

3058

TERMINATION

DATE 10/1/14
LEASING TM 5/29/18
MAPS X
GIS X

Rentals: WT.

Lease
Admin: DR.

Mineral
Maps:

STATE LEASE

MF099294

CONTROL	BASEFILE	COUNTY
65-902394 56-029214	000 -	WASHINGTON /239

SURVEY : WASHINGTON COUNTY ROADS
BLOCK :
TOWNSHIP : 00
SECTION/TRACT:
PART :
ACRES : 6.16
DEPTH LIMITS : NO

LESSEE : UNION PACIFIC RESOURCES COMPAN
LEASE DATE : Jun 16 1998
PRIMARY TERM : 3 yrs
BONUS (\$) : 615.90
RENTAL (\$) : 0.00
ROYALTY : 0.16666660
VAR ROYALTY :



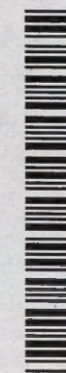
CAUTION

Documents in this file have been placed in Table of Contents order and scanned.

Please help keep documents in content order and let the ScanLab know when new documents are added to this file.

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Archives and Records Staff



MF 099294



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- 4. Letter 7/27/98, 1-22-99

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- 5) TERMINATION LETTER 10/1/14
- 6) LEASE (PRIVATE) 8/21/1998

scanned PJ 9-26-2018

- See MF 094949 #29, Ar/Kar # 10876
- Ever Volt @ Magnolia 7-26-19
- See MF 094949 #30, Ar/Kar # 10883
- EVKop @ Harvett Gid Kar 8-16-19

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The State of Texas



Austin, Texas

PAID-UP
OIL AND GAS LEASE NO. M-99294
GENERAL LAND OFFICE
AUSTIN, TEXAS

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

1. Lessor, in consideration of **Six Hundred Fifteen and 90/100 Dollars (\$615.90)**, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of **Washington**, State of Texas, and is described as follows:

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

For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **6.159** acres, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. **PRIMARY TERM:** This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of **three (3) years** from **June 16, 1998**, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. ROYALTIES: As royalty Lessee covenants and agrees:

(a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its well, the equal **one sixth (1/6)** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **one sixth (1/6)** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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


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

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

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

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

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



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

Approved:

Energy: RH

Executive: SL

Exhibit "A"

Acreeage to be Leased from the State of Texas in Washington County, Texas, being part of F.M. 332

6.159 acres of land, more or less, out of the Phillip Coe league, A-31, Washington County, Texas and being the same three (3) tracts of land described as follows, to-wit:

Tract 1: 2.337 acres (calculated) acres of land, more or less, being the same land described in that deed dated July 1, 1927, from Aug. Richter and wife, Marie Richter to Washington County, Texas and recorded in Volume 91, Page 74 of the Deed Records of Washington County, Texas.

Tract 2: 2.337 (calculated) acres of land, more or less, being the same land described in that deed dated June 23, 1927, from Mrs. Sophie Wehmeyer to Washington County, Texas, being the second document recorded in Volume 91, Page 206 of the Deed Records of Washington County, Texas.

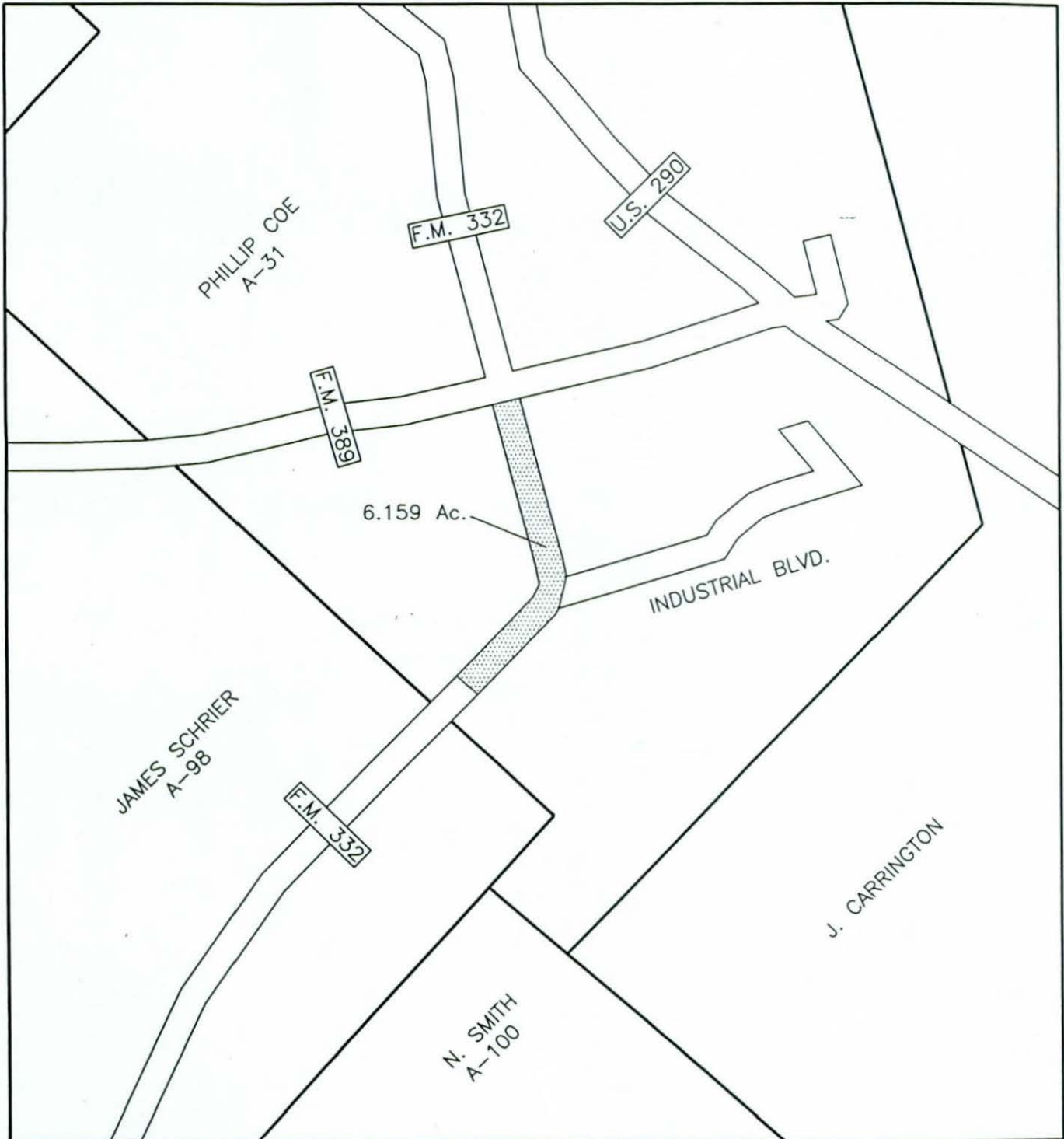
Tract 3: 1.485 (calculated) acres of land, more or less, being a part of the 4.92 acres of land described in that deed dated August 1, 1927, from Aug. Richter and wife, Maria Richter to Washington County, Texas and recorded in Volume 91, Page 186 of the Deed Records of Washington County, Texas and being that portion of said tract lying west of the centerline of Farm-to-Market Highway 332 and adjacent to the following four (4) tracts of land, to-wit:

A) 3.00 acres of land described in deed dated November 15, 1966, from Louis Schwarze and wife, Selma Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze and recorded in Volume 268, Page 184 of the Deed Records of Washington County, Texas.

B) 5.00 acres of land described in deed dated April 23, 1973, from Louis Schwarze and wife, Selma Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze and recorded in Volume 319, Page 301 of the Deed Records of Washington County, Texas.

C) 5.00 acres of land described in deed dated April 1, 1983, from Louis Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze and recorded in Volume 448, Page 494 of the Deed Records of Washington County, Texas.

D) 23.547 acres of land described in deed dated June 25, 1985, from Louis Schwarze, Sr. to Howard Korth and wife, Judy J. Korth and recorded in Volume 511, Page 884 of the Official Records of Washington County, Texas.



FM332at389/EM/6-98

MAP SHOWING
A PORTION OF F.M. 332
6.159 ACRES
APPROXIMATELY 1 MILE SOUTHWEST OF BRENHAM
WASHINGTON COUNTY

THIS LEASE AGREEMENT is made effective the 29 th day of August, 1997,
between MILDRED R. HENDRIX and husband, C. H. HENDRIX

as Lessor (whether one or more), whose address is 3704 Ravenwood Drive, Bryan, TX 77802
and UNION PACIFIC RESOURCES COMPANY, as Lessee,
whose address is 801 CHERRY STREET, FORT WORTH, TX 76102. All printed
portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. Description. Lessor, in consideration of Ten Dollars And No Cents

Dollars (\$ 10.00), in hand paid,
of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing
and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial
gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in

WASHINGTON County, Texas, to-wit:

59.33 acres of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, more fully described in Deed
dated December 29, 1942 from Wm. Seidel, as Independent Executor of the Estate of Marie Richter, Deceased to Ben Richter, recorded
in Volume 131, Page 608, Deed Records, Washington County, Texas.

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART OF THIS LEASE FOR ADDED CLAUSE 12.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased
premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any
additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals
and shut-in royalties hereunder, said land shall be deemed to be comprised of 59.3300 acres, whether it actually comprises more or less.

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

3. Royalty. Royalties on covered minerals produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated
at Lessee's held separator facilities, the royalty shall be 1/6 of such production, to be delivered at Lessee's option to Lessor at the wellhead or to
Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead posted price then
prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of
similar grade and gravity less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, (b) for gas (including casinghead gas) and all other

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

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

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

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

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

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

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

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

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

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

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

SS# AND/OR TAX ID #

[Redacted]

LESSOR:

Mildred R. Hendrix

MILDRED R. HENDRIX

C. H. Hendrix

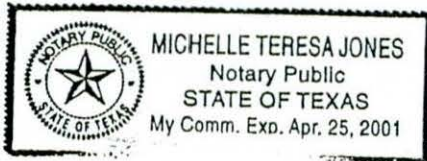
C. H. HENDRIX

STATE OF TEXAS)
COUNTY Brazos) ss.

This instrument was acknowledged before me this 3rd day of September, 1997, by Mildred R. Hendrix.

Michelle Teresa Jones
Notary Public

My Commission Expires:
4.25.2001

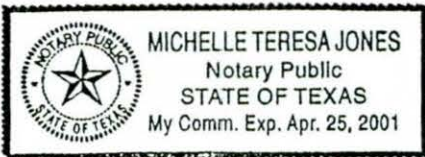


STATE OF TEXAS)
COUNTY Brazos) ss.

This instrument was acknowledged before me this 3rd day of September, 1997, by C. H. Hendrix.

Michelle Teresa Jones
Notary Public

My Commission Expires:
4.25.2001



Attached hereto and made a part hereof that certain Oil and Gas Lease dated August 29, 1997 by and between MILDRED R. HENDRIX and husband, C. H. HENDRIX, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit A

TOP LEASE

12. Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the ~"Prior Lease~") dated November 15, 1994 (recorded in Volume 759, Page 436, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements.



STATE OF TEXAS
COUNTY OF WASHINGTON

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

SEP 10 1997



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

FILED FOR RECORD
COUNTY OF WASHINGTON, TEXAS
1997 SEP 9 AM 9 58
Beth A. Rothermel
WASHINGTON CO. CLERK

M R N

C.H.H.

(2) The above-described Lease is hereby amended to add Paragraph 12 as follows: "Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 15, 1994 (recorded in Volume 759, Page 436, Official Records, Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest when said Prior Lease terminates, but in no event shall the term commence nor the estate vest after the expiration of one (1) year from the date of this Lease. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements."

As specifically confirmed, reformed and amended above, the undersigned Lessor does hereby grant, lease and let the above-described lands to Lessee, Union Pacific Resources Company, subject to and under the terms and provisions of the above described Lease, as confirmed and amended herein; and Lessor hereby adopts, ratifies and confirms the Lease, as reformed and amended herein, and declares the same to be effective and binding upon Lessor for all purposes.

The provisions of this document shall extend to and be binding upon the Lessor, their heirs, successors, legal representatives and assigns.

This Amendment is hereby accepted by Lessee upon Lessee duly recording this instrument in the Official Records of Washington County, Texas.

EXECUTED this 27th day of September, 1997.

LESSOR:

Mildred R. Hendrix
MILDRED R. HENDRIX

C. H. Hendrix
C. H. HENDRIX

STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on SEP 30 1997

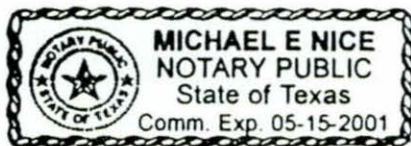


Beth Rothermel
Beth Rothermel, County Clerk
Washington County, Texas

FILED FOR RECORD
WASHINGTON COUNTY, TX
SEP 29 AM 9 45
Beth Rothermel
WASHINGTON CO. CLERK

THE STATE OF TEXAS }
COUNTY OF WASHINGTON }

This instrument was acknowledged before me this 27th day of September, 1997 by Mildred R. Hendrix and husband, C. H. Hendrix.



Michael E. Nice
NOTARY PUBLIC
STATE OF TEXAS

THIS LEASE AGREEMENT is made effective the 29 th day of August

between BENNIE RICHTER, JR. and wife, DOROTHY RICHTER

as Lessor (whether one or more), whose address is 1214 Oak Creek Drive, Richmond, TX 77469

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 CHERRY STREET, FORT WORTH, TX 76102

All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. Description. Lessor, in consideration of Ten Dollars And No Cents

Dollars (\$ 10.00), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in

WASHINGTON County, Texas, to-wit:

59.33 acres of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, more fully described in Deed dated December 29, 1942 from Wm. Seidel, as Independent Executor of the Estate of Marie Richter, Deceased to Ben Richter, recorded in Volume 131, Page 608, Deed Records, Washington County, Texas.

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART OF THIS LEASE FOR ADDED CLAUSE 12.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 59.3300 acres, whether it actually comprises more or less.

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

3. Royalty. Royalties on covered minerals produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's held separator facilities, the royalty shall be 1/6 of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead posted price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, (b) for gas (including casinghead gas) and all other

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

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

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

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

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

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

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

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

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

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

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

SS# AND/OR TAX ID #

[Redacted]

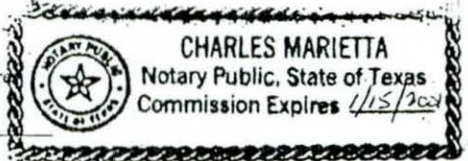
LESSOR:

Bennie Richter, Jr.
DOROTHY RICHTER

STATE OF TEXAS)
COUNTY Four Bands) ss.

This instrument was acknowledged before me this 11 day of Sept, 1997, by Bennie Richter, Jr.

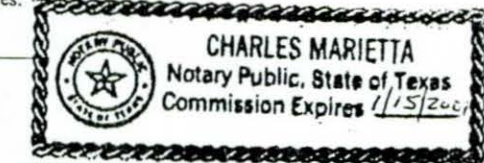
[Signature]
Notary Public



STATE OF TEXAS)
COUNTY Four Bands) ss.

This instrument was acknowledged before me this 11 day of Sept, 1997, by Dorothy Richter.

[Signature]
Notary Public



THIS LEASE AGREEMENT is made effective the 29th day of August, 1997 between WALTER RICHTER, dealing in his sole and separate property

as Lessor (whether one or more), whose address is 2363 F.M. 389, Brenham, TX 77833 and UNION PACIFIC RESOURCES COMPANY, as Lessee, whose address is 801 CHERRY STREET, FORT WORTH, TX 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. Description. Lessor, in consideration of Ten Dollars And No Cents

Dollars (\$ 10.00), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in

WASHINGTON County, Texas, to-wit:

59.33 acres of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, more fully described in Deed dated December 29, 1942 from Wm. Seidel, as Independent Executor of the Estate of Marie Richter, Deceased to Ben Richter, recorded in Volume 131, Page 608, Deed Records, Washington County, Texas.

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART OF THIS LEASE FOR ADDED CLAUSE 12.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 59.3300 acres, whether it actually comprises more or less. see paragraph 12,

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

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

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

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

141-90702

Attached hereto and made a part hereof that certain Oil and Gas Lease dated August 29, 1997 by and between WALTER RICHTER, dealing in his sole and separate property, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit A

TOP LEASE

12. Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the ~"Prior Lease~") dated November 11, 1994 (recorded in Volume 759, Page 431, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements.

525

STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this Instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on SEP 04 1997



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

FILED FOR RECORD
WASHINGTON COUNTY, TX
SEP 03 3 55 PM '97
Beth A. Rothermel
WASHINGTON CO. CLERK

W.R.

STATE OF TEXAS }
COUNTY OF WASHINGTON }

KNOW ALL MEN BY THESE PRESENTS:

5742

CONFIRMATION OF AND AMENDMENT TO OIL, GAS AND MINERAL LEASE

WHEREAS, on August 29, 1997, Walter Richter, dealing in his sole and separate property, as Lessor, entered into an Oil, Gas and Mineral Lease with Union Pacific Resources Company, as Lessee, which lease was recorded in Volume 868, Page 746, Official Records, Washington County, Texas, (the above-described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease covered 59.33 acres of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, more fully described in Deed dated December 29, 1942 from Wm. Seidel, as Independent Executor of the Estate of Marie Richter, Deceased to Ben Richter, recorded in Volume 131, Page 608, Deed Records, Washington County, Texas.

WHEREAS, Walter Richter (herein "Lessor") is the present owner of a leasing right to the above-described lands and the rights of the Lessor in the above-described Lease and Union Pacific Resources Company (herein "Lessee") is the present owner of the rights of the Lessee in the above-described Lease; and

WHEREAS, it is the desire of both Lessor and Lessee to confirm, reform and amend the Lease in the manner provided below.

NOW, THEREFORE, for a good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Lessor and Lessee do hereby confirm, reform and amend the Lease, as follows:

- (1) The above-described Lease is hereby amended to delete, in its entirety, Paragraph No. 12 which states: "Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 11, 1994 (recorded in Volume 759, Page 431, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements."

1997-90702

(2) The above-described Lease is hereby amended to add Paragraph 12 as follows: "Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 11, 1994 (recorded in Volume 759, Page 431, Official Records, Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest when said Prior Lease terminates, but in no event shall the term commence nor the estate vest after the expiration of one (1) year from the date of this Lease. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements."

As specifically confirmed, reformed and amended above, the undersigned Lessor does hereby grant, lease and let the above-described lands to Lessee, Union Pacific Resources Company, subject to and under the terms and provisions of the above described Lease, as confirmed and amended herein; and Lessor hereby adopts, ratifies and confirms the Lease, as reformed and amended herein, and declares the same to be effective and binding upon Lessor for all purposes.

The provisions of this document shall extend to and be binding upon the Lessor, his heirs, successors, legal representatives and assigns.

This Amendment is hereby accepted by Lessee upon Lessee duly recording this instrument in the Official Records of Washington County, Texas.

EXECUTED this 27th day of September, 1997.

STATE OF TEXAS
COUNTY OF WASHINGTON

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

SEP 30 1997



Beth Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

THE STATE OF TEXAS

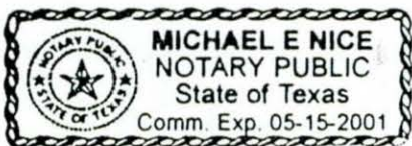
COUNTY OF WASHINGTON

LESSOR:

Walter Richter
WALTER RICHTER

FILED FOR RECORD
WASHINGTON COUNTY, TX
97 SEP 29 AM 9 46
Beth Rothermel
WASHINGTON CO. CLERK

This instrument was acknowledged before me this 27th day of September, 1997 by Walter Richter.



Michael E. Nice
NOTARY PUBLIC
STATE OF TEXAS

5317

19 97

THIS LEASE AGREEMENT is made effective the 10 th day of September, 19 97, between Ethel Witte Gurrech

as Lessor (whether one or more), whose address is 3020 Industrial Blvd., Brenham, TX 77833 and UNION PACIFIC RESOURCES COMPANY, as Lessee, whose address is 801 CHERRY STREET, FORT WORTH, TX 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of Ten Dollars And No Cents

(Dollars \$ 10.00), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in WASHINGTON County, Texas, to-wit:

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART OF THIS LEASE FOR ADDED CLAUSE 12.

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

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 45.2100 acres, whether it actually comprises more or less.

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

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

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

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

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

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

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

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

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

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

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

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

SS# AND/OR TAX ID #

[Redacted]

LESSOR:

Ethel Witte Gurrech
Ethel Witte Gurrech

STATE OF TEXAS)
COUNTY OF WASHINGTON) ss.

This instrument was acknowledged before me this 10th day of September, 1997, by Ethel Witte Gurrech.

Michael E. Nice
Notary Public



Attached hereto and made a part hereof that certain Oil and Gas Lease dated September 10, 1997 by and between Ethel Witte Gurrech, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit A

TOP LEASE

12. Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 14, 1994 (recorded in Volume 788, Page 266, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements.

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E W G
LESSOR INITIALS

Attached hereto and made a part hereof that certain Oil and Gas Lease dated September 10, 1997 by and between Ethel Witte Gurrech, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit B

DESCRIPTION OF LANDS

45.21 acres of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, and being the same land described in two tracts as follows:

TRACT 1: 8.835 acres of land, more or less, more fully described in Warranty Deed dated October 13, 1976 from W. C. Beerwinkel to Ethel Witte Gurrech, recorded in Volume 349, Page 183, Deed Records, Washington County, Texas.

TRACT 2: 36.375 acres of land, more or less, more fully described as 45.21 acres in Deed dated July 30, 1980 from Harry K. Lesser and Ethel Witte Gurrech, Independent Executors of the Estate of W. C. Beerwinkel, Deceased to Ethel Witte Gurrech, recorded in Volume 398, Page 560, Deed Records, Washington County, Texas, LESS AND EXCEPT: 8.835 acres, more or less, as conveyed and described in Warranty Deed dated October 13, 1976 from W. C. Beerwinkel to Ethel Witte Gurrech, recorded in Volume 349, Page 183, Deed Records, Washington County, Texas.



STATE OF TEXAS
COUNTY OF WASHINGTON

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

SEP 12 1997



Beth A. Rothammel

Beth Rothammel, County Clerk
Washington County, Texas

FILED FOR RECORD
WASHINGTON COUNTY, TX
SEP 11 PM 12 29
Beth A. Rothammel
WASHINGTON CO. CLERK

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LESSOR INITIALS

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

5721

CONFIRMATION OF AND AMENDMENT TO OIL, GAS AND MINERAL LEASE

WHEREAS, on September 10, 1997, Ethel Witte Gurrech, as Lessor, entered into an Oil, Gas and Mineral Lease with Union Pacific Resources Company, as Lessee, which lease was recorded in Volume 869, Page 207, Official Records, Washington County, Texas, (the above-described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease covered 45.21 acres of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, and being the same lands described in two tracts as follows:

TRACT 1: 8.835 acres of land, more or less, more fully described in Warranty Deed dated October 13, 1976 from W. C. Beerwinkel to Ethel Witte Gurrech, recorded in Volume 349, Page 183, Deed Records, Washington County, Texas.

TRACT 2: 36.375 acres of land, more or less, more fully described as 45.21 acres in Deed dated July 30, 1980 from Harry K. Lesser and Ethel Witte Gurrech, Independent Executors of the Estate of W. C. Beerwinkel, Deceased to Ethel Witte Gurrech, recorded in Volume 398, Page 560, Deed Records, Washington County, Texas, LESS AND EXCEPT: 8.835 acres, more or less, as conveyed and described in Warranty Deed dated October 13, 1976 from W. C. Beerwinkel to Ethel Witte Gurrech, recorded in Volume 349, Page 183, Deed Records, Washington County, Texas.

WHEREAS, Ethel Witte Gurrech (herein "Lessor") is the present owner of a leasing right to the above-described lands and the rights of the Lessor in the above-described Lease and Union Pacific Resources Company (herein "Lessee") is the present owner of the rights of the Lessee in the above-described Lease; and

WHEREAS, it is the desire of both Lessor and Lessee to confirm, reform and amend the Lease in the manner provided below.

NOW, THEREFORE, for a good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Lessor and Lessee do hereby confirm, reform and amend the Lease, as follows:

- (1) The above-described Lease is hereby amended to delete, in its entirety, Paragraph No. 12 which states: "Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 14, 1994 (recorded in Volume 788, Page 266, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements."

TX-190780

THIS LEASE AGREEMENT is made effective the 8th day of September 19 97, between JEFFREY S. SCHWARZE

as Lessor (whether one or more), whose address is 1950 F.M. 332, Brenham, TX 77833 and UNION PACIFIC RESOURCES COMPANY, as Lessee, whose address is 801 CHERRY STREET, FORT WORTH, TX 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. Description. Lessor, in consideration of Ten Dollars And No Cents

Dollars (\$ 10.00), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in WASHINGTON County, Texas, to-wit:

1.00 acre of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, more fully described in Gift Deed dated November 22, 1995 from Louis Schwarze, Jr. and wife, Maxine Schwarze to Jeffrey S. Schwarze, recorded in Volume 805, Page 940, Official Records, Washington County, Texas.

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART OF THIS LEASE FOR ADDED CLAUSE 12.

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

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

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

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

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

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

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

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

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

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

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

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

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

SS# AND/OR TAX ID #

[Redacted]

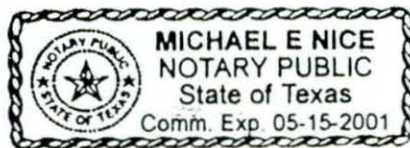
LESSOR:

Jeffrey S. Schwarze
JEFFREY S. SCHWARZE

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 8th day of September, 1997, by Jeffrey S. Schwarze.

Michael E. Nice
Notary Public



Attached hereto and made a part hereof that certain Oil and Gas Lease dated September 8, 1997 by and between JEFFREY S. SCHWARZE, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit A

TOP LEASE

12. Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 11, 1994 (recorded in Volume 759, Page 439, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements.

STATE OF TEXAS
COUNTY OF WASHINGTON

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

SEP 10 1997



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

FILED FOR RECORD
WASHINGTON COUNTY, TEXAS
1997 SEP 9 AM 9 58
Beth A. Rothamel
WASHINGTON CO. CLERK



JS

STATE OF TEXAS }
COUNTY OF WASHINGTON }

KNOW ALL MEN BY THESE PRESENTS:

5788

CONFIRMATION OF AND AMENDMENT TO OIL, GAS AND MINERAL LEASE

WHEREAS, on September 8, 1997, Jeffrey S. Schwarze, as Lessor, entered into an Oil, Gas and Mineral Lease with Union Pacific Resources Company, as Lessee, which lease was recorded in Volume 869, Page 060, Official Records, Washington County, Texas, (the above-described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease covered 1.00 acre of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, more fully described in Gift Deed dated November 22, 1995 from Louis Schwarze, Jr. and wife, Maxine Schwarze to Jeffrey S. Schwarze, recorded in Volume 805, Page 940, Official Records, Washington County, Texas.

WHEREAS, Jeffrey S. Schwarze (herein "Lessor") is the present owner of a leasing right to the above-described lands and the rights of the Lessor in the above-described Lease and Union Pacific Resources Company (herein "Lessee") is the present owner of the rights of the Lessee in the above-described Lease; and

WHEREAS, it is the desire of both Lessor and Lessee to confirm, reform and amend the Lease in the manner provided below.

NOW, THEREFORE, for a good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Lessor and Lessee do hereby confirm, reform and amend the Lease, as follows:

- (1) The above-described Lease is hereby amended to delete, in its entirety, Paragraph No. 12 which states: "Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 11, 1994 (recorded in Volume 759, Page 439, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements."

T-4-90778

(2) The above-described Lease is hereby amended to add Paragraph 12 as follows: "Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 11, 1994 (recorded in Volume 759, Page 439, Official Records, Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest when said Prior Lease terminates, but in no event shall the term commence nor the estate vest after the expiration of one (1) year from the date of this Lease. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements."

As specifically confirmed, reformed and amended above, the undersigned Lessor does hereby grant, lease and let the above-described lands to Lessee, Union Pacific Resources Company, subject to and under the terms and provisions of the above described Lease, as confirmed and amended herein; and Lessor hereby adopts, ratifies and confirms the Lease, as reformed and amended herein, and declares the same to be effective and binding upon Lessor for all purposes.

The provisions of this document shall extend to and be binding upon the Lessor, his heirs, successors, legal representatives and assigns.

This Amendment is hereby accepted by Lessee upon Lessee duly recording this instrument in the Official Records of Washington County, Texas.

STATE OF TEXAS
COUNTY OF WASHINGTON EXECUTED this 28th day of September, 1997.

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

LESSOR:

Jeffrey S. Schwarze
JEFFREY S. SCHWARZE

Beth A. Rothornel
WASHINGTON CO. CLERK

97 SEP 30 AM 9 44

FILED FOR RECORD
WASHINGTON COUNTY, TX

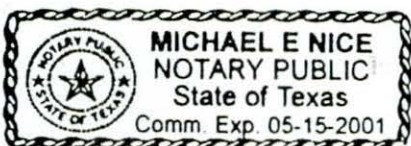
OCT 01 1997



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

THE STATE OF TEXAS }
COUNTY OF WASHINGTON }

This instrument was acknowledged before me this 28th day of September, 1997 by Jeffrey S. Schwarze.



Michael E. Nice
NOTARY PUBLIC
STATE OF TEXAS

OIL, GAS & MINERAL LEASE

5272

PROD 88 (REV 8/93) PAID UP

THIS LEASE AGREEMENT is made effective the 8th day of September, 1997, between LOUIS SCHWARZE, JR. and wife, MAXINE SCHWARZE

as Lessor (whether one or more), whose address is 1900 F.M. 332, Brenham, TX 77833 and UNION PACIFIC RESOURCES COMPANY, as Lessee, whose address is 801 CHERRY STREET, FORT WORTH, TX 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. Description. Lessor, in consideration of Ten Dollars And No Cents

Dollars (\$ 10.00), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in WASHINGTON County, Texas, to-wit:

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART OF THIS LEASE FOR ADDED CLAUSE 12.

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

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 12.0000 acres, whether it actually comprises more or less.

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

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

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

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

Attached hereto and made a part hereof that certain Oil and Gas Lease dated September 8, 1997 by and between LOUIS SCHWARZE, JR. and wife, MAXINE SCHWARZE, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit A

TOP LEASE

12. Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 11, 1994 (recorded in Volume 759, Page 439, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements.

LSJ
MS

LSJ MS
LESSOR INITIALS

Attached hereto and made a part hereof that certain Oil and Gas Lease dated September 8, 1997 by and between LOUIS SCHWARZE, JR. and wife, MAXINE SCHWARZE, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit B

DESCRIPTION OF LANDS

12.00 acres of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, and being the same land described in three tracts as follows:

TRACT 1: 3.00 acres of land, more or less, more fully described in Warranty Deed dated November 15, 1966 from Louis Schwarze and wife, Selma Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze, recorded in Volume 268, Page 184, Deed Records, Washington County, Texas.

TRACT 2: 5.00 acres of land, more or less, more fully described in Warranty Deed dated April 23, 1973 from Louis Schwarze and wife, Selma Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze, recorded in Volume 319, Page 301, Deed Records, Washington County, Texas.

TRACT 3: 5.00 acres of land, more or less, more fully described in Warranty Deed dated April 1, 1983 from Louis Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze, recorded in Volume 448, Page 494, Deed Records, Washington County, Texas.

LESS AND EXCEPT: 1.00 acre of land, more or less, out of Tract 1 and Tract 2, as conveyed and described in Gift Deed dated November 22, 1995 from Louis Schwarze, Jr. and wife, Maxine Schwarze to Jeffrey S. Schwarze, recorded in Volume 805, Page 940, Official Records, Washington County, Texas.



STATE OF TEXAS
COUNTY OF WASHINGTON

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



SEP 10 1997
Beth A. Rothemel
Beth Rothemel, County Clerk
Washington County, Texas

FILED FOR RECORD
WASHINGTON COUNTY, TEXAS
SEP 9 AM 9 58
Beth A. Rothemel
WASHINGTON CO. CLERK

L.S. *MS*
LESSOR INITIALS

covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements."

- (2) The above-described Lease is hereby amended to add Paragraph 12 as follows: "Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 11, 1994 (recorded in Volume 759, Page 439, Official Records, Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest when said Prior Lease terminates, but in no event shall the term commence nor the estate vest after the expiration of one (1) year from the date of this Lease. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements."

As specifically confirmed, reformed and amended above, the undersigned Lessor does hereby grant, lease and let the above-described lands to Lessee, Union Pacific Resources Company, subject to and under the terms and provisions of the above described Lease, as confirmed and amended herein; and Lessor hereby adopts, ratifies and confirms the Lease, as reformed and amended herein, and declares the same to be effective and binding upon Lessor for all purposes.

The provisions of this document shall extend to and be binding upon the Lessor, their heirs, successors, legal representatives and assigns.

This Amendment is hereby accepted by Lessee upon Lessee duly recording this instrument in the Official Records of Washington County, Texas.

EXECUTED this 25th day of September, 1997.

STATE OF TEXAS
COUNTY OF WASHINGTON

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

OCT 01 1997

LESSOR:

Louis Schwarze Jr.
LOUIS SCHWARZE, JR.

Maxine Schwarze
MAXINE SCHWARZE

FILED FOR RECORD
WASHINGTON COUNTY, TX
1997 SEP 30 AM 9 44
Beth A. Rothermel
WASHINGTON CO. CLERK



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

THE STATE OF TEXAS }
COUNTY OF WASHINGTON }

This instrument was acknowledged before me this 25th day of September, 1997 by Louis Schwarze, Jr. and wife, Maxine Schwarze.



Michael E. Nice
NOTARY PUBLIC
STATE OF TEXAS

THIS LEASE AGREEMENT is made effective the 22nd day of November 9222 94
between Judy Korth Rudloff (formerly known as Judy J. Korth), a married woman dealing in her
sole and separate property

as Lessor (whether one or more), whose address is 2903 South Market, Brenham, Texas 77833

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is P.O. BOX 7, Ft. Worth, Texas 76101-0007

All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of Ten Dollars (\$10.00) And Other Valuable Considerations

Dollars (\$ 10.00*****), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial

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

Washington

County, Texas, to-wit:

21.047 acres, more or less, described as 23.547 acres, more or less, in a Warranty Deed dated June 25, 1985, from Louis Schwarze to Howard Korth, et ux, Judy J. Korth, recorded in Volume 511, at Page 884, of the Official Records, Washington County, Texas. LESS & EXCEPT 2.5 acres, more or less, described in a Correction Deed, Deed Of Gift, dated August 19, 1992, from Judy Korth Rudloff to Keith A. Korth, recorded in Volume 678, Page 643, of the Official Records, Washington County, Texas. All property located in the Phillip Coe League, A-31, Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to comprise of 21.047 acres, whether it actually comprises more or less.

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

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

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

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

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

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

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

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

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

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

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

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

SS # AND/OR TAX ID #

LESSOR:

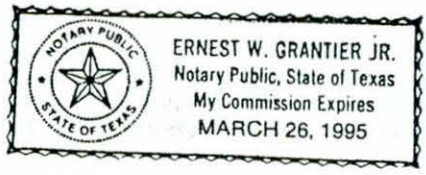
Judy Korth Rudloff
Judy Korth Rudloff SS# [REDACTED]

STATE OF TEXAS)
COUNTY OF WASHINGTON) ss.

This instrument was acknowledged before me this day of November 22nd, 19 94, by Judy Korth Rudloff

Ernest W. Grantier, Jr.
Notary Public

My Commission Expires:
MARCH 26, 1995



STATE OF _____)
COUNTY OF _____) ss.

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

My Commission Expires:

Notary Public

STATE OF TEXAS
COUNTY OF WASHINGTON

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

FILED
AT 4:55 P.M.
DEC 12 1994 80
Gertrude Lehmann
GERTRUDE LEHRMANN
COUNTY CLERK, WASHINGTON COUNTY, TEXAS



DEC 21 1994
Gertrude Lehmann
Gertrude Lehmann, County Clerk
Washington County, Texas

5
4
3
2
1

EXTENSION OF OIL, GAS AND MINERAL LEASE

5787

STATE OF TEXAS }
COUNTY OF WASHINGTON }

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS, UNION PACIFIC RESOURCES COMPANY, whose address is 801 Cherry Street, Fort Worth, Texas 76102, hereinafter referred to as "Lessee", is the present owner of all right, title and interest under that certain Oil, Gas and Mineral Lease, dated November 22, 1994, executed by JUDY KORTH RUDLOFF, as Lessor, recorded in Volume 759, Page 459, Official Records, Washington County, Texas, hereinafter referred to as "Lease", covering the following described tract:

21.047 acres of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, more fully described as 23.547 acres in Warranty Deed dated June 25, 1985 from Louis Schwarze to Howard Korth, et ux, Judy J. Korth, recorded in Volume 511, Page 884, Official Records, Washington County, Texas, LESS AND EXCEPT: 2.5 acres, more or less, as conveyed and described in Correction Deed dated August 19, 1992 from Judy Korth Rudloff to Keith A. Korth, recorded in Volume 678, Page 643, Official Records, Washington County, Texas.

WHEREAS, the owner of the rights of the Lessor under said lease, hereinafter referred to as "Lessor", and Lessee desire to amend said Lease and extend the term thereof in the manner set out below:

NOW, THEREFORE, in consideration of Ten Dollars and No Cents, (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned as Lessor, hereby agrees with Lessee that said Lease shall be and the same is hereby amended and extended as follows:

The primary term set out in Paragraph 2 of said lease is hereby changed from three (3) years from the date of said lease to six (6) years from the date of said lease.

Lessor hereby in all things adopts, ratifies and confirms said Lease as the same is hereby amended and extended, and hereby grants, leases and lets all of the acreage above-described and referred to unto Union Pacific Resources Company, subject to and under all the terms and provisions of said Lease; and such Lease is expressly affirmed, ratified and declared to be effective and binding for all purposes as of the date hereof.

In the event of conflict between the terms of the original Lease and the terms of this Extension, the terms of this extension shall control.

STATE OF TEXAS EXECUTED this the 30th day of September, 1997.
COUNTY OF WASHINGTON

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

OCT 01 1997

Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas



STATE OF TEXAS }
COUNTY OF WASHINGTON }

LESSOR:

Judy Korth Rudloff
JUDY KORTH RUDLOFF

FILED FOR RECORD
WASHINGTON COUNTY, T
1997 SEP 30 AM 9:44
Washington Co. Clerk

This instrument was acknowledged before me this 30th day of September, 1997 by JUDY KORTH RUDLOFF.



Michael E. Nice
NOTARY PUBLIC, STATE OF TEXAS

MF 99294
ITEM Lease
TO _____
FROM _____
DATE 8/21/98

99294

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

May 19, 1998

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

Attn.: Mr. Drew Reid

RE: Oil and Gas Lease, 6.159 acres of land,
FM Highway 332, Washington County, Texas

98048465

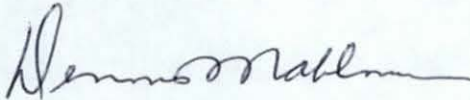
Dear Mr. Reid:

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

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

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

Sincerely yours,



Dennis Mahlmann
Landman and Agent,
Union Pacific Resources Company

Enclosures

100.00
1/6
3yr Paid-up
25.00 Plat/Elect in
170

X100.00



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

May 19, 1998

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

Attn.: Mr. Drew Reid

RE: Oil and Gas Lease, 6.159 acres of land,
FM Highway 332, Washington County, Texas

Dear Mr. Reid:

Union Pacific Resources Company hereby makes application to lease an 6.159 acre right-of-way tract located in Washington County, Texas. Union Pacific Resources Company is an "adjacent mineral owner" to the tract as a result of currently existing oil and gas leases.

Attached to this application are the following:

- 1) Plat or map of the right-of-way tract showing the boundaries and dimensions of said tract;
- 2) Vicinity map indicating the location of the 6.159 acres to be leased;
- 3) Copies of source deeds into the State of Texas.

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

Sincerely yours,



Dennis Mahlmann
Landman and Agent,
Union Pacific Resources Company

Enclosures

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

May 19, 1998

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

Attn.: Mr. Drew Reid

RE: 6.159 acres of land, more or less, FM Highway 332,
Philip Coe League, A-31, Washington County, Texas

Dear Mr. Reid:

We have examined title to **6.159 acres of land**, more or less, out of the Philip Coe League, Abstract No. 32, Washington County, Texas, being the same land described as the following three (3) tracts of land, to-wit:

Tract 1: 2.337 acres (calculated) acres of land, more or less, being the same land described in that deed dated July 1, 1927, from Aug. Richter and wife, Marie Richter to Washington County, Texas and recorded in Volume 91, Page 74 of the Deed Records of Washington County, Texas.

Tract 2: 2.337 (calculated) acres of land, more or less, being the same land described in that deed dated June 23, 1927, from Mrs. Sophie Wehmeyer to Washington County, Texas, being the second document recorded in Volume 91, Page 206 of the Deed Records of Washington County, Texas.

Tract 3: 1.485 (calculated) acres of land, more or less, being a part of the 4.92 acres of land described in that deed dated August 1, 1927, from Aug. Richter and wife, Maria Richter to Washington County, Texas and recorded in Volume 91, Page 186 of the Deed Records of Washington County, Texas and being that portion of said tract lying west of the centerline of Farm-to-Market Highway 332 and adjacent to the following four (4) tracts of land, to-wit:

A) 3.00 acres of land described in deed dated November 15, 1966, from Louis Schwarze and wife, Selma Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze and recorded in Volume 268, Page 184 of the Deed Records of Washington County, Texas.

B) 5.00 acres of land described in deed dated April 23, 1973, from Louis Schwarze and wife, Selma Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze and recorded in Volume 319, Page 301 of the Deed Records of Washington County, Texas.

C) 5.00 acres of land described in deed dated April 1, 1983, from Louis Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze and recorded in Volume 448, Page 494 of the Deed Records of Washington County, Texas.

D) 23.547 acres of land described in deed dated June 25, 1985, from Louis Schwarze, Sr. to Howard Korth and wife, Judy J. Korth and recorded in Volume 511, Page 884 of the Official Records of Washington County, Texas.

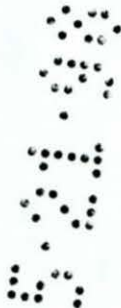
We find the Surface Ownership, Executive Rights and Mineral Fee are vested in the **STATE OF TEXAS** as a result of the conveyances listed above.

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

Respectfully Submitted,

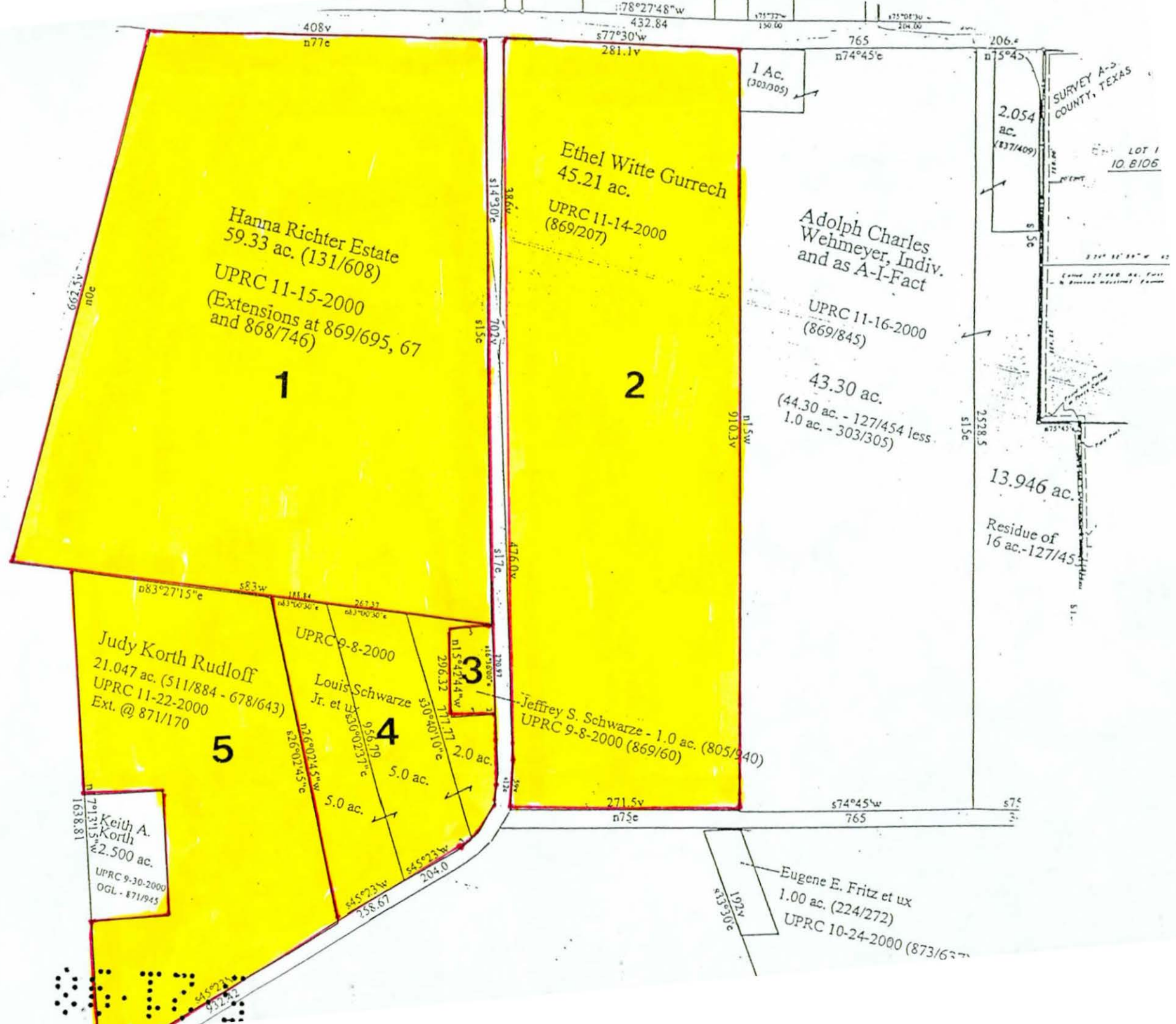


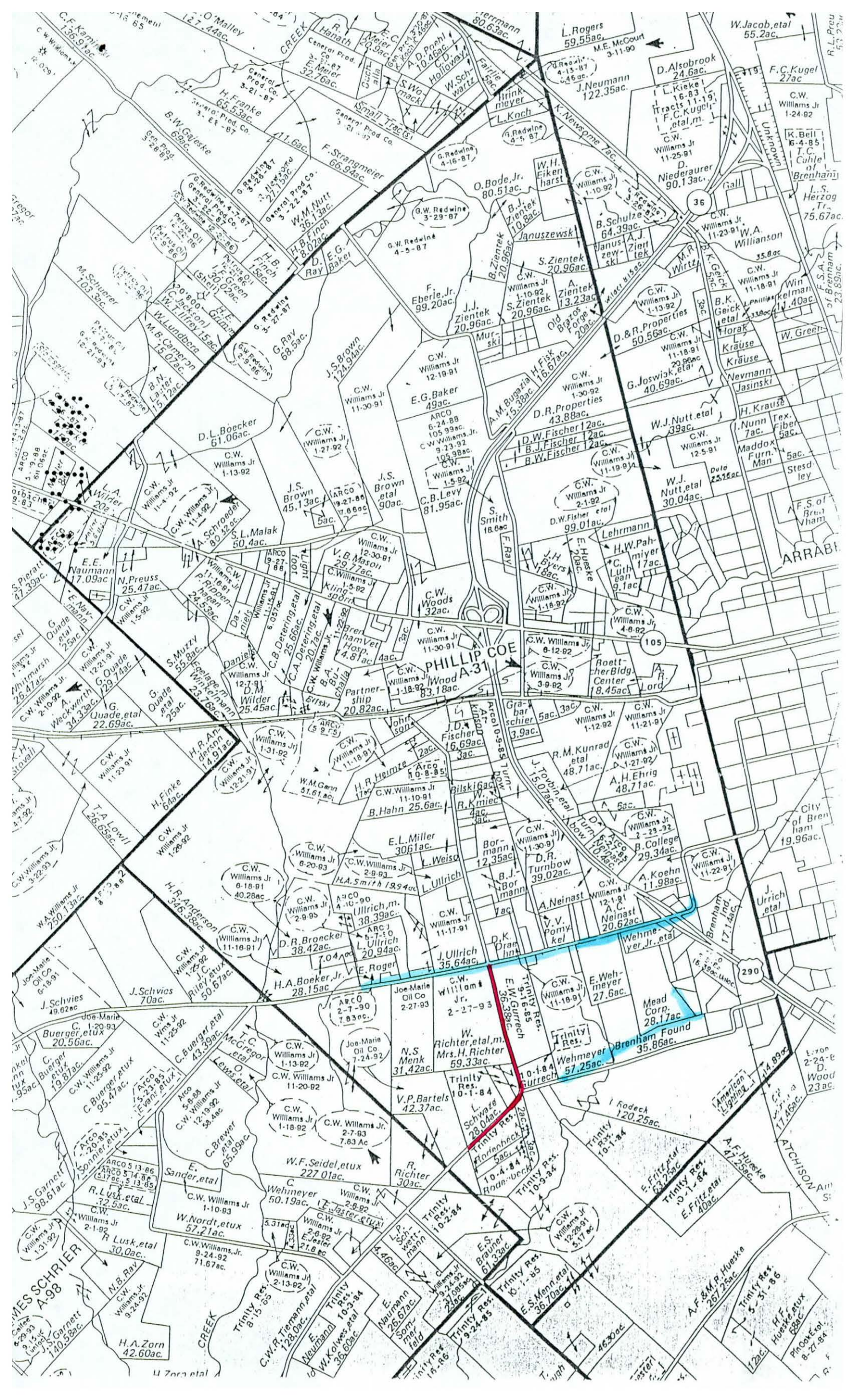
Dennis Mahlmann
Landman and Agent
Union Pacific Resources Company



Washington Co.
Co. 159 AC
F.M. 332

EXHIBIT "A"





C.F. Kemmer
136.9 ac
O. Malley
127.44 ac
CREEK

H. Franke
65.53 ac
General Prod. Co.
3-21-87
B.W. Galeske
69 ac
General Prod. Co.
3-26-87

M. Schuierer
103.3 ac
L.A. Wilder
20 ac
E.E. Naumann
17.09 ac
N. Preuss
25.47 ac

H. F. Franke
64 ac
C.W. Williams Jr
1-28-92
H.R. Anderson
545.38 ac
J. Schvies
70 ac

C.W. Williams Jr
8-18-91
40.28 ac
C.W. Williams Jr
11-18-91
38.42 ac
D.R. Broncker
38.42 ac

C.W. Williams Jr
1-13-92
C.W. Williams Jr
11-20-92
C.W. Williams Jr
1-18-92
7.83 ac

MES SCHRIER
A-98
J.S. Garnett
98.61 ac
R. Lusk, et al
30.0 ac
H.A. Zorn
42.60 ac

H. Hanath
General Prod. Co.
3-21-87
F. Strangmeier
66.94 ac
W.M. Nutt
36.13 ac
H.B. Finch
8.02 ac

M. Lundberg
15.02 ac
G. Ray
68.5 ac
J.S. Brown
72.94 ac
C.W. Williams Jr
11-30-91

D.L. Boecker
61.06 ac
C.W. Williams Jr
1-13-92
J.S. Brown
45.13 ac
J.S. Brown et al
90 ac

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H.A. Boeker, Jr.
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2-9-93
C.W. Williams Jr
11-17-91
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11-20-92
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7.83 ac

W.F. Seidel, et ux
227.01 ac
W. Richter, et al, Mrs. H. Richter
59.33 ac
Trinity Res.
10-1-84

W. Schuierer
103.3 ac
W.H. Fikenharst
80.51 ac
B. Zientek
10.8 ac
S. Zientek
20.96 ac

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S. Zientek
20.96 ac

W.M. Nutt
36.13 ac
H.B. Finch
8.02 ac
D.E.G. Baker
Ray
J.S. Brown
72.94 ac

D.L. Boecker
61.06 ac
C.W. Williams Jr
1-13-92
J.S. Brown
45.13 ac
J.S. Brown et al
90 ac

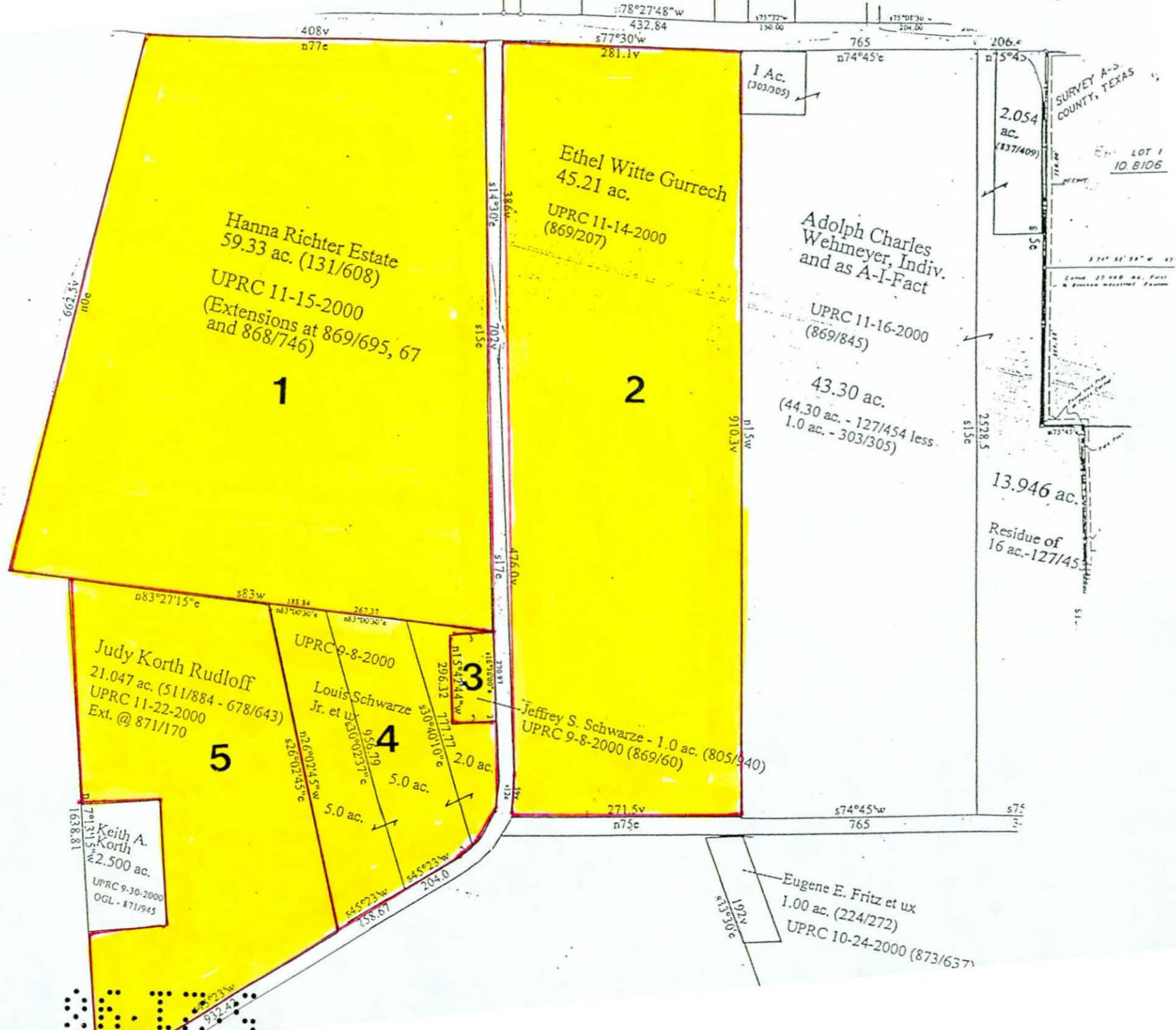
H.R. Anderson
545.38 ac
C.W. Williams Jr
1-31-92
C.W. Williams Jr
11-18-91
C.W. Williams Jr
11-18-91

H.A. Boeker, Jr.
28.15 ac
C.W. Williams Jr
2-9-93
C.W. Williams Jr
11-17-91
C.W. Williams Jr
11-17-91

C.W. Williams Jr
1-13-92
C.W. Williams Jr
11-20-92
C.W. Williams Jr
1-18-92
7.83 ac

W.F. Seidel, et ux
227.01 ac
W. Richter, et al, Mrs. H. Richter
59.33 ac
Trinity Res.
10-1-84

EXHIBIT "A"



AFFIDAVIT

STATE OF TEXAS

COUNTY OF WASHINGTON

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

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

RIGHT-OF-WAY TRACTS TO BE LEASED IN WASHINGTON COUNTY, BEING A PART OF FARM-TO-MARKET HIGHWAY 332

6.159 acres of land, more or less, out of the Phillip Coe league, A-31, Washington County, Texas and being the same three (3) tracts of land described as follows, to-wit:

Tract 1: 2.337 (calculated) acres of land, more or less, being the same land described in that deed dated July 1, 1927, from Aug. Richter and wife, Marie Richter to Washington County, Texas and recorded in Volume 91, Page 74 of the Deed Records of Washington County, Texas.

Tract 2: 2.337 (calculated) acres of land, more or less, being the same land described in that deed dated June 23, 1927, from Mrs. Sophie Wehmeyer to Washington County, Texas, being the second document recorded in Volume 91, Page 206 of the Deed Records of Washington County, Texas.

Tract 3: 1.485 (calculated) acres of land, more or less, being a part of the 4.92 acres of land described in that deed dated August 1, 1927, from Aug. Richter and wife, Maria Richter to Washington County, Texas and recorded in Volume 91, Page 186 of the Deed Records of Washington County, Texas and being that portion of said tract lying west of the centerline of Farm-to-Market Highway 332 and adjacent to the following four (4) tracts of land, to-wit:

A) 3.00 acres of land described in deed dated November 15, 1966, from Louis Schwarze and wife, Selma Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze and recorded in Volume 268, Page 184 of the Deed Records of Washington County, Texas.

B) 5.00 acres of land described in deed dated April 23, 1973, from Louis Schwarze and wife, Selma Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze and recorded in Volume 319, Page 301 of the Deed Records of Washington County, Texas.

C) 5.00 acres of land described in deed dated April 1, 1983, from Louis Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze and recorded in Volume 448, Page 494 of the Deed Records of Washington County, Texas.

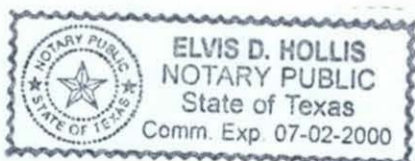
D) 23.547 acres of land described in deed dated June 25, 1985, from Louis Schwarze, Sr. to Howard Korth and wife, Judy J. Korth and recorded in Volume 511, Page 884 of the Official Records of Washington County, Texas.

Further affiant sayeth not.

Dated this 20th day of May, 1998.

Dennis Mahlmann
DENNIS MAHLMANN

SUBSCRIBED AND SWORN TO BEFORE ME this 20th day of May, 1998.



Elvis D Hollis
Notary Public, State of Texas

AFFIDAVIT

STATE OF TEXAS

COUNTY OF WASHINGTON

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

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

RIGHT-OF-WAY TRACTS TO BE LEASED IN WASHINGTON COUNTY, BEING A PART OF FARM-TO-MARKET HIGHWAY 332

6.159 acres of land, more or less, out of the Phillip Coe league, A-31, Washington County, Texas and being the same three (3) tracts of land described as follows, to-wit:

Tract 1: 2.337 acres (calculated) acres of land, more or less, being the same land described in that deed dated July 1, 1927, from Aug. Richter and wife, Marie Richter to Washington County, Texas and recorded in Volume 91, Page 74 of the Deed Records of Washington County, Texas.

Tract 2: 2.337 (calculated) acres of land, more or less, being the same land described in that deed dated June 23, 1927, from Mrs. Sophie Wehmeyer to Washington County, Texas, being the second document recorded in Volume 91, Page 206 of the Deed Records of Washington County, Texas.

Tract 3: 1.485 (calculated) acres of land, more or less, being a part of the 4.92 acres of land described in that deed dated August 1, 1927, from Aug. Richter and wife, Maria Richter to Washington County, Texas and recorded in Volume 91, Page 186 of the Deed Records of Washington County, Texas and being that portion of said tract lying west of the centerline of Farm-to-Market Highway 332 and adjacent to the following four (4) tracts of land, to-wit:

A) 3.00 acres of land described in deed dated November 15, 1966, from Louis Schwarze and wife, Selma Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze and recorded in Volume 268, Page 184 of the Deed Records of Washington County, Texas.

B) 5.00 acres of land described in deed dated April 23, 1973, from Louis Schwarze and wife, Selma Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze and recorded in Volume 319, Page 301 of the Deed Records of Washington County, Texas.

C) 5.00 acres of land described in deed dated April 1, 1983, from Louis Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze and recorded in Volume 448, Page 494 of the Deed Records of Washington County, Texas.

D) 23.547 acres of land described in deed dated June 25, 1985, from Louis Schwarze, Sr. to Howard Korth and wife, Judy J. Korth and recorded in Volume 511, Page 884 of the Official Records of Washington County, Texas.

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

<u>LESSORS</u>	<u>REF.</u>	<u>ROYALTY</u>	<u>BONUS</u>	<u>RENTAL</u>
TRACT 1: 59.33 Acres Mildred R. Hendrix, et vir Lease amended at 870/859.	869/067	1/6	\$100/Ac	Pd Up
Bennie Richter, et ux	869/695	1/6	\$100/Ac	Pd Up
Walter Richter Lease amended at 871/001.	866/746	1/6	\$100/Ac	Pd Up
TRACT 2: 45.21 Acres Ethel Witte Gurrech Lease amended, 870/788.	869/207	1/6	\$100/Ac	Pd Up
Tract 3: 1.00 Acre Jeffery S. Schwarze Lease amended, see 871/171.	871/171	1/6	\$100/Ac	Pd Up
Tract 4: 12.00 Acres Louis Schwarze, Jr. et ux Lease amended, see 871/173.	869/063	1/6	\$100/Ac.	Pd Up

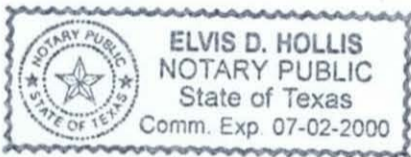
Tract 5: 21.047 Acres
Judy Korth Rudloff 759/459 1/6 \$100/Ac Pd Up
Primary term of lease extended from 3 years to six years for additional bonus of \$100/Ac; ref. 871/170.


Affiant further states that said lands listed as TRACT 1 through TRACT 5, herein, correspond to the lands listed as same on the attached map, labeled Exhibit "A".

Dated this 20th day of May, 1998.


DENNIS MAHLMANN

SUBSCRIBED AND SWORN TO BEFORE ME this 20th day of May, 1998.




Notary Public, State of Texas



F 332

91/74

of said County the receipt of which is hereby acknowledged, have granted, sold, and conveyed, and by these presents do Grant, Sell and Convey unto Washington County Texas, all of the land hereinabove described.

TO HAVE AND TO HOLD the above described land, together with all and singular the rights and appurtenances, thereto, in any wise belonging unto Washington County Texas, forever.

It is expressly agreed and understood, however, that should said road not be constructed over and upon the land hereinabove described, this conveyance shall become null and void and the title to said land shall revert to me or my heirs or assigns.

Witness our hands this the 11, day of July, A. D. 1927.

A. Bormann

THE STATE OF TEXAS)
COUNTY OF WASHINGTON)

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

Given under my hand and seal of office this the 11, day of July, A. D. 1927.

(Seal)

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

Filed for record at 9:00 o'clock A. M. Nov. 10, 1928

C. B. Thompson CCCWC

Recorded at 4:12 o'clock P. M. Nov. 10, 1928

By *[Signature]* Deputy

Tract 1: 2.337 ac.

DEED: August Richter to Washington County.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON)

Whereas, Washington County, Texas, is desirous of constructing an improved road leading from Brenham to Wesley known as the Brenham Wesley Rd.

Whereas, it is desired by said County to construct said road through and upon certain land now owned by us and to include in said road or the right of way therefor that part of such land so owned by us viz: A strip of land along the east side of my place from sta _____ to _____ on Wesley road of such a width that there will be 40 ft. between the center line as located by the county Engr. and my west line along between said station being _____ acres in the _____ Sec in Washington Co Texas. Whereas, it is thought by us that the construction of said road upon that part of my property; therefore, KNOW ALL MEN BY THESE PRESENTS: That August Richter & wife of the County of Washington and the State of Texas, in consideration of the prospective increase in the value of our property by the construction of said road, and for the further consideration of the sum of \$1.00 to me in hand paid by said County, the receipt of which is hereby acknowledged, have granted, and sold, and conveyed, and by these presents do Grant, Sell and Convey unto Washington County, Texas, all of the land hereinabove described.

TO Have and To Hold the above described land, together with all and singular the rights and appurtenances thereto in any wise belonging unto Washington County, Texas, forever.

It is expressly agreed and understood, however, that should said road not be constructed over and upon the land hereinabove described, this conveyance shall become null and void, and the title to said land shall revert to us or our heirs or assigns.

WITNES: our hands this the 1st day of July, A. D. 1927.

Aug. Richter.

Marie Richter.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON)

Before me, the undersigned authority, on this day personally appeared August Richter known to me to be the person whose name _____ subscribed to

the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

FM 332

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE 1st day of July, A. D. 1927

(Seal)

C. A. Bracher
Deputy District Clerk, Washington County, TEX.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) Before me the undersigned authority, on this day personally appeared Maria Richter wife of Aug. Richter known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Maria Richter acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and considerations therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE 1 day of July, A. D. 1927.

(Seal)

C. A. Bracher.
Deputy Dist. Clerk, Washington County, Tex.

Filed for record at 9:00 o'clock A. M. Nov. 16, 1928

C. B. Thompson S.C.M.C.

Recorded at 4:35 o'clock P. M. Nov. 16, 1928

By *C. B. Thompson* Deputy

DEED: Joe Baca to Washington County.

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) Whereas, Washington County Texas, is desirous of constructing an improvement road leading from Brenham to Wesley known as the Brenham Wesley Road Thereat, it is desired by said County to construct said road through and upon certain land now owned by us and to include in said road or the right of way therefore that part of such land so owned by us viz: A strip of land of such a width that there shall be 40' from the center line of the new Brenham Wesley road to our South property line from station 138 & 88 to station 142 & 94 on the right side of said center line. Plans of said road on file in the office of the county clerk at Brenham.

Whereas, it is thought by us that the construction of said road upon that part of our land hereinabove described, would increase the value of our property; therefore;

KNOW ALL MEN BY THESE PRESENTS: That Joe Baca & wife of the County of Washington and the State of Texas, in consideration of the prospective increase in the value of our property by the construction of said road, and for the further consideration of the sum of \$1.00 to me in hand paid by said County, the receipt of which is hereby acknowledged, Have Granted, Sold, and Conveyed, and by these presents do Grant, Sell, and Convey unto Washington County, Texas, all of the land hereinabove described.

TO HAVE AND TO HOLD the above described land, together with all and singular the rights and appurtenances, thereto, in anywise belonging unto Washington County, Texas, forever.

It is expressly agreed and understood, however, that should said road not be constructed over and upon the land hereinabove described, this conveyance shall become null and void and the title to said land shall revert to us or our heirs or assigns.

Witness our hands this the 20 day of October, A. D. 1927.

Josep Baca

THE STATE OF TEXAS)
COUNTY OF WASHINGTON) Before me the undersigned authority, on this day personally appeared Joe Baca known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 20 day of October, A. D. 1927.

(Seal)

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

Witness our hands this the 7 day of April A. D. 1927.

Mrs. Sophie Wehmeyer.

THE STATE OF TEXAS }
COUNTY OF WASHINGTON }

WHEREAS, Washington County, Texas, is desirous of constructing an improved road through said county from Brenham to Latium, known as the Brenham-Latium road; and,

WHEREAS, it is desired by said county to construct said road through and upon certain lands now owned by me and to include in said road or the right-of-way therefor that part of such land so owned by me viz:

A strip of land along the north side of my place one mile S-W of Brenham of such a width that there will be 40 ft. between the center line of the above road and my north line. This center line is the center line as run out by the County Engineer; and,

WHEREAS, it is thought by me that the construction of said road upon that part of my land above described would increase the value of my property; therefore,

KNOW ALL MEN BY THESE PRESENTS: That Mrs. Sophie Wehmeyer of the County of Washington and State of Texas, in consideration of the prospective increase in the value of my property by the construction of said road, and for the further consideration of the sum of \$1.00 to me in hand paid by said county; the receipt of which is hereby acknowledged; have Granted, Sold, and Conveyed, and by these presents do Grant, Sell, and Convey unto Washington County, Texas, all of the land hereinabove described.

TO HAVE AND TO HOLD the above described land, together with all and singular, the rights and appurtenances thereto in anywise belonging unto said Washington County, Texas, forever.

It is expressly agreed and understood, however, that should said road not be constructed over and upon the land hereinabove described, this conveyance shall be null and void and the title to said land shall revert to me or my heirs or assigns.

Witness our hands this the 14 day of Oct. A. D. 1925.

Mrs. Sophie Wehmeyer.

THE STATE OF TEXAS }
COUNTY OF WASHINGTON }

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

Given under my hand and seal of office this the 14 day of October A. D. 1925.

G. A. Bracher. Deputy Dist. Clerk,
Washington County.

(Seal)

Filed for record at 8 o'clock A. M. June 1, 1929.

C. B. Thompson CCCWC.

Recorded at 8:30 o'clock A. M. June 1, 1929.

By *[Signature]* Deputy.

Tract 2: 2.337 ac.

DEED: SOPHIE WEHMEYER TO WASHINGTON COUNTY.

THE STATE OF TEXAS }
COUNTY OF WASHINGTON }

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

WHEREAS, it is desired by said County to construct said road through and upon certain land now owned by me and to include in said road or the right-of-way therefor that part of such land so owned by me viz:

A strip of land along the West side of my place approx. 2 miles West of Brenha, of such a width that there will be 40 ft. between the center line of the above road as run out by the Co. Engineer and the West property line of my place. Said strip to extend along the west side of my place along the Wesley Road.

WHEREAS, it is thought by me that the construction of said road upon that part of my land

FM 332
40' x
918 1/2
12550' =
2.34 AC

hereinabove described, would increase the value of my property; therefore,

KNOW ALL MEN BY THESE PRESENTS: That Sophie Wehmeyer of the County of Washington and the State of Texas, in consideration of the prospective increase in the value of my property by the construction of said road, and for the further consideration of the sum of \$1.00 to me in hand paid by said County, the receipt of which is hereby acknowledged, Have Granted, Sold, and Conveyed, and by these presents do Grant, Sell, and Convey unto Washington County, Texas, all of the land hereinabove described.

TO HAVE AND TO HOLD the above described land, together with all and singular, the rights and appurtenances thereto, in anywise belonging unto Washington County, Texas, forever.

It is expressly agreed and understood, however, that should said road not be constructed over and upon the land hereinabove described, this conveyance shall become null and void and the title to said land shall revert to me or my heirs or assigns.

Sophie Wehmeyer.

THE STATE OF TEXAS }
 COUNTY OF WASHINGTON) Before me, the undersigned authority, on this day personally appeared Sophie Wehmeyer, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 23rd day of June A. D. 1927.

(Seal)

G. A. Bracher. Deputy Dist. Clerk.
 Washington Co., Tex.

Filed for record at 8 o'clock A. M. June 1, 1929.

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

Recorded at 8:56 o'clock A. M. June 1, 1929.

By *[Signature]* Deputy.

DEED: A. S. WHITEHER TO WASHINGTON COUNTY.

FIELD NOTES OF A. S. WHITEHER LAND USED FOR GREENVINE ROAD.

A strip of land along the south-west side of my place south of Burton along the public road from Derriok Lane on Highway #20 to Greenvine, known as the Greenvine road, according to the plans made by the County Engineer and adopted by the Commissioners Court on March 23rd, 1925, plans of which are on file in the County Clerk's Office and in the County Engineer's office, and more particularly described as follows:

Beginning at Station 18/05 of said Greenvine road, being a point at right angles to the center line of said road and forty (40) feet out to the north-east, also being on the line between John Schwickert, Wedemeyer, and Grimm and A. S. Whitener, thence with a strip of land of varying width along the center line of said road as per tabulation below.

Station	Left Ft.	Station	Left	Station	Left.
18/05	40	53/00	45	76/00	40
19/00	45	54/00	50	77/00	45
20/00	45	55/00	55	78/00	50
21/00	45	59/00	55	79/00	45
25/00	50	60/00	50	80/00	40
30/00	60	62/00	40	83/00	40
34/00	60	64/00	40	87/00	40
35/00	35	65/00	35	88/00	35
42/00	35	66/00	35	94/00	35
43/00	40			95/00	35
46/00	40	67/00	40	97/00	35
47/00	35	70/00	40	98/00	50
52/00	35	71/00	40	99/00	50

Station	Dist. out on Left.	Bearing of Centerline.
18/05	40	S 53°E.
19/00	45	"
21/00	45	"
25/00	50	"
30/00	60	"
34/00	60	"
35/00	35	"
42/00	35	"
43/00	40	S 52°48'E.
46/00	40	"
47/00	35	"

FM 332

91/186

title to said land shall revert to us or our heirs or assigns.

Witness our hands this the 19th day of August A. D. 1924.

Daniel Robson.
M. J. Robinson.

THE STATE OF TEXAS }
COUNTY OF WASHINGTON) Before me, the undersigned authority on this day personally appeared Don Robson known to me to be the person whose name subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 19 day of August A. D. 1924.

(Seal) Victor Friedrich, Deputy Dist. Clerk, Washington County.

THE STATE OF TEXAS }
COUNTY OF WASHINGTON) Before me, the undersigned authority, on this day personally appeared Mary Jane Robson wife of Don Robson known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same explained to her, she, the said acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract.

Given under my hand and seal of office this the 19 day of August A. D. 1924.

(Seal) Victor Friedrich, Deputy Dist. Clerk, Washington County.

Filed for record at 8 o'clock A. M. Apr. 27, 1929.

C. B. Thompson CCCWC.

Recorded at 4 o'clock P. M. Apr. 27, 1929.

By *Victor Friedrich* Deputy.

Tract 3: 11485 ac *****

DEED: AUG. RICHTER, WESLEY ROAD TO WASHINGTON COUNTY.

THE STATE OF TEXAS }
COUNTY OF WASHINGTON)
WHEREAS, Washington County, Texas, is desirous of constructing an improved road leading from Brenham to Wesley known as the Brenham-Wesley Road.

WHEREAS, it is desired by said County to construct said road through and upon certain land now owned by us and to include in said road, or the right-of-way therefore, that part of such land so owned by us viz:

A strip of land 40' on each side of the center line of the Brenham-Wesley Road as shown on the plans in the office of the County Engineer at Brenham, Texas, beginning at Sta. 135 / 21.1 of the Meander Survey of the Brenham-Wesley Road, said point being at the intersection of the public road between Mrs. Wm. Wehmeyers South property line and O. B. Lehman's North property line and the present Wesley Road; thence S. 42° W. for a distance of 2680 feet to Sta. 175 / 65.9 of the Meander Survey of the Brenham-Wesley road, said Station being at the 52° left turn of the present road between my place and the Wm. Sumerfeldt tract. Said strip of land being in the Phillip Coe and James Shrier leagues and containing 4.92 acres more or less in Washington County, Texas. The County agrees to construct two under pass on road also to give me 2 lines of fence posts every 15 ft. to to be 4" top and three wire fence & Staples 2 gates and gate post & signs.

HEREAS, it is thought by us that the construction of said road upon that part of our land, hereinabove described, would increase the value of our property; therefore,

KNOW ALL MEN BY THESE PRESENTS: That Aug. Richter and wife of the County of Washington and the State of Texas, in consideration of the prospective increase in the value of our property by the construction of said road, and for the further consideration of the sum of \$1.00 to me in hand paid by said County, the receipt of which is hereby acknowledged, have Granted, Sold and

Conveyed, and by these presents do Grant, Sell, and Convey unto Washington County, Texas, all of the land hereinabove described.

TO HAVE AND TO HOLD the above described land, together with all and singular the rights and appurtenances thereto in anywise belonging unto Washington County, Texas, forever.

It is expressly agreed and understood, however, that should said road not be constructed over and upon the land hereinabove described, this conveyance shall become null and void and the title to said land shall revert to us or our heirs or assigns.

Witness our hands this the 1 day of Aug. A. D. 1927.

Aug. Richter.
Maria Richter.

West side will be cattle pass 5 1/2 ft. inside ht. & Richter to cut out let & keep it open for at his own expense/all time.

THE STATE OF TEXAS }
COUNTY OF WASHINGTON) Before me the undersigned authority, on this day personally appeared Aug. Richter known to me to be the person whose name ___ subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 1 day of Aug. A. D. 1927.

(Seal)

G. A. Bracher. Deputy Dist. Clerk
Washington County, Texas.

THE STATE OF TEXAS }
COUNTY OF WASHINGTON) Before me, the undersigned authority, on this day personally appeared Maria Richter wife of Aug. Richter known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Maria Richter, acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office this the 1 day of Aug. A. D. 1927.

(Seal)

G. A. Bracher. Deputy Dist. Clerk
Washington County, Texas.

Filed for record at 8 o'clock A. M. Apr. 27, 1929.

C. B. Thompson CCCWC.

Recorded at 4:45 o'clock P. M. Apr. 27, 1929.

By *[Signature]* Deputy.

DEED: MRS. L. A. ROST TO WASHINGTON COUNTY.

THE STATE OF TEXAS }
COUNTY OF WASHINGTON)

WHEREAS, Washington County, Texas, is desirous of constructing an improved road leading from Highway #20 to Greenville known as Burton-Greenville road; and,

WHEREAS, it is desired by said county to construct said road through and upon certain land now owned by us and to include in said road or the right-of-way therefor that part of such land so owned by us viz :

A strip of land along the east side of my place approx. 3 1/2 miles South of Burton, of such a width, that there will be 35 ft. from over east line of our place to the center of the Burton Greenville Rd. Along the Rd. at Spring Branch it is understand that we donate 35 ft. on each side of the center line as it will be located by the county engineer and,

WHEREAS, it is thought by us that the construction of said road upon that part of our land above described would increase the value of our property; therefore,

KNOW ALL MEN BY THESE PRESENTS: That Mrs. L. Rost & heirs of the County of Washington and the State of Texas, in consideration of the prospective increase in the value of our property by the construction of said road, and for the further consideration of the sum of \$1.00 to me in

②

MP 9294
ITEM Letter & misc. attachments
TO _____
FROM _____
DATE 5/19/98

3
5
2

6.16.98

65-902394

GENERAL LAND OFFICE

GARRY MAURO
COMMISSIONER

MEMORANDUM

Docket # 200

DATE: June 10, 1998

TO: Linda Fisher / School Land Board

From: Drew Reid / Minerals Leasing

RE: Applications To Lease Highway Right-of-Way

99292 A) Applicant - UPRC
653.10 Description - 18.66 ac. along St. Hwy. 21, situated in the J.H. Bostick Sur., A-13
9.80 And A. Culling Sur., A-120 in Bastrop Co.
Terms - \$35.00/Ac. Bonus, 1/6 Royalty, 3 Years Paid-up

99293 B) Applicant - UPRC
621.30 Description - 4.142 Gross ac./2.313 Net ac. along Industrial Boulevard and Pickle
9.32 Circle, situated in the Philip Coe League, A-31 in Washington Co.
Terms - \$150.00/Ac. Bonus, 1/5 Royalty, 3 Years Paid-up

99294 C) Applicant - UPRC
615.90 Description - 6.159 ac. along F.M. Rd. 332, situated in the Philip Coe League.,
9.24 A-31 in Washington Co.
Terms - \$100.00/Ac. Bonus, 1/6 Royalty, 3 Years Paid-up

99295 D) Applicant - UPRC
2127.4 Description - 10.637 ac. along F.M. 389, situated in the Philip Coe League,
31.91 A-31 in Washington Co.
Terms - \$200.00/Ac. Bonus, 1/5 Royalty, 3 Years Paid-up

99296 E) Applicant - UPRC
265.00 Description - 1.5519 ac. along F.M. 109, situated in the J. Hodge Sur., A-61
3.84 in Washington Co.
Terms - \$165.00/Ac. Bonus, 1/6 Royalty, 3 Years Paid-up

- 19297 F) Applicant – Shaca Ventures, Inc.
 824.00 Description – 8.25 ac. along St. Hwy. 124, situated in the T.&N.O. Sur., G.J.
 12.37 Mayes Sec. 98, A-438 in Chambers Co.
 Terms - \$100.00/Ac. Bonus, 1/4 Royalty, 18 Months Paid-up
- 19298 G) Applicant – Clayton Williams Energy, Inc.
 6294.00 Description – 20.98 ac. along F.M. 50, situated in the G.A. Nixon League, A-31
 in Robertson Co.
 94.41 Terms - \$300.00/Ac. Bonus, 1/4 Royalty, 3 Years Paid-up
- 19299 H) Applicant – Marshall & Winston, Inc.
 2952.00 Description – 39.36 ac. along St. Hwy. 55, situated in Sec. 19, A-734; Sec. 24, A-
 2149; Sec. 41, A-737 and Sec. 46, A-2103 in Edwards Co.
 44.28 Terms - \$75.00/Ac. Bonus, 1/5 Royalty, 3 Years Paid-up
- 19300 I) Applicant - Ceniza Pet., Inc.
 293.70 Description – 2.67 ac. along F.M. 630, situated in the James McIntyre Sur. A-196
 4.41 in San Patricio Co.
 Terms - \$110.00/Ac. Bonus, 1/4 Royalty, 2 Years Paid-up
- 19301 J) Applicant – J. Charles Hollimon, Inc.
 2672.00 Description – 6.68 ac. along St. Hwy. 71, situated in the I.&G.N.R.R. Co. Sur.
 40.08 No. 1, A-215 in Wharton Co.
 Terms - \$400.00/Ac. Bonus, 1/5 Royalty, 3 Years Paid-up
- 19302 K) Applicant – Chesapeake Operating, Inc.
 927.30 Description – 5.62 ac. along Salem Rd. and Hall Rd., situated in the N. Smith Sur.
 13.91 A-100 in Washington Co. 1/6
 Terms - \$165.00/Ac. Bonus, ~~1/6~~ Royalty, 1 Year
- 99303 L) Applicant – Burk Royalty Company
 1285.55 Description – 25.711 ac. along St. Hwy. 4, situated in the Sam Martin Sur., A-6 in
 19.28 Cameron County.
 Terms - \$50.00/Ac. Bonus, 3/16 Royalty, 1 Year Paid-up
- 99304 M) Applicant – Indexgeo and Assoc., Inc.
 900.00 Description – 7.5 ac. along US Hwy 77, situated in the OH Stapp Sur. A-397, in
 13.50 Lavaca Co.
 Terms - \$120.00/Ac. Bonus, 1/6 Royalty, 3 years Paid-up
- 99305 N) Applicant – Hallwood Petroleum, Inc.
 97.00 Description – 3.88 ac., along a Co. Rd. with no name situated in the T & P RR Sur.,
 1.44 in Taylor Co.
 Terms - \$25.00/Ac. Bonus, 17% Royalty, 3 Years Paid-up

19306

- O) Applicant – Brigham Oil & Gas, L.P.
724.79 Description – 5.798 gross ac. and .83 net ac. along F.M. 178, situated in the T & P
10.87 RR Sur., in Dawson Co.
Terms - \$125.00/Ac. Bonus, 3/16 Royalty, 3 Years Paid-up

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

③

MF 99294
ITEM Memo
TO _____
FROM _____
DATE 6/10/98

[Faint, illegible text, possibly bleed-through from the reverse side of the page]

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

July 27, 1998

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

Attn.: Mr. Drew Reid

RE: Bonus Checks, Oil and Gas Leases,
Right-of-way tracts,
Washington County, Texas

Dear Mr. Reid:

Enclosed please find three checks from Union Pacific Resources Company covering the bonuses and sales fees for the following three Oil and Gas Leases recently received from your office.

mineral file no.	acreage	check no.	amount
M-99293	4.142	10307915	\$630.62
M-99294	6.159	10307914	\$625.14
M-99295	10.637	10307913	\$2,159.31

Thank you for your assistance in acquiring these leases.

Sincerely yours,



Dennis Mahlmann
Landman
Union Pacific Resources Company

Enclosure

M-94294

④ Ltr. 7/27/98

1-22-99

File No. MF-099294

Ltr 7/27/98

Date Filed: 1/22/99
Jerry E. Patterson, Commissioner

By _____



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

Certified USPS 7016 2070 0000 7391 8724

September 25, 2017

Enervest Operating LLC
Attn: Land Department
1001 Fannin Street Ste. 800
Houston, Texas 77002

Re: State Lease **MF 099293** being 2.31 acres, (Highways & Public Transportation) in Washington County Texas.

Re: State Lease **MF 099295** being 6.16 acres, (Highways & Public Transportation) in Washington County Texas.

Re: State Lease **MF 099295** being 10.37 acres, (Highways & Public Transportation) in Washington County Texas.

Dear Land Department:

Our records indicate that the leases above have terminated effective October 1, 2014 due to non production. The Texas Administrative Code dealing with Shut-In Royalty is Title 31, Part 1, Chapter 9, Subchapter C, Rule §9.36.

You have thirty days from the receipt of this letter in which to present evidence to the General Land Office that this termination has not occurred. If such evidence has not been presented at the expiration of the 30 day period, the lease shall be endorsed "terminated" with no further communication from this office prior to the endorsement.

Pursuant to the Texas Administrative Code, we request that you file with this office a certified, recorded copy of a Release of State Oil and Gas Lease, effective as of the termination date and recorded in the county in which the lease tract is located. After recording the release, mail a certified copy of the release, along with the filing fee of \$25.00, to my attention at the GLO.

We look forward to hearing from you.

Yours truly,

Travis Matthews
Landman, Energy Resources
512-463-5118
512-475-1543 (fax)
travis.matthews@glo.texas.gov

7016 2070 0000 7391 8724

U.S. Postal Service
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$ _____

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage \$ _____

Sent To _____

Street and A _____

City, State, ZIP+4® _____

Postmark Here _____

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

Enervest Operating LLC
 Attn: Land Department
 1001 Fannin Street Ste. 800
 Houston, Texas 77002

File No. 099293099294099295 15

WASHINGTON County

TERM LETTER

Date Filed: 9/25/17

By: TWP George P. Bush, Commissioner

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Enervest Operating LLC
 Attn: Land Department
 1001 Fannin Street Ste. 800
 Houston, Texas 77002

COMPLETE THIS SECTION ON DELIVERY

A. Signature X [Signature] Agent Addressee

B. Received by (Printed Name) _____ C. Date of Delivery 9-28-17

RECEIVED

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below: _____

SEP 28 2017

3. Service Type Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. 7016 2070 0000 7391 8724

THIS LEASE AGREEMENT is made effective the 29 th day of August, 19 97

between MILDRED R. HENDRIX and husband, C. H. HENDRIX

as Lessor (whether one or more), whose address is 3704 Ravenwood Drive, Bryan, TX 77802

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 CHERRY STREET, FORT WORTH, TX 76102

All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. Description. Lessor, in consideration of Ten Dollars And No Cents

Dollars (\$ 10.00), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in

WASHINGTON County, Texas, to-wit:

59.33 acres of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, more fully described in Deed dated December 29, 1942 from Wm. Seidel, as Independent Executor of the Estate of Marie Richter, Deceased to Ben Richter, recorded in Volume 131, Page 608, Deed Records, Washington County, Texas.

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART OF THIS LEASE FOR ADDED CLAUSE 12.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals

and shut-in royalties hereunder, said land shall be deemed to be comprised of 59.3300 acres, whether it actually comprises more or less.

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

3. Royalty. Royalties on covered minerals produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's held separator facilities, the royalty shall be 1/6 of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead posted price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, (b) for gas (including casinghead gas) and all other

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

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

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

T-41-90702(3)

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

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

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

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

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

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

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

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

SS# AND/OR TAX ID #

[Redacted]

LESSOR:

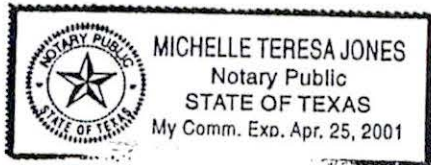
Mildred R. Hendrix
MILDRED R. HENDRIX
C. H. Hendrix
C. H. HENDRIX

STATE OF TEXAS)
COUNTY Brazos) ss.

This instrument was acknowledged before me this 3rd day of September, 1997, by Mildred R. Hendrix.

Michelle Teresa Jones
Notary Public

My Commission Expires:
4.25.2001

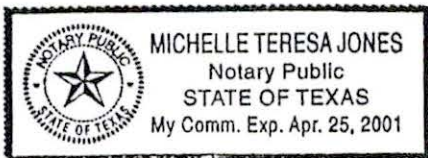


STATE OF TEXAS)
COUNTY Brazos) ss.

This instrument was acknowledged before me this 3rd day of September, 1997, by C. H. Hendrix.

Michelle Teresa Jones
Notary Public

My Commission Expires:
4.25.2001



Attached hereto and made a part hereof that certain Oil and Gas Lease dated August 29, 1997 by and between MILDRED R. HENDRIX and husband, C. H. HENDRIX, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit A

TOP LEASE

12. Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the ~"Prior Lease~") dated November 15, 1994 (recorded in Volume 759, Page 436, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements.

STATE OF TEXAS
COUNTY OF WASHINGTON

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

SEP 10 1997



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

FILED FOR RECORD
WASHINGTON COUNTY, TEXAS
SEP 9 9 AM 9 58
Beth A. Rothermel
WASHINGTON CO. CLERK

M R N

C.H.H.

LESSOR INITIALS

STATE OF TEXAS

}

KNOW ALL MEN BY THESE PRESENTS:

5741

COUNTY OF WASHINGTON

}

CONFIRMATION OF AND AMENDMENT TO OIL, GAS AND MINERAL LEASE

WHEREAS, on August 29, 1997, Mildred R. Hendrix and husband, C. H. Hendrix, as Lessor, entered into an Oil, Gas and Mineral Lease with Union Pacific Resources Company, as Lessee, which lease was recorded in Volume 869, Page 067, Official Records, Washington County, Texas, (the above-described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease covered 59.33 acres of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, more fully described in Deed dated December 29, 1942 from Wm. Seidel, as Independent Executor of the Estate of Marie Richter, Deceased to Ben Richter, recorded in Volume 131, Page 608, Deed Records, Washington County, Texas.

WHEREAS, Mildred R. Hendrix and husband, C. H. Hendrix (herein "Lessor") are the present owners of a leasing right to the above-described lands and the rights of the Lessor in the above-described Lease and Union Pacific Resources Company (herein "Lessee") is the present owner of the rights of the Lessee in the above-described Lease; and

WHEREAS, it is the desire of both Lessor and Lessee to confirm, reform and amend the Lease in the manner provided below.

NOW, THEREFORE, for a good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Lessor and Lessee do hereby confirm, reform and amend the Lease, as follows:

- (1) The above-described Lease is hereby amended to delete, in its entirety, Paragraph No. 12 which states: "Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 15, 1994 (recorded in Volume 759, Page 436, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements."

TX-90702(3)

(2) The above-described Lease is hereby amended to add Paragraph 12 as follows: "Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 15, 1994 (recorded in Volume 759, Page 436, Official Records, Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest when said Prior Lease terminates, but in no event shall the term commence nor the estate vest after the expiration of one (1) year from the date of this Lease. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements."

As specifically confirmed, reformed and amended above, the undersigned Lessor does hereby grant, lease and let the above-described lands to Lessee, Union Pacific Resources Company, subject to and under the terms and provisions of the above described Lease, as confirmed and amended herein; and Lessor hereby adopts, ratifies and confirms the Lease, as reformed and amended herein, and declares the same to be effective and binding upon Lessor for all purposes.

The provisions of this document shall extend to and be binding upon the Lessor, their heirs, successors, legal representatives and assigns.

This Amendment is hereby accepted by Lessee upon Lessee duly recording this instrument in the Official Records of Washington County, Texas.

EXECUTED this 27th day of September, 1997.

LESSOR:

Mildred R. Hendrix
MILDRED R. HENDRIX

C. H. Hendrix
C. H. HENDRIX

STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on SEP 30 1997



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

FILED FOR RECORD
WASHINGTON COUNTY, TX
SEP 29 AM 9 45
Washington Co. Clerk

THE STATE OF TEXAS }
COUNTY OF WASHINGTON }

This instrument was acknowledged before me this 27th day of September, 1997 by Mildred R. Hendrix and husband, C. H. Hendrix.



Michael E. Nice
NOTARY PUBLIC
STATE OF TEXAS

THIS LEASE AGREEMENT is made effective the 29 th day of August
between BENNIE RICHTER, JR. and wife, DOROTHY RICHTER

as Lessor (whether one or more), whose address is 1214 Oak Creek Drive, Richmond, TX 77469

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 CHERRY STREET, FORT WORTH, TX 76102

portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee. All printed,

1. **Description.** Lessor, in consideration of Ten Dollars And No Cents

Dollars (\$ 10.00), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in

WASHINGTON County, Texas, to-wit:

59.33 acres of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, more fully described in Deed dated December 29, 1942 from Wm. Seidel, as Independent Executor of the Estate of Marie Richter, Deceased to Ben Richter, recorded in Volume 131, Page 608, Deed Records, Washington County, Texas.

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART OF THIS LEASE FOR ADDED CLAUSE 12.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals

and shut-in royalties hereunder, said land shall be deemed to be comprised of 59.3300 acres, whether it actually comprises more or less.

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

3. **Royalty.** Royalties on covered minerals produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's held separator facilities, the royalty shall be 1/6 of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead posted price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity less a proportionate part of ad valorem taxes and production, severance, or other excise taxes, (b) for gas (including casinghead gas) and all other

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

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

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

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

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

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

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

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

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

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

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

SS# AND/OR TAX ID #

[Redacted SS# and Tax ID]

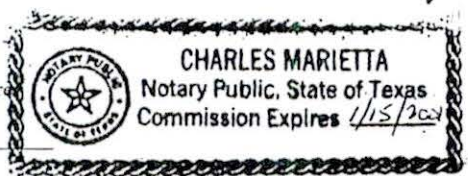
LESSOR:

Bennie Richter, Jr.
DOROTHY RICHTER

STATE OF TEXAS)
COUNTY Four Boro) ss.

This instrument was acknowledged before me this 11 day of Sept, 1997, by Bennie Richter, Jr.

[Signature of Charles Marietta]
Notary Public

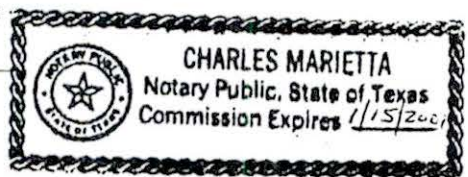


My Commission Expires:

STATE OF TEXAS)
COUNTY Four Boro) ss.

This instrument was acknowledged before me this 11 day of Sept, 1997, by Dorothy Richter.

[Signature of Charles Marietta]
Notary Public



My Commission Expires:

Attached hereto and made a part hereof that certain Oil and Gas Lease dated August 29, 1997 by and between BENNIE RICHTER, JR. and wife, DOROTHY RICHTER, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit A

TOP LEASE

Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 15, 1994 (recorded in Volume 759, Page 434, Official Records, Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest when said Prior Lease terminates, but in no event shall the term commence nor the estate vest after the expiration of five (5) years from the date of this Lease. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements.

5555

FILED FOR RECORD
WASHINGTON COUNTY, TX
1997 SEP 16 PM 4 11
Beth A. Rotharmel
WASHINGTON CO. CLERK

STATE OF TEXAS
COUNTY OF WASHINGTON

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

SEP 17 1997



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

B. R. JA

D. R.

THIS LEASE AGREEMENT is made effective the 29 th day of August 19 97 between WALTER RICHTER, dealing in his sole and separate property

as Lessor (whether one or more), whose address is 2363 F.M. 389, Brenham, TX 77833 and UNION PACIFIC RESOURCES COMPANY, as Lessee, whose address is 801 CHERRY STREET, FORT WORTH, TX 76102. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. Description. Lessor, in consideration of Ten Dollars And No Cents

Dollars (\$ 10.00), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in

WASHINGTON County, Texas, to-wit:

59.33 acres of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, more fully described in Deed dated December 29, 1942 from Wm. Seidel, as Independent Executor of the Estate of Marie Richter, Deceased to Ben Richter, recorded in Volume 131, Page 608, Deed Records, Washington County, Texas.

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART OF THIS LEASE FOR ADDED CLAUSE 12.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to be comprised of 59.3300 acres, whether it actually comprises more or less. see paragraph 12,

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

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

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

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

14-90702

Attached hereto and made a part hereof that certain Oil and Gas Lease dated August 29, 1997 by and between WALTER RICHTER, dealing in his sole and separate property, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit A

TOP LEASE

12. Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the ~"Prior Lease~") dated November 11, 1994 (recorded in Volume 759, Page 431, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements.

STATE OF TEXAS
COUNTY OF WASHINGTON

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

SEP 04 1997



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

FILED FOR RECORD
WASHINGTON COUNTY, TX
1997 SEP 3 PM 3 55
Beth A. Rothermel
WASHINGTON CO. CLERK

W.R.

STATE OF TEXAS }
COUNTY OF WASHINGTON }

KNOW ALL MEN BY THESE PRESENTS:

5742

CONFIRMATION OF AND AMENDMENT TO OIL, GAS AND MINERAL LEASE

WHEREAS, on August 29, 1997, Walter Richter, dealing in his sole and separate property, as Lessor, entered into an Oil, Gas and Mineral Lease with Union Pacific Resources Company, as Lessee, which lease was recorded in Volume 868, Page 746, Official Records, Washington County, Texas, (the above-described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease covered 59.33 acres of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, more fully described in Deed dated December 29, 1942 from Wm. Seidel, as Independent Executor of the Estate of Marie Richter, Deceased to Ben Richter, recorded in Volume 131, Page 608, Deed Records, Washington County, Texas.

WHEREAS, Walter Richter (herein "Lessor") is the present owner of a leasing right to the above-described lands and the rights of the Lessor in the above-described Lease and Union Pacific Resources Company (herein "Lessee") is the present owner of the rights of the Lessee in the above-described Lease; and

WHEREAS, it is the desire of both Lessor and Lessee to confirm, reform and amend the Lease in the manner provided below.

NOW, THEREFORE, for a good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Lessor and Lessee do hereby confirm, reform and amend the Lease, as follows:

- (1) The above-described Lease is hereby amended to delete, in its entirety, Paragraph No. 12 which states: "Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 11, 1994 (recorded in Volume 759, Page 431, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements."

141-90702

(2) The above-described Lease is hereby amended to add Paragraph 12 as follows: "Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 11, 1994 (recorded in Volume 759, Page 431, Official Records, Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest when said Prior Lease terminates, but in no event shall the term commence nor the estate vest after the expiration of one (1) year from the date of this Lease. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements."

As specifically confirmed, reformed and amended above, the undersigned Lessor does hereby grant, lease and let the above-described lands to Lessee, Union Pacific Resources Company, subject to and under the terms and provisions of the above described Lease, as confirmed and amended herein; and Lessor hereby adopts, ratifies and confirms the Lease, as reformed and amended herein, and declares the same to be effective and binding upon Lessor for all purposes.

The provisions of this document shall extend to and be binding upon the Lessor, his heirs, successors, legal representatives and assigns.

This Amendment is hereby accepted by Lessee upon Lessee duly recording this instrument in the Official Records of Washington County, Texas.

EXECUTED this 27th day of September, 1997.

STATE OF TEXAS
COUNTY OF WASHINGTON

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

SEP 30 1997



Beth A. Rothermel

Beth Rothermel, County Clerk
Washington County, Texas

THE STATE OF TEXAS

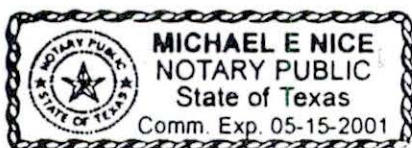
COUNTY OF WASHINGTON

LESSOR:

Walter Richter
WALTER RICHTER

FILED FOR RECORD
WASHINGTON COUNTY, TX
1997 SEP 29 AM 9 46
Beth A. Rothermel
WASHINGTON CO. CLERK

This instrument was acknowledged before me this 27th day of September, 1997 by Walter Richter.



Michael E. Nice
NOTARY PUBLIC
STATE OF TEXAS

OIL, GAS & MINERAL LEASE

PROD 88 (REV 8/93)
PAID UP5317
19 97

THIS LEASE AGREEMENT is made effective the 10th day of September, 1997
between Ethel Witte Gurrech

as Lessor (whether one or more), whose address is 3020 Industrial Blvd., Brenham, TX 77833
and UNION PACIFIC RESOURCES COMPANY, as Lessee,
whose address is 801 CHERRY STREET, FORT WORTH, TX 76102. All printed
portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. **Description.** Lessor, in consideration of Ten Dollars And No Cents

Dollars (\$ 10.00), in hand paid,
of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing
and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial
gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in
WASHINGTON County, Texas, to-wit:

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART OF THIS LEASE FOR ADDED CLAUSE 12.

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

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased
premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any
additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals
and shut-in royalties hereunder, said land shall be deemed to be comprised of 45.2100 acres, whether it actually comprises more or less.

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

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

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

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

Attached hereto and made a part hereof that certain Oil and Gas Lease dated September 10, 1997 by and between Ethel Witte Gurrech, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit A

TOP LEASE

12. Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 14, 1994 (recorded in Volume 788, Page 266, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements.

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E W G
LESSOR INITIALS

Attached hereto and made a part hereof that certain Oil and Gas Lease dated September 10, 1997 by and between Ethel Witte Gurrech, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit B

DESCRIPTION OF LANDS

45.21 acres of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, and being the same land described in two tracts as follows:

TRACT 1: 8.835 acres of land, more or less, more fully described in Warranty Deed dated October 13, 1976 from W. C. Beerwinkel to Ethel Witte Gurrech, recorded in Volume 349, Page 183, Deed Records, Washington County, Texas.

TRACT 2: 36.375 acres of land, more or less, more fully described as 45.21 acres in Deed dated July 30, 1980 from Harry K. Lesser and Ethel Witte Gurrech, Independent Executors of the Estate of W. C. Beerwinkel, Deceased to Ethel Witte Gurrech, recorded in Volume 398, Page 560, Deed Records, Washington County, Texas, LESS AND EXCEPT: 8.835 acres, more or less, as conveyed and described in Warranty Deed dated October 13, 1976 from W. C. Beerwinkel to Ethel Witte Gurrech, recorded in Volume 349, Page 183, Deed Records, Washington County, Texas.



STATE OF TEXAS
COUNTY OF WASHINGTON

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

SEP 12 1997



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

FILED FOR RECORD
WASHINGTON COUNTY, TX
1997 SEP 11 PM 12 29
Beth A. Rothermel
WASHINGTON CO. CLERK

EWG

LESSOR INITIALS

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

5721

CONFIRMATION OF AND AMENDMENT TO OIL, GAS AND MINERAL LEASE

WHEREAS, on September 10, 1997, Ethel Witte Gurrech, as Lessor, entered into an Oil, Gas and Mineral Lease with Union Pacific Resources Company, as Lessee, which lease was recorded in Volume 869, Page 207, Official Records, Washington County, Texas, (the above-described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease covered 45.21 acres of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, and being the same lands described in two tracts as follows:

TRACT 1: 8.835 acres of land, more or less, more fully described in Warranty Deed dated October 13, 1976 from W. C. Beerwinkel to Ethel Witte Gurrech, recorded in Volume 349, Page 183, Deed Records, Washington County, Texas.

TRACT 2: 36.375 acres of land, more or less, more fully described as 45.21 acres in Deed dated July 30, 1980 from Harry K. Lesser and Ethel Witte Gurrech, Independent Executors of the Estate of W. C. Beerwinkel, Deceased to Ethel Witte Gurrech, recorded in Volume 398, Page 560, Deed Records, Washington County, Texas, LESS AND EXCEPT: 8.835 acres, more or less, as conveyed and described in Warranty Deed dated October 13, 1976 from W. C. Beerwinkel to Ethel Witte Gurrech, recorded in Volume 349, Page 183, Deed Records, Washington County, Texas.

WHEREAS, Ethel Witte Gurrech (herein "Lessor") is the present owner of a leasing right to the above-described lands and the rights of the Lessor in the above-described Lease and Union Pacific Resources Company (herein "Lessee") is the present owner of the rights of the Lessee in the above-described Lease; and

WHEREAS, it is the desire of both Lessor and Lessee to confirm, reform and amend the Lease in the manner provided below.

NOW, THEREFORE, for a good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Lessor and Lessee do hereby confirm, reform and amend the Lease, as follows:

- (1) The above-described Lease is hereby amended to delete, in its entirety, Paragraph No. 12 which states: "Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 14, 1994 (recorded in Volume 788, Page 266, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements."

TX 1-90-788

THIS LEASE AGREEMENT is made effective the 8 th day of September, 1997,
between JEFFREY S. SCHWARZE

as Lessor (whether one or more), whose address is 1950 F.M. 332, Brenham, TX 77833

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

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

1. Description. Lessor, in consideration of Ten Dollars And No Cents

10.00 Dollars (\$ 10.00), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in

WASHINGTON County, Texas, to-wit:

1.00 acre of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, more fully described in Gift Deed dated November 22, 1995 from Louis Schwarze, Jr. and wife, Maxine Schwarze to Jeffrey S. Schwarze, recorded in Volume 805, Page 940, Official Records, Washington County, Texas.

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART OF THIS LEASE FOR ADDED CLAUSE 12.

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

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

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

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

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

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

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

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

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

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

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

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

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

SS# AND/OR TAX ID #

[Redacted]

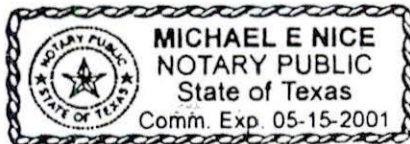
LESSOR:

Jeffrey S. Schwarze
JEFFREY S. SCHWARZE

STATE OF TEXAS)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me this 8th day of September, 1997, by Jeffrey S. Schwarze.

Michael E. Nice
Notary Public



Attached hereto and made a part hereof that certain Oil and Gas Lease dated September 8, 1997 by and between JEFFREY S. SCHWARZE, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit A

TOP LEASE

12. Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 11, 1994 (recorded in Volume 759, Page 439, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements.

STATE OF TEXAS
COUNTY OF WASHINGTON

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

SEP 10 1997



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

WASHINGTON CO. CLERK

SEP 9 9 58

Beth A. Rotharmel

BR

FILED FOR RECORD
WASHINGTON COUNTY, TEXAS

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JS

STATE OF TEXAS }
COUNTY OF WASHINGTON }

KNOW ALL MEN BY THESE PRESENTS:

5788

CONFIRMATION OF AND AMENDMENT TO OIL, GAS AND MINERAL LEASE

WHEREAS, on September 8, 1997, Jeffrey S. Schwarze, as Lessor, entered into an Oil, Gas and Mineral Lease with Union Pacific Resources Company, as Lessee, which lease was recorded in Volume 869, Page 060, Official Records, Washington County, Texas, (the above-described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease covered 1.00 acre of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, more fully described in Gift Deed dated November 22, 1995 from Louis Schwarze, Jr. and wife, Maxine Schwarze to Jeffrey S. Schwarze, recorded in Volume 805, Page 940, Official Records, Washington County, Texas.

WHEREAS, Jeffrey S. Schwarze (herein "Lessor") is the present owner of a leasing right to the above-described lands and the rights of the Lessor in the above-described Lease and Union Pacific Resources Company (herein "Lessee") is the present owner of the rights of the Lessee in the above-described Lease; and

WHEREAS, it is the desire of both Lessor and Lessee to confirm, reform and amend the Lease in the manner provided below.

NOW, THEREFORE, for a good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Lessor and Lessee do hereby confirm, reform and amend the Lease, as follows:

- (1) The above-described Lease is hereby amended to delete, in its entirety, Paragraph No. 12 which states: "Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 11, 1994 (recorded in Volume 759, Page 439, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements."

T-4-90778

(2) The above-described Lease is hereby amended to add Paragraph 12 as follows: "Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 11, 1994 (recorded in Volume 759, Page 439, Official Records, Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest when said Prior Lease terminates, but in no event shall the term commence nor the estate vest after the expiration of one (1) year from the date of this Lease. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements."

As specifically confirmed, reformed and amended above, the undersigned Lessor does hereby grant, lease and let the above-described lands to Lessee, Union Pacific Resources Company, subject to and under the terms and provisions of the above described Lease, as confirmed and amended herein; and Lessor hereby adopts, ratifies and confirms the Lease, as reformed and amended herein, and declares the same to be effective and binding upon Lessor for all purposes.

The provisions of this document shall extend to and be binding upon the Lessor, his heirs, successors, legal representatives and assigns.

This Amendment is hereby accepted by Lessee upon Lessee duly recording this instrument in the Official Records of Washington County, Texas.

STATE OF TEXAS
COUNTY OF WASHINGTON EXECUTED this 28th day of September, 1997.

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

LESSOR:

Jeffrey S. Schwarze
JEFFREY S. SCHWARZE

Beth A. Rothmael
WASHINGTON CO. CLERK

1997 SEP 30 AM 9 44

FILED FOR RECORD
WASHINGTON COUNTY, TX

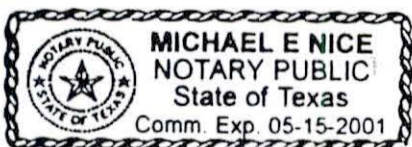
OCT 01 1997



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

THE STATE OF TEXAS }
COUNTY OF WASHINGTON }

This instrument was acknowledged before me this 28th day of September, 1997 by Jeffrey S. Schwarze.



Michael E. Nice
NOTARY PUBLIC
STATE OF TEXAS

OIL, GAS & MINERAL LEASE

5272

PROD 88 (REV 8/93)
PAID UP

THIS LEASE AGREEMENT is made effective the 8th day of September, 1997,
between LOUIS SCHWARZE, JR. and wife, MAXINE SCHWARZE

as Lessor (whether one or more), whose address is 1900 F.M. 332, Brenham, TX 77833

and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is 801 CHERRY STREET, FORT WORTH, TX 76102.

All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. Description. Lessor, in consideration of Ten Dollars And No Cents

Dollars (\$ 10.00), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in

WASHINGTON County, Texas, to-wit:

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART OF THIS LEASE FOR ADDED CLAUSE 12.

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

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals

and shut-in royalties hereunder, said land shall be deemed to be comprised of 12.0000 acres, whether it actually comprises more or less.

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

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

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

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

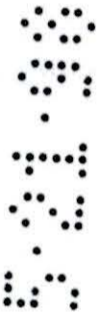
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Attached hereto and made a part hereof that certain Oil and Gas Lease dated September 8, 1997 by and between LOUIS SCHWARZE, JR. and wife, MAXINE SCHWARZE, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit A

TOP LEASE

12. Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 11, 1994 (recorded in Volume 759, Page 439, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements.



LSJ *ums*
LESSOR INITIALS

Attached hereto and made a part hereof that certain Oil and Gas Lease dated September 8, 1997 by and between LOUIS SCHWARZE, JR. and wife, MAXINE SCHWARZE, as Lessor, and UNION PACIFIC RESOURCES COMPANY as Lessee.

Exhibit B

DESCRIPTION OF LANDS

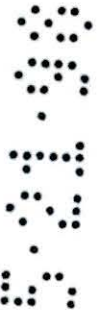
12.00 acres of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, and being the same land described in three tracts as follows:

TRACT 1: 3.00 acres of land, more or less, more fully described in Warranty Deed dated November 15, 1966 from Louis Schwarze and wife, Selma Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze, recorded in Volume 268, Page 184, Deed Records, Washington County, Texas.

TRACT 2: 5.00 acres of land, more or less, more fully described in Warranty Deed dated April 23, 1973 from Louis Schwarze and wife, Selma Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze, recorded in Volume 319, Page 301, Deed Records, Washington County, Texas.

TRACT 3: 5.00 acres of land, more or less, more fully described in Warranty Deed dated April 1, 1983 from Louis Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze, recorded in Volume 448, Page 494, Deed Records, Washington County, Texas.

LESS AND EXCEPT: 1.00 acre of land, more or less, out of Tract 1 and Tract 2, as conveyed and described in Gift Deed dated November 22, 1995 from Louis Schwarze, Jr. and wife, Maxine Schwarze to Jeffrey S. Schwarze, recorded in Volume 805, Page 940, Official Records, Washington County, Texas.



STATE OF TEXAS
COUNTY OF WASHINGTON

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



SEP 10 1997
Beth A. Rothenmel
Beth Rothenmel, County Clerk
Washington County, Texas

FILED FOR RECORD
WASHINGTON COUNTY, TEXAS
1997 SEP 9 AM 9 58
Beth A. Rothenmel
WASHINGTON CO. CLERK

L.S. *MS*
LESSOR INITIALS

STATE OF TEXAS }
 COUNTY OF WASHINGTON } KNOW ALL MEN BY THESE PRESENTS: 5789

CONFIRMATION OF AND AMENDMENT TO OIL, GAS AND MINERAL LEASE

WHEREAS, on September 8, 1997, Louis Schwarze, Jr. and wife, Maxine Schwarze, as Lessor, entered into an Oil, Gas and Mineral Lease with Union Pacific Resources Company, as Lessee, which lease was recorded in Volume 869, Page 063, Official Records, Washington County, Texas, (the above-described lease being herein referred to as the "Lease"); and

WHEREAS, the Lease covered 12.00 acres of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, and being the same lands described in three tracts as follows:

TRACT 1: 3.00 acres of land, more or less, more fully described in Warranty Deed dated November 15, 1966 from Louis Schwarze and wife, Selma Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze, recorded in Volume 268, Page 184, Deed Records, Washington County, Texas.

TRACT 2: 5.00 acres of land, more or less, more fully described in Warranty Deed dated April 23, 1973 from Louis Schwarze and wife, Selma Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze, recorded in Volume 319, Page 301, Deed Records, Washington County, Texas.

TRACT 3: 5.00 acres of land, more or less, more fully described in Warranty Deed dated April 1, 1983 from Louis Schwarze to Louis Schwarze, Jr. and wife, Maxine Schwarze, recorded in Volume 448, Page 494, Deed Records, Washington County, Texas.

LESS AND EXCEPT: 1.00 acre of land, more or less, out of Tract 1 and Tract 2, as conveyed and described in Gift Deed dated November 22, 1995 from Louis Schwarze, Jr. and wife, Maxine Schwarze to Jeffrey S. Schwarze, recorded in Volume 805, Page 940, Official Records, Washington County, Texas.

WHEREAS, Louis Schwarze, Jr. and wife, Maxine Schwarze (herein "Lessor") are the present owners of a leasing right to the above-described lands and the rights of the Lessor in the above-described Lease and Union Pacific Resources Company (herein "Lessee") is the present owner of the rights of the Lessee in the above-described Lease; and

WHEREAS, it is the desire of both Lessor and Lessee to confirm, reform and amend the Lease in the manner provided below.

NOW, THEREFORE, for a good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Lessor and Lessee do hereby confirm, reform and amend the Lease, as follows:

- (1) The above-described Lease is hereby amended to delete, in its entirety, Paragraph No. 12 which states: "Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 11, 1994 (recorded in Volume 759, Page 439, of the Records of Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest immediately when said Prior Lease terminates. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor

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covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements."

- (2) The above-described Lease is hereby amended to add Paragraph 12 as follows: "Lessor and Lessee understand that the lands covered hereby are also covered by a prior oil and gas lease (the "Prior Lease") dated November 11, 1994 (recorded in Volume 759, Page 439, Official Records, Washington County, Texas) whose primary term has not yet expired. The parties agree that the term of this Lease shall commence and the estate created hereby shall vest when said Prior Lease terminates, but in no event shall the term commence nor the estate vest after the expiration of one (1) year from the date of this Lease. In regard to any obligations, covenants or conditions contained in this Lease which may relate to the date of this Lease, for the purposes of any such provisions, that date shall be the date this Lease commences and the estates created hereby vests. Lessor represents and warrants that Lessor has not entered into any extension, modification, ratification, renewal, amendment or agreement to renew or amend, so as to extend the primary term set forth therein and Lessor covenants and agrees not to extend, modify, ratify, renew, amend or agree to renew or amend said Prior Lease so as to extend the primary term set forth therein. Further, Lessor will require the Lessee under the Prior Lease to meet all obligations and requirements."

As specifically confirmed, reformed and amended above, the undersigned Lessor does hereby grant, lease and let the above-described lands to Lessee, Union Pacific Resources Company, subject to and under the terms and provisions of the above described Lease, as confirmed and amended herein; and Lessor hereby adopts, ratifies and confirms the Lease, as reformed and amended herein, and declares the same to be effective and binding upon Lessor for all purposes.

The provisions of this document shall extend to and be binding upon the Lessor, their heirs, successors, legal representatives and assigns.

This Amendment is hereby accepted by Lessee upon Lessee duly recording this instrument in the Official Records of Washington County, Texas.

EXECUTED this 25th day of September, 1997.

STATE OF TEXAS
COUNTY OF WASHINGTON

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

OCT 01 1997



Beth Rotharmel
Beth Rotharmel, County Clerk
Washington County, Texas

LESSOR:

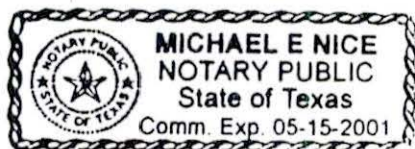
Louis Schwarze Jr
LOUIS SCHWARZE, JR.

Maxine Schwarze
MAXINE SCHWARZE

FILED FOR RECORD
WASHINGTON COUNTY, TX
1997 SEP 30 AM 9 44
Beth A. Rotharmel
WASHINGTON CO. CLERK

THE STATE OF TEXAS }
COUNTY OF WASHINGTON }

This instrument was acknowledged before me this 25th day of September, 1997 by Louis Schwarze, Jr. and wife, Maxine Schwarze.



Michael E. Nice
NOTARY PUBLIC
STATE OF TEXAS

THIS LEASE AGREEMENT is made effective the 22nd day of November 9 1994 between Judy Korth Rudloff (formerly known as Judy J. Korth), a married woman dealing in her sole and separate property

as Lessor (whether one or more), whose address is 2903 South Market, Brenham, Texas 77833 and UNION PACIFIC RESOURCES COMPANY, as Lessee,

whose address is P.O. BOX 7, Ft. Worth, Texas 76101-0007. All printed portions of this lease were prepared by Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. Description. Lessor, in consideration of Ten Dollars (\$10.00) And Other Valuable Considerations Dollars (\$ 10.00), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith including helium, carbon dioxide and other commercial gases as well as hydrocarbon gases (referred to herein as "covered minerals"), the following described land (the "leased premises") in

Washington County, Texas, to-wit:

21.047 acres, more or less, described as 23.547 acres, more or less, in a Warranty Deed dated June 25, 1985, from Louis Schwarze to Howard Korth, et ux, Judy J. Korth, recorded in Volume 511, at Page 884, of the Official Records, Washington County, Texas. LESS & EXCEPT 2.5 acres, more or less, described in a Correction Deed, Deed Of Gift, dated August 19, 1992, from Judy Korth Rudloff to Keith A. Korth, recorded in Volume 678, Page 643, of the Official Records, Washington County, Texas. All property located in the Phillip Coe League, A-31, Washington County, Texas.

This lease also covers accretions and any small strips or parcels of land now or hereafter owned or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any rentals and shut-in royalties hereunder, said land shall be deemed to comprise of 21.047 acres, whether it actually comprises more or less.

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

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

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

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

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

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

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

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

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

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

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

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

SS # AND/OR TAX ID #

LESSOR:

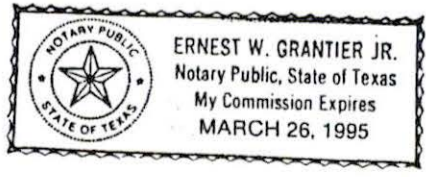
Judy Korth Rudloff
Judy Korth Rudloff SS# [REDACTED]

STATE OF TEXAS)
COUNTY OF WASHINGTON) ss.

This instrument was acknowledged before me this day of November 22nd, 19 94, by Judy Korth Rudloff

Ernest W. Grantier, Jr.
Notary Public

My Commission Expires:
MARCH 26, 1995



STATE OF _____)
COUNTY OF _____) ss.

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

My Commission Expires:

Notary Public

STATE OF TEXAS
COUNTY OF WASHINGTON

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



DEC 21 1994
Gertrude Lehmann
Gertrude Lehmann, County Clerk
Washington County, Texas

FILED
AT 4:55 P.M.
DEC 12 1994 80
Gertrude Lehmann
GERTRUDE LEHRMANN
COUNTY CLERK, WASHINGTON COUNTY, TEXAS

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EXTENSION OF OIL, GAS AND MINERAL LEASE

5787

STATE OF TEXAS }
COUNTY OF WASHINGTON }

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS, UNION PACIFIC RESOURCES COMPANY, whose address is 801 Cherry Street, Fort Worth, Texas 76102, hereinafter referred to as "Lessee", is the present owner of all right, title and interest under that certain Oil, Gas and Mineral Lease, dated November 22, 1994, executed by JUDY KORTH RUDLOFF, as Lessor, recorded in Volume 759, Page 459, Official Records, Washington County, Texas, hereinafter referred to as "Lease", covering the following described tract:

21.047 acres of land, more or less, out of the PHILLIP COE SURVEY, A-31, Washington County, Texas, more fully described as 23.547 acres in Warranty Deed dated June 25, 1985 from Louis Schwarze to Howard Korth, et ux, Judy J. Korth, recorded in Volume 511, Page 884, Official Records, Washington County, Texas, LESS AND EXCEPT: 2.5 acres, more or less, as conveyed and described in Correction Deed dated August 19, 1992 from Judy Korth Rudloff to Keith A. Korth, recorded in Volume 678, Page 643, Official Records, Washington County, Texas.

WHEREAS, the owner of the rights of the Lessor under said lease, hereinafter referred to as "Lessor", and Lessee desire to amend said Lease and extend the term thereof in the manner set out below:

NOW, THEREFORE, in consideration of Ten Dollars and No Cents, (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned as Lessor, hereby agrees with Lessee that said Lease shall be and the same is hereby amended and extended as follows:

The primary term set out in Paragraph 2 of said lease is hereby changed from three (3) years from the date of said lease to six (6) years from the date of said lease.

Lessor hereby in all things adopts, ratifies and confirms said Lease as the same is hereby amended and extended, and hereby grants, leases and lets all of the acreage above-described and referred to unto Union Pacific Resources Company, subject to and under all the terms and provisions of said Lease; and such Lease is expressly affirmed, ratified and declared to be effective and binding for all purposes as of the date hereof.

In the event of conflict between the terms of the original Lease and the terms of this Extension, the terms of this extension shall control.

STATE OF TEXAS EXECUTED this the 30th day of September, 1997.
COUNTY OF WASHINGTON

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

OCT 01 1997

Beth A. Rothermol

Beth Rothermol, County Clerk
Washington County, Texas



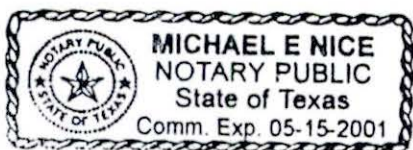
STATE OF TEXAS }
COUNTY OF WASHINGTON }

LESSOR:

Judy Korth Rudloff
JUDY KORTH RUDLOFF

FILED FOR RECORD
WASHINGTON COUNTY, T
1997 SEP 30 AM 9:44
WASHINGTON CO. CLERK

This instrument was acknowledged before me this 30th day of September, 1997 by JUDY KORTH RUDLOFF.



Michael E. Nice
NOTARY PUBLIC, STATE OF TEXAS

MF 99294
ITEM Lease (PRIVATE)
TO _____
FROM _____
DATE 8/21/98

99294