Blk. 55, Twp-5, T & P Ry. Co.

Reeves County

Dear Mr. Ready:

The certified copy of the Relinquishment Act Lease covering the above referenced tract has been approved and filed in our records under mineral file number M-100087. Please refer to this number in all future correspondence concerning the lease.

Your remittance of \$1,205.00, has been applied as the state's portion of the bonus, the processing fee and the filing fee. Please let me know if you should have any questions.

Sincerely,

Drew Reid Minerals Leasing

Energy Resources

(512) 475-1534

DR:MT:mrg

Teans: # 2490

## **RAL REVIEW SHEET**

Transaction #	2490		Geold	ogist:	L	. Collier		
Lessor: McF	arland, James William, Jr.		Leas	e Date:		5/11/98	Ut -	
Lessee: Clay	Johnson		Acr	88:		40		
LEASE DESCRIPTION	n-gu							
County	Base Fil	e No Part	Sec.	Block	Twp	Survey		Abst#
REEVES	91858	SW/4 SW/4	32	55	05S	T&PRYC	co	2154
TERMS OFFERED		TERMS RECOMM	ENDED					
Primary Term:	5 years	Primary Term	5 y	years				
	\$50.00	Bonus/Acre		\$	50.00			
Bonus/Acre:	\$50.00 \$1.00	Bonus/Acre Rental/Acre			\$1.00			
Bonus/Acre: Rental/Acre: Royalty:			3/	3				
Bonus/Acre: Rental/Acre: Royalty:	\$1.00	Rental/Acre	3/	3				
Bonus/Acre: Rental/Acre: Royalty: COMPARISONS	\$1.00	Rental/Acre Royalty	3/	3	\$1.00	Rental/Ac.	Royalty	Distance Last Lease
Bonus/Acre: Rental/Acre: Royalty: COMPARISONS	\$1.00	Rental/Acre Royalty		16	\$1.00	Rental/Ac.	Royalty	
Bonus/Acre: Rental/Acre:	\$1.00	Rental/Acre Royalty		16	\$1.00	Rental/Ac.	Royalty	

Approved Cars 8.9.98

MF 100087 ITEM Seller

FROM DATE \$144.98

de aportania



## GENERAL LAND OFFICE

NF 10008/2 808

JERRY PATTERSON, COMMISSIONER

June 23, 2003

Welda Bates Pure Resources, LP 500 West Illinois Midland, Texas 79701

RE: Assignment filing; GLO ID 3943

Dear Ms. Bates,

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

Partial Assignment of Oil and Gas Leases (State), executed January 24<sup>th</sup>, 2002, from Mobil Producing Texas & New Mexico Incorporated, as Assignor, to Pure Resources, LP, as Assignee.

Filing fees of \$2,125.00 were received in connection with the above lease. If you have any questions, please feel free to call me at (800) 998-4GLO, or at my direct number at (512) 463-6521.

Sincerely,

Beverly Boyd
Beverly Boyd
Mineral Leasing
Energy Resources

512-463-6521

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GLO ID	County	Lease
3943	Reeves	MF100087
3943	Reeves	MF100090 V
3943	Reeves	MF100091
3943	Reeves	MF100092V
3943	Reeves	MF100095
3943	Reeves	MF100095
3943	Reeves	MF100096
3943	Reeves	MF100097
3943	Reeves	MF100102
3943	Reeves	MF100103
3943	Reeves	MF100104
3943	Reeves	MF100106 V
3943	Reeves	MF100117
3943	Reeves	MF100117
3943	Reeves	MF100126 V
3943	Reeves	MF100142 V
3943	Reeves	MF100143
3943	Reeves	MF100144
3943	Reeves	MF100146
3943	Reeves	MF100153
3943	Reeves	MF100155 V
3943	Reeves	MF100156 V
3943	Reeves	MF100161
3943	Reeves	MF100162 V
3943	Reeves	MF100171
3943	Reeves	MF100192
3943	Reeves	MF100194
3943	Reeves	MF100195
3943	Reeves	MF100228
3943	Reeves	MF100231
3943	Reeves	MF100242
3943	Reeves	MF100243 V
3943	Reeves	MF100264
3943	Reeves	MF100419

PURE RESOURCES, L.P. 007832 ACQUISITION CHECKING COMMISSIONER OF THE GENERAL LAND OFFICE 2/4/2002 PARAGON #299:GLO Filing Fee Payment in full of the required Filing Fee for Partial Assignment 2,125.00 of Oil and Gas Leases (State) executed January 24, 2002, by 129 76 X2,125.00 and between, Mobil Producing Texas and New Mexico, Inc., Assignor and Pure Resources, L.P., Assignee, covering State Mineral Classified lands in Reeves County, Texas. Checking GLO Filing Fee 2,125.00 PURE RESOURCES, L.P. 007832 ACQUISITION CHECKING COMMISSIONER OF THE GENERAL LAND OFFICE 2/4/2002 PARAGON #299:GLO Filing Fee Payment in full of the required Filing Fee for Partial Assignment 2,125.00 of Oil and Gas Leases (State) executed January 24, 2002, by and between, Mobil Producing Texas and New Mexico, Inc., Assignor and Pure Resources, L.P., Assignee, covering State Mineral Classified lands in Reeves County, Texas. Checking GLO Filing Fee 2,125,00



February 6, 2002

#### VIA FEDERAL EXPRESS

Mr. Drew Reid Texas General Land Office Stephen F. Austin Building 1700 North Congress Avenue Austin, Texas 78701

Certified Copy of Partial Assignment of Oil and Gas Leases (State) executed January 24, 2002, by and between Mobil Producing Texas and New Mexico, Inc., Assignor and Pure Resources, L. P., Assignee, covering State Mineral Classified lands in Reeves County, Texas. Paragon Prospect No. 299

Dear Mr. Reid:

With reference to the captioned, enclosed please find the following for your files and further handling:

- Certified copy of Partial Assignment of Oil and Gas Leases (State) executed on January 24, 2002, by and between, Mobil Producing Texas and New Mexico, Inc., Assignor and Pure Resources, L.P., Assignee, covering State Mineral Classified lands in Reeves County, Texas, which has been duly filed and recorded in Volume 646, page 454 of the Official Public Records of Reeves County, Texas.
- 2. Pure Resources, L.P. Check No. 007832 payable to the order of Commissioner of the General Land Office of the State of Texas in the amount of \$2,125.00, representing the required filing fee for handling this matter (85 leases x \$25.00 per lease).

Also enclosed for your information, is a copy of the Exhibt "A" with the Mineral Classified Lease Numbers included. Please acknowledge receipt of this letter and enclosures by signing, dating and returning one (1) copy of this letter in the enclosed self addressed and stamped envelope. If additional information is required, please do not hesitate to contact the undersigned. Thank you for your continued cooperation and courtesy in this matter.

Very truly yours,

Welda J. Bates Land Administration

Welda 1-18

WJB/vjs Enclosures

RECEIVED THIS DAY OF TEXAS GENERAL LAND OFFICE

Drew Reid

3943

FILE# 209

### PARTIAL ASSIGNMENT OF OIL AND GAS LEASES (STATE)

STATE OF TEXAS

**COUNTY OF REEVES** 

KNOW ALL MEN BY THESE PRESENTS

THAT, MOBIL PRODUCING TEXAS & NEW MEXICO INC., whose address is P. O. Box 2180, Houston, Texas 77252-2180, hereinafter referred to as "Assignor", for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby bargain, sell, transfer, assign and convey to PURE RESOURCES, L.P., whose address is 500 West Illinois, Midland, Texas 79701, hereinafter referred to as "Assignee", all of Assignor's right, title and interest in and to those certain Oil, Gas and Mineral Leases, and Oil and Gas Leases, described in Exhibit "A" to this Assignment (including all corrections, amendments or ratifications, if any, to such leases, whether or not listed herein), hereinafter referred to in the singular as a "Lease" and hereinafter collectively referred to as the "Leases", which cover certain lands located in Reeves County, Texas, more particularly described on said Exhibit "A", hereinafter referred to as the "Lands".

Assignor shall warrant title to and forever defend title to the Leases against every person claiming the Leases by, through or under Assignor, but not otherwise. Except as otherwise stated in this Assignment or Exhibit "A" hereto, Assignor covenants that the Leases herein conveyed are free of any liens or encumbrances created by, through or under Assignor.

This Assignment shall be binding upon and will inure to the benefit of Assignor and Assignee and their respective successors and/or assigns.

This instrument is executed on the date of the acknowledgments below, to be effective for all purposes as to each Lease on that date.

ASSIGNOR:

ASSIGNEE:

MOBIL PRODUCING TEXAS & NEW MEXICO INC.

John R. Gallogly Attorney-In-Fact Dess.

PURE RESOURCES, L.P., by and through its

General Partner, PURE RESOURCES I, INC.

John Lodge, Attorney-in-Fact

True and Correct copy of Original filed in Reeves County Clerks Office STATE OF TEXAS
COUNTY OF HARRIS

On this 18th day of December, 2001, before me, the undersigned, a Notary Public in and for said County and State, personally appeared **John R. Gallogly** known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed same in his capacity of Attorney-in-Fact of **MOBIL PRODUCING TEXAS & NEW MEXICO INC.** 

Witness my hand and official seal.



Printed Name:

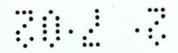
Notary Public in and for the State of Texas

My Commission Expires:

STATE OF TEXAS	8					
COUNTY OF	999					
On this day of	for soin	County			e undersigned	
Notary Public in and	for said	known to	me to be	the person	nally appear whose name	is
subscribed to the foregoing in capacity of	nstrument a	and acknowl	ledged to m	e that s/he	executed same	e in
L.P.	1	/				
Witness my hand and o	micial seal.	Printed Name: Notary Pu	ablic in and f	or said Cou	nty and State	
My Commission Expires:				\		



True and Correct copy of Original filed in Reeves County Clerks Office



State of Texas

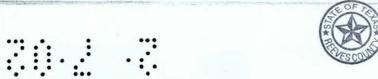
8000

County of Midland

The foregoing instrument was acknowledged before me this day of day of day of pure personal partner of PURE RESOURCES, INC., a Delaware Corporation, on behalf of said corporation, as General Partner of PURE RESOURCES, L.P., a Texas Limited Partnership.

LISA R WORTHAN
NOTARY PUBLIC
State of Texas
Comm. Exp. 09-20-2004

Notary Public, State of Texas



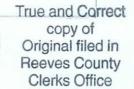


EXHIBIT "A"

ATTACHED TO AND MADE A PART OF

THAT CERATIN PARTIAL ASSIGNMENT OF OIL AND GAS LEASES

DATED THE \_\_\_ DAY OF \_\_\_ , 2001

BY AND BETWEEN MOBIL PRODUCING TEXAS & NEW MEXICO INC.

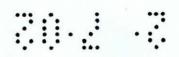
AND PURE RESOURCES, L.P.

MOBIL LEASE	TITAN LEASE	TITAN LEASE LESSOR		LEASE DATE	RECORDED		Lands
TX-55570	389-078-000	ESTILL, DOROTHY HALLEY	CLAY JOHNSON	5/11/98	589	430	MC (RAL
TX-55572-A	389-081-001	THE SECURITY STATE BANK OF PECOS, TRUSTEE	CLAY JOHNSON	5/4/98	589	457	MC (RAL
TX-55574-A	389-083-001	COREY, EDNA MAY ELKIN	CLAY JOHNSON	5/4/98	589	448	MC (RAL
TX-55574-B	389-083-002	SULLIVAN, MINNIE EBBERSOL	CLAY JOHNSON	5/4/98	589	523	MC (RAI
TX-55574-C	389-083-003	ELKIN, WINSTON FRANCIS	CLAY JOHNSON	5/13/98	589	496	MC (RAI
TX-55574-D	389-083-004	ROSS, LINDA LOUISE, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/9/98	592	641	MC (RAI
TX-55574-E	389-083-005	ROSS, VIRGINIA KATHRYN, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/9/98	597	689	MC (RAI
TX-55574-F	389-083-006	ROSS, SUSANNA ALENE, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/9/98	597	707	(RAI
TX-55578 389-092-000 MCFARLAND, JAMES WILLIAM, JR.		CLAY JOHNSON	5/11/98	589	557	MC (RAI	
TX-55565-A	389-093-001	CANON, ZELMA LEE	CLAY JOHNSON	5/21/98	589	601	MC (RA
TX-55565-A	389-093-002	CLARK, CAROL LEE	CLAY JOHNSON	5/21/98	589	592	MC (RA
TX-55565-A	389-093-003	LEE, JAMES CLAYTON, A MARRIED MAN DEALING IN HIS SOLE AND SEPARATE PROPERTY	CLAY JOHNSON	5/21/98	590	172	(RAI
TX-55565-A	389-093-004	LEE, CECIL JAMES	CLAY JOHNSON	5/21/98	591	419	MC (RAI
TX-55579-A	389-094-001	HAGAN, JEROME EDWARD	CLAY JOHNSON	5/6/98	589	583	MC (RAI
TX-55579-B	389-094-004	MILLER, DOUGLAS ALFRED, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/24/98	592	614	MC (RAI
TX-55579-D	389-094-005	GRANT, DIANE KAY, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/29/98	593	718	(RAI
TX-55579-C	389-094-006	COUCH, LAVELLE	CLAY JOHNSON	5/6/98	590	163	MC (RAI
TX-55579-G	389-094-007	RUFF, RICHARD, JR., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	5/21/98	597	389	MC (RAI
TX-55579-H	389-094-008	NELSON, WILMA W., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	5/6/98	600	593	MC (RAI
TX-55579-I	389-094-009	ARLEDGE, BARBARA RUFF, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	1/1/99	605	191	MC (RAI
TX-55566-A	389-095-001	MCALPINE, JERI SMITH, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	5/11/98	589	548	MC (RAI
TX-55566-B	389-095-002	GREEMAN, WALTER CHARLES, AGENT FOR THE STATE OF TEXAS	CLAY	5/11/98	590	243	MC (RAI

Reeves MC - Paid Up



TX-55566-C	389-095-003	BURRIS, ADELIA GREEMAN, AGENT FOR THE STATE OF TEXAS	JOHNSON	5/11/98	590	234	MC (RAL
TX-55566-D	389-095-004	GREEMAN, TAMMY JO, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	5/11/98	590	216	MC (RAL
TX-55567-A	389-096-001	MCALPINE, JERI SMITH, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	5/11/98	589	566	MC (RAL
TX-55567-B	389-096-002	GREEMAN, WALTER CHARLES, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	5/11/98	590	252	MC (RAL
TX-55567-C	389-096-003	BURRIS, ADELIA GREEMAN, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	5/11/98	590	225	MC (RAL
TX-55567-D	389-096-004	GREEMAN, TAMMY JO, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	5/11/98	590	207	MC (RAL
TX-55567-F	389-096-005	MEREDITH, DAVID III, AGENT FOR THE STATE OF TEXAS	CLAY . JOHNSON	5/21/98	Orig 590 Rel 592 Corr 596	Orig 288 Rel 456 Corr 289	MC (RAL
TX-55567-E	389-096-006	MEREDITH, W.G.	CLAY JOHNSON	5/21/98	590	270	MC (RAL
TX-55567-G	389-096-007	MEREDITH, H.M.	CLAY JOHNSON	5/21/98	591	410	MC (RAL
TX-55593	389-109-000	WEST, NANNIE OVERTON	CLAY JOHNSON	5/21/98	590	198	MC (RAL
TX-55596-E	389-115-001	TURNER, PATRICIA H.R.	CLAY JOHNSON	5/4/98	591	365	MC (RAL
TX-55596-B	389-115-002	DEENEY, MARGARET HAAG AND HUSBAND, THOMAS R. DEENEY	CLAY JOHNSON	6/4/98	591	347	MC (RAL
TX-55596-A	389-115-003	HAAG, KENNETH LEE AND WIFE, MARIE EILEEN CARLSON HAAG	CLAY JOHNSON	5/13/98	591	329	MC (RAL
TX-55596-C	389-115-004	DORNFIELD, MARGARET FRANCES RANES	CLAY JOHNSON	5/15/98	592	724	MC (RAL
TX-55596-D	389-115-005	BRADEN, LUCILLE HAAG	CLAY JOHNSON	6/4/98	Original 592 Re-Recorded	Original 650 Re-Recorded	MC (RAL
TX-55598-A	389-117-001	WATKINS, WILLIAM WALKER AND WIFE, PAULINE RALLS WATKINS	CLAY JOHNSON	6/3/98	594 591	463 338	MC (RAL
TX-55598-E	389-117-002	PARTEN, ANGELA DAWN WATKINS	CLAY JOHNSON	6/3/98	591	374	MC (RAL
TX-55598-B	389-117-003	TIPTON, LEZLIE SUE WATKINS	CLAY JOHNSON	6/3/98	591	383	MC (RAL
TX-55598-C	389-117-004	GRASTY, JEFFREY WINFIELD, INDIV. & AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/3/98	592	814	MC (RAL
TX-55598-D	389-117-005	ANDERSON, WENDY DIANE WATKINS	CLAY JOHNSON	6/3/98	595	181	MC (RAL
TX-55599-A	389-118-001	JOBST, EMILY ANNE STEWART, A WIDOW	CLAY JOHNSON	5/21/98	591	392	MC (RAL
TX-55599-B	389-118-002	JOBST, MADELINE, A SINGLE WOMAN	CLAY JOHNSON	5/21/98	591	401	MC (RAL





TX-55599-C	389-118-003	GOYER, ANNE JOBST, AGENT FOR THE STATE OF TEXAS	JOHNSON	5/21/98	Original 592 Re-Recorded 594	Original 715 Re-Recorded 453	(RAL
TX-55590-B	389-130-002	ST. CLAIR, SHARON B. & GWENDOLYN B. GELTEMEYER, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	8/25/98	597	326	MC (RAL
TX-55624	389-183-000	SHANNON SHAWN, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/8/98	592	787	MC (RAI
TX-55625-A	389-184-001	ROBERT H. BREEDEN LIVING TRUST, ROBERT H. BREEDEN, TRUSTEE AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/22/98	592	796	MC (RAL
TX-55625-B	389-184-002	BREEDEN, GEORGIA E., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/22/98	593	709	MC (RAL
TX-55626	389-185-000	VANCE, ROBERT ROUSH, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/8/98	592	805	MC (RAL
TX-55734-A	389-187-001	MARROW, N.S. AND WIFE DOROTHY H. MARROW, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/1/98	592	632	MC (RAL
TX-55610	389-192-000	MILLER, DOUGLAS ALFRED, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/24/98	592	596	MC (RAL
TX-55738-A	389-204-001	BROOKS, RUTH E., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	5/21/98	593	347	MC (RAL
TX-55627-A	389-207-001	BRYCE, JAMES R., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/29/98	593	356	MC (RAL
TX-55627-B	389-207-002	BARNUM, NORALEE, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/29/98	593	755	MC (RAL
TX-55627-C	389-207-003	HINSON, MARY NELL, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/29/98	593	737	MC (RAL
TX-55627-D	389-207-004	LIPTON, SYBIL JANE BRYCE, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/29/98	593	746	MC (RAL
TX-55627-E	389-207-005	GLAZE, IVY EARL, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/29/98	597	362	MC (RAL
TX-55627-F	389-207-006	GLAZE, SARA LOVINA, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/29/98	597	353	MC (RAL
TX-55739	389-210-000	MARROW, N.S. AND WIFE DOROTHY H. MARROW, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/1/98	593	365	MC (RAL
TX-55740-A	389-211-001	MARROW, N.S., ET UX & AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/1/98	593	374	MC (RAL
TX-55620	389-212-000	ESTATE OF MARGUERITE EDITH MILLER, DEC'D, DOUGLAS ALFRED MILLER, EXEC. AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/24/98	593	383	MC (RAL
TX-55567-H	389-226-001	SNELSON, JAMES E. JR., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	7/17/98	594	45	MC (RAL
TX-55786	389-250-000	SAUNDERS, L.H., JR. & MARY JO BULLARD, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/1/98	595	163	MC (RAL
TX-55788-A	389-252-001	SMITH, CRAIG, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	7/16/98	595	172	MC (RAL



TX-55820-A	389-285-001	GEORGE, JAMES R., JR., AGENT FOR THE STATE OF TEXAS	JOHNSON	6/15/98	597	344	MC (RAL)
TX-55820-8	389-285-002	WALLACE, WANDA G., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/15/98	597	452	MC (RAL)
TX-55820-C	389-285-003	BEXLEY, FRANCES, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/15/98	597	443	MC (RAL)
TX-55820-D	389-285-004	WELCH, CHARLENE, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/15/98	597	434	MC (RAL)
TX-55820-E	389-285-005	WALLIS, REBECCA P., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/15/98	597	425	MC (RAL)
TX-55820-F	389-285-006	GEORGE, CHARLES E., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/15/98	597	416	MC (RAL)
TX-55820-G	389-285-007	GEORGE, CLYDE A., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/15/98	597	407	MC (RAL)
TX-55820-H	389-285-008	GEORGE, ROBERT J., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/15/98	597	399	MC (RAL)
TX-55820-I	389-285-009	AMBURGY, B.D., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/15/98	597	698	MC (RAL)
TX-55821	389-286-000	BUSH, JESSE W. AND WIFE, MAY JARINE BUSH, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	9/25/98	597	371	MC (RAL)
TX-55822-A	389-287-001	GRIFFIN, BECKY B. & JOHN W. BUSH, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	8/25/98	597	380	MC (RAL)
TX-55822-B	389-287-002	ST. CLAIR, SHARON B. & GWENDOLYN B. GELTEMEYER, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	8/25/98	597	335	MC (RAL)
TX-55823-A	389-288-001	ST. CLAIR, SHARON B. & GWENDOLYN B. GELTEMEYER, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	8/25/98	597	317	MC (RAL)
TX-55824-A	389-289-001	SWISHER, GLORIA, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	7/13/98	597	308	MC (RAL)
TX-56143-001	389-307-001	BUSH, JESSE W. AND WIFE, MAY JARINE BUSH, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	10/20/98	600	388	MC (RAL)
TX-56143-002	389-307-002	DAVIDSON, JAMES A., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	3/2/99	602	690	MC (RAL)
TX-56249	389-327-000	MCCORD, B.J., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	1/15/99	601	767	MC (RAL)
TX-56268-001	389-329-001	SCHIEFFER, PATRICIA PENROSE, INDIV. & AS TR. OF THE PATRICIA PENROSE SCHIEFFER TEST. TR., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	7/16/98	603	356	MC (RAL)
TX-56362	389-339-000	MILLWEE, STEPHEN MICHAEL, GUARDIAN OF GERALDINE MILLWEE, AN INCAPACITATED PERSON	TITAN	10/1/99	612	708	MC (RAL)
TX-56071	389-235-000	TEXAS GENERAL LAND OFFICE/SCHOOL LAND BOARD MGL NO. 1760	TITAN RESOURCES	10/6/98	598	28	State Fee (GLO)

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RSHTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW

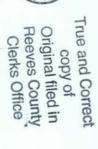
FILE NO. 209

FILED FOR RECORD ON THE 30TH DAY OF JANUARY A.D. 2002 AT 1:23 P. M.

DULY RECORDED ON THE 30TH

A.D. 2002 AT 4:00 P. M.
DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS





## CERTIFIED TRUE AND CORRECT COPY CERTIFICATE STATE OF TEXAS COUNTY OF REEVES

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL 646, PAGE 454 THRU 460 OFFICIAL PUBLIC RECORD.

THEO DIANNE O. FLOREZ, COUNTY CLERK REVES COUNTY, TEXAS

BY STATE OF THE PUBLIC DIANNE DEPUTY

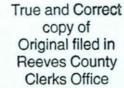


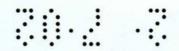
# EXHIBIT "A" ATTACHED TO AND MADE A PART OF THAT CERATIN PARTIAL ASSIGNMENT OF OIL AND GAS LEASES DATED THE \_\_\_\_ DAY OF \_\_\_\_\_, 2001 BY AND BETWEEN MOBIL PRODUCING TEXAS & NEW MEXICO INC.

L LEASE	TITAN LEASE	LESSOR	LESSEE	LEASE DATE	RECO	ORDED	Lands	
55570	389-078-000	ESTILL, DOROTHY HALLEY	CLAY JOHNSON	5/11/98	589	430	MC (RAL)	m-100
55572-A	389-081-001	THE SECURITY STATE BANK OF PECOS, TRUSTEE	CLAY JOHNSON	5/4/98	589	457	MC (RAL)	m - 1000
55574-A	389-083-001	COREY, EDNA MAY ELKIN	CLAY JOHNSON	5/4/98	589	448	MC (RAL)	M 100-1
55574-B	389-083-002	SULLIVAN, MINNIE EBBERSOL	CLAY JOHNSON	5/4/98	589	523	MC (RAL)	m 10018
55574-C	389-083-003	ELKIN, WINSTON FRANCIS	CLAY JOHNSON	5/13/98	589	496	MC (RAL)	
55574-D	389-083-004	ROSS, LINDA LOUISE, AGENT FOR THE STATE OF TEXAS	CLAY	6/9/98	592	641	MC (RAL)	m 1001
55574-E	389-083-005	ROSS, VIRGINIA KATHRYN, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/9/98	597	689	MC (RAL)	m 100 10
55574-F	389-083-006	ROSS, SUSANNA ALENE, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/9/98	597	707	MC (RAL)	11
-55578	389-092-000	MCFARLAND, JAMES WILLIAM, JR.	CLAY JOHNSON	5/11/98	589	557	MC (RAL)	m-1000
55565-A	389-093-001	CANON, ZELMA LEE	JOHNSON	5/21/98	589	601	MC (RAL)	m-1001
55565-A	389-093-002	CLARK, CAROL LEE	CLAY JOHNSON	5/21/98	589	592	MC (RAL)	FI
55565-A	389-093-003	LEE, JAMES CLAYTON, A MARRIED MAN DEALING IN HIS SOLE AND SEPARATE PROPERTY	JOHNSON	5/21/98	590	172	MC (RAL)	11
55565-A	389-093-004	LEE, CECIL JAMES	JOHNSON	5/21/98	591	419	MC (RAL)	+/
55579-A	389-094-001	HAGAN, JEROME EDWARD	JOHNSON	5/6/98	589	583	MC (RAL)	m-100
55579-B	389-094-004	MILLER, DOUGLAS ALFRED, AGENT FOR THE STATE OF TEXAS	JOHNSON	6/24/98	592	718	MC (RAL)	m - 1000 4
55579-D	389-094-005	GRANT, DIANE KAY, AGENT FOR THE STATE OF TEXAS	JOHNSON	6/29/98	093	/18	MC (RAL)	7/
55579-C	389-094-006	COUCH, LAVELLE	CLAY JOHNSON	5/6/98	590	163	MC (RAL)	t.
55579-G	389-094-007	RUFF, RICHARD, JR., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	5/21/98	597	389	MC (RAL)	"
55579-H	389-094-008	NELSON, WILMA W., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	5/6/98	600	593	MC (RAL)	74
-55579-1	389-094-009	ARLEDGE, BARBARA RUFF, AGENT FOR THE STATE OF TEXAS	JOHNSON	1/1/99	605	191	MC (RAL)	f.e
55566-A	389-095-001	MCALPINE, JERI SMITH, AGENT FOR THE STATE OF TEXAS	JOHNSON	5/11/98	589	548	MC (RAL)	m-100
55566-B	389-095-002	GREEMAN, WALTER CHARLES, AGENT FOR THE STATE OF TEXAS	JOHNSON	5/11/98	590	243	MC (RAL)	m-100

Reeves MC - Paid Up

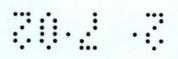






X-55566-C	389-095-003	BURRIS, ADELIA GREEMAN, AGENT FOR THE STATE OF TEXAS	JOHNSON	5/11/98	590	234	MC (RAL)	m-
X-55566-D	389-095-004	GREEMAN, TAMMY JO, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	5/11/98	590	216	MC (RAL)	m/I
X-55567-A	389-096-001	MCALPINE, JERI SMITH, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	5/11/98	589	566	MC (RAL)	m -
X-55567-B	389-096-002	GREEMAN, WALTER CHARLES, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	5/11/98	590	252	MC (RAL)	//
X-55567-C	389-098-003	BURRIS, ADELIA GREEMAN, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	5/11/98	590	225	MC (RAL)	,1
X-55567-D	389-096-004	GREEMAN, TAMMY JO, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	5/11/98	590	207	MC (RAL)	11
TX-55567-F	389-096-005	MEREDITH, DAVID III, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	5/21/98	Orig 590 Rel 592 Corr 596	Orig 288 Rel 456 Corr 289	MC (RAL)	.11
X-55567-E	389-096-006	MEREDITH, W.G.	CLAY JOHNSON	5/21/98	590	270	MC (RAL)	
X-55567-G	389-096-007	MEREDITH, H.M.	CLAY JOHNSON	5/21/98	591	410	MC (RAL)	11
TX-55593	389-109-000	WEST, NANNIE OVERTON	CLAY JOHNSON	5/21/98	590	198	MC (RAL)	m -
TX-55598-E	389-115-001	TURNER, PATRICIA H.R.	CLAY JOHNSON	5/4/98	591	365	MC (RAL)	m-1
TX-55596-B	389-115-002	DEENEY, MARGARET HAAG AND HUSBAND, THOMAS R. DEENEY	CLAY JOHNSON	6/4/98	591	347	MC (RAL)	m
TX-55596-A	389-115-003	HAAG, KENNETH LEE AND WIFE, MARIE EILEEN CARLSON HAAG	CLAY JOHNSON	5/13/98	591	329	MC (RAL)	
TX-55596-C	389-115-004	DORNFIELD, MARGARET FRANCES RANES	CLAY JOHNSON	5/15/98	592	724	MC (RAL)	11
TX-55596-D	389-115-005	BRADEN, LUCILLE HAAG	CLAY JOHNSON	6/4/98	Original 592 Re-Recorded	Original 650 Re-Recorded	MC (RAL)	U
TX-55598-A	389-117-001	WATKINS, WILLIAM WALKER AND WIFE, PAULINE RALLS WATKINS	CLAY JOHNSON	6/3/98	594 591	463 338	MC (RAL)	M
TX-55598-E	389-117-002	PARTEN, ANGELA DAWN WATKINS	CLAY JOHNSON	6/3/98	591	374	MC (RAL)	
TX-55598-B	389-117-003	TIPTON, LEZLIE SUE WATKINS	CLAY JOHNSON	6/3/98	591	383	MC (RAL)	]1
TX-55598-C	389-117-004	GRASTY, JEFFREY WINFIELD, INDIV. & AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/3/98	592	814	MC (RAL)	ıl.
TX-55598-D	389-117-005	ANDERSON, WENDY DIANE WATKINS	CLAY	6/3/98	595	181	MC (RAL)	11
TX-55599-A	389-118-001	JOBST, EMILY ANNE STEWART, A WIDOW	CLAY	5/21/98	591	392	MC (RAL)	М
TX-55599-B	389-118-002	JOBST, MADELINE, A SINGLE WOMAN	CLAY JOHNSON	5/21/98	591	401	MC (RAL)	-

Reeves MC - Paid Up





TX-55599-C	389-118-003	GOYER, ANNE JOBST, AGENT FOR THE STATE OF TEXAS	JOHNSON	5/21/98	Original 592 Re-Recorded 594	Original 715 Re-Recorded 453	MC (RAL)	m-100102
TX-55590-B	389-130-002	ST. CLAIR, SHARON B. & GWENDOLYN B. GELTEMEYER, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	8/25/98	597	326	MC (RAL)	m-100 103
TX-55624	389-183-000	SHANNON SHAWN, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/8/98	592	787	MC (RAL)	
								m 100 155
TX-55625-A	389-184-001	ROBERT H. BREEDEN LIVING TRUST, ROBERT H. BREEDEN, TRUSTEE AGENT FOR THE STATE OF TEXAS	JOHNSON	6/22/98	592	796	MC (RAL)	M100143
TX-55625-B	389-184-002	BREEDEN, GEORGIA E., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/22/98	593	709	MC (RAL)	m 100 143
TX-55626	389-185-000	VANCE, ROBERT ROUSH, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/8/98	592	805	MC (RAL)	m 100156
TX-55734-A	389-187-001	MARROW, N.S. AND WIFE DOROTHY H. MARROW, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/1/98	592	632	MC (RAL)	m 100153
TX-55610	389-192-000	MILLER, DOUGLAS ALFRED, AGENT FOR THE STATE OF TEXAS	CLAY	6/24/98	592	596	MC (RAL)	m100095
TX-55738-A	389-204-001	BROOKS, RUTH E., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	5/21/98	593	347	MC (RAL)	m100146
TX-55627-A	389-207-001	BRYCE, JAMES R., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/29/98	593	356	MC (RAL)	m100144
TX-55627-B	389-207-002	BARNUM, NORALEE, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/29/98	593	755	MC (RAL)	11
TX-55627-C	389-207-003	HINSON, MARY NELL, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/29/98	593	737	MC (RAL)	11
TX-55627-D	389-207-004	LIPTON, SYBIL JANE BRYCE, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/29/98	593	746	MC (RAL)	п
TX-55627-E	389-207-005	GLAZE, IVY EARL, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/29/98	597	362	MC (RAL)	34.
TX-55627-F	389-207-006	GLAZE, SARA LOVINA, AGENT FOR THE STATE OF TEXAS	JOHNSON	6/29/98	597	353	MC (RAL)	r r
TX-55739	389-210-000	MARROW, N.S. AND WIFE DOROTHY H. MARROW, AGENT FOR THE STATE OF TEXAS	JOHNSON	6/1/98	593	365	MC (RAL)	m 100142
TX-55740-A	389-211-001	MARROW, N.S., ET UX & AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/1/98	593	374	MC (RAL)	m-100961
TX-55620	389-212-000	ESTATE OF MARGUERITE EDITH MILLER, DEC'D, DOUGLAS ALFRED MILLER, EXEC. AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/24/98	593	383	MC (RAL)	m 100162
TX-55567-H	389-226-001	SNELSON, JAMES E. JR., AGENT FOR THE STATE OF TEXAS	CLAY	7/17/98	594	45	MC (RAL)	M100117
TX-55786	389-250-000	SAUNDERS, L.H., JR. & MARY JO BULLARD, AGENT FOR THE STATE OF TEXAS	CLAY	6/1/98	595	163	MC (RAL)	
TX-55788-A	389-252-001	SMITH, CRAIG, AGENT FOR THE STATE OF TEXAS	CLAY	7/16/98	595	172	MC (RAL)	m100192



TX-55820-A	389-285-001	GEORGE, JAMES R., JR., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/15/98	597	344	MC (RAL)	m-100231
TX-55820-8	389-285-002	WALLACE, WANDA G., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/15/98	597	452	MC (RAL)	11
TX-55820-C	389-285-003	BEXLEY, FRANCES, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/15/98	597	443	MC (RAL)	71
TX-55820-D	389-285-004	WELCH, CHARLENE, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/15/98	597	434	MC (RAL)	ı.i
TX-55820-E	389-285-005	WALLIS, REBECCA P., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/15/98	597	425	MC (RAL)	u
TX-55820-F	389-285-006	GEORGE, CHARLES E., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/15/98	597	416	MC (RAL)	1. "
TX-55820-G	389-285-007	GEORGE, CLYDE A., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/15/98	597	407	MC (RAL)	, I
TX-55820-H	389-285-008	GEORGE, ROBERT J., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/15/98	597	399	MC (RAL)	11
TX-55820-I	389-285-009	AMBURGY, B.D., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	6/15/98	597	698	MC (RAL)	11
TX-55821	389-286-000	BUSH, JESSE W. AND WIFE, MAY JARINE BUSH, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	9/25/98	597	371	MC (RAL)	m-100 194
TX-55822-A	389-287-001	GRIFFIN, BECKY B. & JOHN W. BUSH, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	8/25/98	597	380	MC (RAL)	m - 100195
TX-55822-B	389-287-002	ST. CLAIR, SHARON B. & GWENDOLYN B. GELTEMEYER, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	8/25/98	597	335	MC (RAL)	16
TX-55823-A	389-288-001	ST. CLAIR, SHARON B. & GWENDOLYN B. GELTEMEYER, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	8/25/98	597	317	MC (RAL)	m100 243
TX-55824-A	389-289-001	SWISHER, GLORIA, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	7/13/98	597	308	MC (RAL)	m-100228
TX-56143-001	389-307-001	BUSH, JESSE W. AND WIFE, MAY JARINE BUSH, AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	10/20/98	600	388	MC (RAL)	m-100 242
TX-56143-002	389-307-002	DAVIDSON, JAMES A., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	3/2/99	602	690	MC (RAL)	11
TX-58249	389-327-000	MCCORD, B.J., AGENT FOR THE STATE OF TEXAS	CLAY JOHNSON	1/15/99	601	767	MC (RAL)	m-100264
TX-56268-001	389-329-001	SCHIEFFER, PATRICIA PENROSE, INDIV. & AS TR. OF THE PATRICIA PENROSE SCHIEFFER TEST. TR., AGENT FOR THE STATE OF TEXAS	JOHNSON	7/16/98	603	356	MC (RAL)	Not AVALLABLE
TX-56362	389-339-000	MILLWEE, STEPHEN MICHAEL, GUARDIAN OF GERALDINE MILLWEE, AN INCAPACITATED PERSON	TITAN	10/1/99	612	708	MC (RAL)	58
TX-56071	389-235-000	TEXAS GENERAL LAND OFFICE/SCHOOL LAND BOARD MGL NO. 1780	TITAN RESOURCES	10/6/98	598	28	State Fee (GLO)	
								m-100419

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW

FILE NO. 209

FILED FOR RECORD ON THE 30TH DAY OF JANUARY A.D. 2002 AT 1:23 P. M.

BY: Istella Vicano, DEPUTY

DAY OF JANUARY

A.D. 2002 AT 4:00 P. M.

DIANNE O. FLOREZ, COUNTY CLERK REEVES COUNTY, TEXAS



True and Correct copy of Original filed in Reeves County Clerks Office

File No. MF 188087

Date Filed: 6 23 03

Jany E. Patterson, Commissioner

By

5- 4-05